

SENATE BILL No. 911

April 21, 2016, Introduced by Senator HORN and referred to the Committee on Commerce.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 19508, 19509, and 19510 (MCL 324.19508,
324.19509, and 324.19510), as added by 1995 PA 60.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 19508. (1) Except as provided in subsection (3), money in
2 the fund that is allocated under section 19507 shall be used for
3 the following purposes:

4 (a) Money in the fund that is allocated under section
5 19507(1)(a) shall be used for sites identified through ~~part~~**PARTS**
6 201 **AND 213**, to be expended and recovered by the state in the same
7 manner as provided in that part. Of the funds allocated under
8 section 19507(1)(a), the following apply:

9 (i) Not more than \$35,000,000.00 shall be used to clean up

1 sites of environmental contamination that have been identified
2 under former Act No. 307 of the Public Acts of 1982 or 1982 PA 307,
3 part 201, OR PART 213; that **MEET EITHER OF THE FOLLOWING:**

4 (A) UNTIL THE EFFECTIVE DATE OF THE 2016 AMENDATORY ACT THAT
5 AMENDED THIS SECTION, will not be funded in the next fiscal year +
6 and that have been approved by the department as having measurable
7 economic benefit. The department, after consultation with the
8 department of commerce, shall promulgate rules that establish the
9 eriteria and process by which sites will be selected and determined
10 to qualify as sites having measurable economic benefit.

11 (B) BEGINNING ON THE EFFECTIVE DATE OF THE 2016 AMENDATORY ACT
12 THAT AMENDED THIS SECTION, FOR PROJECTS MEETING THE CRITERIA OF
13 SECTIONS 19608 TO 19615.

14 (ii) Not more than \$10,000,000.00 may be used to provide
15 grants to eligible communities to investigate and determine whether
16 property within an eligible community is a site of environmental
17 contamination and, if so, to characterize the nature and extent of
18 the contamination. A grant shall ~~only~~ be issued under this
19 subparagraph **ONLY** if all of the following conditions are met:

20 (A) The characterization of the nature and extent of
21 contamination includes an estimate of response activity costs in
22 relation to the value of the property in an uncontaminated state
23 and identifies future potential limitations on the use of the
24 property based upon current environmental conditions.

25 (B) The property has demonstrable economic development
26 potential. This provision does not require a specific development
27 proposal to be identified.

1 (C) The property is located within an eligible community that
2 has received less than \$1,000,000.00 in total grants under this
3 subparagraph. However, a grant that has resulted in measurable
4 economic benefits shall not be included in the calculation of the
5 \$1,000,000.00.

6 (b) Money in the fund that is allocated for solid waste
7 projects including, but not limited to, reducing, recycling, and
8 properly disposing of solid waste shall be used to fund state
9 projects, to provide grants and loans to local units of government,
10 and to provide grants and loans to private entities for any of the
11 programs identified in part 191, in the amounts appropriated
12 pursuant to subsection (5). Not less than \$17,500,000.00 of the
13 money for solid waste projects shall be used to fund the following:

14 (i) To promote and expand markets for recycled materials.

15 (ii) To assist in the recycling of solid wastes, including,
16 but not limited to, plastics, metals, tires, wood, and paper.

17 (iii) To promote research on resource recovery.

18 (iv) To study marketing options for products that use recycled
19 materials.

20 (c) Money in the fund that is allocated to capitalize the
21 state water pollution control revolving fund created in section 16a
22 of the shared credit rating act, ~~Act No. 227 of the Public Acts of~~
23 ~~1985, being section 141.1066a of the Michigan Compiled Laws, 1985~~
24 **PA 227, MCL 141.1066A**, shall be used as provided in part 53.

25 (d) Money in the fund that is allocated to fund this state's
26 participation in a regional Great Lakes protection fund pursuant to
27 part 331.

1 (2) If, by June 28, 1995, the department determines that money
2 allocated under subsection (1) (a) (ii) is unlikely to be expended
3 pursuant to that subparagraph, \$5,000,000.00 of the money allocated
4 pursuant to that subparagraph shall be expended pursuant to
5 subsection (1) (a) (i) .

