



### Budget process

The Legislature has all but completed action on the Fiscal Year 2013-2014 state budget, set to take effect October 1. House Bill 4328 is an omnibus budget bill that encompasses all non education-related state spending. The Governor will be signing HB 4328 in mid-June, though potential line-item vetoes are always a possibility in the 658-page document that makes appropriations for 18 state departments as well as the Executive, Judicial, and Legislative branches of state government.

Items of interest to MWA include:

#### Appropriations

- \$1 million of ongoing and \$600,000 of one-time General Fund/General Purpose (GF/GP) support for the state wetlands program,
- \$500,000 appropriated to the Office of the Great lakes from GF/GP to replace \$500,000 in Great Lakes Protection Fund revenue that is no longer available, maintaining current year funding,
- \$97 million appropriated from the Strategic Water Quality Initiatives Fund for grants and loans to municipalities for sewer upgrades and \$3 million for wetlands mitigation banks. Revenue will come from bond issues under Proposition 2 of 2002.
- \$11.3 million in additional funding to the DNR from increased hunting and fishing license fees, and
- \$4 million in ongoing GF/GP revenue to hire additional conservation officers.

#### Legislative Boilerplate Language

- The Governor and Senate proposed funding to hire a DNR Aquatic Invasive Species Specialist, but the House did not concur.
- The Senate included boilerplate language requiring the DNR to create a pilot program at Higgins Lake to combat swimmer's itch, but the language was not included in the final budget.
- Language was included in the DNR budget directing the DNR Fisheries Division not to interfere with the certification process for dams and other water control structures.

### Sales tax on the difference sees action in House

Legislation authored by Representative Andrea LaFontaine (R-Columbus) amending the General Sales Tax Act to only charge sales tax on the difference between the price of a new motor vehicle, recreational vehicle, or titled watercraft and the agreed-upon value of a trade-in passed the House by a vote of 100-7 on June 6. SB 89, similar legislation sponsored by Sen. Dave Robertson (R-Grand Blanc), passed the Senate by a vote of 34-2 earlier this year. Both bills would immediately exclude the value of a titled watercraft trade-in immediately for purposes of computing sales tax, but would phase in excluding the value of trade-in motor vehicles gradually over the next few years. While this legislation enjoys broad public support and overwhelming support in the Legislature, Governor Snyder has not yet indicated he would sign either of the bills due to the fact that they would represent an approximate \$125-150 million hit to the state budget on a full-year basis.

### Senate Bill 163 sees debate, action in House

Senate Bill 163, sponsored by Sen. Mike Green (R-Mayville), seeks to bring Michigan's wetlands program into compliance with federal standards. Michigan is one of only a few states where authority over wetlands regulations has been delegated by the federal Environmental Protection Agency (EPA) to the state regulatory department – our Department of Environmental Quality (DEQ).

The EPA has recently pointed out deficiencies in Michigan's wetlands program, prompting concerns from both industry and environmental groups that changes are needed to the state program to ensure control does not revert to the EPA. The federal Clean Water Act essentially contains two options for wetlands regulation – 1) Direct federal oversight and enforcement, or 2) Delegation of that oversight and enforcement to states, providing that states meet Clean Water Act requirements. Some property owners and business representatives have asked the Legislature for complete exemptions from the wetlands program, but even if the state were to attempt to do so, oversight would immediately revert to the EPA. Michigan DEQ Director Dan Wyant has stressed that even if parties disagree with state wetlands regulations, Michigan oversight of Michigan wetlands is arguably much more preferable to all parties involved as opposed to federal oversight.

The legislation passed the Senate by a vote of 25-12, and passed out of the House Natural Resources Committee by a vote of 6-3. It is likely to see action on the House floor before the Legislature breaks for a summer recess on June 20.

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	Passed House
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	Revises penalties for operating watercraft while intoxicated or impaired	House floor
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
HB 4495	Rep. Dan Lauwers	R	Authorize permit for oceangoing vessels on the Great Lakes if ballast tanks have been flushed with seawater	Referred to House Committee on Natural Resources
HB 4510	Rep. Peter MacGregor	R	Authorize disposal of water-softening residuals through specific permitted facilities	Referred to House Committee on Natural Resources
HB 4539	Rep. Wayne Schmidt	R	Eliminate sales tax on gasoline	Referred to House Committee on Transportation & Infrastructure
HB 4622	Rep. Al Pscholka	R	Revise local drainage district boundaries	Referred to House Committee on Local

				Government
HB 4608	Rep. Shirkey	R	Increase registration fee for vehicles not subject to motor fuel or diesel fuel tax	Referred to House Committee on Transportation & Infrastructure
HB 4630	Rep. McCreedy	R	Modify vehicle registration fees	Referred to House Committee on Transportation & Infrastructure
HB 4632	Rep. Schmidt	R	Increase vehicle registration tax and create new registration tax for hybrid and alternative vehicles	Referred to House Committee on Transportation & Infrastructure
HB 4634	Rep. Schmidt	R	Modify trailer registration fees	Referred to House Committee on Transportation & Infrastructure
HB 4655	Rep. Yonker	R	Modify streamlined use tax on vehicles	Referred to House Committee on Tax Policy
HB 4678	Rep. Daley	R	Require water withdrawal dispute process for agricultural wells	Passed House
HB 4768	Rep. Crawford	R	Prohibit DEQ from limiting sodium concentration in groundwater discharge	Passed House
HB 4793	Rep. Al Pscholka	R	Allow drainage district to institute condemnation proceedings to acquire right of way on private property	Referred to House Committee on Local Government
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	Passed Senate, on House Floor
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	Enrolled, awaiting Governor's signature
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	PA 9 of 2013
SB 243	Sen. Darwin Booyer	R	Requires half of Waterways Commission spending over next three fiscal years to	Passed Senate, Referred to House Committee on Natural

			be dedicated to recreational boating infrastructure, including breakwalls & dredging	Resources
SB 252	Sen. Jack Brandenburg	R	Establishes marina dredging loan origination program	PA 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
SB 351	Sen. Arlan Meekhof	R	Clarifies that appropriate application of fertilizer is not a release	Referred to Senate Committee on Agriculture
SB 394	Sen. Hune	R	Prohibit DEQ from limiting sodium concentration in groundwater discharge	Referred to Senate Natural Resources, Environment, and Great Lakes Committee