

**SFA**



BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

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Senate Bill 447 (Substitute S-1 as reported)  
Senate Bill 657 (Substitute S-1 as reported)  
Senate Bill 658 (as reported without amendment)  
Sponsor: Senator Doug Carl

First Committee: Criminal Justice and Urban Affairs (S.B. 447)  
Natural Resources and Environmental Affairs (S.B. 657 & 658)  
Second Committee: Natural Resources and Environmental Affairs (S.B. 447)

Date Completed: 1-24-90

### RATIONALE

Toxic contamination of soil and groundwater can present a serious risk to public health and the environment, and cleanup costs of contaminated sites reportedly can run into the millions of dollars. Given the health and economic risks involved in acquiring land that may be contaminated, some feel that the Department of Management and Budget (DMB), Department of Natural Resources (DNR), and the Transportation Commission should be statutorily required to conduct a visual inspection and review of ownership history of land parcels, and perhaps an environmental assessment, before purchasing real property.

### CONTENT

Senate Bills 447 (S-1), 651 (S-1), and 658 would amend various laws to require the DMB, the DNR, and the State Transportation Commission, respectively, to conduct a visual inspection and review of ownership and use history of property before purchasing the property, in order to determine if it was probable that the property was a "site of environmental contamination". If either the inspection or review revealed that there was a "significant probability" that the property was a contaminated site, the Department or

Commission would have to conduct, or cause to be conducted, an environmental assessment of the property.

An environmental assessment would have to include at least an on-site evaluation of any toxic or other contamination of the soil and/or groundwater and an inspection of all permanent structures for the presence of asbestos or other toxic substances. If the Department or Commission chose to purchase the property after an environmental assessment showed it to be a contaminated site, the Department or Commission would have to document the circumstances that justified the purchase decision.

In all three bills, "site of environmental contamination" would be defined as in the Environmental Response Act, i.e., the location of "the release of a hazardous substance, or the potential release of a discarded hazardous substance, in a quantity, which is or may become injurious to the environment, or to the public health, safety, or welfare".

Senate Bill 447 (S-1) would amend the Management and Budget Act. Senate Bill 657 (S-1) would amend Public Act 17 of 1921, which provides for the protection and conservation of the State's natural resources.

Senate Bill 658 would amend Public Act 286 of 1964, which provides for the organization, powers, and duties of the State Transportation Commission.

Proposed MCL 18.1237a (S.B. 447)  
299.3c (S.B. 657)  
247.807b (S.B. 658)

## **FISCAL IMPACT**

### **Senate Bill 447 (S-1)**

The Department of Management and Budget claims that the number of parcels that it purchases, mostly for prisons, mental health facilities, and military affairs facilities, is small and the additional responsibilities incurred under the bill could be absorbed by existing resources within the Department at no additional cost to the State.

### **Senate Bill 657 (S-1)**

The bill would have no fiscal impact on State or local government. The Department of Natural Resources currently conducts environmental assessments when purchasing property.

### **Senate Bill 658**

The bill would have no fiscal impact on State or local government. The Department Transportation currently conducts environmental assessments when purchasing property.

## **ARGUMENTS**

### **Supporting Argument**

The DMB purchases land and structures for the State's correctional, mental health, and military affairs facilities, while the DNR and Transportation Commission purchase land for public recreation and transportation uses. In order to avoid danger to the health of those who would work in, use, and be committed to State facilities purchased by the DMB, DNR, and the Transportation Commission, those entities should be required to conduct a visual inspection and review the past ownership and use of real property prior to State purchase, in order to determine if the property probably was contaminated. Further, it stands to reason that

any of those bodies should have to justify a decision to purchase property that, after an environmental assessment, was determined to have been contaminated.

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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.