6 (3) If money that is expended pursuant to subsection
7 (1) (a) (ii) is recovered by an eligible community from a person who
8 may be liable under part 201, through proceeds from the sale of the
9 property, or through any other mechanism, and additional funds for
10 environmental response activities on the property are not
11 necessary, the eligible community may retain those funds for
12 expenditure on projects that the department determines are eligible
13 to receive funding under subsection (1) (a) (ii) . An accounting of
14 the recovered funds must be provided to the department within 30
15 days of receipt, and approval and expenditure of the recovered
16 funds shall be in the same manner as funds awarded pursuant to
17 subsection (1) (a) (ii) . If funds are recovered and not spent on
18 other projects pursuant to this subparagraph within 2 years after
19 they are recovered by the eligible community, the eligible
20 community shall forward the money collected to the state treasurer
21 for deposit into the fund to be used pursuant to subsection
22 (1) (a) (ii) . When accounting for the use of recovered funds,
23 eligible communities may itemize deductions for site preparation
24 and other costs directly related to the reuse of a site funded
25 under this section.

26 (4) Money provided in the fund may be used by the department
27 of treasury to pay for the cost of issuing bonds under former ~~Act~~

1 ~~No. 326 of the Public Acts of 1988~~ **PA 326** or part 193 and by the
2 department to pay department costs as provided in this subsection.
3 Not more than 6% of the total amount specified in section
4 19507(1) (a), (b), and (d) shall be available for appropriation to
5 the department to pay department costs directly associated with the
6 completion of a project described in section 19507(1) (a), (b), or
7 (d), for which bonds are issued as provided under this part. Any
8 department costs associated with a project described in section
9 19507(1) (c) for which bonds are issued under this part shall be
10 paid as provided in the state statute implementing the state water
11 pollution control revolving fund. Bond proceeds shall not be
12 available to pay indirect, administrative overhead costs incurred
13 by any organizational unit of the department not directly
14 responsible for the completion of a project. It is the intent of
15 the legislature that general fund appropriations to the department
16 shall not be reduced as a result of department costs funded
17 pursuant to this subsection.

18 (5) Except as provided in subsection (3), the department shall
19 annually submit a list of all projects that are recommended to be
20 funded under this part to the governor, the standing committees of
21 the house of representatives and the senate that primarily address
22 issues pertaining to the protection of natural resources and the
23 environment, and the appropriations committees in the house of
24 representatives and the senate. This list shall be submitted to the
25 legislature not later than February 15 of each year. This list
26 shall also be submitted before any request for supplemental
27 appropriation of bond funds. The list shall include the name,

1 address, and telephone number of the eligible recipient or
2 participant; the nature of the eligible project; the county in
3 which the eligible project is located; an estimate of the total
4 cost of the eligible project; and other information considered
5 pertinent by the department.

6 (6) The legislature shall appropriate prospective or actual
7 bond proceeds for projects proposed to be funded. Appropriations
8 shall be carried over to succeeding fiscal years until the project
9 for which the funds are appropriated is completed. Environmental
10 cleanup projects that are eligible for funding under subsection
11 (1)(a), but not including subsection (1)(a)(i) and (ii), shall be
12 prioritized and approved pursuant to the procedures outlined in
13 part 201. Projects to which loans are provided from the state water
14 pollution control revolving fund shall be approved pursuant to
15 state law implementing that fund. The capitalization of the
16 regional Great Lakes protection fund shall be a 1-time
17 appropriation.

18 (7) Not later than December 31 of each year, the department
19 shall submit a list of the projects financed under this part to the
20 governor, the standing committees of the house of representatives
21 and the senate that primarily address issues pertaining to the
22 protection of natural resources and the environment, and the
23 committees of the house of representatives and the senate on
24 appropriations for the department. The list shall include the name,
25 address, and telephone number of the recipient or participant; the
26 nature of the project; the amount of money received; the county in
27 which the project is located; and other information considered

1 pertinent by the department.

