



Senate Fiscal Agency
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Senate Bill 447 (as introduced 8-20-19)
Sponsor: Senator Curtis Hertel, Jr.
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 8-20-19

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to extend the sunsets on two 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 affecting more than one acre.
 - 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.

The bill would take effect on October 1, 2019.

MCL 324.3118 & 324.3120.

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 \$4.4 million in fee revenue each year. Revenue from the fees affected by the bill is credited to two 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 (FY) 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.

Fee Type	Restricted Fund	Revenue Loss Prevented Under Bill
Storm Water Discharge Permit Fees	Storm Water Fund	1,625,100
Surface Water Discharge Permit Fees	National Pollutant Discharge Elimination System Fund	<u>2,816,800</u>
Total.....		\$4,441,900

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.