



**House
Legislative
Analysis
Section**

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**INCOME TAX CHECKOFF FOR
GREAT LAKES**

House Bills 4929 and 4930

Sponsor: Rep. Raymond Basham

**Committee: Conservation and Outdoor
Recreation**

Complete to 8-13-01

A SUMMARY OF HOUSE BILLS 4929 AND 4930 AS INTRODUCED 6-7-01

The bills would establish a Great Lakes Endowment Fund in the Department of Environmental Quality (DEQ) to provide funds for water quality monitoring and water pollution prevention programs, and would provide for a checkoff option on tax returns to allow taxpayers to contribute to the fund. The bills are tie-barred to each other.

House Bill 4930 would create the Great Lakes Endowment Fund Act, and would establish the Great Lakes Endowment Fund in the DEQ effective January 1, 2001. The fund would consist of all money credited to the fund under the income tax checkoff provisions of House Bill 4929, together with any interest and earnings accrued from the fund's saving and investment of the money, grants and other appropriations, money, or things of value. The bill would specify that the principal, interest, and earnings of the fund be expended solely to provide grants for the following purposes:

- Projects approved by the DEQ that monitor surface water and groundwater quality to determine sources and levels of water quality impairment, including, but not limited to, testing public bathing beaches, investigating spills, and monitoring fish contamination.
- To develop and maintain a statewide database of information on water quality in the state coordinated by the DEQ and available electronically and otherwise to the public. The information would have to include, but not be limited to, the safety of public bathing beaches, levels of sport fish contamination, and other information of general public interest. For the 2001, 2002, and 2003 state fiscal years, the department could use up to 25 percent of the money available in the fund for distribution during those state fiscal years to establish the database.
- To monitor and report the levels of residential, commercial, agricultural, and other water consumption to assure compliance with the Great Lakes Charter of 1985 signed by the governors and premiers of each Great Lakes' state and province on February 11, 1985, in Milwaukee, Wisconsin, and to support this state's participation in the interstate notification and consultation process provided by the charter.
- Projects approved by the department to prevent pollution of surface water and groundwater, including, but not limited to, providing public education, technical assistance to businesses, and assisting the development of partnerships between individual businesses and communities to identify and reduce sources of pollution that might affect water quality.

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Grants. The bill would require that the department solicit and approve proposals for grants to fund the provisions of the act, and that at least ninety percent of the money available for distribution be distributed each state fiscal year as grants to local governmental units and nonprofit organizations. Also, each state fiscal year the DEQ would be allowed to retain not more than ten percent of the funds available for distribution for administrative and other departmental costs related to the fund, and for grants. The bill would specify that money in the fund that was available for distribution be appropriated each year.

House Bill 4929 would add a new section to the Income Tax Act (MCL 206.438) to allow taxpayers to designate on their annual returns that a contribution of \$2 or more of their refunds be credited to the Great Lakes Endowment Fund that would be established under the provisions of House Bill 4930. The bill would also specify that, if a taxpayer's refund was insufficient to make a contribution, then the taxpayer could designate a contribution amount and that contribution amount would be added to the taxpayer's tax liability for the tax year.

The bill would require that the contribution designation be clearly and unambiguously printed on the first page of all state individual income tax return forms, if practicable. Further, the bill would require that -- notwithstanding the other allocations and disbursements required under the act -- an amount equal to the cumulative designations made under the bill, less the amount appropriated to the Department of Treasury to implement the provisions of the bill, be deposited in the Great Lakes Endowment Fund, and appropriated solely for the purposes of the fund, as specified in the Great Lakes Endowment Fund Act under the provisions of House Bill 4930.

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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.