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WATER POLLUTION: CLEAN WATER FUND

House Bill 4319

Sponsor: Rep. William Callahan

Committee: Great Lakes and Tourism

Complete to 4-13-99

A SUMMARY OF HOUSE BILL 4319 AS INTRODUCED 2-23-99

Approval of Proposal C in 1998 allowed the Clean Michigan Initiative (CMI) Act, Public Act 284, to take effect. Public Act 284 authorized the state to borrow up to \$675 million and issue general obligation bonds to finance environmental and natural resources protection programs, and set in motion a package of related legislation (Public Acts 285 through 288) that addressed disbursements of the proceeds. For example, Public Act 287 added a new part to the Natural Resources and Environmental Protection Act (NREPA) to provide grants for nonpoint source pollution prevention ("nonpoint source pollution" refers to pollution that doesn't stem from one source, including runoff of contaminated precipitation that infiltrates groundwater or that is discharged into surface waters) and control programs, or for wellhead protection projects. The grants are to be made available to local units of government and tax exempt programs. Public Act 287 also established a Clean Water Fund to finance programs identified as priorities by the Department of Environmental Quality (DEQ). Money in the fund may be appropriated for loans or grants for water pollution control and wellhead protection activities, and for storm water treatment projects and activities. House Bill 4319 would replace these requirements with new provisions for water quality monitoring funds, and would also establish a Water Quality Trust Fund.

Clean Water Fund. Under the bill, money in the fund would be expended by the DEQ as follows:

- \$30 million would be transferred to the Water Quality Trust Fund that would be established under the bill.
- Between \$5 million and \$20 million would be used for low-interest loans for storm water pollution prevention and control projects for impaired or threatened waters, with the priority being given to projects affecting waters with the greatest use impairment.
- Between \$3.75 million and \$15 million would be used for a "Clean Lakes Program" to develop and implement inland lake and Lake St. Clair watershed management plans to reduce and prevent pollution. These funds could also be distributed as grants to local units of government, nonprofit organizations, or lake associations.

- Between \$2.5 million and \$20 million would be to provide loans or grants to municipalities for an "Innovative Water Pollution Prevention and Control Technologies Demonstration Program" to demonstrate cost-effective alternatives to traditional wastewater treatment technologies.

- Between \$1.25 million and \$5 million would be used to close abandoned wells, with priority being given to those in wellhead protection areas whose closure was included in approved wellhead protection plans.

- Between \$2 million and \$10 million would be used to extend municipal sewer systems to replace septic tanks in intensively developed areas where clusters of failing tanks were contributing to water quality impairments.

Water Quality Trust Fund. House Bill 4319 would establish a Water Quality Trust Fund and transfer \$30 million from the Clean Water Fund to the new fund. The interest and earnings from the new fund would be appropriated for water quality monitoring. The bill would specify that 50 percent of the money expended from the fund each year would be disbursed by the DEQ to provide grants to local units of government or nonprofit organizations to implement monitoring proposals, with priority being given to proposals that determined the source and nature of water quality impairments at locations with a history of water quality sampling and a history of beach closures. After quality assurance, the DEQ would have to make all monitoring information that was collected accessible to the public -- both electronically and in paper format.

Analyst: R. Young

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.