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

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House Bill 5316 (Substitute S-1 as reported)

Sponsor: Representative Allen Lowe

House Committee: Forestry and Mineral Rights

Senate Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would amend the Natural Resources and Environmental Protection Act to provide that a suit brought against the Department of Environmental Quality (DEQ) regarding the compulsory pooling of properties for oil and gas drilling, could be brought in the circuit court for the county in which the oil or gas rights were located or in Ingham County Circuit Court. (Currently, Ingham County Circuit Court has exclusive jurisdiction over all suits brought against the DEQ.) If a suit were brought in Ingham County, it could be removed to the circuit court for the county in which the oil or gas rights were located upon petition by a majority of the owners of the rights who were subject to the pooling order. In addition, if all of the owners of the oil and gas interests being pooled resided in a county in Michigan other than the county where the oil and gas rights were located, the suit could be brought in, or removed to, the circuit court for the county where the owners resided. A petition for removal under these provisions would have to be filed within 28 days after the complaint was filed and served.

The bill also provides that a public hearing pertaining to pooling would have to be held in the county in which the oil and gas rights were located if the majority of the owners of the rights subject to being pooled, filed with the DEQ a written request to hold the hearing in that county. (Currently, public hearings must be held at a place prescribed by general rules.) When the DEQ provided for notice of the public hearing, it would have to give notice of the right to request a change in hearing location.

MCL 324.61501 et al.

Legislative Analyst: S. Lowe

### **FISCAL IMPACT**

The bill would result in an indeterminate increase in costs to the State, dependent upon the number and location of hearings requested by property owners.

Date Completed: 3-19-98

Fiscal Analyst: G. Cutler