

Karoub ASSOCIATES

Legislative Consultants: Government Affairs

Governor signs dredging, Trust Fund appropriations bill into law

Governor Snyder signed Senate Bill 233 into law on March 27 as Public Act 9 of 2013. PA 9 appropriates \$23.3 million from the Michigan Natural Resources Trust Fund for 22 acquisition & 54 development projects throughout the state. Additionally, PA 9 appropriates \$21 million (\$9.5 million from the State Waterways Fund and \$11.5 million in General Fund/General Purpose (GF/GP) revenue) for emergency dredging of 49 public harbor and/or marina projects recommended by the State Waterways Commission on February 8.

The Governor also signed Senate Bill 252 into law as Public Act 10 of 2013, the Marina Dredging Loan Origination Act. PA 10 establishes a \$1 million low-interest loan program within the Department of Treasury to provide financial assistance to eligible privately owned, commercial marinas to help pay for dredging costs. The program would allow the state to pay a loan origination fee to a financial institution equal to 5% of the original principal amount of a loan to an eligible marina. Loans would be capped at \$500,000 per eligible marina, which would cap the state's share per loan at \$25,000. From the funding appropriated in the bill from origination fees, the state could support up to \$20 million in private marina dredging loan activity. In total, 58 public and private harbors and marinas statewide will likely see dredging this year.

Finally, the Governor signed House Bills 4398, 4399, and 4000 into law as Public Acts 11, 12, and 13 of 2013. This bill package revises the cost of dredging permits within Great Lakes bottomlands from the current \$2000 or \$1,500 to \$50 when testing of projects of 10,000 cubic yards or more indicates the material to be dredged is at least 90% sand. Additionally, Public Act 12 allows for an expedited permitting process in emergency situations.

DNR, DEQ budgets move to full Appropriations Committee in the House

The House Department of Natural Resources Appropriations Subcommittee moved the DNR budget to full House Appropriations on March 21 with the inclusion of \$18 million annually in fee hikes. In February, Gov. Snyder proposed reducing the overall number of licenses issued by the DNR but increasing overall fee revenue to cover ongoing program costs and hire additional Conservation Officer, wildlife and fisheries positions. The Subcommittee approved increases in hunting and fishing license fees totaling \$11.4 million in Fiscal Year 2013-2014 that would take effect on March 1, 2014. Other fee

increases funding new initiatives proposed by the Governor were rejected by the Subcommittee, including 25 new Conservation Officers, an aquatic invasive species specialist, a new research vessel, and wireless/broadband internet in state parks.

The House Department of Environmental Quality Appropriations Subcommittee moved the DEQ budget to full Appropriations as well, most notably with cuts eliminating GF/GP support for the Office of the Great Lakes and a \$200,000 cut to the Surface Water Quality program as part of a \$2.7 million, 11.4% reduction in GF/GP support of the current year DEQ budget. The rationale for the cuts was based on the fact that Governor Snyder's FY 2013-2014 budget included an additional \$100 million in federal Medicaid money from expansion of Medicaid in Michigan under the federal Patient Protection and Affordable Care Act. The Legislature has not yet agreed to the Medicaid expansion, so should they fail to do so by September 30, an estimated \$100 million in GF/GP revenue will need to be found within all Departmental budgets to replace the lost federal funding accounted for in the Governor's original budget proposal.

Legislature breaks for spring recess

The Legislature will be in recess over the last week of March and first week of April, returning to session on April 9. When the Legislature reconvenes, expect much of the focus in Lansing to be on completion of next year's state budget, in addition to proposals to reform the state's no-fault insurance system, education reform, and continued discussion of new transportation funding.

BILL - SPONSOR - PARTY - DESCRIPTION - STATUS

HB 4095 Rep. Greg MacMaster R Convert certain watercraft violations from misdemeanors to civil infractions Referred to House Committee on Criminal Justice

HB 4096 Rep. Greg MacMaster R Exempt certain barges from lighting requirements
Referred to House Committee on Regulatory Reform

HB 4106 Rep. Bob Genetski R Clarify allowable use of Michigan Natural Resources Trust Fund for dredging of Great Lakes Harbors Referred to House Committee on Natural Resources

HB 4122 Rep. Dian Slavens D Regulate exploration and operation of oil & gas wells in residential areas
Referred to House Committee on Energy & Technology

HB 4208 Rep. Dale Zorn R Revise residency requirements for resort districts
Referred to House Committee on Local Government

