



# HOUSE BILL No. 5363

February 22, 1994 Introduced by Reps Alley Middaugh and Bennane and referred to the Committee on Conservation Environment and Great Lakes

A bill to amend section 8 of Act No 328 of the Public Acts of 1988, entitled

Environmental protection bond implementation act  
as amended by Act No 309 of the Public Acts of 1993 being section 299 678 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 8 of Act No 328 of the Public Acts of  
2 1988 as amended by Act No 309 of the Public Acts of 1993 being  
3 section 299 678 of the Michigan Compiled Laws is amended to read  
4 as follows

5 Sec 8 (1) Except as provided in subsection (3), money in  
6 the fund that is allocated under section 7 shall be used for the  
7 following purposes

8 (a) Money in the fund that is allocated under section  
9 7(1)(a) shall be used for sites identified through the

1 environmental response act, Act No 307 of the Public Acts of  
2 1982 being sections 299 601 to 299 618 of the Michigan Compiled  
3 Laws to be expended and recovered by the state in the same  
4 manner as provided in that act Of the funds allocated under  
5 section 7(1)(a) the following apply

6 (1) Not more than \$35,000,000 00 shall be used to clean up  
7 sites of environmental contamination that have been identified  
8 under Act No 307 of the Public Acts of 1982 that will not be  
9 funded in the next fiscal year and have been approved by the  
10 commission as having measurable economic benefit The commis-  
11 sion, after consultation with the department of commerce, shall  
12 promulgate rules that establish the criteria and process by which  
13 sites will be selected and determined to qualify as sites having  
14 measurable economic benefit

15 (11) Not more than \$10 000,000 00 may be used to provide  
16 grants to eligible communities to investigate and determine  
17 whether property within an eligible community is a site of envi-  
18 ronmental contamination and, if so to characterize the nature  
19 and extent of the contamination A grant shall only be issued  
20 under this subparagraph if all of the following conditions are  
21 met

22 (A) The characterization of the nature and extent of contam-  
23 ination includes an estimate of response activity costs in rela-  
24 tion to the value of the property in an uncontaminated state and  
25 identifies future potential limitations on the use of the prop-  
26 erty based upon current environmental conditions

1 (B) The property has demonstrable economic development  
2 potential This provision does not require a specific  
3 development proposal to be identified

4 (C) The property is located within an eligible community  
5 that has received less than \$1,000,000 00 in total grants under  
6 this subparagraph However a grant that has resulted in measur-  
7 able economic benefits shall not be included in the calculation  
8 of the \$1 000 000 00

9 (111) BEGINNING IN THE FISCAL YEAR IN WHICH THE AMENDATORY  
10 ACT THAT ADDED THIS SUBPARAGRAPH IS ENACTED INTO LAW AND FOR THE  
11 4 FOLLOWING FISCAL YEARS \$2 250 000 00 MAY BE USED AS A GRANT  
12 FOR A DEMONSTRATION PROJECT IN A COUNTY THAT HAS DESIGNATED AN  
13 AGENCY UNDER SECTION 13A OF ACT NO 307 OF THE PUBLIC ACTS OF  
14 1982 THE GRANT FOR THE DEMONSTRATION PROJECT SHALL BE USED BY  
15 THE COUNTY FOR 3 FISCAL YEARS TO PAY FOR ADMINISTRATION BY THE  
16 AGENCY THAT HAS BEEN DESIGNATED TO ADMINISTER ACT NO 307 OF THE  
17 PUBLIC ACTS OF 1982 IN THAT COUNTY THE TERMS OF THE GRANT SHALL  
18 BE CONSISTENT WITH THE DELEGATION UNDER SECTION 13A OF ACT  
19 NO 307 OF THE PUBLIC ACTS OF 1982

20 (12) BEGINNING IN THE FISCAL YEAR IN WHICH THE AMENDATORY  
21 ACT THAT ADDED THIS SUBPARAGRAPH IS ENACTED INTO LAW AND FOR THE  
22 4 FOLLOWING FISCAL YEARS \$20 100 000 00 SHALL BE APPROPRIATED TO  
23 BE USED FOR SITES LOCATED IN A COUNTY WITH AN AGENCY DESIGNATED  
24 UNDER SECTION 13A OF ACT NO 307 OF THE PUBLIC ACTS OF 1982

25 (b) Money in the fund that is allocated for solid waste  
26 projects including but not limited to reducing recycling and  
27 properly disposing of solid waste shall be used to fund state

1 projects to provide grants and loans to local units of  
 2 government and to provide grants and loans to private entities  
 3 for any of the programs identified in the clean Michigan fund  
 4 act Act No 249 of the Public Acts of 1986 being sections  
 5 299 371 to 299 393 of the Michigan Compiled Laws in the amounts  
 6 appropriated pursuant to subsection (5) However the commission  
 7 shall not use any of the money in the fund for any of the costs  
 8 associated with the advisory panel described in section 20 of Act  
 9 No 249 of the Public Acts of 1986 being section 299 390 of the  
 10 Michigan Compiled Laws Not less than \$17 500 000 00 of the  
 11 money for solid waste projects shall be used to fund the  
 12 following

13 (i) To promote and expand markets for recycled materials

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

16 (iii) To promote research on resource recovery

17 (iv) To study marketing options for products that use recy-  
 18 cled materials

