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BILL ANALYSIS

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Senate Bill 535 (Substitute S-1 as passed by the Senate)
Senate Bill 536 (Substitute S-2 as passed by the Senate)
Sponsor: Senator Patricia L. Birkholz (Senate Bill 535)
Senator Jason Allen (Senate Bill 536)
Committee: Natural Resources and Environmental Affairs

Date Completed: 7-23-03

RATIONALE

Michigan's land and waters are home to a rich variety of birds, mammals, fish, insects, microorganisms, and plants. The flora and fauna present when the first European settlers arrived are known as native, or indigenous species; those introduced later are known as exotic, non-native, nonindigenous, alien, or introduced species. Some exotic species have become known as "nuisance species" because, without the predators, parasites, diseases, competitors, and other natural factors that keep their numbers in check in their native habitats, they reproduce and spread very rapidly. This unchecked spread can threaten the survival and diversity of native species, change natural habitats, threaten public health, damage property, and reduce tourism.

Aquatic exotic species are organisms that depend on lakes, rivers, or wetlands for survival. According to the Legislative Service Bureau, Science and Technology Division, at least 140 aquatic exotic species have become established in the waters and wetlands of the Great Lakes region since the early 1880s. The Office of the Great Lakes reports that one new aquatic invader has been discovered every seven months on average since the opening of the St. Lawrence Seaway in 1959. The aquatic nuisance species most familiar to Michigan residents is the zebra mussel, a small mollusk most likely carried from northern Europe to the Great Lakes in ballast water from ships. Zebra mussels clog water intake pipes at power plants and drinking water facilities, compete with native mussels and clams for food and space, and promote the growth of aquatic plants that clog boat propellers. Other aquatic nuisance species include carp, which deplete aquatic plants and

disturb lake and river bottomlands; the sea lamprey, a type of fish parasite; and whirling disease, an exotic parasite from Europe that infects many trout species and impairs their ability to swim and evade predators.

Aquatic nuisance species are costly to the State's biodiversity, to its tourism industry, and to its sport fishing and commercial fisheries. While public education and research on these species can minimize their impact, government funding for education and research has been, and will continue to be, limited in light of the Federal and State budget deficits. Because recreational boaters often are affected by Great Lakes aquatic nuisance species, some people have suggested that boaters be given a direct opportunity to donate money for aquatic nuisance species research and education when they register their watercraft with the Secretary of State.

CONTENT

The bills would amend the Natural Resources and Environmental Protection Act to require the Secretary of State to design and sell a Great Lakes Protection speciality watercraft decal; and require that the proceeds be used for aquatic nuisance species research, public education, and eradication efforts.

The bills are tie-barred.

Senate Bill 536 (S-2)

Under the Act, before a person operates a water vessel, he or she must pay the Secretary of State a fee based on the length and type of the vessel, and obtain a certificate

of number and a decal. The decal is valid for three years, and must be displayed on the forward half of the vessel.

The bill would require the Secretary of State to make the Great Lakes Protection specialty watercraft decal available for purchase when a person bought a certificate-of-number decal, and at other times as determined by the Secretary of State. The specialty decal would cost \$35 and be valid for three years. The Secretary of State would have to design the decal to depict some aspect of the Great Lakes or Great Lakes water quality. The Secretary of State would have to discontinue selling the decal if sales did not meet any of the following minimum targets: 1,000 in fiscal year (FY) 2003-04; 2,000 in FY 2004-05; and 3,000 in FY 2005-06. If sales exceeded these targets, the Secretary of State would have to continue decal sales in subsequent years.

By October 1, 2004, and every October 1 thereafter, the Secretary of State would have to submit a report to the chairs of the standing committees of the Senate and the House with primary jurisdiction over natural resources and the environment, and to the chairs of the Senate and House Appropriations Committees. The report would have to detail the amount of decals sold during the previous fiscal year.

Senate Bill 535 (S-1)

The bill would require the Secretary of State to forward to the State Treasurer \$25 from each specialty watercraft decal sold, for deposit into the Michigan Great Lakes Protection Fund. The Secretary of State would retain \$10 as reimbursement for the cost of creating and distributing the decals. The money forwarded to the Fund would have to be used for research on aquatic nuisance species, public education on the threat of aquatic nuisance species, and efforts to eradicate aquatic nuisance species from the Great Lakes and other waters of the State.

The Secretary of State could establish the appropriate placement of the Great Lakes protection decals on watercraft, so as not to create confusion for law enforcement officers with registration decals currently required.

(The Act defines "aquatic nuisance species" as a nonindigenous species that threatens the

diversity or abundance of native species or the ecological stability of infested waters, or commercial, agricultural, aquacultural, or recreational activities dependent on such waters.)

