

MMA Written Testimony SB256

March 11, 2009

Madam Chair and Committee Members:

Thank you for the opportunity to comment on the SB 256. While MMA recognizes that several positive changes have been made to the bill, we respectfully opposed the current legislation because of the issues set out below.

MMA represents about 2,500 members that operate in the full spectrum of manufacturing industries, and which account for 90% of Michigan's industrial workforce. Manufacturing provides about 600,000 direct jobs in Michigan.

Michigan is a manufacturing state. Manufacturing, along with allied industries of mining and utilities, is the largest single sector of the Michigan economy, creating 20% of the gross state product (GSP), or \$76 billion. This contribution is nearly double the contribution of the next largest sector, real estate, with just \$43 billion in GSP.

As we all know, Michigan's economy is struggling significantly in the face of the cost-based global economy. Michigan's unemployment rate continues to rank the highest in the nation, well over 11%. Our job losses have been astonishing. We have lost over 300,000 manufacturing jobs since 2000, with more than 53,000 manufacturing jobs lost just last year.

This legislation creates a process for local units of governments to implement fees at the local level to fund various storm water projects that it develops. Although there have been several positive changes to the legislation, MMA still maintains some significant concerns with the bill. MMA recognizes that the federal Clean Water Act (CWA) creates an unfunded mandate on local units of government to provide storm water management services. However, the CWA does not require that those services be paid for solely by a fee, or a fee at all for that matter.

If the State is going to move forward in promoting local units of government to implement fees, we believe that some sort of reasonable cap to those fees should be included in the implementing legislation. Due to the fact that individual local jurisdictions have the ability to create a "Storm Water Utility," there is an inherent lack of predictability as to what the fees will be. If a reasonable cap were included in the legislation, there would at least be some manner of predictability for business on what the max fee they would be obligated to pay regardless of location. This does not mean that proportional responsibility would be abdicated; rather an entity would pay their proportional obligation up to a certain dollar amount.

If this bill is to move forward, MMA would also like to see language requiring existing storm water fees, or their incarnations, to go through the process set out in the bill. At a minimum, this would allow the business community to take advantage of credit process the bill requires, along with providing some transparency to the process that SB 256 is promoting.

At a time when businesses are struggling to stay open and every penny counts, MMA does not think it is appropriate to create a process that allows fees to more easily be implemented. However, if you are intent on doing so, we hope you will consider our suggested changes. Thank you for your time and consideration.

Best Regards,

A handwritten signature in black ink, appearing to read "R. Gross". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Randall Gross, Director of Environmental and Regulatory Policy