



Senate Fiscal Agency  
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## BILL ANALYSIS



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House Bill 6472 (Substitute H-1 as passed by the House)  
Sponsor: Representative Triston Cole  
House Committee: Natural Resources  
Senate Committee: Natural Resources

Date Completed: 12-11-18

**CONTENT**

**The bill would amend the Natural Resources and Environmental Protection Act to do the following:**

- **Extend, from October 1, 2019, to October 1, 2024, the sunset on requirements that an application for different floodplain permits be accompanied by specified fees.**
- **Require the Department of Environmental Quality (DEQ) to establish minor project categories of activities within floodplains and floodplain projects that met certain criteria.**
- **Require the DEQ to issue general permits on a statewide basis or within a local unit of government for floodplain projects that met certain criteria.**
- **Specify that an application for a floodplain permit for a general permit category would have to be accompanied by a fee of \$50 until October 1, 2024.**
- **Require the DEQ to propose new minor project and general project categories as authorized by the bill by December 31, 2019.**
- **Allow the DEQ to issue, deny, or impose conditions on project activities authorized under a floodplain permit for a minor project category or a general permit category if the conditions were designed for specified purposes, and allow the DEQ to establish a reasonable time when the proposed project would have to be completed or terminated.**

The bill would take effect 90 days after its enactment.

**Floodplain Permit Fee Sunset Extension**

Under the Act, a person may not alter a floodplain except as authorized by a floodplain permit issued by DEQ. An application for a floodplain permit must include information required by DEQ to assess the proposed alteration's impact on the floodplain. If an alteration includes activities at multiple locations in a floodplain, one application may be filed for combined activities.

Except as otherwise provided, until October 1, 2019, an application for a floodplain permit must be accompanied by a fee of \$500. Until that date, if DEQ determines that engineering computations are required to assess the impact of a proposed floodplain alteration on flood state or discharge characteristics, it must assess the applicant an additional \$1,500 to cover DEQ's cost of review. The bill would extend these provisions until October 1, 2024.

### Minor Project Categories

After providing notice and an opportunity for a public hearing, DEQ would have to establish minor project categories of activities within floodplains and floodplain projects that were similar in nature, had minimal potential for causing harmful interference when performed separately, and would have only minimal cumulative adverse effects on the environment. All other provisions of Part 31 (Water Resources Protection), except provisions applicable only to floodplain general permits, would be applicable to a minor project. A minor project category could not be valid for more than five years, but could be reestablished.

Under the Act, until October 1, 2019, an application for a floodplain permit for a minor project category must be accompanied by a fee of \$100. Minor project categories must be established by rule and include activities and projects that are similar in nature and have minimal potential for causing harmful interference. The bill would delete this provision, and extend the current requirement to include \$100 with an application for a floodplain permit for a minor project until October 1, 2024.

### General Permits

The Department, after notice and an opportunity for a public hearing, would have to issue general permits on a statewide basis or within a local unit of government for floodplain projects that were similar in nature, had minimal potential for causing harmful interference when performed separately, and that would have only minimal cumulative adverse effects on the environment. A general permit category could not be valid for more than five years, but could be reestablished. Until October 1, 2024, an application for a floodplain permit for a general permit category would have to be accompanied by a fee of \$50.

### Other Provisions

The Department could issue, deny, or impose conditions on project activities authorized under a floodplain permit for a minor project category or a general permit category if the conditions were designed to remove an impairment to a river and its floodplain, or to mitigate the effects of the project. The Department also could establish a reasonable time when the proposed project would have to be completed or terminated.

If the DEQ determined that activity in a proposed project, although within a floodplain minor project category or a floodplain general permit category, would be likely to cause more than minimal adverse environmental effects, it could require that the application be processed as a standard floodplain permit.

MCL 324.3104

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill would have two primary fiscal impacts on the Department of Environmental Quality (DEQ) and a minor, but negative fiscal impact on local units of government. The first fiscal impact on the DEQ would be positive, as the bill would delay the sunset of floodplain application fees from October 1, 2019, to October 1, 2024. This would preserve about \$2.1 million in annual revenue for the DEQ for each of these five years. The sunset delay also would result in a minor negative fiscal impact for local units of government during this period, as any floodplain permits they could apply for during that period would be subject to a fee.

The second fiscal impact on the DEQ would be through the creation of an expanded minor project permit category for floodplain projects with minimal adverse environmental effects.

These permits would cost \$50 instead of the current fee of between \$100 and \$500. It is unknown how many permits would be subject to this new, lower fee, but it is likely that the new category would result in the loss of some portion of the aforementioned \$2.1 million the DEQ receives each year from floodplain permit fees.

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.