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House Bill 4441 (as passed by the House)
Sponsor: Representative Sarah Roberts
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 5-5-15

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to delay the sunset on eight types of permit fees collected by the Department of Environmental Quality (DEQ). Under current law, these fees will sunset on October 1, 2015. Except for groundwater discharge permit fees (which the bill would extend until October 1, 2016), the bill would delay the sunset until October 1, 2019.

- **Floodplain Permit Fees.** These fees are paid by people who conduct activities that alter a floodplain. The application fee is \$500, and if the DEQ determines that an engineering study is necessary to determine the impact on a floodplain, an additional \$1,500 fee is assessed.
- **Storm Water Discharge Permit Fees.** These fees are paid by people who conduct activities that will result in the discharge of storm water; generally these activities include construction, industrial activities, or changes to municipal separate storm sewers. The fees are charged as follows:
 - A one-time fee of \$400 is charged for construction projects affecting more than one acre.
 - An annual fee of \$260 is charged for industrial sites as determined necessary by the DEQ.
 - An annual fee of \$500 to \$7,000 is charged for municipal separate storm sewers. The fee is based on the population and type of the municipality.
- **Surface Water Discharge Permit Fees.** These fees are paid by people who wish to discharge substances other than storm water into surface water. Generally, the facilities subject to these fees are commercial or industrial sites. Application fees vary from \$75 to \$750, and annual permits vary from \$150 to \$213,000 depending on the type of facility.
- **Groundwater Discharge Permit Fees.** These fees paid by people who wish to discharge wastewater to the ground or groundwater. These facilities generally are industrial, commercial, or agricultural, and are subject to three annual fee tiers (\$200, \$1,500, and \$3,650, respectively) depending on the size of the facility.
- **Expedited Sewer Permit Fees.** These fees are paid by people who wish to have an expedited sewer construction permit review. The fees vary between \$1,000 and \$4,000 depending on the size of the project.

- **Solid Waste Surcharge (Tipping Fees).** These fees are paid by solid waste facilities (primarily landfills) based on the number of cubic yards of waste deposited at the facility. The fee is currently 12 cents per cubic yard.
- **Electronic Device Manufacturer Registration Fee.** A fee of \$3,000 per year is paid by manufacturers of covered electronic devices, typically computers, printers, and other video display devices.
- **Electronic Device Recycler Registration Fee.** An annual fee of \$2,000 is paid by those engaged in the business of recycling electronic devices.

The bill would take effect October 1, 2015.

MCL 324.3104 et al.

FISCAL IMPACT

The bill would have a positive fiscal impact on the DEQ and no fiscal impact on local units of government. The bill would prevent the DEQ from losing approximately \$13.3 million in fee revenue each year. Revenue from the fees affected by the bill is credited to a number of different restricted funds as detailed in Table 1, and is used to offset the costs related to permit review and other costs incurred by the DEQ.

The fiscal year (FY) 2015-16 DEQ budget as reported by the Senate Appropriations Committee assumes DEQ will be able to collect these fees at their current levels. Table 1 provides additional detail on the fees that would be extended by the bill.

Table 1

Fee Type	Restricted Fund	Revenue Loss Prevented Under Bill
Floodplain Permit Fees	Land and Water Permit Fees Fund	\$2,100,000
Storm Water Discharge Permit Fees	Storm Water Fund	1,600,000
Surface Water Discharge Permit Fees	National Pollutant Discharge Elimination System Fund	2,800,000
Groundwater Discharge Permit Fees	Groundwater Discharge Permit Fund	1,200,000
Expedited Sewer Permit Fees	Infrastructure Construction Fund	31,800
Solid Waste Surcharge	Solid Waste Management Fund - Staff Account	5,300,000
Electronic Device Manufacturer Fees	Electronic Waste Recycling Fund	230,000
Electronic Device Recycler Registration Fee		\$50,000
	Total	\$13,311,800

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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.