



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 1177 (as reported without amendment)  
Sponsor: Senator Roger Kahn, M.D.  
Committee: Natural Resources and Environmental Affairs

### **CONTENT**

The bill would add Part 317 (Aquifer Protection and Dispute Resolution) to the Natural Resources and Environmental Protection Act to establish a process for the resolution of groundwater disputes between the owners of small-quantity and high-capacity wells. It would allow the owner of a small-quantity well to file a complaint with the Department of Natural Resources and Environment (DNRE) or the Michigan Department of Agriculture (MDA), and require the applicable Department to investigate and attempt to resolve the complaint. If a complaint could not be resolved within a reasonable amount of time and certain conditions existed, the DNRE Director could declare a groundwater dispute.

When a dispute was declared, the DNRE Director would have to require the temporary provision of an adequate supply of potable water, and could restrict the quantity of groundwater extracted from a high-capacity well under certain circumstances. The owner of a high-capacity well would have to provide timely and reasonable compensation if there were a failure or substantial impairment of a small-quantity well caused by groundwater withdrawals of the high-capacity well, and the small-quantity well complied with the Public Health Code or had been built before February 14, 1967. The high-capacity well owner also would have to reimburse the DNRE for the costs incurred in investigating and resolving the dispute, up to \$75,000. This money would have to be deposited into the proposed "Aquifer Protection Revolving Fund". The DNRE could spend Fund money to implement Part 317.

A person who violated an order issued under Part 317 would be responsible for a civil fine of up to \$1,000 per day of violation, up to a total of \$50,000. Civil fine revenue would have to be deposited in the General Fund. The DNRE Director could bring an action to enforce an order under Part 317, including injunctive or other equitable relief.

MCL 324.31701-324.31712

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The bill is similar to the former Part 317 of the Act which was repealed in December 2009 as part of the FY 2009-10 budget resolution. In a 2008 memo regarding this former program, the Department estimated that to be fully funded, the program would need approximately \$180,000: \$50,000 for the MDA's responsibilities, and \$130,000 for the DNRE's responsibilities. Additionally, 2.0 FTEs were assigned to resolving groundwater disputes. Under the bill, costs similar to these would likely be incurred, and additional funds would need to be appropriated to both the DNRE and the MDA to avoid having an unfunded mandate.

Date Completed: 4-28-10

Fiscal Analyst: Josh Sefton