

HOUSE BILL No. 6372

September 25, 2018, Introduced by Rep. Lucido and referred to the Committee on Natural Resources.

A bill to amend 1976 PA 399, entitled
"Safe drinking water act,"
by amending the title and section 17 (MCL 325.1017), the title as
amended by 1998 PA 56 and section 17 as amended by 2008 PA 188, and
by adding section 17a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to protect the public health; to provide for
supervision and control over public water supplies; to prescribe
the powers and duties of the department of environmental quality;
to provide for the submission of plans and specifications for
waterworks systems and the issuance of construction permits

1 therefor; to provide for capacity assessments and source water
2 assessments of public water supplies; to provide for the
3 classification of public water supplies and the examination,
4 certification and regulation of persons operating those systems; to
5 provide for continuous, adequate operation of privately owned,
6 public water supplies; to authorize the promulgation of rules to
7 carry out the intent of the act; to create ~~the water supply fund;~~
8 ~~to provide for the administration of the water supply fund;~~ **CERTAIN**
9 **FUNDS AND PROVIDE FOR THEIR USE;** and to provide penalties.

10 Sec. 17. (1) A person engaged in producing bottled drinking
11 water shall utilize a water source meeting the requirements of this
12 section and the requirements otherwise provided in this act.
13 Bottling or packaging facilities and their operation ~~shall remain~~
14 under the supervision of the department of agriculture **AND RURAL**
15 **DEVELOPMENT** as provided for in the food law of 2000, 2000 PA 92,
16 MCL 289.1101 to 289.8111.

17 (2) A person producing bottled drinking water from an out-of-
18 state source shall submit proof to the director that the source and
19 bottling facilities were approved by the agency having
20 jurisdiction. The director may withhold approval of the bottled
21 water if the other agency's inspection, surveillance, and approval
22 procedures and techniques are determined to be inadequate.

23 (3) A person who proposes to engage in producing bottled
24 drinking water from a new or increased large quantity withdrawal of
25 more than 200,000 gallons of water per day from the waters of the
26 state or that will result in an intrabasin transfer of more than
27 100,000 gallons per day average over any 90-day period shall submit

1 an application **FOR A PERMIT** to the department in a form required by
2 the department containing an evaluation of environmental,
3 hydrological, and hydrogeological conditions that exist and the
4 predicted effects of the intended withdrawal that provides a
5 reasonable basis for the determination under this section to be
6 made.

7 (4) The department shall only approve an application **FOR A**
8 **PERMIT** under subsection (3) if the department determines both of
9 the following:

10 (a) The proposed use will meet the applicable standard
11 provided in section 32723 of the natural resources and
12 environmental protection act, 1994 PA 451, MCL 324.32723.

13 (b) The person will undertake activities, if needed, to
14 address hydrologic impacts commensurate with the nature and extent
15 of the withdrawal. These activities may include those related to
16 the stream flow regime, water quality, and aquifer protection.

17 (5) Before proposing activities under subsection (4)(b), the
18 person proposing to engage in producing bottled drinking water
19 shall consult with local government officials and interested
20 community members.

21 (6) Before making the determination **ON A PERMIT APPLICATION**
22 under subsection (4), the department shall provide public notice
23 and an opportunity for public comment of not less than 45 days.

24 (7) If the person proposing to engage in producing bottled
25 drinking water under subsection (3) does not have a permit under
26 section 4, the person shall request a determination under
27 subsection (4) when that person applies for a permit under section

1 4. If the person proposing to engage in producing bottled drinking
2 water has previously received a permit under section 4, the person
3 shall obtain approval under subsection (4) prior to beginning the
4 operations. A proposed use for which the department makes a
5 determination that the conditions of subsection (4) will be met
6 shall be considered to satisfy the requirements of section 4.11 of
7 the compact.

8 (8) A person ~~seeking a departmental determination under~~
9 ~~subsection (4) shall submit an application fee of \$5,000.00 to the~~
10 ~~department.~~ **THAT IS ISSUED A PERMIT UNDER THIS SECTION IS SUBJECT**
11 **TO A PERMIT FEE EQUALING 5 CENTS PER GALLON FOR EACH GALLON OF**
12 **WATER THAT IS WITHDRAWN UNDER THE PERMIT. THE PERMITTEE SHALL**
13 **TRANSMIT PERMIT FEES TO THE DEPARTMENT AT A TIME AND IN A MANNER**
14 **REQUIRED BY THE DEPARTMENT.** The department shall ~~transmit~~
15 ~~application~~ **FORWARD PERMIT** fees received under this section to the
16 state treasurer ~~to be credited to the water use protection fund~~
17 ~~created in section 32714.~~ **FOR DEPOSIT INTO THE WATER INFRASTRUCTURE**
18 **FUND CREATED IN SECTION 17A.**

19 (9) This section shall not be construed as affecting,
20 intending to affect, or in any way altering or interfering with
21 common law water rights or the applicability of other laws
22 providing for the protection of natural resources or the
23 environment.

24 (10) A person who proposes to engage in producing bottled
25 drinking water and who submitted an application for a permit under
26 section 4 prior to ~~the effective date of the amendatory act that~~
27 ~~added this subsection~~ **FEBRUARY 28, 2006**, is subject to the

provisions of this section that existed on February 28, 2006.

(11) As used in this section, "compact", "intrabasin transfer", "new or increased large quantity withdrawal", and "waters of the state" mean those terms as they are defined in section 32701 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.32701.

SEC. 17A. (1) THE WATER INFRASTRUCTURE FUND IS CREATED WITHIN THE STATE TREASURY.

(2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE WATER INFRASTRUCTURE FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE WATER INFRASTRUCTURE FUND. THE STATE TREASURER SHALL CREDIT TO THE WATER INFRASTRUCTURE FUND INTEREST AND EARNINGS FROM WATER INFRASTRUCTURE FUND INVESTMENTS.

(3) MONEY IN THE WATER INFRASTRUCTURE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE WATER INFRASTRUCTURE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

(4) THE DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE WATER INFRASTRUCTURE FUND FOR AUDITING PURPOSES.

(5) MONEY FROM THE WATER INFRASTRUCTURE FUND SHALL BE EXPENDED, UPON APPROPRIATION, ONLY TO ADMINISTER THIS ACT AND FOR DRINKING WATER AND SEWER SYSTEM INFRASTRUCTURE CAPITAL IMPROVEMENT PROJECTS AS PROVIDED BY LAW.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.