



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 4398 (Substitute H-1 as passed by the House)
House Bill 4400 (Substitute H-1 as passed by the House)
Sponsor: Representative Amanda Price (H.B. 4398)
Representative Peter Pettalia (H.B. 4400)
House Committee: Natural Resources
Senate Committee: Outdoor Recreation and Tourism

Date Completed: 3-19-13

CONTENT

The bills would amend the Natural Resources and Environmental Protection Act to remove from the permit application fee projects to dredge at least 10,000 cubic yards, if the dredge material were at least 90% sand.

House Bill 4398 (H-1) would apply to a permit under Part 325 (Great Lakes Submerged Lands) and House Bill 4400 (H-1) would apply to a permit under Part 301 (Inland Lakes and Streams).

Under Parts 325 and 301, a person must obtain a permit from the DEQ in order to undertake certain projects. For construction or expansion of an existing permitted marina that proposes maintenance dredging of at least 10,000 cubic yards, the fee is \$1,500. For other major projects involving dredging of at least 10,000 cubic yards, the fee is \$2,000. Under the bills, these fees would apply unless the dredge material was determined through testing to be at least 90% sand.

MCL 324.32513 (H.B. 4398)
324.30104 (H.B. 4400)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bills would have a minor, but indeterminate fiscal impact on the Department of Environmental Quality. They would reduce the application fees for permits to dredge more than 10,000 cubic yards of material from marinas or other bottomlands where the dredged material is composed of more than 90% sand from \$1,500 for marinas and \$2,000 for other dredging projects to \$50. While the bill would not directly reduce the fees, the DEQ has the statutory authority to classify the types of projects that are eligible for a "minor project" permit and its fee of \$50. The DEQ has classified dredging of more than 10,000 cubic yards where the spoils are composed of at least 90% sand as minor projects, so the bill would remove the ambiguity that currently exists between the DEQ's minor project classification and the current statutory classification of dredging projects of this nature.

Under the bill, the DEQ would lose an indeterminate amount of revenue from large dredging projects, but minor permits are less labor-intensive for the DEQ to process than permits for

major projects. It is unknown how the amount of revenue lost would compare to the saved staff time, so the fiscal impact is indeterminate, but expected to be minor.

Fiscal Analyst: Josh Sefton

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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.