

**A SUMMARY OF HOUSE BILL 5265 AS REPORTED BY THE HOUSE COMMITTEE  
ON COMMERCE ON 12-2-03**

In November of 2002, the state's voters authorized the State of Michigan to borrow up to \$1 billion through the issuance of water quality bonds to finance sewage treatment works projects, storm water projects, and water pollution projects. The legislation that accompanied the ballot proposal specified that no more than 10 percent of the water quality bonds could be sold in any one year and that the first bond issue would have to be structured so that debt payments could not begin before October 1, 2003. House Bill 5265 would amend the Natural Resources and Environmental Protection Act (NREPA) to allow up to 20 percent of the bonds to be issued in any one year.

MCL 324.19703

***FISCAL IMPLICATIONS:***

The House Fiscal Agency reports that the increase in annual sale could result in the amount of debt service payable in subsequent years. The amount of debt service in a given year depends on the amount of the sale and the interest rate payable on the bonds. There would be no fiscal impact on local governments, says the HFA. Debt service is paid from the General Fund. (11-13-03)

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■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.