



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 319 (Substitute S-1 as reported)
Senate Bill 320 (as reported without amendment)
Sponsor: Senator Rick Outman
Senator Paul Wojno
Committee: Environmental Quality

CONTENT

Senate Bill 319 (S-1) would amend the Natural Resources and Environmental Protection Act to do the following:

- Require the Department of Environment, Great Lakes, and Energy (EGLE) to create a municipality loan program and a resident loan program within the Strategic Water Quality Initiatives loan program.
- Require the loan programs to provide low- or no-interest loans to municipalities or residents, as applicable.
- Require the Department to issue a grant to a community development financial institution or similar entity in order to implement the resident loan program.

Senate Bill 320 would amend Part 197 (Great Lakes Water Quality Bond Implementation) of the Natural Resources and Environmental Protection Act to do the following:

- Require the State Treasurer to deposit, in aggregate, no more than \$1.0 billion dollars from the Great Lakes Water Quality Bond Fund into the Strategic Water Quality Initiatives Fund.
- Require bonds that were directly deposited into the Strategic Water Quality Initiatives Fund, instead of the State Water Pollution Control Revolving Fund or the Strategic Water Quality Initiatives Fund, to be taken into account for the purpose of determining the transfer of money described above.

MCL 324.5202 et al. (S.B. 319)
324.19708 (S.B. 320)

Legislative Analyst: Dana Adams

FISCAL IMPACT

Senate Bill 319 (S-1) would authorize EGLE to develop a low- or no-interest loan program to help residents replace or repair their septic systems. The Department anticipates providing \$35.0 million for the proposed program. Those funds would be used to create and provide a source for the septic system loan program. The ongoing costs associated with distribution and administration of the loan program is anticipated to be borne by a community development financial institution. A partnership of this nature with the financial institution likely would lead to minor administrative costs for the Department.

Senate Bill 320 is based on EGLE's request for authorization to gain access the last \$290.0 million of funding available through the 2002 Great Lakes Water Quality Bond approved by voters. The Department indicates that, if the bill were enacted, it would use the funds to

support multiple programs in its proposed Michigan Clean Water Plan. The Department states that it would distribute the funding as follows: \$235.0 million for clean water infrastructure grants, \$35.0 million for failing septic system elimination, \$20.0 million substantial public health risk grants, and \$3.0 million for grants to local units of government for targeted water projects. The Department anticipates the requested \$290.0 million would be sufficient to cover the cost for each program.

The bill would have no fiscal impact on the Department of Treasury or local units of government as the costs to make changes to the State Water Pollution Control Revolving Fund and Strategic Water Quality Initiatives Fund would be minimal and within current appropriations.

Date Completed: 4-21-21

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