

Legislative Analysis



REDUCE FEES FOR CERTAIN DREDGING PROJECTS; ALLOW EXPEDITED EMERGENCY PERMITS

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House Bill 4398 (Substitute H-1 as reported)

Sponsor: Rep. Amanda Price

House Bill 4399 (as reported without amendment)

Sponsor: Rep. Al Pscholka

House Bill 4400 (Substitute H-1 as reported)

Sponsor: Rep. Peter Pettalia

Committee: Natural Resources

Complete to 3-13-13

A SUMMARY OF HOUSE BILLS 4398 - 4400 AS REPORTED FROM COMMITTEE 3-12-13

Taken together, the bills would (1) reduce the permit fees for marina maintenance and other major dredging projects of 10,000 or more cubic yards where 90% of the dredge material is shown to be sand, and (2) allow the Department of Environmental Quality (DEQ) to bypass the 20-day objection period and issue permits if emergency conditions exist.

House Bill 4398 (H-1) would amend Part 325 (Great Lakes Submerged Lands) of the Natural Resources and Environmental Protection Act (NREPA) to reduce the permit fee to \$50 [by classifying them as minor projects] for marina maintenance dredging projects and other major dredging projects within Great Lakes bottomlands of 10,000 cubic yards or more where testing has shown the dredge material to consist of at least 90% sand. Currently, the fee is \$1,500 if an existing permitted marina proposes maintenance dredging of 10,000 cubic yards or more, and \$2,000 for other major dredging projects of 10,000 cubic yards or more. The fees contained in Part 325 apply to projects taking place on Great Lakes bottomlands.

House Bill 4399 would amend Part 325 of NREPA to allow the Department of Environmental Quality (DEQ) to issue a permit before the 20-day written objection period expires if emergency conditions warrant a project to protect property or public health, safety, or welfare. Currently, when the DEQ receives a permit application under Part 325, it must allow 20 days for local municipalities to file a written objection to the granting of the application before the DEQ can issue a permit.

House Bill 4400 (H-1) would amend Part 301 (Inland Lakes and Streams) to reduce the permit fee to \$50 [by classifying them as minor projects] for marina maintenance dredging projects and other major dredging projects within inland lakes and streams of

10,000 cubic yards or more where testing has shown the dredge material to consist of at least 90% sand. Currently, the fee is \$1,500 if an existing permitted marina proposes maintenance dredging of 10,000 cubic yards or more, and \$2,000 for other major dredging projects of 10,000 cubic yards or more. The fees contained in Part 301 apply to projects taking place on inland lakes and streams.

FISCAL IMPACT:

House Bill 4398 (H-1): While the bill would reduce the amount of fee revenue that the DEQ would receive for these types of dredging permits, its provisions would also reduce the amount of administrative costs to the DEQ through the reclassification of the permits. House Bill 4398 is anticipated to have minimal fiscal impact to the Department.

The bill would reduce the amount of a maintenance dredging permit for projects within the Great Lakes bottomlands of 10,000 cubic yards or more material if the material is determined to be 90% or more sand. The current fee of \$1,500 would be reduced to \$50.

The bill would also reduce the permit fee for other major dredging projects within the Great Lakes bottomlands for 10,000 cubic yards or more material if the material is determined to be 90% or more sand. The current fee of \$2,000 would be reduced to \$50.

House Bill 4399 would have no significant fiscal impact on the Department of Environmental Quality (DEQ).

House Bill 4400 (H-1): While the bill would reduce the amount of fee revenue that the DEQ would receive for these types of dredging permits, its provisions would also reduce the amount of administrative costs to the DEQ through the reclassification of the permits. House Bill 4400 is anticipated to have minimal fiscal impact to the Department.

The bill would reduce the amount of a maintenance dredging permit for marina projects within inland lakes of 10,000 cubic yards or more material if the material is determined to be 90% or more sand. The current fee of \$1,500 would be reduced to \$50.

The bill would also reduce the permit fee for other major dredging projects within inland lakes for 10,000 cubic yards or more material if the material is determined to be 90% or more sand. The current fee of \$2,000 would be reduced to \$50.

POSITIONS:

Department of Environmental Quality supports the bills. (3-13-12)

Michigan Bankers Association supports the bills. (3-13-12)

Michigan Boating Industries Association supports the bills. (3-13-12)

Michigan United Conservation Clubs supports the bills. (3-13-12)

National Marine Manufacturers Association supports the bills. (3-13-12)

Michigan Environmental Council supports House Bills 4398 and 4400 and is neutral on House Bill 4399. (3-13-12)

BACKGROUND INFORMATION AND DISCUSSION:

Commercial and recreational harbors and marinas are vital to the state's economy, and the record low water levels of the Great Lakes have resulted in many of them needing to dredge sediment and other debris in order to provide continued access. According to testimony, the DEQ has received 265 dredging permit applications in Fiscal Year 2013, which is nearly ten times higher than the previous year. It is believed that projects where the dredged material consists of 90% or more sand are considered low-risk projects with minimal environmental impact and can be safely streamlined.

The DEQ has made internal improvements to streamline the application process and these bills are intended to have the same effect. Dredging projects where the dredged material has been determined to consist of 90% or more sand have been reclassified as minor category projects by the department. As a result, the department is able to provide public notice that these projects will be contained in the minor project category all at one time and does not have to provide public notice for each individual project. This is expected to reduce the amount of staff time needed to process permit applications and would allow permit fees to be reduced to \$50 as proposed in the bills.

Additionally, House Bill 4399 would allow the DEQ to issue a permit before the 20-day written objection period expires if emergency conditions warrant a project to protect property or public health, safety, or welfare. Currently, when the DEQ receives a permit application under Part 325, it must allow 20 days for local municipalities to file a written objection to the granting of the application before the DEQ can issue a permit. This proposal would allow the DEQ additional flexibility to quickly respond to emergency situations as they arise. According to testimony, the DEQ would have the responsibility to determine whether emergency conditions are present based on information provided by the applicant.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.