

Legislative Analysis



WASTEWATER DISCHARGE PERMIT FEES: EXEMPT CAMPGROUNDS

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House Bill 4326 as introduced
Sponsor: Rep. Triston Cole
Committee: Regulatory Reform
Complete to 3-14-17

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

SUMMARY:

Under the bill, a campground that holds a campground license under the Public Health Code would no longer be considered "a facility" that is required to pay an annual groundwater discharge permit fee. The bill also changes the name of the permit and the permit fee from a *groundwater discharge permit fee* to a *wastewater discharge permit fee*.

The groundwater discharge permit fee is paid by facilities or municipalities that discharge wastewater to the ground or groundwater. This fee is collected by the Department of Environmental Quality (DEQ), and deposited in the Groundwater Discharge Permit Fees Fund. Revenue from this fund supports DEQ's Groundwater Discharge Program, which regulates Michigan's groundwater resources and protects them from hazardous and solid waste contamination. Currently, until September 30, 2019, the Department of Environmental Quality (DEQ) has the authority to levy and collect an annual groundwater discharge permit fee. Fees are based on the size of the facility and divided into four groups: Group 1 facility (\$3,650); Group 2 facility or a municipality of 1,000 fewer residents (\$1,500); Group 2a facility (\$250); and Group 3 facility (\$200). Campgrounds are considered to be a Group 2a facility.

Specifically, House Bill 4326 would amend Part 31 of the Natural Resources and Environmental Protection Act (NREPA). The NREPA specifies that a Group 1 facility, Group 2 facility, Group 2a facility, and Group 3 facility, for the purpose of the wastewater discharge permit fee, do not include a municipality with a population of 1,000 or fewer residents. The bill adds that these facilities would also not include a campground that holds a campground license under Part 125 of the Public Health Code. Thus, a campground holding the applicable license would not be subject to the wastewater discharge permit fee.

The bill also changes references to *groundwater discharge permit*, *groundwater discharge permit fee*, and *groundwater discharge permit fund* to *wastewater discharge permit*, *wastewater discharge permit fee*, and *wastewater discharge permit fund*.

The bill would take effect 90 days after enactment.

MCL 324.3109e

FISCAL IMPACT:

House Bill 4326 would have a negative fiscal impact on the Department of Environmental Quality by reducing departmental revenue generated from the groundwater discharge permit fee. The bill exempts campgrounds holding a campground license under Part 125 of the Public Health Code from being subject to the groundwater discharge permit fee requirement. This annual fee is paid by facilities or municipalities that discharge wastewater to the ground or groundwater of the state. Fee rates range from \$200 to \$3,650 depending on facility type. Fee revenue is used to support groundwater discharge permit enforcement programs. The fee generates approximately \$1.2 million in annual revenue; the DEQ estimates that this revenue would decrease by approximately \$37,200 if the bill becomes law.

The bill would have a positive fiscal impact on local units of government that own or operate campground facilities that would be exempt from the groundwater discharge permit fee requirement. However, the number of local governments that stand to benefit from this cost reduction, as well as the extent of this cost reduction, is unclear.

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