



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4891 (as passed by the House)
Sponsor: Representative John Cherry
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 9-17-19

CONTENT

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

- **Groundwater Discharge Permit Fees.** These fees are paid by entities that wish to discharge wastewater to the ground or groundwater. Generally, these facilities are industrial, commercial, or agricultural, and are subject to four annual fee tiers (\$200, \$250, \$1,500, and \$3,650, respectively) depending on the size of the facility. Under current law, these fees will sunset on September 30, 2019; the bill would extend the sunset until October 1, 2023.
- **Expedited Sewer Permit Fees.** These fees are paid by entities that wish to have an expedited sewer construction permit review. The fees vary between \$1,000 and \$4,000 depending on the size of the project. Under current law, these fees will sunset on September 30, 2019; the bill would delay the sunset until October 1, 2023.

MCL 324.3122 & 324.4112

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 \$1.2 million in fee revenue each year. Revenue from the fees affected by the bill is credited to the Groundwater Discharge Permit Fund and the Infrastructure Construction Fund 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 2019-20 EGLE budget as approved in SB 137 (S-2) CR-1 assumes EGLE will be able to collect these fees at their current levels.

Table 1

Fee Type	Restricted Fund	Revenue Loss Prevented Under Bill
Groundwater Discharge Permit Fees	Groundwater Discharge Permit Fund	1,190,000
Expedited Sewer Permit Fees	Infrastructure Construction Fund	31,800
	Total	\$1,221,800

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.