

# HOUSE BILL No. 4984

June 27, 2007, Introduced by Reps. Alma Smith, Meadows, Bauer, Leland, Hammel, Vagnozzi, Bieda, Condino, Hammon, Polidori, Kathleen Law, Hopgood, Miller, David Law, Gaffney, Warren, LeBlanc, Coulouris, Farrah, Johnson, Donigan, Accavitti, Melton and Constan and referred to the Committee on Agriculture.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 3115 and 3120 (MCL 324.3115 and 324.3120), section 3115 as amended by 2004 PA 143 and section 3120 as added by 2004 PA 91.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3115. (1) The department may request the attorney general  
2 to commence a civil action for appropriate relief, including a  
3 permanent or temporary injunction, for a violation of this part or  
4 ~~a provision of a permit or order issued or rule promulgated under~~  
5 this part. An action under this subsection may be brought in the  
6 circuit court for the county of Ingham or for the county in which  
7 the defendant is located, resides, or is doing business. If  
8 requested by the defendant within 21 days after service of process,  
9 the court shall grant a change of venue to the circuit court for

1 the county of Ingham or for the county in which the alleged  
2 violation occurred, is occurring, or, in the event of a threat of  
3 violation, will occur. The court has jurisdiction to restrain the  
4 violation and to require compliance. In addition to any other  
5 relief granted under this subsection, the court, except as  
6 otherwise provided in this subsection, shall impose a civil fine of  
7 not less than \$2,500.00 and the court may award reasonable attorney  
8 fees and costs to the prevailing party. However, all of the  
9 following apply:

10 (a) The maximum fine imposed by the court shall be not more  
11 than \$25,000.00 per day of violation.

12 (b) For a failure to report a release to the department or to  
13 the primary public safety answering point under section 3111b(1),  
14 the court shall impose a civil fine of not more than \$2,500.00.

15 (c) For a failure to report a release to the local health  
16 department under section 3111b(2), the court shall impose a civil  
17 fine of not more than \$500.00.

18 (2) A person who at the time of the violation knew or should  
19 have known that he or she discharged a substance contrary to this  
20 part, or contrary to a permit or order issued or rule promulgated  
21 under this part, or who intentionally makes a false statement,  
22 representation, or certification in an application for or form  
23 pertaining to a permit or in a notice or report required by the  
24 terms and conditions of ~~an issued~~ **A** permit, or who intentionally  
25 renders inaccurate a monitoring device or record required to be  
26 maintained by the department, is guilty of a felony and shall be  
27 fined not less than \$2,500.00 or more than \$25,000.00 for each

1 violation. The court may impose an additional fine of not more than  
2 \$25,000.00 for each day during which the unlawful discharge  
3 occurred. If the conviction is for a violation committed after a  
4 first conviction of the person under this subsection, the court  
5 shall impose a fine of not less than \$25,000.00 per day and not  
6 more than \$50,000.00 per day of violation. Upon conviction, in  
7 addition to a fine, the court in its discretion may sentence the  
8 defendant to imprisonment for not more than 2 years or impose  
9 probation. ~~upon a person for a violation of this part.~~ With the  
10 exception of the issuance of criminal complaints, issuance of  
11 warrants, and the holding of an arraignment, the circuit court for  
12 the county in which the violation occurred has exclusive  
13 jurisdiction. However, the person shall not be subject to the  
14 penalties of this subsection if the discharge of the effluent is ~~in~~  
15 ~~conformance with and obedient to~~ **AUTHORIZED BY** a rule, order, or  
16 permit of the department. ~~In addition to a fine, the attorney~~  
17 ~~general may file a civil suit in a court of competent jurisdiction~~  
18 ~~to recover the full value of the injuries done to the natural~~  
19 ~~resources of the state and the costs of surveillance and~~  
20 ~~enforcement by the state resulting from the violation.~~

21 (3) Upon a finding by the court that the actions of a civil  
22 defendant pose or posed a substantial endangerment to the public  
23 health, safety, or welfare, the court shall impose, in addition to  
24 the sanctions set forth in subsection (1), a fine of not less than  
25 \$500,000.00 and not more than \$5,000,000.00.