HB 4179 Rep. Al Pscholka R Allows tax increment financing for waterways dredging
Referred to House Committee on Natural Resources

HB 4197 Rep. Frank Foster R Appropriates \$30 million to DNR for waterways dredging
Referred to House Appropriations Committee

HB 4234 Rep. LaFontaine R Provide for sales tax on the difference between trade-in and
purchase price for motor vehicles & titled watercraft Referred to House Committee on Tax
Policy

HB 4298 Rep. Jon Bumstead R Allow delinquent property tax notices to be posted online
Referred to House Committee on Local Government

HB 4339 Rep. Ed McBroom R Exempt county road commissions from wetland mitigation
Referred to House Committee on Transportation & Infrastructure

HB 4358 Rep. Wayne Schmidt R Eliminate flat gas tax and create refund period
Referred to House Committee on Transportation & Infrastructure

HB 4359 Rep. Wayne Schmidt R Establish wholesale gas tax
Referred to House Committee on Transportation & Infrastructure

HB 4398 Rep. Amanda Price R Revise permit fee for Great Lakes bottomlands dredging
Public Act 11 of 2013

HB 4399 Rep. Al Pscholka R Create expedited permit process in dredging emergencies
Public Act 12 of 2013

HB 4400 Rep. Peter Pettalia R Revise permit fee for Great Lakes bottomlands dredging
Public Act 13 of 2013

HB 4401 Rep. Peter Pettalia R Exempt certain mining operations from inland lakes & streams
permit requirements
Referred to House Committee on Natural Resources

HB 4410 Rep. Andrea LaFontaine R Establishes marina dredging loan origination program
Referred to House Committee on Natural Resources

HB 4441 & 4442 Rep. Matt Lori R Revise penalties for operating watercraft while intoxicated or
impaired
Referred to House Committee on Criminal Justice

HB 4489 Rep. Thomas Stallworth D Authorize permit for oceangoing vessels on the Great Lakes
if ballast tanks have been flushed with seawater
Referred to House Committee on Natural Resources

SB 11 Sen. Tory Rocca R
Establish sale prices as presumptive true cash value when a property is sold

Referred to Senate Finance Committee

SB 25 Sen. Dave Hildenbrand R Revise appeal process for personal residence exemptions
On Senate Floor

SB 78 Sen. Tom Casperson R Prohibit DNR designation of biodiversity areas
Passed the Senate, Referred to the House Committee on Natural Resources

SB 84-88 Senate Republicans R Gas tax package
Referred to Senate Appropriations Committee

SB 89 & 90 Sen. Dave Robertson R Provide for sales tax on the difference between trade-in and purchase price for motor vehicles & titled watercraft
Passed Senate, Referred to House Committee on Tax Policy

SB 163 Sen. Mike Green R Revises permit exemptions for wetlands & inland lakes and streams, and requires additional justification from Department for denial of Part 13 permits
Referred to Senate Natural Resources, Environment, and Great Lakes Committee

SB 164 Sen. Tom Casperson R Appropriates \$30 million to DNR for waterways dredging
Referred to Senate Appropriations Committee

SB 214 Sen. Tom Casperson R Expand appropriate use of MNRTF dollars
Referred to Senate Natural Resources, Environment, and Great Lakes Committee

SB 215 Sen. Jack Brandenburg R Reinstate state marina dredging loan program
Referred to Senate Outdoor Recreation & Tourism Committee

SB 218 Sen. Goeffrey Hansen R Allow water resource improvement tax increment finance authority to continue, and allow dredging
Passed the Senate, Referred to House Committee on Natural Resources

SB 229 Sen. John Moolenaar R Clarify that MNRTF dollars can be used for recreational dredging
On Senate Floor

SB 233 Sen. Darwin Booyer R Appropriates MNRTF projects for FY 2012
Signed into Law as Public Act 9 of 2013

SB 342 Sen. Darwin Booyer R Requires half of Waterways Commission spending over next three fiscal years to be dedicated to recreational boating infrastructure, including breakwalls & dredging
On Senate Floor

SB 252 Sen. Jack Brandenburg R Establishes marina dredging loan origination program
Signed into Law as Public Act 10 of 2013

SB 264 Sen. Tom Casperson R Modify procedures for dredging permit issuance
Passed Senate, Referred to House Committee on Natural Resources

SB 266 Sen. Mike Green R Authorize permits for oceangoing vessels on the Great Lakes if
ballast tanks have been flushed with seawater
Referred to Senate Natural Resources, Environment, and Great Lakes Committee