

PUBLIC ASBESTOS ABATEMENT CONTRACTS

Act 55 of 2024

AN ACT to allow local governments and certain authorities to withhold payment under certain conditions to contractors on an asbestos abatement project; to provide for mandatory contract conditions on certain asbestos abatement projects; to provide for certain disclosures; and to prescribe the powers and duties of certain local officials.

History: 2024, Act 55, Eff. Apr. 2, 2025

The People of the State of Michigan enact:

338.3381 Definitions.

Sec. 1.

As used in this act:

- (a) "Asbestos" means a group of naturally occurring minerals that separate into fibers, including chrysotile, amosite, crocidolite, anthophyllite, tremolite, and actinolite.
- (b) "Asbestos abatement contractor" means a business entity that is licensed under the asbestos abatement contractors licensing act, 1986 PA 135, MCL 338.3101 to 338.3319, and that carries on the business of asbestos abatement on the premises of another and not on the asbestos abatement contractor's premises.
- (c) "Asbestos abatement project" means any activity involving persons working directly with the demolition, renovation, or encapsulation of friable asbestos materials.
- (d) "Local government" means a county, city, village, or township.

History: 2024, Act 55, Eff. Apr. 2, 2025

338.3383 Asbestos abatement project; contract with public entity; payment withholding requirements.

Sec. 3.

Beginning on the effective date of this act, if a local government or a land bank authority created under section 23 of the land bank fast track act, 2003 PA 258, MCL 124.773, enters into a contract with an asbestos abatement contractor or a demolition contractor that involves an asbestos abatement project, the contract must include a provision that the local government or land bank authority may withhold any payment to that asbestos abatement contractor or demolition contractor if the asbestos abatement contractor, demolition contractor, or any subcontractor of the asbestos abatement contractor or demolition contractor on that asbestos abatement project enters into, or begins negotiations to enter into, an administrative consent order or consent judgment with the department of environment, Great Lakes, and energy or another environmental regulatory agency within the time period the contract for that asbestos abatement project began that involves violations of environmental regulations related to that project or other asbestos abatement projects. Payment may be withheld by the local government or land bank authority until the local government or land bank authority receives verification from the asbestos abatement contractor, the demolition contractor, the department of environment, Great Lakes, and energy, or another environmental regulatory agency that the violations of environmental regulations related to the administrative consent order or consent judgment, or a proposed administrative consent order or consent judgment, have been corrected.

History: 2024, Act 55, Eff. Apr. 2, 2025

338.3385 Disclosure of active administrative order or judgments; violation of environmental regulations.

Sec. 5.

If involved in an asbestos abatement project with a local government or land bank authority, an asbestos abatement contractor, demolition contractor, or any subcontractor of the asbestos abatement contractor or demolition contractor must disclose to the local government or land bank authority if that asbestos abatement contractor, demolition contractor, or subcontractor is subject to an active administrative consent order or consent judgment, or has entered into, or is in negotiations to enter into, an administrative consent order or consent judgment, with the department of environment, Great Lakes, and energy or another environmental regulatory agency for any violations of environmental regulations.

History: 2024, Act 55, Eff. Apr. 2, 2025