



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 26 (Substitute S-3 as reported)  
Sponsor: Senator Stephanie Chang  
Committee: Energy and Environment

## **CONTENT**

The bill would add a section to Part 55 (Air Pollution Control) of the Natural Resources and Environmental Protection Act (NREPA) to do the following:

- Create the Air Quality Enforcement and Mitigation (AQEM) Fund within the State Treasury and require all civil and administrative fines collected by Part 55 to be deposited into it.
- Prescribe the purposes and limitations for the Department of Environment, Great Lakes, and Energy's (EGLE) usage of AQEM funds.
- Define "environmental protection community" and require EGLE to develop a process for identifying environmental protection communities.
- Require EGLE to establish an Air Quality Community Impact Grant Program and to provide grants to nonprofit entities, school districts, and local governmental units, among others.
- Require EGLE to develop program rules in consultation with an advisory committee made up of specific members as prescribed by the bill.
- Specify that an air quality facility supplemental environmental project would not be a fine.

The bill would take effect 90 days after its enactment.

Proposed MCL 324.5534

## **BRIEF RATIONALE**

Air pollution administrative fines under Part 55 of NREPA are deposited into the General Fund. Some people believe that communities affected by air pollution that resulted in an administrative fine should receive the funds from that fine and put it toward reducing the harm done by that air pollution. Accordingly, it has been suggested that the AQEM be created and that EGLE distribute Part 55 administrative fines to communities affected by air pollution.

## **PREVIOUS LEGISLATION**

*(Please note: This section does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)*

The bill is a reintroduction of Senate Bill 54 of the 2021-2022 Legislative Session.

Legislative Analyst: Tyler P. VanHuyse

## **FISCAL IMPACT**

The bill would have no fiscal impact on the State through the collection of civil and administrative fines as these fines are already being collected. This bill would have a positive fiscal impact on EGLE. Any costs, administrative or otherwise, would be offset with 30% of the revenue deposited into the AQEM Fund created by the bill. The bill would have a significant positive fiscal impact on local units of government that received grant funding from the remaining 70% of the Fund revenue.

Date Completed: 5-23-23

Fiscal Analyst: Joe Carrasco, Jr.  
Bobby Canell; Jonah Houtz; Cory Savino, PhD