

# Legislative Analysis



## SEWAGE AND STORMWATER PROJECTS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5890 as introduced**  
**Sponsor: Rep. Beth Griffin**

Analysis available at  
<http://www.legislature.mi.gov>

**House Bill 5891 as introduced**  
**Sponsor: Rep. David Martin**

**House Bill 5892 as introduced**  
**Sponsor: Rep. Sara Cambensy**

**Committee: Natural Resources and Outdoor Recreation**  
**Complete to 3-24-22**

### SUMMARY:

House Bill 5890 would amend Part 53 (Clean Water Assistance) and Part 54 (Safe Drinking Water Assistance) of the Natural Resources and Environmental Protection Act (NREPA) to revise requirements for stormwater and sewage treatment projects. House Bills 5891 and 5892 would amend the Shared Credit Rating Act and the Administrative Procedures Act, respectively, to update provisions of those acts that refer to Parts 53 and 54.

**House Bill 5890** would make several revisions to NREPA regarding storm water and sewage plans. The bill would do all of the following:

- Replace the term *disadvantaged community* in Parts 53 and 54 with ***overburdened community*** and ***significantly overburdened community***. The definitions of these new terms would be substantially similar to the old one, with minor changes to household income thresholds.
- Revise references to federal laws and programs to reflect updates to those laws and programs.
- Replace “project plan” with “planning document” throughout Parts 53 and 54.
- Require that municipalities (Part 53) and water suppliers (Part 54) consider and use a cost comparison between consolidation considered over a 20-year planning period, which would have to include the consideration of various ancillary factors.
- Allow municipalities (Part 53) and water suppliers (Part 54) to submit certain preexisting documents as part of the planning document.
- Remove provisions regarding project planning costs that are eligible for funding and reimbursement under Part 54, yet allow an overburdened community to generally receive direct reimbursement.
- Remove provisions under Part 54 that require certain documentations and analyses in a project plan.
- Remove the definitions for *Tier I project* and *Tier II project* from Part 53 as well as all references and provisions made in consideration of Tier I and Tier II projects.
- Require municipalities (Part 53) and water suppliers (Part 54) to include documentation in a planning document that demonstrates certain conditions and remove certain current requirements from Part 54, including a description of the selected alternative plan.

- Add that planning documents under Part 53 would have to describe the public participation activities conducted during planning, including specific interactions with the public. Part 54 currently requires these activities, but the bill would lengthen the public notice time requirement from 10 days to 30 days. This same requirement would be 15 days under Part 53.
- Require the Department of Environment, Great Lakes, and Energy (EGLE) to develop new scoring criteria for priority lists of sewage treatment works projects and stormwater treatment projects under Part 53 and projects eligible for assistance under Part 54. Among other things, the scoring criteria would have to include impacts on overburdened communities and significantly overburdened communities.
- Require EGLE to publish a draft of the intended use plan on its website at least 14 days before a final intended use plan is submitted under Part 53.
- Require a municipality under Part 53 to correct any deficiencies in a planning document and submit an amended document to EGLE within 45 days after receiving notice. EGLE would have 90 days, instead of 120 days, to approve or disapprove an amended planning document.
- Require EGLE to conduct an environmental review of the planning document submitted under Part 53, which could lead to a municipality having to complete an environmental impact statement.
- Require EGLE to reevaluate a project under Part 53 for compliance with national standards at most every five years.
- Allow EGLE to bypass a project that fails to meet certain scheduling criteria under Part 53 and require EGLE to provide to the municipality with written notice of its intent to bypass at least 30 days before the project is bypassed.
- Allow a municipality to request a schedule extension under Part 53 for a total of 90 days.
- Require EGLE to annually establish interest rates under Part 53.
- Provide that municipalities (Part 53) and water suppliers (Part 54) are responsible for obtaining any federal, state, or local permits necessary for the project as well as performing any required surveys or studies.
- Require municipalities (Part 53) and water suppliers (Part 54) to incorporate all appropriate provisions, conditions, and mitigative measures included in the studies, surveys, permits, and licenses into the construction documents.
- Require municipalities to enforce all applicable and appropriate conditions and mitigative measures under both Parts 53 and 54.
- Create the State Revolving Administrative Fund in Part 53 and provide that up to 0.25% of the interest charged on a loan issued under Part 53 or Part 54 may be deposited into the fund and that EGLE may only expend money from the fund for the reasonable costs of administering and conducting activities under Part 53 and Part 54.
- Allow funds collected from fees and charges by EGLE in connection with a transaction under Part 54 to be used for administering and implementing Part 54.
- Repeal section 5317, which regulates the state water pollution control revolving fund advisory committee and remove references to this section in Part 52 (Strategic Water Quality Initiatives), Part 53, and Part 54.

MCL 324.5204d et al

**House Bill 5891** would amend the Shared Credit Rating Act to update references to federal laws and programs as well as update provisions of the act that refer to changes that would be made in Parts 53 and 54 of NREPA, including accounting for the repeal of section 5317.

The bill would not take effect unless HB 5890 were also enacted.

MCL 141.1053

**House Bill 5892** would amend the Administrative Procedures Act to provide that the definition of “rule” does not include scoring criteria developed by EGLE under the authority granted under Parts 53 and 54 of NREPA, as added by House Bill 5890.

The bill would not take effect unless HB 5890 were also enacted.

MCL 24.207

**FISCAL IMPACT:**

A fiscal analysis is in progress.

Legislative Analyst: Emily S. Smith  
Fiscal Analyst: Austin Scott

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.