

HOUSE BILL No. 4794

August 18, 2015, Introduced by Rep. Lucido and referred to the Committee on Appropriations.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 61506d; and to provide an appropriation for purposes incidental thereto.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 61506D. (1) NOT LATER THAN JULY 31, 2016, THE DEPARTMENT
2 OF TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL ENTER INTO A CONTRACT
3 FOR THE PERFORMANCE OF A STUDY ON BEST PRACTICES ASSOCIATED WITH
4 OIL AND GAS EXPLORATION, DRILLING, AND PRODUCTION OPERATIONS IN
5 RESIDENTIAL AREAS. THE STUDY SHALL BE CONDUCTED BY A UNIVERSITY OR
6 OTHER PERSON WITH A HIGH DEGREE OF KNOWLEDGE AND EXPERTISE IN OIL
7 AND GAS EXPLORATION, DRILLING, AND PRODUCTION OPERATIONS IN
8 RESIDENTIAL AREAS. THE STUDY SHALL INCLUDE ALL OF THE FOLLOWING:

1 (A) AN IDENTIFICATION OF NUISANCE ISSUES CAUSED BY THE
2 EXPLORATION, DRILLING, AND PRODUCTION OF OIL AND GAS IN RESIDENTIAL
3 AREAS AND RECOMMENDED BEST PRACTICES TO MINIMIZE THE ADVERSE
4 EFFECTS OF THE OIL AND GAS OPERATIONS ON RESIDENTS LIVING IN THE
5 VICINITY OF THE OIL AND GAS OPERATIONS.

6 (B) AN IDENTIFICATION OF CURRENT INSURANCE REQUIREMENTS, AN
7 EVALUATION OF THE ADEQUACY OF THOSE REQUIREMENTS, AND
8 RECOMMENDATIONS ON THE TYPES AND AMOUNTS OF INSURANCE THAT SHOULD
9 BE REQUIRED OF COMPANIES ENGAGED IN EXPLORATION, DRILLING, AND
10 PRODUCTION OF OIL AND GAS IN RESIDENTIAL AREAS.

11 (C) AN IDENTIFICATION OF CURRENT SETBACK REQUIREMENTS FOR THE
12 EXPLORATION, DRILLING, AND PRODUCTION OF OIL AND GAS IN RESIDENTIAL
13 AREAS, AN EVALUATION OF THE ADEQUACY OF THOSE REQUIREMENTS, AND
14 RECOMMENDATIONS ON BEST PRACTICES FOR SETBACKS FOR OIL AND GAS
15 OPERATIONS IN RESIDENTIAL AREAS THAT WILL BE PROTECTIVE OF
16 RESIDENTS LIVING IN THOSE AREAS.

17 (D) AN EVALUATION OF POTENTIAL ENVIRONMENTAL HEALTH RISKS AND
18 SAFETY HAZARDS POSED BY OIL AND GAS EXPLORATION, DRILLING, AND
19 PRODUCTION IN RESIDENTIAL AREAS AND RECOMMENDED BEST PRACTICES THAT
20 ARE PROTECTIVE OF AIR, WATER, AND OTHER NATURAL RESOURCES AND
21 PUBLIC HEALTH IN THE VICINITY OF OIL AND GAS OPERATIONS.

22 (2) THE CONTRACT ENTERED INTO UNDER SUBSECTION (1) SHALL
23 REQUIRE THAT THE STUDY BE COMPLETED AND A MANUAL OF RECOMMENDED
24 BEST PRACTICES FOR THE EXPLORATION, DRILLING, AND PRODUCTION OF OIL
25 AND GAS IN RESIDENTIAL AREAS BE PREPARED NOT LATER THAN DECEMBER
26 31, 2016. THE CONTRACT SHALL ALSO SPECIFY THAT THE PERSON PREPARING
27 THE MANUAL SHALL PROVIDE A COPY OF THE MANUAL TO THE DEPARTMENT OF

1 **TECHNOLOGY, MANAGEMENT, AND BUDGET, THE DEPARTMENT OF ENVIRONMENTAL**
2 **QUALITY, AND TO EACH MEMBER OF THE LEGISLATURE.**

3 Enacting section 1. For the state fiscal year ending September
4 30, 2016, \$50,000.00 is appropriated from the general fund to the
5 department of technology, management, and budget to contract for
6 the performance of a study and an accompanying manual on best
7 practices associated with the exploration, drilling, and production
8 of oil and gas in residential areas as provided in section 61506d
9 of the natural resources and environmental protection act, 1994 PA
10 451, MCL 324.61506d. The appropriation made and the expenditures
11 authorized to be made by the department of technology, management,
12 and budget under this enacting section are subject to the
13 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.