

# HOUSE BILL No. 4777

June 20, 2017, Introduced by Reps. Sowerby, Rabhi, Hammoud, Chang, Sabo, Hoadley, Pagan, Cochran, Faris, Geiss, Sneller, Wittenberg, Lasinski, Elder, LaGrand, Ellison, Moss, Jones, Green, Camilleri, Zemke, Greig, Yanez, Hertel, Clemente, Durhal, Liberati, Neeley and Gay-Dagnogo and referred to the Committee on Energy Policy.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 1301 and 61525 (MCL 324.1301 and 324.61525), section 1301 as amended by 2014 PA 215 and section 61525 as amended by 2004 PA 325.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1301. As used in this part:

2       (a) "Application period" means the period beginning when an  
3 application for a permit is received by ~~the~~**THIS** state and ending  
4 when the application is considered to be administratively complete  
5 under section 1305 and any applicable fee has been paid.

6       (b) "Department" means the department, agency, or officer

1 authorized by this act to approve or deny an application for a  
2 particular permit.

3 (c) "Director" means the director of the state department  
4 authorized under this act to approve or deny an application for a  
5 particular permit or the director's designee.

6 (d) "Permit" means a permit or operating license required by  
7 any of the following sections or by rules promulgated thereunder,  
8 or, in the case of section 9112, by an ordinance adopted  
9 thereunder:

- 10 (i) Section 3104, floodplain alteration permit.  
11 (ii) Section 3503, permit for use of water in mining iron ore.  
12 (iii) Section 4105, sewerage system construction permit.  
13 (iv) Section 6516, vehicle testing license.  
14 (v) Section 6521, motor vehicle fleet testing permit.  
15 (vi) Section 8310, restricted use pesticide dealer license.  
16 (vii) Section 8310a, agricultural pesticide dealer license.  
17 (viii) Section 8504, license to manufacture or distribute  
18 fertilizer.  
19 (ix) Section 9112, local soil erosion and sedimentation  
20 control permit.  
21 (x) Section 11509, solid waste disposal area construction  
22 permit.  
23 (xi) Section 11512, solid waste disposal area operating  
24 license.  
25 (xii) Section 11542, municipal solid waste incinerator ash  
26 landfill operating license amendment.  
27 (xiii) Section 11702, septage waste servicing license or

- 1 septage waste vehicle license.
- 2 (xiv) Section 11709, septage waste site permit.
- 3 (xv) Section 30104, inland lakes and streams project permit.
- 4 (xvi) Section 30304, state permit for dredging, filling, or  
5 other activity in wetland. Permit includes an authorization for a  
6 specific project to proceed under a general permit issued under  
7 section 30312.
- 8 (xvii) Section 31509, dam construction, repair, or removal  
9 permit.
- 10 (xviii) Section 32312, flood risk, high risk, or environmental  
11 area permit.
- 12 (xix) Section 32512, permit for dredging and filling  
13 bottomland.
- 14 (xx) Section 32603, permit for submerged log removal from  
15 Great Lakes bottomlands.
- 16 (xxi) Section 35304, department permit for critical dune area  
17 use.
- 18 (xxii) Section 36505, endangered species permit.
- 19 (xxiii) Section 41702, game bird hunting preserve license.
- 20 (xxiv) Section 42101, dog training area permit.
- 21 (xxv) Section 42501, fur dealer's license.
- 22 (xxvi) Section 42702, game dealer's license.
- 23 (xxvii) Section 44513, charter boat operating permit under  
24 reciprocal agreement.
- 25 (xxviii) Section 44516, boat livery operating permit.
- 26 (xxix) Section 45503, permit to take frogs for scientific use.
- 27 (xxx) Section 45902, game fish propagation license.

1 (xxxi) Section 45906, game fish import license.

2 (xxxii) Section 61525, oil or gas well drilling permit.

3 (xxxiii) Section 62509, brine, storage, or waste disposal well  
4 drilling or conversion permit or test well drilling permit.

5 (xxxiv) Section 63103a, ferrous mineral mining permit.

6 (xxxv) Section 63514 or 63525, surface coal mining and  
7 reclamation permit or revision of the permit, respectively.

8 (xxxvi) Section 63704, sand dune mining permit.

9 (xxxvii) Section 72108, use permits for a Pure Michigan Trail.

10 (xxxviii) Section 76109, sunken aircraft or watercraft  
11 abandoned property recovery permit.

12 (xxxix) Section 76504, Mackinac Island motor vehicle and land  
13 use permits.

14 (xxxx) Section 80159, buoy or beacon permit.

15 (e) "Processing deadline" means the last day of the processing  
16 period.

17 (f) "Processing period" means the following time period after  
18 the close of the application period, for the following permit, as  
19 applicable:

20 (i) Twenty days, **UNLESS A HEARING IS HELD**, for a permit under  
21 section 61525 or 62509.

22 (ii) Thirty days for a permit under section 9112 or 44516.

23 (iii) Thirty days after the department consults with the  
24 underwater salvage and preserve committee created under section  
25 76103, for a permit under section 76109.

26 (iv) Sixty days, for a permit under section 30104 for a minor  
27 project established under section 30105(7) or 32512a(1), ~~or~~ **FOR** an

1 authorization for a specific project to proceed under a general  
2 permit issued under section 30105(8) or 32512a(2), ~~or~~ for a permit  
3 under section 32312, **OR, IF A HEARING IS REQUIRED, FOR A PERMIT**  
4 **UNDER SECTION 61525 OR 62509.**

5 (v) Sixty days or, if a hearing is held, 90 days for a permit  
6 under section 35304.