19 (c) Money in the fund that is allocated to capitalize the  
 20 state water pollution control revolving fund created in  
 21 section 16a of the shared credit rating act Act No 227 of the  
 22 Public Acts of 1985 being section 141 1066a of the Michigan  
 23 Compiled Laws shall be used as provided in the state clean water  
 24 assistance act, Act No 317 of the Public Acts of 1988 being  
 25 sections 323 451 to 323 470 of the Michigan Compiled Laws

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

1 to the Great Lakes protection fund authorization act Act No 155  
2 of the Public Acts of 1989 being sections 3 671 to 3 677 of the  
3 Michigan Compiled Laws

4 (2) If ~~within 18 months after the effective date of~~  
5 ~~subsection (8)~~ BY JUNE 28, 1994, the commission determines that  
6 money allocated under subsection (1)(a)(11) is unlikely to be  
7 expended pursuant to that subparagraph \$5 000 000 00 of the  
8 money allocated pursuant to that subparagraph shall be expended  
9 pursuant to subsection (1)(a)(1)

10 (3) If money that is expended pursuant to  
11 subsection (1)(a)(11) is recovered by an eligible community from  
12 a person who may be liable under the environmental response act  
13 Act No 307 of the Public Acts of 1982 being sections 299 601 to  
14 299 618 of the Michigan Compiled Laws through proceeds from the  
15 sale of the property or through any other mechanism and addi-  
16 tional funds for environmental response activities on the prop-  
17 erty are not necessary the eligible community may retain those  
18 funds for expenditure on projects that the department determines  
19 are eligible to receive funding under subsection (1)(a)(11) An  
20 accounting of such recovered funds must be provided to the  
21 department within 30 days of receipt and approval and expendi-  
22 ture of such recovered funds shall be in the same manner as funds  
23 awarded pursuant to subsection (1)(a)(11) If funds are recov-  
24 ered and not spent on other projects pursuant to this subpara-  
25 graph within 2 years after they are recovered by the eligible  
26 community the eligible community shall forward the money  
27 collected to the state treasurer for deposit into the fund to be

1 used pursuant to subsection (1)(a)(12) When accounting for the  
2 use of recovered funds eligible communities may itemize deduc-  
3 tions for site preparation and other costs directly related to  
4 the reuse of a site funded under this section

5 (4) Money provided in the fund may be used by the department  
6 of treasury to pay for the cost of issuing bonds under the envi-  
7 ronmental protection bond authorization act and by the department  
8 to pay department costs as provided in this subsection Not more  
9 than 6% of the total amount specified in section 7(1)(a) (b)  
10 and (d) shall be available for appropriation to the department to  
11 pay department costs directly associated with the completion of a  
12 project described in section 7(1)(a) (b) or (d) for which  
13 bonds are issued as provided under this act Any department  
14 costs associated with a project described in section 7(1)(c) for  
15 which bonds are issued under this act shall be paid as provided  
16 in the state statute implementing the state water pollution con-  
17 trol revolving fund Bond proceeds shall not be available to pay  
18 indirect, administrative overhead costs incurred by any organiza-  
19 tional unit of the department not directly responsible for the  
20 completion of a project It is the intent of the legislature  
21 that general fund appropriations to the department shall not be  
22 reduced as a result of department costs funded pursuant to this  
23 subsection

24 (5) Except as provided in subsection (3) the commission  
25 shall annually submit to the governor the committee of the house  
26 of representatives on conservation and environment the committee  
27 of the senate on natural resources and environmental affairs, and

1 the appropriations committees in the house of representatives and  
 2 the senate a list of all projects that are recommended to be  
 3 funded under this act. Beginning in fiscal year 1990, this list  
 4 shall be submitted to the legislature not later than February 15  
 5 of each year. This list shall also be submitted before any  
 6 request for supplemental appropriation of bond funds. The list  
 7 shall include the name, address, and telephone number of the eli-  
 8 gible recipient or participant, the nature of the eligible  
 9 project, the county in which the eligible project is located, an  
 10 estimate of the total cost of the eligible project, and other  
 11 information considered pertinent by the commission.

12 (6) The legislature shall appropriate prospective or actual  
 13 bond proceeds for projects proposed to be funded. Appropriations  
 14 shall be carried over to succeeding fiscal years until the  
 15 project for which the funds are appropriated is completed.  
 16 Environmental cleanup projects that are eligible for funding  
 17 under subsection (1)(a) but not including subsection (1)(a)(1)  
 18 and (11), shall be prioritized and approved pursuant to the pro-  
 19 cedures outlined in Act No. 307 of the Public Acts of 1982.  
 20 Projects to which loans are provided from the state water pollu-  
 21 tion control revolving fund shall be approved pursuant to state  
 22 law implementing that fund. The capitalization of the regional  
 23 Great Lakes protection fund shall be a 1-time appropriation.

24 (7) Not later than December 31 of each year, the commission  
 25 shall report to the governor, the committee of the house of rep-  
 26 resentatives on conservation and environment, the committee of  
 27 the senate on natural resources and environmental affairs, and

1 the committees of the house of representatives and the senate on  
2 appropriations for the department a list of the projects financed  
3 under this act. The list shall include the name, address, and  
4 telephone number of the recipient or participant, the nature of  
5 the project, the amount of money received, the county in which  
6 the project is located, and other information considered pertinent  
7 by the commission.

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

10 (a) A city, village, or township, or a county on behalf of a  
11 city, village, or township that on May 1, 1993, meets the applicable  
12 criteria of section 2(d)(i) or (ii) of the neighborhood  
13 enterprise zone act, Act No. 147 of the Public Acts of 1992  
14 being section 207.772 of the Michigan Compiled Laws.

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

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

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

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