



Romney Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

TOLL FREE NUMBER FOR OIL AND GAS QUESTIONS

House Bill 5867 (Substitute H-1) First Analysis (6-18-98)

Sponsor: Rep. Andrew Raczkowski
**Committee: Conservation, Environment
and Recreation**

THE APPARENT PROBLEM:

Several years ago, the Department of Natural Resources (DNR) established a toll-free telephone number, 1-800-662-9278, in its Waste Reduction Clearinghouse to answer citizens' question on issues relating to reducing waste. In 1995, when the DNR was split into two departments -- the DNR and the Department of Environmental Quality (DEQ) -- this number was preserved under the auspices of the DEQ's Environmental Assistance Center. Now, it is proposed that the services provided by this toll-free number be extended to those who will undoubtedly have questions regarding recent legislation on oil and gas well extraction. Accordingly, legislation has been introduced that would require the DEQ to provide information on this topic. Under the legislation, calls to the toll-free telephone number concerning oil and gas issues would be transferred to the appropriate agency within the department.

THE CONTENT OF THE BILL:

House Bill 5867 would amend the Natural Resources and Environmental Protection Act (NREPA) to require that the Department of Environmental Quality (DEQ) maintain a toll-free telephone number that could be used by any person, including a local government official, to receive information on DEQ standards and safety requirements, and for educational information related to oil and gas exploration, drilling, permitting, hydrogen sulfide management, pooling, and other topics related to oil and gas extraction.

MCL 324.61506a

FISCAL IMPLICATIONS:

The House Fiscal Agency estimates that the provisions of the bill would cost the Department of Environmental Quality approximately \$2,000 annually. (6-15-98)

ARGUMENTS:

For:

Several bills have been introduced during the current legislative session that would alter the state's regulation of oil and gas wells. For example, House Bill 5627 would restrict drilling in some areas by extending the required setback from residential buildings to 1,000 feet. Other bills would establish new procedures concerning postproduction costs (PPCs). (See HLAS analyses of House Bills 5627, 5261, and 5262). These changes are certain to provoke questions from persons affected by oil and gas legislation, and it is good public policy to provide the information at no cost.

POSITIONS:

The Department of Environmental Quality (DEQ) supports the bill. (6-16-98)

The Michigan Townships Association (MTA) supports the bill. (6-16-98)

The Michigan Association of Counties (MAC) supports the bill. (6-16-98)

The Michigan Oil and Gas Association (MOGA) supports the bill. (6-16-98)

The Michigan Municipal League (MML) has no position on the bill. (6-16-98)

Analyst: R. Young

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

House Bill 5867 (6-18-98)