26 (4) Upon a finding by the court that the actions of a criminal  
27 defendant pose or posed a substantial endangerment to the public

1 health, safety, or welfare, the court shall impose, in addition to  
2 the penalties set forth in subsection (2), a fine of not less than  
3 \$1,000,000.00 and, in addition to a fine, a sentence of 5 years'  
4 imprisonment.

5 (5) To find a defendant civilly or criminally liable for  
6 substantial endangerment under subsection (3) or (4), the court  
7 shall determine that the defendant knowingly or recklessly acted in  
8 such a manner as to cause a danger of death or serious bodily  
9 injury and that either of the following occurred:

10 (a) The defendant had an actual awareness, belief, or  
11 understanding that his or her conduct would cause a substantial  
12 danger of death or serious bodily injury.

13 (b) The defendant acted in gross disregard of the standard of  
14 care that any reasonable person should observe in similar  
15 circumstances.

16 (6) Knowledge possessed by a person other than the defendant  
17 under subsection (5) may be attributable to the defendant if the  
18 defendant took affirmative steps to shield himself or herself from  
19 the relevant information.

20 **(7) THE ATTORNEY GENERAL MAY FILE A CIVIL SUIT IN A COURT OF**  
21 **COMPETENT JURISDICTION TO RECOVER THE FULL VALUE OF THE INJURIES**  
22 **DONE TO THE NATURAL RESOURCES OF THE STATE AND THE COSTS OF**  
23 **SURVEILLANCE AND ENFORCEMENT BY THE STATE RESULTING FROM A**  
24 **VIOLATION OF THIS PART, A PERMIT OR ORDER ISSUED UNDER THIS PART,**  
25 **OR A RULE PROMULGATED UNDER THIS PART.**

26 (8) ~~(7) A~~ **ALL OF THE FOLLOWING APPLY TO A** civil fine or other  
27 award ordered paid pursuant to this section: ~~shall do both of the~~

1 following:

2 (a) ~~Be~~**THE FINE OR AWARD SHALL BE** payable to the state of  
3 Michigan and **SHALL BE** credited **AS FOLLOWS:**

4 (i) **IF THE VIOLATION WAS RELATED TO A DISCHARGE FROM A CAFO, TO**  
5 **THE CAFO CLEANUP AND ENFORCEMENT FUND CREATED UNDER SECTION 8637.**  
6 **AS USED IN THIS SUBPARAGRAPH, "CAFO" MEANS THAT TERM AS DEFINED IN**  
7 **SECTION 8601.**

8 (ii) **FOR VIOLATIONS OTHER THAN THOSE DESCRIBED IN SUBPARAGRAPH**  
9 **(i),** to the general fund.

10 (b) ~~Constitute~~**THE FINE OR AWARD CONSTITUTES** a lien on any  
11 property ~~, of any nature or kind,~~ owned by the defendant.

12 ~~—— (8) A lien under subsection (7)(b) shall take~~**THIS LIEN TAKES**  
13 effect and ~~have~~**HAS** priority over all other liens and encumbrances  
14 except those filed or recorded prior to the date of judgment, **BUT**  
15 only if notice of the lien is filed or recorded as required by  
16 state or federal law.

17 ~~—— (9) A lien~~**IF NOTICE OF THE LIEN IS** filed or recorded,  
18 ~~pursuant to subsection (8)~~**THE LIEN** shall be terminated according  
19 to the procedures required by state or federal law within 14 days  
20 after the fine or other award ordered to be paid is paid.

21 ~~—— (10) In addition to any other method of collection, any fine~~  
22 ~~or other award ordered paid~~

23 (c) **THE FINE OR AWARD** may be recovered by right of setoff to  
24 any debt owed to the defendant by ~~the~~**THIS** state, ~~of Michigan,~~  
25 including the right to a refund of income taxes paid.

26 Sec. 3120. (1) ~~Until October 1, 2009, an~~**AN** application for a  
27 new permit, a reissuance of a permit, or a modification of an

1 existing permit under this part authorizing a discharge into  
2 surface water, other than a storm water discharge, shall be  
3 accompanied by an application fee as follows:

4 (a) For an EPA major facility permit, \$750.00.

