

GROUNDWATER DISCHARGE PERMIT FEES

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Senate Bill 552 (H-3)
Sponsor: Sen. Mike Green
Committee: Appropriations

Analysis available at
<http://www.legislature.mi.gov>

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SUMMARY:

Senate Bill 552 (H-3) would amend Part 31 of the Natural Resources and Environmental Protection Act (NREPA) by adding the definition of Group 2A facilities and corresponding fees and extending the current groundwater discharge permit fee sunset to September 30, 2019.

The groundwater discharge permit fee is paid by facilities or municipalities that discharge wastewater to the ground or groundwater. This fee is collected by the Department of Environmental Quality (DEQ) and deposited in the Groundwater Discharge Permit Fees Fund. Revenue from this fund supports DEQ's Groundwater Discharge Program which regulates Michigan's groundwater resources and protects them from hazardous and solid waste contamination. The current fee structure was established in 2004 and has never been revised. The fee sunset was extended in 2007, 2011, and 2015; its current sunset date is December 31, 2015.

Currently there are 934 facilities subject to this fee. The current fee structure is based on facility size: the largest facilities and municipalities with more than 1,000 residents constitute Group 1, medium-sized facilities and municipalities of 1,000 or fewer residents constitute Group 2, and the smallest facilities constitute Group 3. Current fee rates are below:

- Group 1 – \$3,650
- Group 2 or municipalities <1,000 residents – \$1,500
- Group 3 – \$200

Senate Bill 552 (H-3) would add Group 2A to the above. Group 2A facilities (formerly included in Group 2) would include coin-operated laundromats, car washes open to the public, camps, public parks, campgrounds, and small subsurface sanitary discharges. The fee for these facilities would be \$250. This bill would extend the current fee sunset to September 30, 2019.

FISCAL IMPACT:

Senate Bill 552 (H-3) would increase fee revenues for DEQ by extending the sunset on groundwater discharge permit fees which otherwise would expire at the end of 2015, but would decrease the amount of revenue compared to the total currently collected by changing the fee structure. Fee revenue for FY 2015-16 would decrease by \$112,500 or 9.3% compared to current collections because the bill would decrease fees for certain facilities by moving them from Group 2 to the proposed Group 2A.

Senate Bill 552 (H-3) would increase costs for local units of government who operate facilities subject to the groundwater discharge permit fee by extending a fee set to expire. The table below details the proposed change.

Facilities		Current Law FY 2015-16		SB 552 FY 2015-16	
Type	Number	Fee	Revenue	Fee	Revenue
Group 1	151	\$3,650	\$551,150	\$3,650	\$551,150
Group 2	278	\$1,500	\$417,000	\$1,500	\$417,000
Muni. <1000	16	\$1,500	\$24,000	\$1,500	\$24,000
Group 2A	90	\$1,500	\$135,000	\$250	\$22,500
Group 3	399	\$200	\$79,800	\$200	\$79,800
Total	934		\$1,206,950		\$1,094,450

Fiscal Analyst: Austin Scott

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