2 (8) As used in this section, "eligible community" means any of
3 the following:

4 (a) A city, village, or township, or a county on behalf of a
5 city, village, or township, that on May 1, 1993 meets the
6 applicable criteria of **A LOCAL GOVERNMENT UNIT UNDER** section
7 ~~2(d)(i) or (ii)~~ **2(F)** of the neighborhood enterprise zone act, ~~Act~~
8 ~~No. 147 of the Public Acts of 1992, being section 207.772 of the~~
9 ~~Michigan Compiled Laws.1992 PA 147, MCL 207.772.~~

10 (b) A city that meets any of the following descriptions:

11 (i) Has a population of greater than 10,000 and is located
12 within a county that has a population density of less than 39
13 residents per square mile.

14 (ii) Has a population of greater than 2,500 and is located
15 within a county that has a population density of less than 39
16 residents per square mile.

17 (iii) Had an average unemployment rate of 11.5% or more during
18 the most recent calendar year for which data is available from the
19 Michigan employment security commission. ~~and meets the criteria of~~
20 ~~section 2(d)(i)(A), (D), and (E) of Act No. 147 of the Public Acts~~
21 ~~of 1992.~~

22 Sec. 19509. (1) The department shall promulgate rules
23 necessary to implement grant and loan programs provided in this
24 part.

25 (2) The department shall assure maximum participation by local
26 units of government and by private entities by promulgating rules
27 that provide for a grant or loan program, where appropriate. In

1 determining whether a grant or a loan program is appropriate, the
2 department shall consider whether the project is likely to be
3 undertaken without state assistance; the availability of state
4 funds from other sources; the degree of private sector
5 participation in the type of project under consideration; the
6 extent of the need for the project as a demonstration project; and
7 such other factors considered important by the department.

8 (3) Prior to making a grant or loan authorized by this part,
9 the department shall consider the extent to which the making of the
10 grant or loan contributes to the achievement of a balanced
11 distribution of grants and loans throughout the state.

12 (4) The department shall provide in rules promulgated under
13 this part that loans ~~, where authorized,~~ that are issued by the
14 department to private entities shall include an interest charge of
15 not less than 5% per year.

16 (5) **NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, FOR**
17 **GRANT PROJECTS CONSIDERED FOR FUNDING UNDER SECTION 19508(1)(A) ON**
18 **OR AFTER THE EFFECTIVE DATE OF THE 2016 AMENDATORY ACT THAT AMENDED**
19 **THIS SECTION, SUBSECTIONS (1) TO (4) DO NOT APPLY AND THE**
20 **DEPARTMENT SHALL APPLY THE CRITERIA USED FOR PROJECTS FUNDED UNDER**
21 **SECTION 19611.**

22 (6) ~~(5)~~ Neither this section nor section 19510 shall apply to
23 loans from the state water pollution control revolving fund.

24 Sec. 19510. (1) An application for a grant or a loan
25 authorized under this part shall be made on a form prescribed by
26 the department. The department may require the applicant to provide
27 any information reasonably necessary to allow the department to

1 make a determination required by this part.

2 (2) BEGINNING ON THE EFFECTIVE DATE OF THE 2016 AMENDATORY ACT
3 THAT AMENDED THIS SECTION, AN APPLICATION FOR A GRANT UNDER SECTION
4 19508(1)(A) IS SUBJECT TO THE SAME REQUIREMENTS LISTED IN SECTION
5 19610 FOR A LOAN UNDER SECTION 19608(1)(A) (iv) .

6 Enacting section 1. This amendatory act takes effect 90 days
7 after the date it is enacted into law.

8 Enacting section 2. This amendatory act does not take effect
9 unless all of the following bills of the 98th Legislature are
10 enacted into law:

11 (a) Senate Bill No. 908.

12

13 (b) Senate Bill No. 910.

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15 (c) Senate Bill No. 913.

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17 (d) Senate Bill No. 909.

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19 (e) Senate Bill No. 912.

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