



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 447 (Substitute S-3 as reported)
Senate Bill 448 (Substitute S-4 as reported)
Sponsor: Senator Cameron S. Brown
Committee: Agriculture

CONTENT

Senate Bill 447 (S-3) would amend Part 31 (Water Resources Protection) of the Natural Resources and Environmental Protection Act to do the following:

- Require the owner or operator of a large concentrated animal feeding operation (CAFO), under certain circumstances, to obtain a mechanism of financial assurance of \$100,000 that was accessible by the Department of Environmental Quality (DEQ) to remediate any environmental harm caused by a violation of a permit under Part 31.
- Allow the DEQ to require a financial assurance mechanism of up to \$1.0 million for a large CAFO with a history of convictions or court determined violations under Part 31.
- Prohibit the owner or operator of a large CAFO that violated Part 31 from increasing the number of animals at the CAFO until at least one year after the owner or operator had conducted any necessary remediation or had completed a schedule to meet those requirements; was in compliance with the Act or was making progress toward compliance; and had obtained a required mechanism of financial assurance.
- Prohibit the DEQ from modifying or reissuing a permit, or issuing a new permit, for that CAFO owner unless all of those requirements had been met.

Senate Bill 448 (S-4) would amend Part 31 of the Act to do the following:

- Require a person to obtain a certificate of construction from the Michigan Department of Agriculture (MDA) before constructing facilities for a large CAFO or expanding an existing large CAFO.
- Require the MDA to inspect the construction site upon receiving an application for a certificate, and approve the certificate if the proposed construction or expansion conformed to generally accepted agricultural and management practices under the Right to Farm Act and certain Federal standards.
- Prescribe a \$150 application fee for a certificate of construction.
- Require a person who received a certificate of construction to submit modified plans to the MDA before modifying the design or construction plans for the proposal.

The bill also would allow a court to revoke a permit held by the owner or operator of a large CAFO or order the person to comply with the permit, if the owner or operator were convicted of a criminal violation or found responsible for a civil violation of Part 31 or a permit issued under it.

The two bills are tie-barred to each other and to Senate Bill 504.

MCL 324.3112 (S.B. 447)
324.3115 et al. (S.B. 448)

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bills would result in additional responsibilities for the DEQ, mainly related to the implementation of financial assurance mechanisms. Whether the DEQ absorbed these functions with existing staff, or new staff, would be contingent upon future appropriations.

The fiscal impact of Senate Bill 448 (S-4) relating to the Department of Agriculture cannot be determined at this time as it is unknown how many construction permit applications would be submitted in the future.

Date Completed: 6-19-07

Fiscal Analyst: Debra Hollon
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.