

**House Bill 4792**

**Sponsor: Rep. Charles LaSata**

**First Committee: Appropriations**

**Second Committee: Commerce**

**Complete to 5-23-01**

**A SUMMARY OF HOUSE BILL 4792 AS INTRODUCED 5-17-01**

The bill would amend the Natural Resources and Environmental Protection Act (NREPA) to reauthorize the charging of annual air quality fees that would otherwise sunset on September 30, 2001, and adjust the amount of the fees. These fees support the state's air quality operating permit program as required by the federal Clean Air Act. [According to the House Fiscal Agency, the fees would raise the approximately \$12 million required to pay for the program.] The bill would apply to the state fiscal year beginning October 1, 2001, and continue to apply until September 30, 2005.

The bill would:

- Adjust existing fees for Category I and Category II facilities by multiplying them by a revenue leveling factor, as described in the bill. The revenue leveling factor would be determined by dividing \$11.225 million by the sum of the unadjusted annual air quality fees charged to Category I facilities, Category II facilities, and municipal electric generating facilities.

[The Category I fee is composed of a facility charge of \$3,375, plus an emissions charge of \$34 per ton of fee-subject air pollutants. The Category II fee is composed of a facility charge of \$1,350, plus an emissions charge of \$34 per ton of fee-subject air pollutants. The emissions charge is capped at 4,000 tons. The actual tons of fee-subject air pollutants is calculated based on emissions for the calendar year two years preceding the year of billing.]

- Increase fees for some municipal electric generating facilities that are also Category I facilities. Currently, such a municipal generating facility's fee is an operating permit facility charge of \$18,675 for facilities that emit less than 18,000 tons but more than 450 tons of fee-subject air pollutants. The bill would instead charge air quality fees based on the number of tons of fee-subject air pollutants emitted, and the fees would be multiplied by the revenue leveling factor described earlier. The fees would be as follows:

- (1) For less than 4,000 tons, the fee would be \$18,675.
- (2) For 4,000 tons to 5,300 tons, the fee would be \$18,675 plus \$34 for each ton in excess of 4,000 tons.
- (3) For more than 5,300 but not more than 12,000 tons, the fee would be \$64,000.
- (4) For more than 12,000 tons but less than 18,000 tons, the fee would be \$120,000.

- Increase the fee for Category III facilities from \$200 to \$250.

Other Provisions. The act currently requires an annual report from the Department of Environmental Quality to be submitted to the governor and legislature detailing the activities of the previous fiscal year that were funded by the Emissions Control Fund. The bill would specify that the report would have to be sent to the chair of the standing committee of the Senate and House of Representatives with primary responsibility for environmental protection issues related to air quality, and the chairs of the subcommittees of the Senate and House appropriations committees with primary responsibility for appropriations to the department. The bill would also require that the report contain the amount of revenue in the fund at the end of the fiscal year and the amount of revenue for programs received during the prior fiscal year from fees, from federal funds, and from general fund appropriations. Each of these amounts would have to be expressed as a dollar amount and as a percentage of the total annual cost of programs.

The bill would also add a provision stating that the section being amended would not apply if the administrator of the United States Environmental Protection Agency determined that the department was not adequately administering or enforcing the renewable operating permit program, and the administrator promulgated and administered a renewable operating permit program for the state.

MCL 324.5522

Analyst: C. Couch

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■ 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.