



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 652 (Substitute S-1 as reported)
Senate Bill 653 (Substitute S-1 as reported by the Committee of the Whole)
Senate Bill 654 (Substitute S-1 as reported)
Sponsor: Senator Tom Casperson (S.B. 652)
 Senator Darwin L. Booher (S.B. 653)
 Senator Dave Robertson (S.B. 654)
Committee: Natural Resources

CONTENT

Senate Bill 652 (S-1) would amend the Administrative Procedures Act to establish the Environmental Rules Review Committee in the Office of Performance and Transformation (OPT) to oversee all rule-making of the Department of Environmental Quality (DEQ). The bill would do the following:

- Require to DEQ to provide copies of draft proposed rules to the OPT and the Committee.
- Require the Committee to determine whether the proposed rules met specified criteria.
- Prohibit the DEQ from proceeding with the request for rule-making if the Committee determined that the proposed rules did not meet the criteria.
- Require the Committee to hold a public hearing if the rules met the criteria.
- Provide that the rules would be considered approved and would have to be processed as specified in the bill, if the Committee determined that revisions were not appropriate.
- Allow the Committee to approve rules subject to revisions being made.
- Require the DEQ Director and the Director of the Department of Health and Human Services each to select a science advisor to participate in Committee meetings and provide expert advice to it on relevant science-based issues.

Senate Bill 653 (S-1) would amend the Natural Resources and Environmental Protection Act (NREPA) to establish the Permit Appeal Panel, and do the following:

- Allow a permit applicant to submit a petition to appeal a decision of the DEQ regarding the approval or denial of a permit application or the content of a permit (a permit or operating license issued by the DEQ under NREPA).
- Allow the DEQ Director to contact the petitioner regarding the issues in dispute and negotiate a resolution.
- Require the Director, if the dispute were not resolved, to convene a meeting of an appeal board, which would consist of five members of the Appeal Panel selected by the Director.
- Require the appeal board to make a decision, which could adopt, modify, or reverse, in whole or in part, the Department's decision.
- Require the Director, after receiving the appeal board's decision, to issue a final decision incorporating the appeal board's decision into the terms of the permit.
- Provide that, if the Director failed to do so, the decision of the appeal board would be considered the final decision of the Director.
- Permit the final decision of the Director to be appealed as provided in the Administrative Procedures Act.

Senate Bill 654 (S-1) would amend NREPA to establish the Environmental Science Advisory Board to advise the Governor and any State office, agency, or department specified by the Governor on issues affecting the protection of the environment or the management of natural resources in Michigan. The bill would do the following:

- Require the Board to consist of nine members with expertise in specific areas who would be appointed by the Governor.
- Require the chairperson of the Board, upon receiving a request from the Governor for advice on a particular issue, to convene a committee of the Board.
- Require the committee to make recommendations on the issue to the Board, which would have to deliberate on the recommendations and provide written advice to the Governor.
- Require advice provided by the Board to be based on specific factors listed in the bill.

MCL 24.233 et al. (S.B. 652)
MCL 324.1301 et al. (S.B. 653)
Proposed MCL 324.2601-324.2611 (S.B. 654)

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

Senate Bill 652 (S-1) would have a small, but likely negative fiscal impact on the Department of Environmental Quality, and no fiscal impact on local government. The bill would prohibit DEQ employees from serving in many capacities on the Environmental Rules Review Committee, so it would not create significant direct costs in that regard. However, the Committee's rule approval process would create additional steps for rule-making for the DEQ, which could require additional staff time, and hence higher costs in that process. Those costs would be borne by various divisions within the DEQ, proportionate to their rule-making needs. The DEQ should be able to absorb those additional costs.

Additionally, the bill could have a negligible fiscal impact on the Office of Performance and Transformation within the Department of Technology, Management, and Budget. Actual costs are indeterminate and would depend on the number of meetings that the Committee would hold. Assuming the meetings actually held were few in number, any costs related to the required reimbursement to Committee members for any necessary expenses incurred while performing official Committee member duties could be absorbed within the OPT's annual appropriations.

Senate Bill 653 (S-1) would have a minor, but negative fiscal impact on the Department of Environmental Quality, and no fiscal impact on local government. The DEQ would provide administrative support for the Permit Appeal Panel, and would be responsible for travel and other necessary expenses of Panel members. The actual cost to the DEQ would depend on the number of appeals received and the number of meetings held to hear those appeals. As the bill would not provide additional revenue to cover these costs, they would be borne by existing DEQ resources.

Senate Bill 654 (S-1) could have a negligible fiscal impact on the Department of Technology, Management, and Budget. Any costs related to the required reimbursement of Environmental Science Advisory Board members for necessary expenses could be absorbed within the Department's annual appropriations.

Date Completed: 1-24-18

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Bill Analysis @ www.senate.michigan.gov/sfa

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.