

**SENATE FISCAL AGENCY  
 ADMINISTRATIVE RULES FISCAL NOTE**

**DATE:** November 23, 2021  
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<u>TRANS. NO.</u>	<u>AGENCY</u>	<u>SUBJECT</u>
21-70	Department of Environment Remediation and Redevelopment Division	Environmental Contamination Response Activity

**FISCAL IMPACT:** The Department of Environment, Great Lakes, and Energy (EGLE) has proposed the promulgation of a new rule setting generic cleanup criteria for groundwater used for drinking water. In Michigan, currently roughly 3 million residents rely on private wells for their drinking water, while another 7 million residents rely on public water systems. The Department cites the reason it needs to establish the new rule is that while existing rules protect citizens using a public water system from PFAS contamination, no such rules exist providing the same protection for citizens using private wells. The Department has currently identified 154 sites where PFAS releases exceed the levels proposed in the new rule. EGLE does not have exhaustive data with respect to the number of sites affected by groundwater contamination from PFAS, because there is no statutory reporting requirement for the discovery of PFAS contamination. The sites identified are comprised of businesses, both public and privately-owned waste disposal sites, military installations, etc.

The fiscal impact on EGLE would be negative but at an indeterminant amount. The impact would be equal to the increase in administrative costs associated with the increased volume of PFAS release sites considered excessive based on the proposed levels.

There is expected to be little to no fiscal impact on local governments with exception of two scenarios:

- 1) If a local government is responsible for causing a release of PFAS that affects ground water than there would be a negative fiscal impact at an amount indeterminate at this time, but equal to the costs associated with containment and remediation requirements.
- 2) If a PFAS release that affects ground water is caused by a private party (and reported to EGLE) and the Department can facilitate the redevelopment and reuse of the site this would have a positive fiscal impact on the local unit of government. This impact would be facilitated through increased tax revenue and stabilizing property values, often associated with redevelopment.

The cost obligation related to a cleanup of contamination, whether for a private party or a unit of government, varies depending on several factors such as – the number and proximity of private wells, the ability to contain and manage the release, the amount and concentration of the pollutant, etc. Given this variability from site to site, the fiscal impact on any one polluter, due to the promulgation of this rule, is indeterminate at this time.