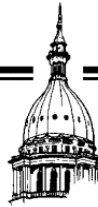




Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 243 (Substitute S-1 as reported)
Sponsor: Senator Darwin L. Booher
Committee: Outdoor Recreation and Tourism

Date Completed: 3-13-13

CONTENT

The bill would amend Part 781 (Michigan State Waterways Commission) of the Natural Resources and Environmental Protection Act to require, for three consecutive fiscal years beginning in State fiscal year 2015-16, at least half of the money spent from the Waterways Account in any fiscal year to be spent for the following structures and activities associated with recreational boating facilities and related grants to local units of government and State colleges or universities:

- Piers, jetties, breakwaters, or other similar structures connected to existing or proposed recreational boating facilities or harbors of refuge.
- Dredging, stump removal, and aquatic weed control that clear lanes to make a water body more accessible primarily for recreational boats as opposed to general navigation.
- Moorage facilities and related support infrastructure at marinas to provide dockage for transient and seasonal users.
- Engineering costs, including costs associated with planning, construction, environmental assessments, and permit applications.
- Locks used exclusively by recreational boaters.
- Equipment used exclusively for the development, maintenance, or operation of recreational boating facilities.

The recipient of a grant under the bill could not be required to contribute more than 25% of the grant amount as a local match.

The bill also would require the Department of Natural Resources (DNR) to conduct a triennial assessment of the State's harbors to determine the need for dredging and infrastructure improvements, beginning December 31, 2013. The DNR would have to post a report of the assessment on the Department's website, and update the report annually by listing any dredging or infrastructure improvements that had been undertaken at each harbor, as well as the amount of money that was spent or provided for the activities.

MCL 324.78108 & 324.78110

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would require that 50% of the expenditures from the Waterways Account be for certain types of capital outlay projects from fiscal year (FY) 2015-16 until FY 2017-18. While this requirement would not increase or decrease the amount spent from the Waterways Account, it would reallocate how it may be used. The Waterways Account consists of revenue from the former State Waterways Fund, and the former Marine Safety

Fund, both of which would be affected by the bill. In FY 2012-13, a total of \$20.3 million is appropriated from the State Waterways Fund, \$14.0 million of which is appropriated for operation and maintenance of State-owned boating facilities. Also in FY 2012-13, \$4.0 million is appropriated from the Marine Safety Fund; \$2.0 million is for grants to counties for marine safety, and \$1.5 million is for DNR law enforcement. Starting in FY 2015-16, barring any increases in revenue to the Account, the bill would potentially cause funds to be redirected from operation and maintenance of boating facilities, DNR law enforcement, and marine safety grants to capital outlay projects. The manner in which funds would be redirected would be at the discretion of the Legislature during the FY 2015-16 budget negotiation process.

The bill would have a minor, negative fiscal impact on the Department of Natural Resources, which would have to conduct an assessment of all public harbors in the State in terms of their dredging needs, and post the assessment on its website. This requirement would introduce some minor costs to the Department that would be borne from existing resources.

Fiscal Analyst: Josh Sefton

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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.