



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



BILL ANALYSIS

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

Senate Bills 789 and 790 (as reported without amendment)

Sponsor: Senator Patricia L. Birkholz (S.B. 789)

Senator Gerald Van Woerkom (S.B. 790)

Committee: Natural Resources and Environmental Affairs

CONTENT

Senate Bill 789 would amend Part 52 (Strategic Water Quality Initiatives) of the Natural Resources and Environmental Protection Act (NREPA) to allow the Michigan Municipal Bond Authority, in consultation with the Department of Environmental Quality (DEQ), to spend money from the Strategic Water Quality Initiatives Fund (SWQIF), upon appropriation, for grants under House Bill 4572 (S-5).

(House Bill 4572 (S-5) would amend Part 52 to require the Authority, in consultation with the DEQ, to establish a program to provide grants from the SWQIF to governmental units to cover the cost of developing a project plan in applying for a loan from the State Water Pollution Control Revolving Fund.)

Senate Bill 790 would amend Part 52 to define "grant" as a grant from the program that House Bill 4572 (S-5) would establish.

The bills are tie-barred to each other and to House Bills 4572 and 4573 and Senate Bills 799 and 800. House Bill 4573 (S-3) would amend Part 197 (Great Lakes Water Quality Bond Implementation) of NREPA to revise the allocation of money received from the sale of Great Lakes water quality bonds. Senate Bill 799 would amend Part 53 (Clean Water Assistance) to include actions undertaken in the planning of sewage treatment, stormwater treatment, or nonpoint source projects in the definition of the term "construction activities". Senate Bill 800 would amend the Shared Credit Rating Act to allow a governmental unit to enter into grant agreements under House Bill 4572 (S-5) and pledge its limited taxing power as security for any repayment obligation.

324.5204 (S.B. 789)

324.5201 (S.B. 790)

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bills, combined with House Bill 4572 (S-5), 4573 (S-3), and Senate Bills 799 and 800, would cost the State \$40.0 million from the Strategic Water Quality Initiatives Fund. Providing the funding in the form of grants instead of loans would reduce loan capacity for the original purposes of the SWQIF program and the State would not recover the amounts awarded as grants.

A local unit of government would be eligible to receive a grant up to \$1.0 million for project planning services if it proceeded with loan funding under either the State Water Pollution Control Revolving Fund or the Strategic Water Quality Initiatives Fund. In aggregate, up to \$40.0 million would be available for local units of government as grant funding.

Date Completed: 10-7-05

Fiscal Analyst: Jessica Runnels