

Legislative Analysis



NREPA SEWER AND STORMWATER GRANTS

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

House Bill 5395 as introduced
Sponsor: Rep. Joel Johnson
Committee: Natural Resources
Complete to 3-7-16

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

SUMMARY:

House Bill 5395 would amend Section 5204e of the Natural Resources and Environmental Protection Act (NREPA) to add a new allowable use for grant money paid out of the Strategic Water Quality Initiatives Fund, which funds grants to municipalities for sewage collection and treatment systems or storm water or nonpoint source pollution control, among other uses.

The bill would allow a municipality to use a grant received under Section 5204e to pay for *up to 50 percent of the project costs related to planning, design, and construction of a sewage collection and treatment system if the municipality meets criteria developed by the Department of Environmental Quality for a substantial public health risk from treatment system failure.*

Section 5204e grants under the Strategic Water Quality Initiatives Fund currently may be used for:

- Development of an asset management program for a sewage collection and treatment system or a storm water system. For sewage collection and treatment systems, the program must include the development of a funding structure and implementation schedule that provides sufficient resources to implement the program. The municipality is required to coordinate, as feasible, with other infrastructure activities in the same geographic area. In addition, a disadvantaged community may expend up to \$500,000 in grant funds to implement projects identified in the asset management program.
- Development of management plans for the treatment of storm water.
- Planning and design of a sewage treatment works project or stormwater treatment project, or planning and design of construction activities designed to reduce nonpoint source pollution.
- Project costs of a municipality related to the testing and demonstration of innovative wastewater and storm water technologies approved by the department.

MCL 324.5204e

FISCAL IMPACT:

House Bill 5395 would have no fiscal impact on the Department of Environmental Quality. The SWQIF grants and loans distributed by the state would likely continue to be awarded in much the same fashion as they are at present. This bill would also not have a direct

impact on local government costs or revenues. However, it would indirectly affect local government costs by expanding the existing grant program, which would allow local governments to partially shift their respective resources away from the planning, design, and construction costs covered in HB 5395 and towards other costs. Although this shift would not change costs or revenues, it would provide local governments with additional funding options and the increased flexibility that corresponds with the expansion of funding resources.

Legislative Analyst: Josh Roesner
Fiscal Analyst: Austin Scott

■ 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.