



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 552 (as enacted)
Sponsor: Senator Mike Green
Senate Committee: Appropriations
House Committee: Appropriations

PUBLIC ACT 247 of 2015

Date Completed: 4-12-17

CONTENT

The bill amended Part 31 (Water Resources Protection) of the Natural Resources and Environmental Protection Act to create a new facility group category for the purpose of issuing groundwater discharge permits; and delay the sunset date of groundwater discharge permit fees from December 31, 2015, to September 30, 2019.

Under Part 31, there are three group categories of groundwater discharge permits delineated by size and type as defined by rule; Group 1 facilities are the largest, followed by Groups 2 and 3. The Department of Environmental Quality (DEQ) issues annual permits for these facilities and charges an annual fee of \$3,650, \$1,500, and \$200 for Group 1, 2, and 3 facilities, respectively. Municipalities with a population of 1,000 or fewer pay a \$1,500 fee.

Under the bill, two of the three types of facilities previously classified as Group 2 facilities are reclassified into a new Group 2a and subject to an annual fee of \$250 (rather than \$1,500) if one or more of the following conditions are met:

- The facility's discharge is from a laundromat.
- The facility's discharge is from a public car wash or vehicle wash.
- The facility's discharge is a subsurface sanitary discharge of fewer than 10,000 gallons per day, and does not meet the terms for authorization under Rule 323.2211(a).
- The facility's discharge is a seasonal sanitary discharge from a recreational vehicle park or campground, recreational or vacation camp, or public park.

(Rule 323.2211(a) authorizes the discharge of sanitary sewage not exceeding a daily flow of 10,000 gallons if particular requirements are met.)

The bill took effect on December 22, 2015.

MCL 324.3101 & 324.3122

FISCAL IMPACT

The bill will have a negative fiscal impact on the DEQ, and a minor, but negative fiscal impact on local units of government that operate groundwater discharge facilities from FY 2016-17 through FY 2018-19.

The fees affected by the bill generate approximately \$1.2 million annually, and provide about 45.8% of the total funding for the Groundwater Program in the DEQ. Under the bill, this revenue will be reduced by about \$112,500. Table 1 provides additional details regarding this revenue.

Table 1

Permit Category	Number of Facilities	Former Law		FY 2015-16 (Under Bill)	
		Fee	Revenue	Fee	Revenue
Group 1	151	\$3,650	\$551,150	\$3,650	\$551,150
Group 2	278	1,500	552,000	1,500	417,000
Group 2a	90			250	22,500
Group 3	399	200	79,800	200	79,800
Muni. ≤1,000	16	\$1,500	24,000	\$1,500	24,000
TOTAL		--	\$1,206,950	--	\$1,094,450

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.