

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT)
Act 451 of 1994

324.5204b Nonpoint source water pollution; expenditures; limitation; requirements; selection of projects; expenditures subject to generally accepted accounting principles; annual report; use of fund; "facility", "release", and "response activity" defined.

Sec. 5204b.

(1) Subject to section 5204c, the department may expend, upon appropriation, not more than \$140,000,000.00 of the money from the fund for response activities to address nonpoint source water pollution at facilities as follows:

(a) For the state fiscal year ending September 30, 2011, not more than \$50,000,000.00 may be authorized for expenditure under this section.

(b) For the state fiscal year ending September 30, 2012, not more than \$50,000,000.00 may be authorized for expenditure under this section.

(c) Beginning October 1, 2012, any money not previously authorized for expenditure under this section may be expended under this section only if the department documents that it has achieved the following performance objectives:

- (i) Increasing the level of investment in sewage collection and treatment systems.
- (ii) Providing incentives for actions that not only improve water quality but result in pollution prevention.
- (iii) Optimizing the cost benefit ratio of alternative designs of sewage collection and treatment systems.
- (iv) Demonstrating progress toward maximizing risk reduction and economic development objectives identified for projects funded under this section.

(2) The department shall expend money under this section in compliance with all of the following:

(a) The expenditure is used to improve the quality of the waters of the state.

(b) The expenditure is used only for facilities in which the department does not know the identity of the person or persons who are liable under part 201 for the release resulting in the water pollution or the person or persons who are liable do not have sufficient resources to fund the required response activities.

(c) The facilities include property that is located within the identified planning area boundaries of a publicly owned sanitary sewer system eligible for funding under the state water pollution control revolving fund established in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a.

(d) The expenditure is used for response activities necessary to address existing or imminent unacceptable risks arising from conditions that contribute to nonpoint source water pollution, including expenses for project management activities within the department.

(3) In using funds to address nonpoint source water pollution projects under this section, the department shall select projects that, to the extent practicable, provide maximum benefit to the state in protecting public health and the environment and contributing to economic development.

(4) Money expended to support project management within the department to manage response activities at the facility shall be expended pursuant to generally accepted accounting principles.

(5) The department shall annually submit a report to the standing committees of the senate and house of representatives with jurisdiction over issues primarily pertaining to natural resources and the environment and to the senate and house of representatives appropriations subcommittees on natural resources and the environment that describes the projects funded under this section and includes an evaluation of how the expenditures, to the extent practicable, provide maximum benefit to the state in protecting public health and the environment and contributing to economic development. For each project funded under this section, the report shall include all of the following:

(a) How the project met the criteria described in this section.

(b) The extent to which the project improved water quality or prevented a risk to water quality as measured by the number of individuals who benefit from the project.

(c) The extent to which the project preserved infrastructure investments that protect public health or prevented risks to water quality as measured by the risk posed or the public health protected.

(d) The extent to which the project enhanced economic development as measured by such factors including, but not limited to, all of the following:

(i) A net increase to the value of the properties in the vicinity of the project.

(ii) The creation of jobs.

(iii) The extent to which the project contributed to leveraging private investment in the vicinity of the project.

(e) If the project included funding for project management within the department, a breakdown of the amount of money used to support the project management as justified using generally accepted accounting principles.

(6) The legislature finds that use of the fund for response activities to address nonpoint source water pollution at

facilities is appropriate and necessary at this time. It is the intent of this legislature that money from the fund shall not be utilized for response activities to address nonpoint source water pollution at facilities when the \$150,000,000.00 has been expended under this section and section 5204c.

(7) As used in this section, "facility", "release", and "response activity" mean those terms as they are defined in part 201.

History: Add. 2010, Act 232, Imd. Eff. Dec. 14, 2010

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