5 (b) For an EPA minor facility individual permit, a CSO permit,  
6 or a wastewater stabilization lagoon individual permit, \$400.00.

7 (c) For an EPA minor facility general permit, \$75.00.

8 (2) Within 180 days after receipt of a complete application  
9 for a new or increased use permit, the department shall either  
10 grant or deny the permit, unless the applicant and the department  
11 agree to extend this time period.

12 (3) By September 30 of the year following the submittal of a  
13 complete application for reissuance of a permit, the department  
14 shall either grant or deny the permit, unless the applicant and the  
15 department agree to extend this time period.

16 (4) If the department fails to make a decision on an  
17 application within the applicable time period under subsection (2)  
18 or (3), the department shall return to the applicant the  
19 application fee submitted under subsection (1) and the applicant  
20 shall not be subject to an application fee and shall receive a 15%  
21 annual discount on an annual permit fee required for a permit  
22 issued based upon that application.

23 (5) ~~Until October 1, 2009, a~~ **A** person who receives a permit  
24 under this part authorizing a discharge into surface water, other  
25 than a stormwater discharge, is subject to an annual permit fee as  
26 follows:

27 (a) For an industrial or commercial facility that is an EPA

1 major facility, \$8,700.00.

2 (b) For an industrial or commercial facility that is an EPA  
3 minor facility, the following amounts:

4 (i) For a general permit for a low-flow facility, \$150.00.

5 (ii) For a general permit for a high-flow facility, \$400.00.

6 (iii) For an individual permit for a low-flow facility,  
7 \$1,650.00.

8 (iv) For an individual permit for a high-flow facility,  
9 \$3,650.00.

10 (c) For a municipal facility that is an EPA major facility,  
11 the following amounts:

12 (i) For an individual permit for a facility discharging 500 MGD  
13 or more, \$213,000.00.

14 (ii) For an individual permit for a facility discharging 50 MGD  
15 or more but less than 500 MGD, \$20,000.00.

16 (iii) For an individual permit for a facility discharging 10 MGD  
17 or more but less than 50 MGD, \$13,000.00.

18 (iv) For an individual permit for a facility discharging less  
19 than 10 MGD, \$5,500.00.

20 (d) For a municipal facility that is an EPA minor facility,  
21 the following amounts:

22 (i) For an individual permit for a facility discharging 10 MGD  
23 or more, \$3,775.00.

24 (ii) For an individual permit for a facility discharging 1 MGD  
25 or more but less than 10 MGD, \$3,000.00.

26 (iii) For an individual permit for a facility discharging less  
27 than 1 MGD, \$1,950.00.

1 (iv) For a general permit for a high-flow facility, \$600.00.

2 (v) For a general permit for a low-flow facility, \$400.00.

3 (e) For a municipal facility that is a CSO facility,  
4 \$6,000.00.

5 (f) For an individual permit for a wastewater stabilization  
6 lagoon, \$1,525.00.

7 (g) For an individual or general permit for an agricultural  
8 purpose, \$600.00, unless either of the following applies:

9 (i) The facility is an EPA minor facility and would qualify for  
10 a general permit for a low-flow facility, in which case the fee  
11 ~~would be~~ **IS** \$150.00.

12 (ii) The facility is an EPA major facility that is not a  
13 farmers' cooperative corporation, in which case the fee ~~would be~~ **IS**  
14 \$8,700.00.

15 **(H) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION,**  
16 **FOR AN INDIVIDUAL PERMIT FOR A CAFO, THE FOLLOWING FEE, AS**  
17 **APPLICABLE:**

18 **(i) FOR A LARGE CAFO, \$5,500.00.**

19 **(ii) FOR A MEDIUM CAFO, \$1,600.00.**

20 **(iii) FOR A SMALL CAFO, \$600.00.**

21 **(I) ~~(h)~~**For a facility that holds a permit issued under this  
22 part but has no discharge **TO THE WATERS OF THE STATE** and ~~the~~  
23 ~~facility is~~ connected to and ~~is~~ authorized to discharge only to a  
24 municipal wastewater treatment system, an annual permit maintenance  
25 fee of \$100.00. However, if a facility does have a discharge or at  
26 some point is no longer connected to a municipal wastewater  
27 treatment system, the annual permit fee shall be the appropriate



1 fee as otherwise provided in this subsection.