7 (vi) Sixty days or, if a hearing is held, 120 days for a  
8 permit under section 30104, other than a permit or authorization  
9 described in subparagraph (ii) or (iv), or for a permit under  
10 section 31509.

11 (vii) Ninety days for a permit under section 11512, a revision  
12 of a surface coal mining and reclamation permit under section  
13 63525, or a permit under section 72108.

14 (viii) Ninety days or, if a hearing is held, 150 days for a  
15 permit under section 3104 or 30304, or a permit under section 32512  
16 other than a permit described in subparagraph (iv).

17 (ix) Ninety days after the close of the review or comment  
18 period under section 32604, or if a public hearing is held, 90 days  
19 after the date of the public hearing for a permit under section  
20 32603.

21 (x) One hundred twenty days for a permit under section 11509,  
22 11542, 63103a, 63514, or 63704.

23 (xi) One hundred fifty days for a permit under section 36505.  
24 However, if a site inspection or federal approval is required, the  
25 150-day period is tolled pending completion of the inspection or  
26 receipt of the federal approval.

27 (xii) For any other permit, 150 days or, if a hearing is held,

1 90 days after the hearing, whichever is later.

2 Sec. 61525. (1) A person shall not drill or begin the drilling  
3 of any well for oil or gas, for secondary recovery, or a well for  
4 the disposal of salt water, or brine produced in association with  
5 oil or gas operations or other oil field wastes, or wells for the  
6 development of reservoirs for the storage of liquid or gaseous  
7 hydrocarbons, except as authorized by a permit to drill and operate  
8 the well issued by the supervisor of wells pursuant to part 13 and  
9 unless the person files with the supervisor a bond as provided in  
10 section 61506. The permittee shall post the permit in a conspicuous  
11 place at the location of the well as provided in the rules and  
12 requirements or orders issued or promulgated by the supervisor. An  
13 application for a permit ~~shall~~**MUST** be accompanied by a fee of  
14 \$300.00. A permit to drill and operate ~~shall~~**MUST** not be issued to  
15 an owner or his or her authorized representative who does not  
16 comply with the rules and requirements or orders issued or  
17 promulgated by the supervisor. A permit ~~shall~~**MUST** not be issued to  
18 an owner or his or her authorized representative who has not  
19 complied with or is in violation of this part or any of the rules,  
20 requirements, or orders issued or promulgated by the supervisor or  
21 the department.

22 (2) The supervisor shall forward all fees received under this  
23 section to the state treasurer for deposit in the fund.

24 (3) The supervisor shall make available to any person, upon  
25 request, not less often than weekly, the following information  
26 pertaining to applications for permits to drill and operate:

27 (a) Name and address of the applicant.

1 (b) Location of proposed well.

2 (c) Well name and number.

3 (d) Proposed depth of the well.

4 (e) Proposed formation.

5 (f) Surface owner.

6 (g) Whether hydrogen sulfide gas is expected.

7 **(H) WHETHER THE WELL WILL BE USED FOR HYDRAULIC FRACTURING.**

8 (4) The supervisor shall provide the information under  
9 subsection (3) to the county ~~in which an oil or gas well is~~  
10 ~~proposed to be located~~ and to the city, village, or township in  
11 which the oil or gas well is proposed to be located. ~~if that city,~~  
12 ~~village, or township has a population of 70,000 or more.~~ A city,  
13 village, township, or county in which an oil or gas well is  
14 proposed to be located may provide written comments and  
15 recommendations to the supervisor pertaining to applications for  
16 permits to drill and operate. The supervisor shall consider all  
17 such comments and recommendations in reviewing the application.

18 **(5) IN ADDITION TO THE REQUIREMENTS OF SUBSECTION (4), IF THE**  
19 **DEPARTMENT RECEIVES A REQUEST FROM THE CITY, VILLAGE, OR TOWNSHIP**  
20 **IN WHICH THE OIL OR GAS WELL IS OR WOULD BE LOCATED OR FROM ANY**  
21 **PERSON WHO IS OR MAY BE ADVERSELY IMPACTED BY THE HYDRAULIC**  
22 **FRACTURING OPERATION, INCLUDING ANY PERSON WHOSE WATER SUPPLY MAY**  
23 **BE ADVERSELY IMPACTED BY THE HYDRAULIC FRACTURING OPERATION, THE**  
24 **DEPARTMENT SHALL HOLD A PUBLIC HEARING IN THE CITY, VILLAGE, OR**  
25 **TOWNSHIP IN WHICH THE OIL OR GAS WELL IS LOCATED BEFORE ISSUING A**  
26 **PERMIT OR AUTHORIZING THE USE OF AN OIL OR GAS WELL FOR HYDRAULIC**  
27 **FRACTURING. AT THE PUBLIC HEARING, INTERESTED PARTIES MAY PROVIDE**

1 WRITTEN COMMENTS AND RECOMMENDATIONS TO THE SUPERVISOR PERTAINING  
2 TO THE APPLICATION. THE SUPERVISOR SHALL CONSIDER ALL SUCH COMMENTS  
3 AND RECOMMENDATIONS IN REVIEWING THE APPLICATION.

4 (6) AS USED IN THIS SECTION, "HYDRAULIC FRACTURING" MEANS  
5 INJECTING FOAM OR FLUID INTO A WELL UNDER PRESSURE TO CREATE  
6 FRACTURES IN A FORMATION AND THEREBY ENHANCE PRODUCTION OF  
7 HYDROCARBONS.

8 Enacting section 1. This amendatory act takes effect 90 days  
9 after the date it is enacted into law.