



**House  
Legislative  
Analysis  
Section**

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**STORM WATER DISCHG. PERMITS**

AS ENROLLED

Senate Bill 651 as passed by the Senate  
First Analysis (9-21-93)

Sponsor: Senator Vernon J. Ehlers  
Senate Committee: Natural Resources &  
Environmental Affairs  
House Committee: Appropriations

**THE APPARENT PROBLEM:**

While the environmental hazards of pollution from specific sources, such as factories, have long been widely recognized, the problems presented by diffuse sources ("nonpoint" sources) are coming under increasing scrutiny. Nonpoint sources such as agricultural runoff and storm sewers have taken on an increased significance partly because of improved regulation of industrial discharges and municipal sewage plants, but also because of advances in research that have led to a better understanding of the contaminants and volumes of urban and rural runoffs. In response to concerns about storm water runoffs, 1987 amendments to the federal Clean Water Act included provisions that specifically addressed storm water discharges. Under those amendments and subsequent federal rules, states to whom enforcement has been delegated under the NPDES (National Pollutant Discharge Elimination System) program and the Clean Water Act must have storm water discharge permit programs meeting certain criteria. However, these federal mandates have been imposed without additional funding from the federal government. To help meet its costs in implementing the program, the Department of Natural Resources (DNR) is seeking authority to at least temporarily charge permit fees.

**THE CONTENT OF THE BILL:**

The bill would amend the water resources act, Public Act 245 of 1929, to temporarily authorize the Department of Natural Resources (DNR) to collect storm water discharge fees from persons who apply for or have been issued storm water discharge permits; fee payment would be necessary for a valid permit. Authority to collect fees would expire October 1, 1995.

A construction site of five acres or more would be assessed a one-time fee of \$125 per permitted site.

For permits for sites other than construction sites, the fee would be \$200 annually. Separate deadlines would apply in each of the next two fiscal years. Someone who applied for or had been issued a permit before March 1, 1994 would be assessed a fee in that fiscal year; the DNR would notify parties of their fee assessments by March 31, 1994, and fees would have to be postmarked no later than May 15. No fees would be assessed for a permit denied or expiring before October 1, 1993 unless an application for reissuance was made.

In the 1994-95 fiscal year, and each fiscal year thereafter, holders of storm water discharge permits for sites other than construction sites would be assessed fees each January 1. The DNR would notify permit holder of their assessments by February 1, and payment would have to be postmarked by March 15.

All storm water discharge fees would be subject to late charges of .75 percent of the payment due for each month or portion of a month that the payment remained past due.

If a person failed to pay a fee plus any accrued interest by October 1 of the year following the notification of assessment, the DNR could revoke the permit. Failure to pay a fee would constitute a violation of the act, and subject the violator to existing sanctions.

Within one year after reauthorization of the federal Clean Water Act (which is expected next year), the DNR would convene a committee to review the fee system for storm water discharge permits. The committee would consist of a member of the department and representatives of groups affected by the fees. The committee would make recommendations for changes in the fee system to

Senate Bill 651 (9-21-93)

the department and the appropriations committees of the House and Senate.

Fees would go into a restricted storm water fund to be created by the bill. Money in the fund could be used only for specified activities relating to storm water permits and compliance, and could not be used to support the direct costs of litigation undertaken to enforce the act. Money in the fund at the end of a fiscal year would remain in the fund, and not lapse to the general fund.

MCL 323.13 and 323.13a

***FISCAL IMPLICATIONS:***

The House Fiscal Agency reports that the DNR estimates that the bill would generate approximately \$899,200 in fee revenue during fiscal year 1993-94, and about \$2.2 million per year thereafter. (9-15-93)

***ARGUMENTS:***

***For:***

The federally-mandated storm water discharge permit program is imposing significant new burdens on the state; if the DNR is to meet its new responsibilities, it must be able to charge reasonable fees for storm water permits. Such fees are proposed by the bill, developed by the DNR and industry groups working together. While enabling the department to charge fees, the bill, however, would set some limits. As it is not yet clear how many permits will be sought, or what federal permit requirements might be after the upcoming reauthorization of the Clean Water Act, the bill proposes fees that are modest and limits them to the next two fiscal years. The fee program can be reexamined at that time, and can be extended if necessary.

***POSITIONS:***

The Department of Natural Resources supports the bill. (9-16-93)