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BILL ANALYSIS

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Senate Bill 690 (as introduced 8-31-05)
Sponsor: Senator Michelle A. McManus
Committee: Local, Urban and State Affairs

Date Completed: 11-10-05

CONTENT

The bill would amend the Natural Resources and Environmental Assistance Act (NREPA) to do the following:

- Include assistance with water pollution, in addition to air pollution, regulations among the responsibilities of the Small Business Clean Air Ombudsman, which the bill would rename the "Small Business Environmental Ombudsman".**
- Allow money in various funds to be used for purposes of Part 57 (Small Business Clean Air Assistance) of NREPA.**
- Revise the definition of "small business" in Part 57.**

The Office of the Small Business Clean Air Ombudsman originally was created in the Department of Commerce and presently is part of the Michigan Economic Development Corporation (as the bill would indicate in the Act). The Office is responsible for the Small Business Clean Air Assistance Program, which the bill would rename the "Small Business Environmental Assistance Program".

Duties of the Office include disseminating information about air pollution requirements to small businesses and interested parties; referring small businesses to specialists in the Program for assistance in reducing air pollution and accidental releases; and working with financial institutions to assist small businesses in locating funding to comply with air pollution control requirements. The bill would amend these provisions to refer to both air and water pollution.

Additional responsibilities of the Office and the Program involve assisting small businesses to comply with the Federal Clean Air Act and Part 55 (Air Pollution Control) of NREPA. The bill also would refer to Part 31 (Water Resources Protection).

Currently, money in the Emissions Control Fund may be used for various purposes as they relate to implementing the operating permit program required by Title V of the Clean Air Act. These purposes include providing support to facilities under the Small Business Clean Air Assistance Program. The bill, instead, would allow money in the Fund to be used for the purposes of Part 57, as well as the other purposes currently listed.

In addition, the bill would allow money in the following funds to be used for the purposes of Part 57: the Storm Water Fund, the National Pollutant Discharge Elimination System Fund, and the Groundwater Discharge Permit Fund.

Under Part 57, a "small business" must be independently owned and operated and not dominant in its field, and be a stationary source that meets all of the following requirements:

- Is owned or operated by a person that employs 100 or fewer individuals.
- Is a small business concern as defined in the Federal Small Business Act.
- Is not a major stationary source as defined in Titles I and III of the Clean Air Act or is a major stationary source because of its location in a nonattainment area.
- Emits less than 50 tons per year of any air contaminant or air pollution regulated pursuant to Part 55 of NREPA or the Clean Air Act.
- Emits less than 75 tons per year of all air contaminants or air pollutants regulated by Part 55 or the Clean Air Act.

The bill would delete the last three requirements.

MCL 324.3119 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would be revenue-neutral for the State. Currently, the ombudsman's office is supported with about \$80,000 from air emissions fees, which are deposited in the Emissions Control Fund. The bill would authorize three water discharge-related funds, in addition to the Emissions Control Fund, to be used to pay for the ombudsman's office. This fund shift would generate savings for the Emissions Control Fund and an expense for the water discharge-related funds. The expansion of the ombudsman's responsibilities could result in additional expenses depending on the increased demand for assistance.

Fiscal Analyst: Jessica Runnels

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