
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4465 (as reported without amendment)
Sponsor: Representative Jon Jellema
House Committee: Conservation, Environment and Recreation
Senate Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would add Part 54 (Safe Drinking Water Assistance) to the Natural Resources and Environmental Protection Act to:

- Provide for the eligibility of water suppliers to receive assistance as authorized by the Federal Safe Drinking Water Act.
- Require interested water suppliers to submit a project plan to the Department of Environmental Quality (DEQ); and require a plan to include documentation that the project was needed to comply with the Federal Act.
- Require the DEQ to develop a priority list of eligible projects and assign each project up to 1,000 points based on whether a project addressed drinking water quality or infrastructure improvements, the population served by the water system, whether a community was disadvantaged, and whether a project included consolidation.
- Require the DEQ to conduct an environmental review of a project, and allow the DEQ to issue a finding of no significant impact or require an environmental impact statement.
- Permit water suppliers with an approved project or a project under review to apply for assistance, and require the DEQ to review applications and issue orders of approval.
- Allow the DEQ to bypass certain projects, and to recommend the termination of assistance.
- Provide for the payment of the DEQ's administrative costs from various sources, including the Federal capitalization grant, a local match, and proceeds of bonds or notes; and allow the DEQ to collect fees.

The bill is tie-barred to House Bill 4466, which would require the Michigan Municipal Bond Authority to establish a State Drinking Water Revolving Fund.

Proposed MCL 324.5401-324.5418

Legislative Analyst: S. Margules

FISCAL IMPACT

House Bills 4465 and 4466 would establish the Drinking Water Revolving Fund and State drinking water program parameters to allow the receipt of between \$25 million and \$35 million in additional Federal funds. The State would provide a match of approximately \$7.5 million in General Fund money, which is currently included in Senate Bill 167, the FY 1997-98 DEQ budget under consideration in the House of Representatives.

Date Completed: 5-22-97

Fiscal Analyst: G. Cutler

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.