House
Legislative
Analysis
Section

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GREAT LAKES PROTECTION FUND

House Bill 4709 as enrolled
Second Analysis (9-12-89)

Sponsor: Rep. Tom Alley
House Committee: Conservation, Recreation, & Environment
Senate Committee: Natural Resources & Environmental Affairs

THE APPARENT PROBLEM:

The protection of the Great Lakes is imperative for the maintenance of the state's health, safety and welfare. As water becomes more scarce and threats of pollution and contamination become more common, protection of the Great Lakes takes on even greater significance. One of the ways to ensure the continued protection of the Great Lakes is through the development of a stable and predictable funding source for improving methods of assessing water quality problems, identifying new water quality problems, and cleaning up complex problems concerning toxic contamination in the Great Lakes. To that end, the governors of the states of Michigan, Illinois, Indiana, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin signed the Great Lakes Toxic Substance Control Agreement on May 21, 1986. The development of the Great Lakes Protection Agreement and the Great Lakes Protection Fund is a result of the ongoing agreement between the states to attack environmental problems using a region-wide and basin-wide approach. Although $25 million of the Environmental Protection Bond Implementation Act of 1988 has been allocated for Michigan's participation in the fund and the authorization bill for the state's participation in the Great Lakes Protection Fund (Senate Bill 396) is pending before the Senate, legislation is needed to implement Michigan's participation in the fund.

THE CONTENT OF THE BILL:

The bill would amend the Great Lakes Protection Act to create the Michigan Great Lakes Protection Fund within the state treasury. The fund would be used for programs and grants to supplement existing Great Lakes protection programs consistent with the purposes of the the Great Lakes Protection Fund Authorization Act (proposed in Senate Bill 396), including the following:

- research on the economic, environmental, and human health effects of contamination in the Great Lakes;
- collection and analysis of data on the Great Lakes;
- development of new or improved environmental cleanup technologies;
- research to assess the effectiveness of pollution control policies;
- assessment of the health of Great Lakes fish, waterfowl, and other organisms;
- other programs consistent with the purposes of the Great Lakes Protection Fund Authorization Act.

The fund would receive money authorized in the Great Lakes Protection Fund Authorization Act in addition to gifts, contributions to the fund, and other sources provided by law. Money in the fund at the end of the fiscal year would remain in the fund and would not revert to the general fund. The bill would require the state treasurer to annually report to the Technical Advisory Board (see below) and the Water Resources Commission (WRC) on the amount of money in the fund.

The bill would create the Michigan Great Lakes Protection Fund Technical Advisory Board within the Water Resources Commission to advise the state's representatives on the board of directors of the Great Lakes Protection Fund and to consult with the technical advisory committee of the Great Lakes Protection Fund. The Michigan technical advisory board would annually determine the programs or grants that should be funded under the bill and would submit a list of the programs or grants to the Water Resources Commission for approval. Upon approval of the list, the commission would submit the list to the legislature in January of each year. Included with each list would be a statement of the guidelines used in listing and assigning the priority of the proposed programs or grants. The bill would require the legislature to annually appropriate money from the fund for programs or grants under the bill. The board would consist of the following members:

- a citizen member of the Water Resources Commission or an individual appointed by the commission who had knowledge or expertise in Great Lakes water issues;
- a citizen member of the Air Pollution Control Commission or an individual appointed by the Air Pollution Control Commission who had knowledge or expertise in the effects of air pollution on the Great Lakes;
- lisix individuals appointed by the Commission of Natural Resources as follows: one representative of an environmental organization; one representative of a business or industry related to the Great Lakes; one individual who had performed research related to the water quality of the Great Lakes; one individual who had performed research related to public health concerns associated with the Great Lakes; one individual who had knowledge or expertise in the demographics of the Great Lakes region or the climatology of the Great Lake region; and one representative of the hazardous substance research center. Members of the board would serve three-year terms and would be prohibited from receiving a grant under the bill.

The bill is tie-barred to Senate Bill 396, which would create the Great Lakes Protection Fund Authorization Act.

MCL 323.32a et al

BACKGROUND INFORMATION:

According to the DNR, the Great Lakes Protection Fund created by the Great Lakes Toxic Substance Control Agreement will be administered by a board of directors

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consisting of two representatives of each state. In addition, a technical advisory committee consisting of experts about Great Lakes issues and others would assist the board by making recommendations for the funding of projects and programs under the fund.

FISCAL IMPLICATIONS:

According to the DNR, $25 million of the environmental bond money will be applied towards Michigan's share of the $100 million Great Lakes Protection Fund. The states expect at least a ten percent return on the $100 million invested in the fund. Thus, it is expected that there will be at least $10 million available annually for the funding of programs and projects. Two-thirds of the $10 million will be used for regional projects and one-third would be returned to the states. Based on these predictions, Michigan is expected to receive $750,000 annually for Great Lakes protection projects and programs. (8-10-89)

ARGUMENTS:

For:

There is a great need for long-term funding for projects and programs that will ensure the protection and maintenance of the Great Lakes. In particular, there is a need for the long-term funding of projects to conduct research on the nature and extent of the Great Lakes problems, to develop new and improved environmental cleanup technologies, including sediment contamination controls, and to examine the environmental and human health effects of the Great Lakes. Costs for the cleanup, improvement, and research of the Great Lakes are extremely high, and a stable, predictable long-term funding source for these costs is not currently available. The bill, in conjunction with Senate Bill 396, will complete the legislation necessary to provide for Michigan's participation in a stable source of funding to meet costs necessary to ensure the protection of the Great Lakes in a region-wide, basin-wide effort.

Against:

The technical advisory board created by the bill is unnecessary, and its activities should be delegated to the DNR. The department (with the input of the Natural Resources Commission) is currently responsible for administering most of the projects and programs established under the Environmental Protection Bond Implementation Act and should also be responsible for administration of the Michigan Great Lakes Protection Fund, since money for the fund was provided for in the bond issue act. In addition, since the department must evaluate the list of Great Lakes protection programs and grants suggested by the advisory board for funding, and since the department will probably be responsible for the development of the programs and projects once they are approved, it seems only logical that administration of the fund and any duties regarding consultation with the Great Lakes Technical Advisory Committee be assigned to the department.