

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 289 (Substitute S-5 as reported by the Committee of the Whole)
Sponsor: Senator Patricia L. Birkholz
Committee: Natural Resources

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to:

- Require the Department of Environmental Quality (DEQ) to prepare a Statewide groundwater inventory and map within two years after the bill's effective date.
- Increase water use reporting fees for industrial, processing, and irrigation facilities with a capacity to pump over 100,000 gallons per day from \$50 to \$100.
- Require farms with a capacity to pump over 100,000 gallons a day, beginning one year after the bill's effective date, either to register with the DEQ and pay the water use reporting fee, or to register with the Michigan Department of Agriculture (MDA) by submitting a water use conservation plan.
- Require the MDA to use water use conservation plan information to determine an estimate of water use and consumptive use data for each township in the State, and then forward the data to the DEQ for inclusion in the groundwater inventory and map.
- Allow the DEQ to use money in the Water Use Protection Fund to prepare the groundwater inventory and map.
- Create the Groundwater Advisory Council within the DEQ to study the sustainability of the State's groundwater use, monitor implementation of the Great Lakes Charter Annex 2001, make recommendations on statutory conformance with Annex 2001, and, within two years after the bill's effective date, report to the Legislature; and provide for the Council to disband six months later.

The bill is tie-barred to House Bill 4087, which would require the DEQ Director or the MDA Director to investigate and resolve complaints about groundwater withdrawal conflicts.

MCL 324.32701 et al.

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would double the current water use reporting fee from \$50 to \$100 annually. Revenue from the fee would double from \$46,805 in FY 2001-02 to \$93,610. According to data provided by the DEQ, the program requires approximately \$150,000 to operate. The remaining costs are supported by the General Fund.

The bill would require the development of a Statewide groundwater inventory within two years of the bill's effective date. While maintenance of the database would be considered part of the program and factored into the fee structure, implementation costs could require additional appropriations. The bill would allow revenue from the water use reporting fee to be used for preparation of the Statewide groundwater inventory.

Agricultural irrigation facilities are currently exempt from paying water use reporting fees. Farms with a capacity to pump over 100,000 gallons a day would be subject to the fee unless they registered with the Department of Agriculture.

Date Completed: 5-7-03

Fiscal Analyst: Jessica Runnels