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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bill 902 (Substitute S-3 as reported by the Committee of the Whole)

Sponsor: Senator Don Koivisto

Committee: Natural Resources and Environmental Affairs

### **CONTENT**

The bill would amend the Natural Resources and Environmental Protection Act to require the Department of Environmental Quality (DEQ) to establish a nonpoint source pollution prevention and control grants program to provide grants to local units or entities that were exempt from taxation under the Internal Revenue Code for projects that would do either or both of the following: implement the physical improvement portion of watershed plans and/or reduce specific nonpoint source pollution.

("Nonpoint source pollution" would mean water pollution from diffuse sources, including runoff from precipitation or snowmelt contamination through contact with pollutants in the soil or on other surfaces and either infiltrating into the groundwater or being discharged to surface waters, or runoff or wind causing erosion of soil into surface waters.)

For any grants issued under the bill, the DEQ would have to require that a local unit of government contribute at least 25% of the total project's cost from other public or private funding sources. The DEQ could approve in-kind services to meet all or a portion of the match requirement. The bill also would allow the Department to accept as the match requirement a contract between the DEQ and grant applicant providing for maintenance of the project or practices that were funded under terms acceptable to the DEQ.

The bill is tie-barred to House Bill 5622, which would create the "Clean Michigan Initiative Act" to provide for the issuance of bonds for environmental and natural resources protection programs, and House Bills 5620 and 5719, which would allow the DEQ to establish grants programs. The bill also is tie-barred to Senate Bill 904, which would provide for implementation of the Clean Michigan Initiative (CMI). The bill would not take effect unless the voters approved the ballot question provided for in the CMI Act.

Proposed MCL 324.8801-324.8806

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

The bill would have no fiscal impact in that it outlines a program to be funded by House Bill 5622.

Date Completed: 4-16-98

Fiscal Analyst: G. Cutler