



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 717 (Substitute S-2 as reported)
Sponsor: Senator Tom Casperson
Committee: Natural Resources

CONTENT

The bill would amend Part 213 (Leaking Underground Storage Tanks) of the Natural Resources and Environmental Protection Act to do the following with regard to property contaminated by a release from an underground storage tank (UST) system:

- Include a public highway as a "public purpose" in relation to the responsibilities of the State or a local unit of government as the owner or operator of contaminated property that is open to the public for a public purpose.
- Provide that requirements for a property owner or operator to take certain actions in response to contamination would apply to an owner or operator who was liable with respect to regulated substances present within a public highway above applicable standards.
- Eliminate a requirement that imposition of land or resource use restrictions be impractical in order for a property owner or operator who is liable for a release to choose an alternative mechanism to restrict exposure to the contamination.
- Expand the scope of an ordinance that may be used as an alternative mechanism to restrict exposure.
- Include among the alternative mechanisms a license agreement with the Michigan Department of Transportation (MDOT), if regulated substances were proposed be left in place within a public highway under MDOT's jurisdiction.
- Include among the alternative mechanisms reliance on the existence of a public highway, if MDOT did not grant a request for a license agreement or if the highway were under the jurisdiction of a county road commission or local unit of government.
- Excuse a property owner or operator from compliance with prescribed deadlines for conducting a baseline environmental assessment, required for an exemption from liability for a release, if the Department of Environmental Quality (DEQ) determined that the failure to comply was inconsequential.
- Provide that, if a closure report relied on an alternate mechanism and the conditions of that mechanism were changed in the future, the owner or operator would be liable for additional corrective action activities necessary to address any increased risk of exposure to contamination.
- Require a qualified UST consultant to have experience with the American Society for Testing and Materials Standard Guide for Risk-Based Corrective Action Applied at Petroleum Release Sites ("RBCA").
- Require DEQ employees who were responsible for the oversight of corrective action or audits of final assessment and closure reports to be formally trained and demonstrate proficiency in RBCA.

The bill would take effect 90 days after enactment.

MCL 324.21303 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have an indeterminate impact on State and local government.

Some DEQ employees would have to undergo Risk Based Corrective Action training at a cost of \$700 to \$1,500 per person, not including potential travel costs. The DEQ currently has 45 FTE positions under its hazardous waste management program; assuming that all of those positions are filled and all of those employees would have to undergo training, the initial cost of this requirement would be at least \$31,500 to \$67,500.

The Department of Transportation and local governments currently may require bonding, permit, and licensing fees for leaving contamination in place within road rights-of-way. To the extent that the bill would not require government approval for corrective action to leave contamination in a right-of-way, this revenue source would be eliminated.

Date Completed: 3-21-16

Fiscal Analyst: Josh Sefton
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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.