



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 447 (Substitute S-1 as reported)  
Sponsor: Senator Curtis Hertel, Jr.  
House Committee: Appropriations  
Senate Committee: Appropriations

**CONTENT**

The bill would amend the Natural Resources and Environmental Protection Act (NREPA) to extend the sunsets on six types of permit fees collected by the Department of Environment, Great Lakes, and Energy (EGLE).

- **Storm Water Discharge Permit Fees.** These fees are paid by entities that conduct activities that will result in the discharge of storm water. Generally these activities include construction, industrial activities, or changes to municipal separate storm sewers. These fees will sunset on October 1, 2019; the bill would delay the sunset until October 1, 2023. The fees are charged as follows:
  - A one-time fee of \$400 is charged for construction projects.
  - An annual fee of \$260 is charged for industrial sites as determined necessary by EGLE.
  - An annual fee of \$500 to \$7,000 is charged for municipal separate storm sewers. The fee is based on the population and type of municipality.
- **Surface Water Discharge Permit Fees.** These fees are paid by entities that wish to discharge substances other than storm water into surface water. Generally, the facilities subject to these fees are commercial or industrial sites. Application fees vary from \$75 to \$750, and annual permits vary from \$150 to \$213,000 depending on the type of facility. Under current law, these fees will sunset on October 1, 2019; the bill would delay the sunset until October 1, 2023.
- **Inland Lakes and Streams Permit Fees.** Any project requiring a permit under Part 301 (Inland Lakes and Streams) of NREPA is subject to an application fee of \$50 to \$2,000 depending on the type and scope of the project. Under current law, these fees will sunset on October 1, 2019; the bill would extend the sunset until October 1, 2023.
- **Ordinary High Water Mark Service Fee.** Any person who wishes to establish the ordinary high water mark for his or her property is subject to a \$500 service fee. Under current law, this fee will sunset on October 1, 2019; the bill would delay the sunset until October 1, 2023.
- **Great Lakes Shoreline Permits.** Under Part 323 (Shorelands Protection and Management) of NREPA, if rules require a permit in certain types of high-risk or flood risk areas, an application fee of \$50 to \$500 is charged, depending on the type of project. Under current law, these fees will sunset on October 1, 2019; the bill would delay the sunset until October 1, 2023.
- **Submerged Lands Permit Fees.** Any project requiring a permit under Part 325 (Great Lakes Submerged Lands) of NREPA is subject to an application fee of \$50 to \$2,000 depending on the type and scope of the project. Under current law, these fees will sunset on October 1, 2019; the bill would delay the sunset until October 1, 2023.

**FISCAL IMPACT**

The bill would have a positive fiscal impact on EGLE and no fiscal impact on local units of government. The bill would prevent EGLE from losing approximately \$6.5 million in fee revenue each year. Revenue from the fees affected by the bill is credited to several different restricted funds as detailed in the table below, and is used to offset the costs related to permit review and other costs incurred by EGLE.

The fiscal year 2019-2020 EGLE budget as passed from the Senate Appropriations Committee assumes EGLE will be able to collect these fees at their current levels. The table below provides additional detail on the fee sunsets that would be delayed by the bill.

<b>Fee Type</b>	<b>Restricted Fund</b>	<b>Revenue Loss Prevented Under Bill</b>
Storm Water Discharge Permit Fees	Storm Water Fund	1,625,100
Surface Water Discharge Permit Fees	National Pollutant Discharge Elimination System Fund	2,816,800
Inland Lakes and Streams Permit Fees	Land & Water Permit Fees	2,100,000
Ordinary High Water Mark Service Fee	Land & Water Permit Fees	
Submerged Lands Permit Fees	Land & Water Permit Fees	
Great Lakes Shoreline Permit	Land & Water Permit Fees	
<b>Total .....</b>		<b>\$6,541,900</b>

Date Completed: 8-28-19

Fiscal Analyst: Abbey Frazier

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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.