



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1267 (Substitute S-1 as reported)
Sponsor: Senator Dennis Olshove
Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend Part 215 (Refined Petroleum Fund) of the Natural Resources and Environmental Protection Act to extend for two years an environmental protection regulatory fee imposed on the sale of refined petroleum products.

Section 21508 of the Act imposes on all refined petroleum products sold for resale or consumption in Michigan a 7/8-cent-per-gallon environmental protection regulatory fee, which is deposited into the Refined Petroleum Fund.

Currently, Section 21508 will be repealed on December 31, 2010. The bill would delay the expiration date until December 31, 2012.

MCL 324.21550

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would delay the sunset on the environmental protection regulatory fee of 7/8 cent on each gallon of refined petroleum products sold in the State. This fee is credited to the Refined Petroleum Fund, and is used to fund a number of programs including the cleanup of leaking underground storage tanks, the Weights and Measures Program in the Department of Agriculture, debt service on the Quality of Life environmental bonds, and several administrative units within the Department of Natural Resources and Environment. Annual revenue from this fee is approximately \$50.0 million to \$60.0 million, with \$52.0 million collected during FY 2008-09.

The FY 2010-11 budgets as they have passed the House and Senate are predicated on the extension of this fee. Failure to delay the sunset would result in a budget shortfall of approximately \$57.0 million in FY 2010-11, and a similar shortfall in subsequent fiscal years.

Date Completed: 9-16-10

Fiscal Analyst: Josh Sefton