Legislative Analysis



EXTENSION OF SUNSET ON VARIOUS DEQ FEES

Phone: (517) 373-8080 http://www.house.mi.gov/hfa

House Bill 4441 as amended Sponsor: Rep. Sarah Roberts Committee: Appropriations

Analysis available at http://www.legislature.mi.gov

Complete to April 29, 2015

SUMMARY:

This bill amends the Natural Resources and Environmental Protection Act to **extend the sunset** on seven fees collected by the Department of Environmental Quality (DEQ) from October 1, 2015 (September 30, 2015 for sewer expedited permit fee) **to October 1, 2019** (**September 30, 2019 for sewer expedited permit fee**). This sunset extension would give the department the authority to collect these fees for four more years.

The sunset on an eighth fee, the **groundwater discharge permit fee**, is extended by one year from October 1, 2015 to **October 1, 2016**. These fees include the following:

- Floodplain application fee
 - o Paid by persons seeking to alter a floodplain, including infrastructure and construction projects
 - o \$100-\$500 application fee, \$1,500 hydraulic review fee
 - o Fee established in FY 1993-94 at current rates
 - o Deposited into Land and Water Permit Fees Fund
- Storm water discharge fee
 - o Paid by persons initiating or continuing activities that will discharge storm water into the state's surface waters
 - o One-time fee of \$400 for construction, \$260-\$7,000 annual fee based on population (municipal storm water systems)
 - o Fee established in FY 2003-04 at current rates
 - o Deposited into Storm Water Fund
- Surface water discharge permit
 - o Paid by persons initiating or continuing activities that will discharge substances other than storm water into the state's surface waters
 - o \$75-\$750 application fee, \$150-\$213,000 annual permit fee based facility type
 - o Fee established in FY 2003-04 at current rates
 - o Deposited into National Pollutant Discharge Elimination System Fund
- Groundwater discharge permit
 - o Paid by owners or operators of facilities that discharge wastewater to the groundwater
 - o \$200-\$3,650 annual fee based on facility type
 - o Fee established in FY 2003-04 at current rates
 - o Deposited into Groundwater Discharge Permit Fund
- Sewer expedited permit
 - o Paid by persons requesting an expedited review of an application for any of the following projects:

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- A conventional gravity sewer extension of 10,000 feet or less of sewer line
- A simple pumping station and force main
- A small diameter pressure sewer and grinder pumping station
- o \$1,000-\$4,000 application fee based on the project
- o Fee established in FY 2006-07 at current rates
- o Deposited into Infrastructure Construction Fund
- Solid waste surcharge
 - o Paid by owners or operators of landfills
 - o 12 cents per cubic yard of solid waste deposited in landfills
 - o \$500-\$3,000 annual fee for captive facilities
 - o Fee increased from 7 cents to 12 cents per cubic yard in FY 2011-12
 - o Deposited into staff account of the Solid Waste Management Fund
- Electronic device manufacturer's registration
 - o Paid by manufacturers of covered electronic devices offered for sale
 - o \$3,000 annual fee until fund balance reaches \$600,000, then no fee charged
 - o Fee established in FY 2008-09 at current rate
 - o Deposited into Electronic Waste Recycling Fund
- Electronic device recycler registration
 - o Paid by recyclers of covered electronic devices
 - o \$2,000 annual fee
 - o Fee established in FY 2008-09 at current rate
 - o Deposited into Electronic Waste Recycling Fund

FISCAL IMPACT:

This bill would extend the sunset on eight of DEQ's fees by giving the department the authority to continue to collect these fees for four more years. These eight fees generate \$13.3 million in annual revenue for DEQ as follows:

Floodplain application fee	\$2.1 million
(in combination with the other five land and water permit fees)	
Storm water discharge fee	\$1.6 million
Surface water discharge permit	\$2.8 million
Groundwater discharge permit	\$1.2 million
Sewer expedited permit	\$31,800
Solid waste surcharge	\$5.3 million
Electronic device manufacturer's registration	\$230,000
Electronic device recycler registration	\$50,000

All of these fees were assumed in the FY 2015-16 Executive Budget Recommendation and HB 4093 (H-1) which creates the FY 2015-16 appropriation act for DEQ.

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[■] This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.