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## EMERGENCY LAKE DREDGING LOANS

**House Bill 5519**

**Sponsor: Rep. Scott Shackleton**

**Committee: Conservation and Outdoor  
Recreation**

**Complete to 4-25-00**

### **A SUMMARY OF HOUSE BILL 5519 AS INTRODUCED 3-16-00**

The bill would add a new part, Part 794 - Emergency Lake Water Access, to the Natural Resources and Environmental Protection Act. It would establish a fund within the state treasury to fund loans to private marinas to pay the costs of emergency dredging of lake bottomlands (the land area of a body of water that lies below the ordinary high-water mark, that may or may not be covered with water) necessary because of low water levels.

Emergency Recreational Water Access Fund. The bill would create the fund within the state treasury. The state treasurer would administer the fund, and credit to the fund interest from fund investments. Money in the fund at the close of a fiscal year would remain in the fund and not lapse to the general fund. Money from the fund would be used, upon appropriation, only to fund loans to marinas as provided by the bill, and to pay administrative costs not exceeding 3 percent of expenditures in any one year.

Emergency Loan Program. The bill would require the Department of Natural Resources to establish a loan program by April 1, 2000. Loans of up to \$50,000 would be provided to qualifying owners of marinas to pay the costs of dredging necessitated by low water levels. Loans could be provided for dredging projects that began on or after January 1, 2000, and would be awarded on a first-come, first-served basis to owners who could document the need for dredging to accommodate the use of the marinas by recreational watercraft. Loans would have to be repaid in no more than 7 years, and would carry interest at a rate equal to the amount charged for loans from the state water pollution control revolving fund. The first installment of repayment would be due one year after the date the loan was issued.

Loan applications would have to include: the amount requested, a description of the dredging project, costs of the project and a description of how the costs were determined, and evidence of the financial capability of the applicant to repay the loan. A loan would be approved if the department determined all of the following: that dredging was necessary to accommodate the use of the marina by recreational watercraft; that the applicant was financially capable of repaying the loan; and that the applicant would be able to complete the project in full compliance with the bill's provisions.

Upon approval of a loan, the department would enter into a loan agreement with the recipient. As part of the agreement, the recipient would have to agree to submit evidence that the loan proceeds were used to pay for dredging costs. The loan agreement would have to contain penalties for default on the loan.

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All money received by the department for repayment of loans would be deposited into the loan fund.

Evaluation of the program. The department could not approve loans after October 1, 2002. Before that date, the department, in consultation with the Department of Treasury, would have to report to the legislature its evaluation of the program, and recommend whether there was a need to continue the loan program beyond October 1, 2002. The department could include recommendations for statutory changes to improve the program.

Appropriation. The bill would make an appropriation of \$10 million from the general fund to the Emergency Recreational Water Access Fund for fiscal year 1999-2000. That same amount would be appropriated from the emergency loan fund to the department to implement the bill. Any money not spent by September 30, 2000 would lapse back into the emergency loan fund.

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Analyst: D. Martens

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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.