



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 402 (as reported without amendment)  
Sponsor: Senator Phil Pavlov  
Committee: Natural Resources

**CONTENT**

The bill would amend Part 52 (Strategic Water Quality Initiatives) of the Natural Resources and Environmental Protection Act to increase the amount of grants that a municipality may receive to help finance certain sewage treatment and water treatment projects.

Currently, as a rule, grants of up to \$1.0 million may not exceed 90% of the costs incurred by the municipality. Grants of more than \$1.0 million and less than \$2.0 million may not exceed 90% of the costs incurred by the municipality up to \$1.0 million, or 75% of the municipality's costs above \$1.0 million. The bill would modify the second limit to provide that, for total grants of more than \$1.0 million, grants could not exceed 90% of the costs incurred by the municipality for up to \$1.0 million of the grant amount, or 75% of the remaining costs incurred by the municipality for the balance of the grant amount.

Currently, a municipality may not receive more than \$2.0 million in total grant assistance. Under the bill, this limit would apply to grants for certain purposes, and a municipality could not receive more than \$2.0 million in grant assistance for the following purposes:

- The development of an asset management program for a sewage collection and treatment system or stormwater system.
- The development of management plans for the treatment of stormwater.
- The planning and design of a sewage treatment works project or stormwater treatment project or planning and design of construction activities designed to reduce nonpoint source pollution.
- The project costs of a municipality related to the testing and demonstration of innovative wastewater and stormwater technologies approved by the Department.

MCL 324.5204e

Legislative Analyst: Nathan Leaman

**FISCAL IMPACT**

The bill would not have a significant fiscal impact on the State. The bill would allow municipalities that have already received a grant from the Strategic Water Quality Initiatives Fund to receive further grant awards of up to \$2.0 million for projects to address substantial health risks. This would not change the total amount of these funds that are but would instead change how those grant funds are potentially allocated. Currently, \$10.0 million is allocated in statute for this purpose. According to the Department of Environmental Quality, of the \$10.0 million, \$6.0 million has been appropriated, and of that, \$2.5 million has already been allocated to various projects.

Date Completed: 6-15-17

Fiscal Analyst: Josh Sefton

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