



**Senate Fiscal Agency**  
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**BILL ANALYSIS**



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House Bill 5349 (as discharged)  
Sponsor: Representative Clyde E. LeTarte  
House Committee: Conservation, Environment and Great Lakes  
Senate Committee: Natural Resources and Environmental Affairs

### **CONTENT**

The bill would amend Part 215 of the Natural Resources and Environmental Protection Act, which governs the Michigan Underground Storage Tank Financial Assurance (MUSTFA) Fund, to repeal Part 215 on the date the State Treasurer filed with the Secretary of State a notice of final payment of all obligations lawfully payable from the Fund. Currently, the Act provides for this part to be repealed on January 1, 2005. The bill also would change the deadline for the submittal of work invoices and requests for indemnification from December 22, 1998, to 5:00 p.m. on June 29, 1995.

The bill is tie-barred to Senate Bill 738. Senate Bill 738 (S-2), as passed by the Senate, would amend the Act to place a June 29, 1995, deadline on corrective action work invoices and requests for indemnification that may be funded through the MUSTFA Fund; specify that funding would no longer be available under Part 215 for new claims, work invoices, and requests for indemnification received after 5:00 p.m. on June 29, 1995; provide that work invoices and requests for indemnification received prior to 5:00 p.m. on June 29, 1995, could be paid to the extent money was available in the Fund; and require that environmental protection regulatory fees be deposited into the Emergency Response Fund until it reached \$3 million, rather than \$1 million as currently provided.

MCL 324.21510 & 324.21550

Legislative Analyst: S. Margules

### **FISCAL IMPACT**

House Bill 5349 and Senate Bill 738 (S-2) would result an indeterminate increase in costs and revenues to the State dependent on the amount and terms of revenue bonds issued to cover MUSTFA invoices through June 29, 1995.

According to the Department of Environmental Quality, as of June 29, 1995, there were approximately \$252 million in invoices and reserves for challenged claims. Under present law, \$184 million in revenue is available between now and the year 2005 (after subtracting \$206 million in bond repayment, an estimated \$84 million in interest payments, and \$36 million in administrative costs). This means there are approximately \$68 million in claims for which there will be insufficient revenue.

The Department estimates that the 7/8 cent per gallon fee regulatory fee would need to be extended for at least seven years beyond 2005 (in House Bill 5349), to generate \$357 million in revenue to cover principal and interest payments on a \$252 million bond. (This amount includes consideration of the \$184 million in potential revenue as part of bond calculations.)

Date Completed: 12-11-95

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.