Senate Bill 657 (as reported without amendment)   *(as enrolled)*
Sponsor: Senator Ron Jelinek
Committee: Appropriations

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to appropriate $70.0 million from the balance of the Refined Petroleum Fund (RPF) to the Environmental Protection Fund.

Under the bill, $70.0 million from the RPF would be appropriated to the Environmental Protection Fund for fiscal year 2006-07 only. Under statute, money in the Environmental Protection Fund may be spent, upon appropriation, only for the purposes specifically provided by law. Currently, it is appropriated for numerous environmental purposes in the Department of Environmental Quality and to the Department of Treasury for debt service costs on general obligation bonds that provide funding for environment-related projects.

MCL 324.21506a

FISCAL IMPACT

The bill would move money between State restricted funds and it would not impose costs on the State or local units of government. The $70.0 million that would be appropriated under the bill was previously appropriated in FY 2005-06 and FY 2006-07 for environmental cleanup projects at petroleum-related sites. Work on many of the cleanup projects has not been started since a permanent refined petroleum cleanup program has not been enacted. The RPF balance transfer would remove funding for these authorized cleanup projects.

This Fund balance transfer was part of the FY 2006-07 budget resolution. Public Act 41 of 2007 included a shift of $70.0 million from the General Fund to the Environmental Protection Fund for debt service costs in the Department of Treasury. Thus, the funds transferred by this bill have already been appropriated for the purpose of reducing General Fund appropriations and replacing the amount with another fund source.

Date Completed: 8-6-07   Fiscal Analyst: Jessica Runnels