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

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House Bill 5294 (Substitute S-2 as reported)  
Sponsor: Representative Raymond Basham  
House Committee: Conservation, Environment and Recreation  
Senate Committee: Natural Resources and Environmental Affairs

### **CONTENT**

The bill would amend Part 625 (Mineral Wells) of the Natural Resources and Environmental Protection Act to revise permit fees to drill mineral wells; require an individual or blanket test well permit for the drilling of certain test wells; impose annual mineral well regulatory fees; and create the "Mineral Well Regulatory Fund".

Under the bill, a test well that penetrated below the deepest freshwater stratum or was deeper than 250 feet would be subject to an individual test well permit; otherwise, a test well would be subject to a blanket test well permit. The bill's provisions would not apply to a test well regulated under Part 111 or Part 115 of the Act, which control hazardous and solid waste management, or a water well regulated under Part 127 of the Public Health Code.

The bill would require a permit application to be accompanied by an application fee of \$2,500 for a disposal well for disposal of waste products other than processed brine; \$500 for a disposal well for disposal of processed brine, a storage well, a natural brine production well, an artificial brine production well, or an individual test well; and \$75 for one to 24 wells, \$150 for 25 to 49 wells, \$300 for 50 to 75 wells, and \$600 for 75 to 200 wells for blanket test well permits. In addition, the bill would subject the owner or operator of a mineral well to an annual mineral well regulatory fee in the same amount as the permit application fee described above. The supervisor of mineral wells would have to deposit all permit application fees into the proposed Fund, and the mineral well regulatory fees would have to be submitted to the Department of Environmental Quality for forwarding to the State Treasury for deposit into the proposed Fund.

A well owner or operator currently must pay a \$50 permit application fee to drill a brine, storage, or waste disposal well and \$1 for a permit to drill a test well. The bill would delete these fees.

MCL 324.62502 et al.

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

The FY 1998-99 Department of Environmental Quality budget relies on \$400,000 in increased revenue dependent upon passage of this bill.

Date Completed: 11-30-98

Fiscal Analyst: G. Cutler