



House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

**LOWER LAKES AND STREAM FEES  
FOR NONPROFITS**

**House Bill 4752 as passed by the House  
Second Analysis (12-30-03)**

**Sponsor: Rep. Scott Shackleton  
Committee: Conservation and Outdoor  
Recreation**

***THE APPARENT PROBLEM:***

Part 301 of the Natural Resources and Environmental Protection Act, establishes permit application fees ranging from \$50 to \$2,000 for permits to alter inland lakes and streams (e.g., operating marinas, performing construction work, dredging, etc.). The current fee structure was established with the enactment of Public Act 181 of 1993, as a means of generating revenue for the Department of Natural Resources (which had not yet been split into the departments of Natural Resources and Environmental Quality). Prior to the enactment of the 1993 legislation, the fee for all activities was \$25. The fee structure was to have reverted back to \$25 on October 1, 1995, though legislation in subsequent years has continued to push that date back; it is now October 1, 2008. [The most recent extension was in Public Act 163 of 2003.] Depending on the activities undertaken, the permit fee can be as much as several hundreds or a few thousand dollars, which can be burdensome for some groups and individuals, particularly nonprofit organizations, such as the Boy Scouts. It has been suggested that the fee for such organizations be lowered.

***THE CONTENT OF THE BILL:***

The bill would amend Part 301 (Inland Lakes and Streams) of the Natural Resources and Environmental Protection Act to specify that application fees for permits to alter lakes and streams could not exceed \$100 if the applicant is a nonprofit entity that is exempt from taxation under section 501(c)(3) of the federal Internal Revenue Code and the project improves, cleans, rehabilitates, or otherwise enhances natural resources values.

MCL 324.30104

***FISCAL IMPLICATIONS:***

The House Fiscal Agency notes that the bill would have an indeterminate fiscal impact on the DEQ's

water management program. Actual revenue losses would depend on the number of nonprofit projects conducted. The bill would have no fiscal impact on local units of government. (HFA analysis on an earlier, though substantially similar, version of the bill, 12-16-03)

***ARGUMENTS:***

***For:***

The bill is designed to lessen the financial burden placed on nonprofit organizations, such as Trout Unlimited or the Boy Scouts, when they undertake some activity related to improving the state's numerous inland lakes and streams, and for which a permit is required under Part 301. In some instances, the fee can be \$500 or more - a substantial amount of money for organizations that, by their very nature, cannot readily afford such costs. Also, given that such activities are intended to enhance the state's natural resources (a public good/service), the state should do all it can to encourage organizations to engage in such activities; a hefty application fee certainly dissuades groups from engaging in these activities.

***POSITIONS:***

The Department of Environmental Quality testified that it is neutral on the bill. (12-10-03)

The Michigan United Conservation Clubs (MUCC) indicated that it supports the bill. (12-10-03)

Analyst: M. Wolf

■ 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.

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