

Legislative Analysis



SUNSET DATE AND RATE CHANGES FOR CERTAIN FEES UNDER NREPA

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House Bill 5007 (H-3) as passed by the House
Sponsor: Rep. Donovan McKinney
House Committee: Appropriations
Complete to 9-19-23

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

(Enacted as Public Act 140 of 2023)

SUMMARY:

House Bill 5007 (H-3) 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 would raise the fee rates and extend the sunset (expiration date) to October 1, 2027 for the following fee:

Groundwater discharge permit fee (section 3122) – Facilities or municipalities that discharge wastewater to the ground or groundwater pay this fee. The fee rates range between \$200 and \$3,650 based on facility size. This range would increase to between \$240 and \$7,500 under the bill. These provisions are set to expire on October 1, 2023.

The bill would extend the sunset (expiration date) to October 1, 2027 for the following fees:

Sewer expedited permit fee (section 4112) – Persons requesting an expedited review of an application for a conventional gravity sewer extension of 10,000 feet or less of sewer line, a simple pumping station and force main, or a small diameter pressure sewer and grinder pumping station pay this fee. The fee rates range from \$1,000 to \$4,000 based on project scope. These provisions are set to expire on October 1, 2023.

Air quality fee (section 5522) – This fee is paid by owners or operators of industrial facilities or electric providers that emit air pollutants as defined by the EPA. The fee rates range from \$250 to \$50,000 based on annual emissions or emissions capacity. These provisions are set to expire on October 1, 2023.

Hazardous waste generator or transporter or treatment, storage, or disposal Solid waste surcharge (section 11525a) – Owners or operators of landfills pay a fee of 12 cents per cubic yard of solid waste received. Captive facilities pay an annual fee ranging from \$500 to \$3,000 based on tonnage received. These provisions are set to expire on October 1, 2023.

Electronic device manufacturer registration fee (section 17303) – Manufacturers of covered electronic devices offered for sale pay an annual \$3,000 registration fee unless the Electronic Waste Recycling Fund balance has reached \$600,000, at which time this fee is not charged. The fund balance was \$267,624 after FY 2021-22. These provisions are set to expire on October 1, 2023.

Electronic device recycler registration fee (section 17317) – Recyclers of covered electronic devices offered for sale pay an annual \$2,000 registration fee. These provisions are set to expire on October 1, 2023.

In addition, the bill would extend the sunset on fees for secretary of state look-up services for watercraft, off-road vehicles, and snowmobile records, from October 1, 2023 to October 1, 2027.

MCL 324.3122 et seq.

FISCAL IMPACT:

House Bill 5007 (H-3) 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 eliminations. Annual revenue generated by these sunseting fees is as follows:

Fee	Fee revenue
Air Quality Fees	\$9,400,000
Electronic Device Manufacturer Registration	215,000
Electronic Device Recycler Registration	50,000
Solid Waste Surcharge	5,900,000
Groundwater Discharge Permit Fees	4,490,000
Sewer Expediated Permit Fees	31,800
,TOTAL	\$20,086,800

Data source: EGLE

Revenue is also likely to increase due to the rate increases for groundwater discharge permits from between \$200 and \$3,650 to between \$240 and \$7,500. This range increase is projected to generate an additional \$680,000, which has been built into the FY 2023-24 EGLE budget.

It is unlikely the bill would affect costs for EGLE. The department currently collects these fees and would continue to do so under the bill. However, the bill could increase costs for local governments that own or operate fee-subject facilities by indefinitely extending fees previously scheduled to sunset. It is unlikely the bill would affect local government revenues.

Record Look-Up Fees

The bill would substantially increase annual revenue to the Department of State (DOS). The bill would extend the sunset on fees for secretary of state look-up services for watercraft, off-road vehicles, and snowmobile records to October 2027. Revenue from these fees is deposited into the Transportation Administration Collection Fund (TACF) which supports secretary of state's vehicle and driver services. The bill would also raise the fees for record look-up services. The current fee for record look-up services is set by the legislature in boilerplate in the annual General Government appropriations act. The current fee is set at \$11.00. The bill would raise the fee \$4.00 to \$15.00.

All other record look-up fees are authorized under the Michigan Vehicle Code and the State Personal Identification Card Act. House Bills 4990 and 4991 would extend the sunset on and raise fees for these other record look-up services. For a summary and fiscal impact of all record look-up fee increases and TACF fee changes please refer to the House Fiscal Agency legislative and fiscal analysis for House Bills 4990 and 4991.

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■ 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.