



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 1179 (as introduced 11-10-16)
Sponsor: Senator Mike Green
Committee: Committee of the Whole

CONTENT

The bill would amend the Fire Prevention Code to exempt aboveground storage tanks that exclusively receive refined petroleum products subject to the 7/8th-cent environmental protection regulatory fee under Part 215 of the Natural Resources and Environmental Protection Act from application fees paid before installation of the tank, as well as an annual fee. Under current law, an individual who wishes to install an aboveground storage tank is subject to a fee of \$203 with the application for installation, as well as a fee of \$61.50 annually. The bill would exempt owners of these tanks from those fees if the tanks were used exclusively for the storage of refined petroleum products subject to the 7/8th-cent per gallon environmental protection regulatory fee.

The bill is tie-barred to Senate Bills 503, 1051, 1052, and 1053.

MCL 29.5d

FISCAL IMPACT

The bill would have a negative fiscal impact on the Department of Licensing and Regulatory Affairs, which would be offset by the effects of other bills tie-barred to Senate Bill 1179. The exemption of aboveground storage tanks that store refined petroleum products from application and annual certificate fees would reduce aboveground storage tank fee revenue received by the Department by about \$250,000, out of a total of \$450,000 per year. However, Senate Bill 1053, to which the bill is tie-barred, would increase the 7/8th-cent per gallon environmental protection regulatory fee to 1 cent per gallon. The fee increase in Senate Bill 1053, after taking into account the loss of revenue from other fees that would be repealed by Senate Bills 1051 and 1052 (also tie-barred to the bill), would generate an additional \$5.0 million each year. Senate Bill 1179 would reduce new fee revenue under Senate Bill 1053 to \$4.75 million each year.

The bill would have no fiscal impact on local government.

Date Completed: 11-29-16

Fiscal Analyst: Josh Sefton

SAS\Floor\sb1179

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.