2 (6) If the person required to pay an application fee under  
3 subsection (1) or an annual permit fee under subsection (5) is a  
4 municipality, the municipality may pass on the application fee or  
5 the annual permit fee, or both, to each user of the municipal  
6 facility.

7 (7) The department shall send invoices for annual permit fees  
8 under subsection (5) to all permit holders by December 1 of each  
9 year. The fee shall be based on the status of the facility as of  
10 October 1 of that year. A person subject to an annual permit fee  
11 shall pay the fee not later than January 15 of each year. Failure  
12 by the department to send an invoice by the deadline, or failure of  
13 a person to receive an invoice **THAT WAS SENT BY THE DEADLINE**, does  
14 not relieve that person of his or her obligation to pay the annual  
15 permit fee. If the department does not meet the December 1 deadline  
16 for sending invoices, the annual permit fee is due not later than  
17 45 days after receiving an invoice. The department shall forward  
18 annual permit fees received under this section to the state  
19 treasurer for deposit **AS FOLLOWS:**

20 (A) **ALL FEES OTHER THAN FEES FOR CAFOS SHALL BE DEPOSITED** into  
21 the national pollutant discharge elimination system fund created in  
22 section 3121.

23 (B) **FEES FOR CAFOS SHALL BE DEPOSITED INTO THE CAFO CLEANUP**  
24 **AND ENFORCEMENT FUND CREATED UNDER SECTION 8637.**

25 (8) The department shall assess a penalty on all annual permit  
26 fee payments submitted under this section after the due date. The  
27 penalty shall be an amount equal to 0.75% of the payment due for

1 each month or portion of a month the payment remains past due.

2 (9) Following payment of an annual permit fee, if a permittee  
3 wishes to challenge its annual permit fee under this section, the  
4 owner or operator shall submit the challenge in writing to the  
5 department. The department shall not process the challenge unless  
6 it is received by the department by March 1 of the year the payment  
7 is due. A challenge shall identify the facility and state the  
8 grounds upon which the challenge is based. Within 30 calendar days  
9 after receipt of the challenge, the department shall determine the  
10 validity of the challenge and provide the permittee with  
11 notification of a revised annual permit fee and a refund, if  
12 appropriate, or a statement setting forth the reason or reasons why  
13 the annual permit fee was not revised. If the owner or operator of  
14 a facility desires to further challenge its annual permit fee, the  
15 owner or operator of the facility has an opportunity for a  
16 contested case hearing as provided for under the administrative  
17 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

18 (10) The attorney general may bring an action for the  
19 collection of the annual permit fee imposed under this section.

20 ~~—— (11) Within 30 days after the effective date of the amendatory~~  
21 ~~act that added this section, the director of the department shall~~  
22 ~~notify each person holding a permit under this part authorizing a~~  
23 ~~discharge into surface water, other than a storm water permit, of~~  
24 ~~the requirements of this section.~~

25 (11) ~~(12)~~ As used in this section:

26 (a) "Agricultural purpose" means the agricultural production  
27 or processing of those plants and animals useful to human beings

1 produced by agriculture and includes, but is not limited to,  
2 forages and sod crops, grains and feed crops, field crops, dairy  
3 animals and dairy products, poultry and poultry products, cervidae,  
4 livestock, including breeding and grazing, equine, fish and other  
5 aquacultural products, bees and bee products, berries, herbs,  
6 fruits, vegetables, flowers, seeds, grasses, nursery stock, trees  
7 and tree products, mushrooms, and other similar products, or any  
8 other product, as determined by the commission of agriculture, that  
9 incorporates the use of food, feed, fiber, or fur. Agricultural  
10 purpose includes an operation or facility that produces wine.

