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AQUATIC NUISANCE SPECIES PACKAGE

House Bill 6007

Sponsor: Rep. Mike Kowall

House Bill 6008

Sponsor: Rep. Lauren Hager

House Bill 6009

Sponsor: Rep. Gerald VanWoerkom

House Bill 6010

Sponsor: Rep. Randy Richardville

House Bill 6011

Sponsor: Rep. Scott Shackleton

Committee: Conservation and Outdoor
Recreation

Complete to 9-27-00

A SUMMARY OF HOUSE BILLS 6007-6011 AS INTRODUCED 9-27-00

The bills constitute a package of legislation to regulate the discharge of ballast water from commercial vessels into the waters of the state, in order to minimize the introduction and spread of aquatic nuisance species (a nonindigenous species that threatens the diversity or abundance of native species or the ecological stability of infested waters, or commercial, agricultural, aquacultural, or recreational activities dependent on such waters).

House Bill 6007 would amend the Natural Resources and Environmental Protection Act (MCL 324.3101 and 324.3109c) to require, beginning January 1, 2006, commercial vessels capable of discharging ballast water and operating on the Great Lakes within the jurisdiction of the state to be equipped with an onboard ballast water monitoring system. Such a system would have to provide for ongoing monitoring of ballast water and sediments for the presence of aquatic nuisance species, and provide for the results of the monitoring system to be available to the Department of Environmental Quality electronically via satellite transmission.

Further, beginning January 1, 2006, a person could not discharge ballast water or sediments from a commercial vessel into the waters of the state (all inland lakes, rivers, and streams, as well as the Great Lakes within the jurisdiction of the state) unless he or she was in compliance with the bill's requirements for onboard ballast water monitoring systems, and had been issued a discharge permit from the DEQ. A permit could not allow the discharge of ballast water or sediments into the waters of the state unless it had been sterilized to prevent the introduction and spread of aquatic nuisance species in the Great Lakes. Sterilization would mean treatment to remove or destroy living

biological organisms through filtration, the application of biocides or ultraviolet light, thermal methods, or other methods approved by the Department of Environmental Quality.

The department would have to promulgate rules to implement these requirements by June 30, 2002. In promulgating the rules, the department would be required to consult with other states and Canadian provinces bordering the Great Lakes and the St. Lawrence waterway.

The bill would require the department to suspend enforcement of the bill and rules promulgated under it if a federal law is enacted (or federal regulations are promulgated) after the bill's effective date that require commercial vessels operating on the Great Lakes to comply with ballast water management practices designed to minimize the spread of aquatic nuisance species in the Great Lakes and require the treatment of ballast water and sediments for oceangoing commercial vessels.

House Bill 6007 is tie-barred to House Bills 6008 and 6009.

House Bill 6008 would amend the Natural Resources and Environmental Protection Act (324.32912) to require the Office of the Great Lakes to establish a pilot program, involving at least one oceangoing commercial vessel and one freshwater commercial vessel, for an onboard ballast water management system to prevent the introduction and spread of aquatic nuisance species within the Great Lakes. The system would have to be designed to sterilize and monitor ballast water and sediments carried on a vessel; this would have to be done in a manner prescribed by the Office of the Great Lakes and monitored electronically by the office via satellite transmission. The office would be required to consult with the University of Michigan on the development of the pilot program.

House Bill 6008 is tie-barred to House Bill 6007.

House Bill 6009 would amend the Natural Resources and Environmental Protection Act (324.32913) to require the Office of the Great Lakes to annually submit a report to the legislature, until 2006, describing the pilot program proposed under House Bill 6008. The report would have to detail the specifics of the pilot program and assess the success of the onboard ballast water management system in preventing the introduction and spread of aquatic nuisance species in the Great Lakes. Further, beginning in 2006, the office would be required to report annually to the legislature on the program proposed under House Bill 6007 (requiring vessels to be equipped with monitoring systems and requiring permits for discharging water). The report would have to assess the success of the program in preventing the introduction and spread of aquatic nuisance species in the Great Lakes.

House Bill 6009 is tie-barred to House Bills 6007 and 6008.

House Bills 6010 and 6011 would amend the Single Business Tax Act (MCL 208.37e and 208.37f) to provide single business tax credits for the purchase of ballast sterilization equipment, and for research expenses for ballast water research. For tax years beginning after December 31, 1999 and before January 1, 2004, a taxpayer could claim a credit against the single business tax equal to the cost paid or accrued in the tax year for the purchase, fabrication, and installation of an onboard

ballast water monitoring system and equipment required by the Department of Environmental Quality to discharge sterilized ballast water and sediments, as proposed in House Bill 6007. Further, for the same tax years, a taxpayer could claim a credit equal to five percent of the expenses paid by the taxpayer for qualified ballast water research conducted in the state. “Qualified ballast water research” would include the development of onboard ballast water sterilization and monitoring systems as required under House Bill 6007, and the development of a process or equipment in which ballast water and sediments can be sterilized prior to their discharge from a vessel.

For both tax credits, the following would apply:

- a credit generated by any member of an affiliated group could be credited against the single business tax liability of any member of the group;
- if the credit and any unused carryforward exceeded the taxpayer’s liability for the tax year, the excess could not be refunded but could be carried forward to offset tax liability in subsequent years, for 10 years or until used up, whichever occurred first; and
- the credits and any carryforward would have to be utilized in the sequence in which they were earned; for each tax year, available carryforward from the earliest year would have to be claimed first and any credit generated in the tax year would be claimed last.

House Bills 6010 and 6011 are each tie-barred to House Bill 6007.

Analyst: D. Martens

#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.