

**SUBSTITUTE FOR
HOUSE BILL NO. 4449**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 5522 (MCL 324.5522), as amended by 2011 PA 164.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5522. (1) Until October 1, ~~2015~~, **2019**, the owner or
2 operator of each fee-subject facility shall pay air quality fees as
3 required and calculated under this section. The department may levy
4 and collect an annual air quality fee from the owner or operator of
5 each fee-subject facility in this state. The legislature intends
6 that the fees required under this section meet the minimum
7 requirements of the clean air act and that this expressly stated
8 fee system serve as a limitation on the amount of fees imposed
9 under this part on the owners or operators of fee-subject
10 facilities in this state.

(2) The annual air quality fee shall be calculated for each fee-subject facility, according to the following procedure:

(a) Except as provided in subdivision (d), for category I facilities, the annual air quality fee shall be the sum of a facility charge of ~~\$4,485.00~~ **\$5,250.00** and an emissions charge as specified in subdivision (e) or (f).

(b) For category II facilities, the annual air quality fee shall be the sum of a facility charge of \$1,795.00 and an emissions charge as specified in subdivision (e) or (f).

(c) For category III facilities, the annual air quality fee shall be \$250.00.

(d) For municipal electric generating facilities that are category I facilities and that emit more than 730 tons ~~but less than 12,000 tons~~ of fee-subject air pollutants, the annual air quality fee shall be the following amount, based on the number of tons of fee-subject air pollutants emitted:

(i) ~~More~~ **FOR MORE** than 730 tons but less than ~~5,250~~ **5,000** tons, ~~\$37,000.00~~ **AN ANNUAL FEE OF \$41,830.00.**

(ii) ~~At least 5,250 tons but less than 12,000 tons,~~
~~\$127,000.00~~ **FOR 5,000 TONS OR MORE, AN ANNUAL FEE EQUAL TO THE SUM OF A FACILITY CHARGE OF \$5,250.00 AND AN EMISSIONS CHARGE AS SPECIFIED IN SUBDIVISION (E).**

(e) The emissions charge for category I facilities that are electric providers and that are not covered by subdivision (d) and for category II facilities that are electric providers shall equal the emission charge rate multiplied by the actual tons of fee-subject air pollutants emitted. The emission charge rate for fee-

1 subject air pollutants shall be ~~\$47.95.~~ **\$51.15.** A pollutant that
2 qualifies as a fee-subject air pollutant under more than 1 class
3 shall be charged only once. The actual tons of fee-subject air
4 pollutants emitted shall be considered to be the sum of all fee-
5 subject air pollutants emitted at the fee-subject facility for the
6 calendar year 2 years preceding the year of billing, but not more
7 than the lesser of the following:

8 (i) ~~5,250~~ **6,100** tons.

9 (ii) ~~1,250~~ **1,500** tons per pollutant, if the sum of all fee-
10 subject air pollutants except carbon monoxide emitted at the fee-
11 subject facility is less than ~~5,250~~ **6,100** tons.

12 (f) The emissions charge for category I or category II
13 facilities that are not electric providers shall be calculated in
14 the same manner as provided in subdivision (e). However, the actual
15 tons of fee-subject air pollutants emitted shall be considered to
16 be the sum of all fee-subject air pollutants emitted at a fee-
17 subject facility for the calendar year 2 years preceding the year
18 of billing, but not more than the lesser of the following:

19 (i) ~~4,000~~ **4,500** tons.

20 (ii) ~~1,000~~ **1,250** tons per pollutant, if the sum of all fee-
21 subject air pollutants except carbon monoxide emitted at the fee-
22 subject facility is less than ~~4,000~~ **4,500** tons.

23 (3) After January 1, but before January 15 of each year, the
24 department shall notify the owner or operator of each fee-subject
25 facility of its assessed annual air quality fee. Payment is due
26 within 90 calendar days of the mailing date of the air quality fee
27 notification. If an assessed fee is challenged under subsection

(5), payment is due within 90 calendar days of the mailing date of the air quality fee notification or within 30 days of receipt of a revised fee or statement supporting the original fee, whichever is later. However, to combine fee assessments, the department may adjust the billing date and due date under this subsection for category III **FACILITIES THAT ARE** dry cleaning facilities ~~that are~~ also subject to the licensing or certification requirements of section 13305 of the public health code, 1978 PA 368, MCL 333.13305, and section 5i of the fire prevention code, 1941 PA 207, MCL 29.5i. The department shall deposit all fees collected under this section to the credit of the fund.

(4) If the owner or operator of a fee-subject facility fails to submit the amount due within the time period specified in subsection (3), the department shall assess the owner or operator a penalty of 5% of the amount of the unpaid fee for each month that the payment is overdue up to a maximum penalty of 25% of the total fee owed. However, to combine fee assessments, the department may waive the penalty under this subsection for dry cleaning facilities described in subsection (3).

(5) To challenge its assessed fee, the owner or operator of a fee-subject facility shall submit the challenge in writing to the department. The department shall not process the challenge unless it is received by the department within 45 calendar days of the mailing date of the air quality fee notification described in subsection (3). A challenge shall identify the facility and state the grounds upon which the challenge is based. Within 30 calendar days of receipt of the challenge, the department shall determine

1 the validity of the challenge and provide the owner with
2 notification of a revised fee or a statement setting forth the
3 reason or reasons why the fee was not revised. Payment of the
4 challenged or revised fee is due within the time frame described in
5 subsection (3). If the owner or operator of a facility desires to
6 further challenge its assessed fee, the owner or operator of the
7 facility has an opportunity for a contested case hearing as
8 provided for under the administrative procedures act of 1969, 1969
9 PA 306, MCL 24.201 to 24.328.

