



**House  
Legislative  
Analysis  
Section**

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**REDUCE LAKE DRAWDOWN FEE**

**House Bill 4707 as enrolled  
Public Act 97 of 1996  
Second Analysis (7-15-96)**

**Sponsor: Rep. Tom Alley  
House Committee: Conservation,  
Environment, and Great Lakes  
Senate Committee: Natural Resources and  
Environmental Affairs**

***THE APPARENT PROBLEM:***

The Department of Environmental Quality (DEQ) is authorized by law to review permit applications submitted by persons interested in pursuing activities relating to the use of land and water, such as operating marinas, building near water, controlling weeds, and the like. The Natural Resources and Environmental Protection Act specifically allows the department to charge various permit fees, which are used to help defray its costs in processing permit applications, responding to unauthorized activities, providing information to the public, and performing other administrative tasks required by the act. Public Act 181 of 1993 raised permit fees for marina project activities and other "minor projects" involving lakes from \$25 to an amount ranging between \$50 and \$2,000, depending on the type of project in question. In May of 1994, an association of property owners along a small man-made lake in northern Michigan, after applying for a permit to drawdown its water level for purposes of controlling aquatic weeds, was shocked to discover the permit fee had jumped from \$25 to \$500, a 2,000 percent increase. Drawdowns of this sort usually are performed annually, which poses a prohibitive expense for groups like this. Because such activity has relatively little impact on these bodies of water, legislation has been proposed that would designate such drawdowns and associated reflooding as minor projects and thereby reduce the permit fee for them from \$500 to \$50.

***THE CONTENT OF THE BILL:***

The bill would amend the Natural Resources and Environmental Protection Act to classify a seasonal drawdown and/or the associated reflooding of a dam or impoundment for the purpose of weed control as a "minor project," which requires an application fee of \$50 until October 1, 1999. At present, these seasonal drawdowns are charged a fee of \$500 because they are included within the provision that pertains to "all other projects not listed" in the schedule of fees. However, the bill

provides that when such permits were issued for the first time after the bill's effective date the fee would be \$500, with subsequent permits for the same purpose being assessed a \$50 fee.

MCL 281.955

***FISCAL IMPLICATIONS:***

The Department of Environmental Quality says the bill would result in a small revenue loss to the Land and Water Management Fund, which funds the department's administrative oversight of the permitting process for land and water projects. The department estimates approximately ten drawdowns of the kind that would be affected by the bill occur annually, each of which requires a \$500 permit fee at present. Assuming this number remained the same, the bill would result in a revenue loss to the fund of approximately \$4,500. (7-15-96)

***ARGUMENTS:***

***For:***

The bill recognizes the relatively minor impact that occurs to the environment surrounding a dam or impoundment when its water level is lowered for purposes of controlling growth of aquatic weeds, an activity usually performed in the fall. One lake association in northern Michigan performs the activity every year and was, prior to enactment of Public Act 181 of 1993, used to paying only \$25 for the DEQ permit required to do this. Now, such groups must pay a yearly fee of \$500, which is not only prohibitive for them but, some people believe, exceeds the DEQ's costs to issue such permits. The bill would designate a seasonal drawdown and associated reflooding of a dam or impoundment specifically for purposes of controlling weeds as a "minor project" and, thus, would reduce the permit fee for this activity from \$500 to \$50. However,

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the bill also includes a provision specifying that when one of these permits was obtained for the first time after the bill's effective date it would cost \$500, with subsequent permits costing only \$50. This would prevent those who had not participated in the drawdown program in recent years from being treated more favorably than those who had, and would enable the DEQ to continue effectively operating the program.

Analyst: T. Iversen

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.