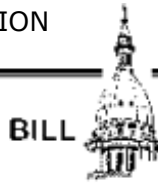




Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 4721 (Substitute H-1 as passed by the House)
Sponsor: Representative Doug Bennett
House Committee: Great Lakes and Environment
Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 5-16-07

CONTENT

The bill would amend Part 201 (Environmental Response) of the Natural Resources and Environmental Protection Act to delay until June 5, 2017, the sunset on a fee for a determination that a person is exempt from liability after the completion of a baseline environmental assessment (BEA). Currently, the fee is set to expire on June 5, 2007.

MCL 324.20129a

BACKGROUND

Under Part 201, a person who becomes an owner or operator of a facility is liable for response activity (cleanup) costs unless both of the following are satisfied:

- A BEA is conducted within 45 days after the earliest of the date of purchase, occupancy, or foreclosure.
- The owner or operator discloses the results of the BEA to the DEQ and the subsequent purchaser or transferee if the assessment confirms that the property is a facility.

Within six months after the completion of a BEA, a person may petition the Department of Environmental Quality (DEQ) for a determination that he or she meets the requirements for exemption from liability as described above and, in conjunction with that exemption, a determination that the proposed use of a facility satisfies his or her obligations under Section 20107a. A petition must be accompanied by a fee of \$750, which the DEQ must deposit into the Cleanup and Redevelopment Fund.

Part 201 defines "baseline environmental assessment" as an evaluation of environmental conditions that exist at a facility at the time of purchase, occupancy, or foreclosure that reasonably defines the existing conditions and circumstances at the facility so that, in the event of a subsequent release of contaminants, there is a means of distinguishing the new release from existing contamination. "Facility" means any area, place, or property where a hazardous substance in excess of concentrations that satisfy the requirements established by the DEQ for residential facilities, or the cleanup criteria for unrestricted residential use under Part 213 (Leaking Underground Storage Tanks), has been released, deposited, or disposed of, or otherwise comes to be located.

(Under Section 20107a, a person who owns or operates property that he or she knows is a facility must do all of the following with respect to hazardous substances at the facility:

- Undertake measures necessary to prevent exacerbation of the existing contamination.
- Exercise due care by undertaking response activity necessary to mitigate unacceptable exposure to hazardous substances, mitigate fire and explosion hazards due to hazardous substances, and allow for the intended use of the facility in a manner that protects the public health and safety.)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The \$750 fee annually generates \$250,000.

Fiscal Analyst: Bill Bowerman

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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.