



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 383 (as reported without amendment)
Sponsor: Senator Loren Bennett
Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to:

- Extend for one year the maximum funding amounts for certain claims against the Michigan Underground Storage Tank Financial Assurance (MUSTFA) Fund.
- Require the Department of Natural Resources (DNR) annually to evaluate and report to the Legislature the impact on the solvency of the MUSTFA Fund of the December 22, 1998, submittal deadline for a claim or request for indemnification. The Legislature would have to examine the report and take action necessary to assure the solvency of the Fund.
- Require the DNR, by May 1, 1995, to complete a study of the MUSTFA Fund's fiscal soundness. The study would have to project costs and revenues over the Fund's remaining life as well as consider and outline appropriate cost containment measures to assure the Fund's long-term viability.

The MUSTFA Act is scheduled to be repealed on March 30, 1995, and the Natural Resources and Environmental Protection Act is scheduled to take effect on the same date. The bill also would take effect on March 30, 1995.

MCL 324.21510 & 324.21512

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would have a minimal fiscal impact.

Delaying the scheduled reduction of MUSTFA claims reimbursements by one year could pose indeterminate additional costs depending on the number of claims for \$1 million in fiscal year 1994-95. According to the Department, there are no claims of this size anticipated.

The Department already is required to submit reports to the Legislature pursuant to Public 265 of 1994 and has contracted for a report on the MUSTFA Fund solvency, so no new State costs are anticipated.

Date Completed: 3-20-95

Fiscal Analyst: G. Culter

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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.