10 (6) If requested by the department, by March 15 of each year,
11 or within 45 days of a request by the department, whichever is
12 later, the owner or operator of each fee-subject facility shall
13 submit information regarding the facility's previous year's
14 emissions to the department. The information shall be sufficient
15 for the department to calculate the facility's emissions for that
16 year and meet the requirements of 40 CFR 51.320 to 51.327.

17 (7) By July 1 of each year, the department shall provide the
18 owner or operator of each fee-subject facility required to pay an
19 emission charge pursuant to this section with a copy of the
20 department's calculation of the facility emissions for the previous
21 year. Within 60 days of this notification, the owner or operator of
22 the facility may provide corrections to the department. The
23 department shall make a final determination of the emissions by
24 December 15 of that year. If the owner or operator disagrees with
25 the determination of the department, the owner or operator may
26 request a contested case hearing as provided for under the
27 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to

1 24.328.

2 (8) By March 1 annually, the department shall prepare and
3 submit to the governor, the legislature, the chairpersons of the
4 standing committees of the senate and house of representatives with
5 primary responsibility for environmental protection issues related
6 to air quality, and the chairpersons of the subcommittees of the
7 senate and house appropriations committees with primary
8 responsibility for appropriations to the department a report that
9 details the department's activities of the previous fiscal year
10 funded by the fund. This report shall include, at a minimum, all of
11 the following as it relates to the department:

12 (a) The number of full-time equated positions performing title
13 V and non-title V air quality enforcement, compliance, or
14 permitting activities.

15 (b) All of the following information related to the permit to
16 install program authorized under section 5505:

17 (i) The number of permit to install applications received by
18 the department.

19 (ii) The number of permit to install applications for which a
20 final action was taken by the department. The number of final
21 actions shall be reported as the number of applications approved,
22 the number of applications denied, and the number of applications
23 withdrawn by the applicant.

24 (iii) The number of permits to install approved that were
25 required to complete public participation under section 5511(3)
26 before final action and the number of permits to install approved
27 that were not required to complete public participation under

section 5511(3) prior to final action.

(iv) The average number of final permit actions per permit to install reviewer full-time equivalent position.

(v) The percentage and number of permit to install applications that were reviewed for administrative completeness within 10 days of receipt by the department.

~~(vi) The percentage and number of permit to install applications that were reviewed for technical completeness within 30 days of receipt of an administratively complete application by the department.~~

(vi) ~~(vii)~~ The percentage and number of permit to install applications submitted to the department that were administratively complete as received.

(vii) ~~(viii)~~ The percentage and number of permit to install applications for which a final action was taken by the department within ~~60-180~~ days of receipt of a technically complete application for those **APPLICATIONS** not required to complete public participation under section 5511(3) prior to final action, or within ~~120-240~~ days of receipt of a technically complete application for those **APPLICATIONS** which are required to complete public participation under section 5511(3) prior to final action.

(viii) THE PERCENTAGE AND NUMBER OF PERMIT TO INSTALL APPLICATIONS FOR WHICH A PROCESSING PERIOD EXTENSION WAS REQUESTED AND GRANTED.

(c) All of the following information for the renewable operating permit program authorized under section 5506:

(i) The number of renewable operating permit applications

1 received by the department.

2 (ii) The number of renewable operating permit applications for
3 which a final action was taken by the department. The number of
4 final actions shall be reported as the number of applications
5 approved, the number of applications denied, and the number of
6 applications withdrawn by the applicant.

7 (iii) The percentage and number of **INITIAL** permit applications
8 ~~initially~~ processed within the required time.

9 (iv) The percentage and number of permit renewals and
10 modifications processed within the required time.

11 (v) The number of permit applications reopened by the
12 department.

13 (vi) The number of general permits issued by the department.

14 (d) The number of letters of violation sent.

15 (e) The amount of penalties collected from all consent orders
16 and judgments.

17 (f) For each enforcement action that includes payment of a
18 penalty, a description of what corrective actions were required by
19 the enforcement action.

20 (g) The number of inspections done on sources required to
21 obtain a permit under section 5506 and the number of inspections of
22 other sources.

23 (h) The number of air pollution complaints received,
24 investigated, not resolved, and resolved by the department.

25 (i) The number of contested case hearings and civil actions
26 initiated and completed, and the number of voluntary consent
27 orders, administrative penalty orders, and emergency orders entered

1 or issued, for sources required to obtain a permit under section
2 5506.

3 (j) The amount of revenue in the fund at the end of the fiscal
4 year.

5 (9) The report under subsection (8) shall also include the
6 amount of revenue for programs under this part received during the
7 prior fiscal year from fees, from federal funds, and from general
8 fund appropriations. Each of these amounts shall be expressed as a
9 dollar amount and as a percent of the total annual cost of programs
10 under this part.

11 (10) The attorney general may bring an action for the
12 collection of the fees imposed under this section.

13 (11) This section does not apply if the administrator of the
14 United States ~~environmental protection agency~~ **ENVIRONMENTAL**
15 **PROTECTION AGENCY** determines that the department is not adequately
16 administering or enforcing the renewable operating permit program
17 and the administrator promulgates and administers a renewable
18 operating permit program for this state.

19 (12) As used in this section, "electric provider" means that
20 term as defined in section 5 of the clean, renewable, and efficient
21 energy act, 2008 PA 295, MCL 460.1005.

22 Enacting section 1. This amendatory act takes effect October
23 1, 2015.