



Romney Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

## LAND AND WATER PERMIT FEES

**House Bill 4470 as enrolled**

**Public Act 35 of 1999**

**Sponsor: Rep. Patricia Birkholz**

**House Bill 4471 as enrolled**

**Public Act 106 of 1999**

**Sponsor: Rep. Larry DeVuyst**

**Second Analysis (6-30-99)**

**House Committee: Conservation  
and Outdoor Recreation**

**Senate Committee: Natural Resources  
and Environmental Affairs**

### ***THE APPARENT PROBLEM:***

The Department of Environmental Quality is authorized under a number of acts to review permit applications submitted for various purposes that relate to the use of land and water (i.e., operating marinas, performing construction work in certain areas near water, using chemicals to control "aquatic nuisances" such as swimmers' itch, and the like). The department has been authorized to charge various fees for permit applications required to be submitted; the fees are used to help the department defray its costs in processing permit applications, responding to unauthorized activities by people regulated under the acts, providing information to the public, and performing various other administrative tasks required under the statute. Legislation was enacted in 1991 and 1993 to increase these fees, to establish an application fee system to cover the administrative costs of reviewing and processing permit applications, and to create the Land and Water Management Permit Fee Fund within the state treasury. The authorization for the fees was renewed in 1995 and will again expire on October 1, 1999. Consequently, legislation has been proposed to extend the sunset dates.

### ***THE CONTENT OF THE BILLS:***

Currently, certain parts of the Natural Resources and Environmental Protection Act (NREPA), concerning permits and fees for various types of construction on inland lakes and on Great Lakes waters, will expire on October 1, 1999. The bills would extend the sunset date of these provisions until October 1, 2003. House Bill 4470 would amend provisions of Part 31 concerning the collection of storm water discharge fees

(MCL 324.3118). House Bill 4471 would amend current provisions of the act concerning the Storm Water Fund; would extend the current permit exemptions to include a groundwater discharge from a leaking underground storage tank if it was provided for in a corrective action plan; and would extend the sunset date of other provisions as follows:

- Part 31 of the NREPA (MCL 324.3104), concerning water resources protection: an application for a permit to alter a floodplain.
- Part 301 of the NREPA (MCL 324.30104 et al.), concerning inland lakes and streams: an application for a permit for projects involving a seasonal drawdown or associated reflooding, or both, of a dam or impoundment for weed control purposes; for construction or expansion of a marina; for renewal of a marina operating permit; for major projects such as dredging or seawalls; and all other projects. Under the act, these fees would be reduced, beginning October 1, 1999. Under the bill, the reduced fees would apply beginning October 1, 2003. In addition the bill would extend the sunset date established for riparian owners who request that the Department of Environmental Quality (DEQ) establish the location of the high-water mark for their properties. Reduced fees for these would also be effective on October 1, 2003, under the bill.
- Part 323 of the NREPA (MCL 324.32312), concerning shorelands protection and management, provisions for building permit fees on high-risk, flood risk, or environmental areas.



- Part 325 of the NREPA (MCL 324.32513), which regulates Great Lakes Submerged Lands, for construction on bottomlands or filled-in lands.

Reduced Fees. Currently, the act specifies that permit fees for construction projects under Parts 301, 323, and 325 of the NREPA would be reduced, effective October 1, 1999. Under the bill, the reduced fees would apply beginning October 1, 2003.

Exclusions for Groundwater Discharges. The bill would also amend provisions of Part 31 of NREPA (MCL 324.3109a) concerning mixing zones for discharges of venting groundwater. Currently, under the act, a permit is not required for a discharge if it complies with the water quality standards provided for in the act, and rules promulgated under the act, and is part of a remedial action plan that has been approved by the Department of Environmental Quality (DEQ) according to the provisions of the act. The bill would specify, instead, that a permit would not be required for a discharge that was provided for in either or both of the following:

- A remedial action plan that is approved by the DEQ, according to the provisions of Part 201 of the act concerning environmental remediation.
- A corrective action plan that is submitted to the DEQ according to the provisions of Part 213 of the act concerning leaking underground storage tanks, that includes a mixing zone determination made by the DEQ and that has been noticed in the DEQ calendar.

Storm Water Fund. The bill would also amend provisions (MCL 324.3119) concerning the allocation of money from the Storm Water Fund. Currently, money from the fund may be appropriated only for certain purposes, such as storm water permit development, issuance, reissuance, and modification. The bill would extend the list of permissible activities to include the termination of storm water permits. The act also permits money from the fund to be used for certification of storm water operators. The bill would specify that this money could be spent to train

storm water operators for certification, and for educational material to assist persons regulated under provisions concerning water resources protection. However, not more than ten percent of the money in the fund could be used to train storm water operators.

## ***FISCAL IMPLICATIONS:***

According to the House Fiscal Agency (HFA), the bills would have an indeterminate impact on state funds. The HFA estimates that total annual spending from the storm water permit fees collected by the Department of Environmental Quality (DEQ) is approximately \$1.3 million, and total annual appropriations for the department from land and water management permit fees are approximately \$2.8 million. (6-30-99)

## ***ARGUMENTS:***

### ***For:***

The bills continue a revenue source that enables the department to fulfill its required tasks under the acts. It seems reasonable to impose on those who benefit financially and otherwise by using land and water in a variety of ways--many of which dramatically affect the environment--fees high enough to generate the kind of revenue the DEQ needs to hire staff and acquire resources necessary to process permit applications, regulate those governed under the acts, and carry out its other duties required by these acts in a timely and efficient manner.

Analyst: R. Young

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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.