11 (B) **"CAFO" MEANS THAT TERM AS DEFINED IN SECTION 8601.**

12 (C) ~~(b)~~—"Combined sewer overflow" OR **"CSO"** means a discharge  
13 from a combined sewer system that occurs when the flow capacity of  
14 the combined sewer system is exceeded at a point prior to the  
15 headworks of a publicly owned treatment works during wet weather  
16 conditions.

17 (D) ~~(e)~~—"Combined sewer system" means a sewer designed and  
18 used to convey both storm water runoff and sanitary sewage, and  
19 which contains lawfully installed regulators and control devices  
20 that allow for delivery of sanitary flow to treatment during dry  
21 weather periods and divert storm water and sanitary sewage to  
22 surface waters during storm flow periods.

23 (E) ~~(d)~~—"CSO facility" means a facility whose discharge is  
24 solely a combined sewer overflow.

25 (F) ~~(e)~~—"EPA major facility" means a facility that is  
26 designated by the United States environmental protection agency as  
27 being a major facility under 40 C.F.R.—**CFR** 122.2.

1           (G) ~~(f)~~—"EPA minor facility" means a facility that is not an  
2 EPA major facility.

3           (H) ~~(g)~~—"Farmers' cooperative corporation" means a farmers'  
4 cooperative corporation organized within the limitations of section  
5 98 of **THE MICHIGAN GENERAL CORPORATION ACT, 1931 PA 327, MCL**  
6 450.98.

7           (I) ~~(h)~~—"General permit" means a permit suitable for use at  
8 facilities meeting eligibility criteria as specified in the permit.  
9 With a general permit, the discharge from a specific facility is  
10 acknowledged through a certificate of coverage issued to the  
11 facility.

12           (J) ~~(i)~~—"High-flow facility" means a facility that discharges  
13 1 MGD or more.

14           (K) ~~(j)~~—"Individual permit" means a permit developed for a  
15 particular facility, taking into account that facility's specific  
16 characteristics.

17           (L) ~~(k)~~—"Industrial or commercial facility" means a facility  
18 that is not a municipal facility.

19           (M) **"LARGE CAFO" MEANS THAT TERM AS DEFINED IN SECTION 8603.**

20           (N) ~~(l)~~—"Low-flow facility" means a facility that discharges  
21 less than 1 MGD.

22           (O) **"MEDIUM CAFO" MEANS THAT TERM AS DEFINED IN SECTION 8603.**

23           (P) ~~(m)~~—"MGD" means 1,000,000 gallons per day.

24           (Q) ~~(n)~~—"Municipal facility" means a facility that is designed  
25 to collect or treat sanitary wastewater, and is either publicly or  
26 privately owned, and serves a residential area or a group of  
27 municipalities.

1 (R) "SMALL CAFO" MEANS THAT TERM AS DEFINED IN SECTION 8605.

2 (S) ~~(e)~~—"Wastewater stabilization lagoon" means a type of  
3 treatment system constructed of ponds or basins designed to  
4 receive, hold, and treat sanitary wastewater for a predetermined  
5 amount of time. Wastewater is treated through a combination of  
6 physical, biological, and chemical processes.

7 Enacting section 1. This amendatory act does not take effect  
8 unless all of the following bills of the 94th Legislature are  
9 enacted into law:

10 (a) Senate Bill No. \_\_\_\_ or House Bill No. 4983(request no.  
11 03918'07).

12 (b) Senate Bill No. \_\_\_\_ or House Bill No. 4985(request no.  
13 03920'07).

14 (c) Senate Bill No. \_\_\_\_ or House Bill No. 4986(request no.  
15 03921'07).

16 (d) Senate Bill No. \_\_\_\_ or House Bill No. 4987(request no.  
17 03922'07).

18 (e) Senate Bill No. \_\_\_\_ or House Bill No. 4988(request no.  
19 03923'07).

20 (f) Senate Bill No. \_\_\_\_ or House Bill No. 4989(request no.  
21 03924'07).

22 (g) Senate Bill No. \_\_\_\_ or House Bill No. 4990(request no.  
23 03925'07).

24 (h) Senate Bill No. \_\_\_\_ or House Bill No. 4991(request no.  
25 03926'07).