MCL 324.80155 et al. (S.B. 535)
Proposed MCL 324.80124a (S.B. 536)

BACKGROUND

The governors of the Great Lakes states formed the Great Lakes Protection Fund in 1989. A private, nonprofit corporation, the Fund is a permanent environmental endowment supporting actions to improve the health of the Great Lakes ecosystem. The Fund's board of directors consists of two, governor-appointed representatives from each member state. The Fund makes grants and program-related investments in regional projects.

Section 33103 of the Natural Resources and Environmental Protection Act authorizes Michigan's governor to take all steps necessary to join with other states to form and operate the Fund, provided that it is used for Great Lakes research and protection activities, including:

- Research on the economic, environmental, and human health effects of contamination in the Great Lakes.
- The collection and analysis of data on the Great Lakes.
- The development of new or improved environmental cleanup technologies.
- Research to assess the effectiveness of pollution control policies.
- The assessment of the health of Great Lakes fish, waterfowl, and other organisms.

The Michigan Great Lakes Protection Fund receives grants from the regional Great Lakes Protection Fund, as well as other funding. The Office of the Great Lakes, within the Michigan Department of Environmental Quality (DEQ), administers Great Lakes Protection Fund grants for research, education, and awareness activities. The Office of the Great Lakes also implements the comprehensive aquatic nuisance species control plan developed in accordance with the Federal Nonindigenous Aquatic Nuisance Species Prevention and Control Program.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bills would give boaters the option of donating funds to combat aquatic nuisance species, and would require the use of those funds for research and public education and awareness programs. The zebra mussel alone has cost water suppliers, power plants, ships, and fisheries \$5 billion over the last 10 years, according to the Michigan Office of the Great Lakes. The DEQ estimates that an additional \$3 million will be spent in the next 10 years on monitoring and controlling the zebra mussel.

Two aquatic nuisance fish introduced from ballast water, the European ruffe and the round goby, also have had a significant environmental and economic impact on the Great Lakes, although their cost has not been estimated. The European ruffe, introduced into Lake Superior in the mid-1980s, grows very fast, has a high reproductive capacity, and adapts to a wide variety of environments, making it a serious threat to commercial and sport fishing. Similarly, the round goby, another fish with the capacity to reproduce very quickly, was found in the Lake Saint Clair River in 1990. By 1995, the goby had spread to Duluth-Superior Harbor in Minnesota, Montrose Harbor north of Chicago, and the Ashtabula River in Ohio. Both the ruffe and the goby have the potential to disrupt the delicate predator/prey balance vital to sustaining healthy fisheries.

Exotic plants also threaten fish populations, balanced ecosystems, and tourism. The Eurasian watermilfoil, an underwater aquatic plant, was introduced to eastern North America through the aquarium trade, entering the waters when aquarium owners released the contents of their aquariums into local lakes. Eurasian watermilfoil flourished and began to spread westward by clinging to recreational boats. Found mostly in shallow, nutrient-rich water, it can form thick stands of tangled stems under water, and vast mats of vegetation on the water's surface. These mats can limit boating, swimming, and fishing. Similarly, purple loosestrife, a hardy perennial with beautiful purple flowers, flourishes in wetlands and crowds out native species. Wetlands are the most biologically diverse,

productive component of aquatic ecosystems, with hundreds of plants, birds, mammals, reptiles, insects, fish, and amphibians relying on a healthy wetland habitat for their survival. When purple loosestrife gains a foothold, the habitat where fish and wildlife feed, seek shelter, reproduce, and raise their young quickly becomes choked under a sea of purple flowers. Fishing and waterfowl hunting are then affected, and the wetland cannot support the diversity of creatures as it once did.

The spread of the zebra mussel, European ruffe, round goby, Eurasian watermilfoil, and purple loosestrife is increased when watercraft users do not clean their boats, empty their ballast water, dispose of unwanted live bait on shore, and take other precautions when they leave a body of water. Because boaters can play a role in reducing the spread of nuisance species, and because they are directly affected by the unchecked spread of the species, the bills would give watercraft users an opportunity to donate directly to a cause that could reduce aquatic nuisance species in the Great Lakes.

Legislative Analyst: Claire Layman

FISCAL IMPACT

Senate Bill 535 (S-1)

The bill would have an indeterminate fiscal impact depending on the number of Great Lakes Protection specialty watercraft decals issued. There are approximately 915,000 registered watercraft in Michigan.

Senate Bill 536 (S-2)

The bill would result in costs to the Department of State related to the design and production of Great Lakes Protection specialty watercraft decals. No cost estimate is available from the Department. The extent to which the Department's costs would be offset by revenue would depend on the number of decals sold.

Fiscal Analyst: Bill Bowerman

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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.