

Legislative Analysis



SUNSET EXTENSIONS FOR CERTAIN FEES UNDER NREPA

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House Bill 5003 (proposed substitute H-1)

Sponsor: Rep. Shri Thanedar

Committee: Appropriations

Complete to 10-6-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5003 would amend the Natural Resources and Environmental Protection Act (NREPA) to extend the sunset of certain fees collected by the Department of Environment, Great Lakes, and Energy (EGLE) under the act. The bill also would remove provisions related to the hazardous waste manifest processing fee, which expired on October 1, 2021. (Under section 11135 of the act, hazardous waste generators were required to pay a fee of \$8 for each manifest provided to hazardous waste transporters.)

The bill would change the sunset (expiration date) of the following fees to October 1, 2025:

Floodplain permit application fees (section 3104) – Floodplain permits are issued by EGLE for occupation, construction, filling, or grade change in the floodplain of a river, stream, or drain, including bridge or culvert construction. Depending on the permit, the application fee is \$50 (general permit category), \$100 (minor project), or \$500 (all other floodplain permits). There is an additional \$1,500 assessment to cover the cost of any necessary engineering review by EGLE. These provisions currently sunset on October 1, 2024.

Wastewater and storm water operator training and certification fees (sections 3110 and 4104) – Individuals seeking to complete wastewater and storm water operator certification programs must pay a fee of \$30 to \$95 depending on the certification sought. These provisions currently sunset on October 1, 2021.

Stormwater discharge fees (section 3118) – Persons initiating or continuing activities that discharge stormwater into the state’s surface waters pay this fee. The fee structure includes a one-time \$400 construction fee and annual fees ranging from \$260 to \$7,000 depending on type of discharge or storm sewer system or the population served by a local municipal storm water system. These provisions currently sunset on October 1, 2023.

Surface water discharge fees (section 3120) – Persons initiating or continuing activities that discharge substances other than stormwater into the state’s surface waters pay this fee. The fee structure includes an application fee ranging from \$75 to \$750 and annual fees ranging from \$150 to \$213,000, based on facility type. These provisions currently sunset on October 1, 2023.

Hazardous waste generator or transporter or treatment, storage, or disposal facility user charge (section 11153) – Hazardous waste generators and transporters and treatment, storage, and disposal facilities pay a one-time fee of \$50 to obtain a site

identification number issued by the United States Environmental Protection Agency (EPA) or EGLE. These provisions currently sunset on October 1, 2021.

Hazardous waste handler user charge (section 11153) – Hazardous waste generators pay an annual handler user charge based on quantity of waste generated. Additionally, an owner or operator of a treatment, storage, or disposal facility that requires a department-issued operating license must pay EGLE an annual handler user charge of \$2,000. Used oil processors, refiners, marketers, and burners also must pay an annual handler user charger of \$100. These provisions currently sunset on October 1, 2021.

Land and water permit fees (sections 30104, 30109, 32312, and 32513) – Persons applying for infrastructure or construction projects on Michigan’s waterways pay land and water permit fees. The four land and water permit fees included in the bill are the inland lakes and streams application fee (\$50 to \$2,000), the ordinary high-water mark establishment fee (\$500), the Great Lakes shoreline permit fee (\$50 to \$500), and the submerged lands application fee (\$50 to \$2,000). These provisions currently sunset on October 1, 2023.

MCL 324.3104 et seq.

FISCAL IMPACT:

House Bill 5003 is likely to increase revenues for EGLE by extending the sunsets on certain fees collected by the department; EGLE would no longer be able to collect this revenue beyond the sunset date without these extensions. Annual revenue generated by these fees is as follows:

Fee	Fee revenue
Hazardous Waste Fees	\$25,000
Land & Water Permit Fees	2,883,000
Surface Water Discharge Fees	2,900,000
Stormwater Discharge Fees	1,540,000
Operator Training & Certification Fees	503,900
TOTAL	\$7,851,900

Data source: EGLE

Revenue generated by Floodplain Permit Application Fees are included with the Land and Water Permit Fees above. This revenue is primarily used to support EGLE’s Land and Water Interface Permit Programs appropriation, which administers flood hazard, flood insurance, and dam safety programs. This appropriation is \$17.9 million Gross in FY 2021-22.

Hazardous Waste Fees primarily support the Hazardous Waste Management Program appropriation, which permits and regulates hazardous waste transporters and facilities. This appropriation is \$5.9 million Gross in FY 2021-22.

Surface Water Discharge Fees primarily support the National Pollutant Elimination Discharge Elimination System (NPDES) Nonstormwater Program, which issues NPDES permits to

facilities that discharge waste to Michigan's surface waters. This appropriation is \$15.2 million Gross in FY 2021-22.

Stormwater Discharge Fees primarily support the Stormwater Activities appropriation, which regulates stormwater discharges that require NPDES permits. This appropriation is \$5.7 million Gross in FY 2021-22.

Operator Training and Certification Fees primarily support the Environmental Health appropriation and the Surface Water appropriation. Environmental Health provides emergency response to drinking water safety threats; this appropriation is \$7.4 million Gross in FY 2021-22. Surface Water regulates Michigan's surface water, including pollutant monitoring and water quality testing; this appropriation is \$8.9 million in FY 2021-22.

The bill is unlikely to affect costs for EGLE; the department is already collecting these fees and would continue to do so under the bill. However, the bill may increase costs for local governments that own or operate fee-subject facilities by extending the period under which fee payments are submitted to EGLE. The bill is unlikely to affect local government revenues.

Fiscal Analyst: Austin Scott

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.