



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bills 799 and 800 (as reported without amendment)
Sponsor: Senator Liz Brater (S.B. 799)
Senator Raymond E. Basham (S.B. 800)
Committee: Natural Resources and Environmental Affairs

CONTENT

Senate Bill 799 would amend Part 53 (Clean Water Assistance) of the Natural Resources and Environmental Protection Act (NREPA) to include in the definition of "construction activities" actions undertaken in the planning of sewage treatment works, stormwater treatment, or nonpoint source projects, and project planning services.

Senate Bill 800 would amend the Shared Credit Rating Act to allow a governmental unit and the Michigan Municipal Bond Authority to enter into grant agreements under a Strategic Water Quality Initiatives Grant Program (pursuant to House Bill 4572).

The bills are tie-barred to each other and to House Bills 4572 and 4573 and Senate Bills 789 and 790. House Bill 4572 (S-5) would amend Part 52 (Strategic Water Quality Initiatives) of NREPA to require the Michigan Municipal Bond Authority, in consultation with the Department of Environmental Quality (DEQ), to establish a program to provide grants from the Strategic Water Quality Initiatives Fund (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. House Bill 4573 (S-3) would amend Part 197 (Great Lakes Water Quality Bond Implementation) to revise the allocation of money received from the sale of Great Lakes water quality bonds. Senate Bill 789 would amend Part 52 to allow the Authority, in consultation with the DEQ, to spend money from the SWQIF, upon appropriation, for grants under House Bill 4572 (S-5). Senate Bill 790 would amend Part 52 to define "grant" as a grant from the program that House Bill 4572 (S-5) would establish.

MCL 324.5301 (S.B. 799)
Proposed MCL 141.1016d (S.B. 800)

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bills, combined with House Bills 4572 (S-5) and 4573 (S-3), and Senate Bills 789 and 790, 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: 10-12-05

Fiscal Analyst: Jessica Runnels