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House Bill 4792 (Substitute H-4 as reported without amendment)  
Sponsor: Representative Charles LaSata  
First House Committee: Appropriations  
Second House Committee: Commerce  
Senate Committee: Natural Resources and Environmental Affairs

## **CONTENT**

The bill would amend Part 55 (Air Pollution Control) of the Natural Resources and Environmental Protection Act to Extend air quality fee requirements for four years (until September 30, 2005) and do the following:

- Increase the annual fees that apply to Category I, II, and III facilities.
- Increase the emissions charge rate (which applies to Category I and II facilities) from \$34 per ton of fee-subject air pollutants to \$45.25 per ton.
- For municipal electric generating facilities that emit more than 450 but less than 18,000 tons, replace the current \$18,675 fee with a fee ranging from \$24,816 to \$159,459, based on tons emitted.
- Provide that the air quality fees would not apply if the administrator of the U.S. Environmental Protection Agency determined that the Departmental of Environmental Quality was not adequately administering or enforcing the renewable operating permit program and the administrator promulgated and administered such a program for Michigan.

Currently, the air quality fees are: a facility charge of \$3,375 plus an emissions charge for a Category I facility; a facility charge of \$1,350 plus an emissions charge for a Category II facility; and \$200 for a Category III facility. The bill would increase the facility charge for a Category I facility to \$4,485 and for a Category II facility to \$1,795. The fee for a Category III facility would be increased to \$250. (In general, a Category I facility emits or has the potential to emit at least 100 tons per year of any air pollutant. A Category II facility generally emits or has the potential to emit 10 tons per year or more of any hazardous air pollutant or 25 tons per year or more of any combination of hazardous air pollutants. "Category III facility" means any fee-subject facility that is not a Category I or II facility.)

MCL 324.5522

Legislative Analyst: N. Nagata

## **FISCAL IMPACT**

The fee revenue that would be generated under the bill would average \$10.5 million to \$11.5 million per year between fiscal years 2001-02 and 2004-05, compared with the average of \$9.8 million per year that was generated between fiscal years 1998-99 and 2000-01. The higher end of the revenue estimate is based on the assumption that reductions in emissions would be less than 3% per year. It should be noted that billable emissions have fallen by an average of more than 6% per year between 1993 and 1999. The annual reductions in billable emissions range from 3% between 1995 and 1994, to more than 9% between 1999 and 1998, the last year for which data are available.

Based on current Air Quality Program spending from air quality fees, program expenditures from fees would average approximately \$11.3 million during the period covered by the bill.

Date Completed: 6-13-01  
floor\hb4792 (H-4)

Fiscal Analyst: P. Graham

Analysis available @ <http://www.michiganlegislature.org>

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.