

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 866 (as passed by the Senate)
Sponsor: Senator Loren Bennett
Committee: Local, Urban and State Affairs

Date Completed: 11-19-99

RATIONALE

Public Act 233 of 1955 allows two or more municipalities (counties, townships, cities, and villages) jointly to incorporate an authority for the purpose of owning, improving, and operating a sewage disposal system, a water supply system, and/or a solid waste management system. An authority may adopt rules and regulations for the use of any project that it constructs, and may impose a civil fine for the violation of a rule or regulation. Currently, the maximum amount of the fine is \$500, which was set in 1985 when amendments to the Act expanded authorities' enforcement powers and prescribed the method of adopting rules and regulations.

It has been pointed out that the \$500 maximum does not satisfy the requirements of Federal regulations governing systems that operate industrial pretreatment programs (that is, programs that treat their own waste water before it is discharged into a municipal sewer system). Under the Federal regulations, industrial users that violate pretreatment standards must be subject to a minimum fine of \$1,000 per day of violation (40 CFR 403.8). This came to light after the South Huron Valley Utility Authority acquired a waste water treatment plant from Wayne County, and submitted an industrial pretreatment program to the Department of Environmental Quality for its review. According to the Department, the authority's rules and regulations must provide for the required penalty. Under Public Act 233, however, the authority is limited to imposing a maximum fine of \$500.

CONTENT

The bill would amend Public Act 233 of 1955 to increase from \$500 to \$1,000 the maximum civil fine that may be prescribed for a violation of municipal sewage and water authority rules and regulations.

MCL 124.284b

ARGUMENTS

(Please note: The arguments contained in this analysis

originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

In order to continue operating its industrial pretreatment program (IPP), the South Huron Valley Utility Authority must be able to levy the fine dictated by Federal regulations. Without an IPP, industrial facilities within the community would have to develop their own waste disposal systems. At present, the authority essentially is caught between a Federal regulation mandating one fine, and a State law capping the fine at a lower level. Apparently, several other authorities also operate sewage treatment facilities and might be similarly affected. The bill, therefore, would raise the permissible fine in order to address this dilemma.

Legislative Analyst: S. Lowe

FISCAL IMPACT

The bill would increase county fine revenue for violations of municipal sewage and water supply system rules or regulations. The fine revenue is used for library purposes. The bill would have no State fiscal impact.

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.