
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5114 (as passed by the House)
Sponsor: Representative Kwame Kilpatrick
House Committee: Conservation, Environment and Recreation
Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 5-27-98

CONTENT

The bill would amend Part 303 (Wetland Protection) of the Natural Resources and Environmental Protection Act (NREPA) to specify wetland permit fees for particular projects, rather than the current \$25 fee for all permit applications. In addition, the bill would require the Department of Environmental Quality (DEQ) to spend money, upon appropriation, from the Land and Water Management Permit Fee Fund for specified purposes and to prepare and submit a report of the spending.

Permit Fees

Projects. A fee would have to accompany an application to obtain a permit for a use or development in a wetland to deposit or permit the placement of fill material; to dredge, remove, or permit the removal of soil or minerals; to construct, operate, or maintain any use or development; or to drain surface water. The bill would establish the following fees for different projects:

- \$100 for a project in a category of activities for which a general permit was issued.
- \$2,000 for a major project, which would include filling or draining one acre or more of coastal or inland wetland; 10,000 cubic yards or more of wetland fill; or a new golf course, a subdivision, or a condominium affecting wetland.
- \$500 for all other projects.

Under the bill, a project that required review and approval would be subject to only the single highest permit fee required under Part 303 or under Section 3104 (which concerns flood plain permits), Part 301 (Inland Lakes and Streams), Part 323 (Shoreland Protection and Management), or Part 325 (Great Lakes Submerged Lands) of the NREPA; or Section 117 of the Land Division Act, which pertains to land and water management permit fees.

If the Department determined that a permit was not required, it promptly would have to refund the fee that was paid.

Violations. Under the bill, if work had been done in violation of a permit requirement and restoration were not ordered by the DEQ, the Department could accept an application for a permit if the application were accompanied by a fee equal to twice the permit fee required under the bill.

Land and Water Management Permit Fee Fund

Under the NREPA, the fees and civil fines collected under Part 303 must be forwarded to the State Treasurer for deposit in the General Fund, except that the fees collected for wetland assessments must be deposited in the Land and Water Management Permit Fee Fund. Under the bill, all of the wetland permit fees collected under Part 303 would have to be deposited in that Fund. Civil fines would continue to be deposited in the General Fund.

In addition, the bill would require the DEQ to spend money from the Land and Water Management Permit Fee Fund, upon appropriation, to support guidance for property owner and applicants, permit processing, compliance inspections, and enforcement activities. Within 90 days after the end of each State fiscal year ending after 1997, the Department would have to prepare a report describing how money from the Fund was spent during that fiscal year and would be required to submit the report to the standing committees of the House and Senate that primarily address issues pertaining to the protection of natural resources and the environment, and the House and Senate Appropriations Committees.

MCL 324.30306 et al.

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill is estimated to generate between \$295,000 and \$420,000 in additional revenue to State government.

According to the Department of Environmental Quality, the new fee structure in the bill is anticipated to generate between \$325,000 and \$450,000 in total revenue. Currently, the Department receives approximately \$30,000 in wetland fee payments that are deposited into the General Fund. These revenues would no longer be collected, and the new fees would instead be deposited into the Land and Water Management Permit Fee Fund.

The FY 1998-99 DEQ budget includes appropriation of \$225,000 in revenue for wetland permitting programs that is dependent upon the passage of this legislation.

Fiscal Analyst: G. Cutler

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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.