



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 919 (Substitute S-2 as reported)

Sponsor: Senator Loren Bennett

Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to provide for redevelopment of contaminated industrial sites by establishing loan and grant programs and funds to finance environmental response activities. Specifically, the bill would delete provisions that established the Environmental Response Fund and, instead, create a Cleanup and Redevelopment Fund to be used only for response activities at sites subjected to the risk assessment process described in the Act. The bill would create the Revitalization Revolving Loan Program to make loans to certain local units of government to provide for eligible activities at facilities to promote economic development, and create the Revitalization Revolving Loan Fund to finance the loans.

The bill would create the State Site Cleanup Program to implement response activities at facilities where the State was liable as an owner or operator, or where the State had licensure or decommissioning obligations as an owner or possessor of radioactive materials regulated by the Nuclear Regulatory Commission. The bill also would establish the State Site Cleanup Fund to fund national priority list Municipal Landfill Cost-Share Grants, Superfund match, response activities to address public health or environmental problems, response activities at sites that would facilitate redevelopment, emergency response actions for sites as determined by the Department of Environmental Quality (DEQ), and completion of response activities initiated by the State using environmental protection bond funds or by certain liable persons. The bill would establish the Municipal Landfill Cost-Share Grant Program to make grants to reimburse local units of government for a portion of the response activity costs at certain municipal solid waste landfills, and specify the priority in which eligible facilities would receive the grants. The bill also would create the Brownfield Redevelopment Board within the DEQ to implement the bill.

MCL 324.19507 et al.

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would have an overall indeterminate fiscal impact on State and local government, depending upon the amount of funds to be deposited into the Revitalization Revolving Loan Fund, the Cleanup and Redevelopment Fund, and the State Sites Cleanup Fund. The bill would result in an indeterminate increase in costs to State government depending upon the amount of funds from the State Site Cleanup Fund that were redirected to other projects.

The bill would redirect approximately \$27.8 million in unencumbered funds remaining in the Solid Waste Management Program into the Cleanup and Redevelopment Fund. There would be no direct fiscal impact on this program since FY 1995-96 was its last funding cycle and no new grants are anticipated. The bill also would establish a State Site Cleanup Program and provide direction on the use of \$20 million that was appropriated in 1994 and remains unspent. Administrative costs for the programs would be covered by the Cleanup and Redevelopment Fund, and the Department would be required annually to request appropriations from the Fund to implement programs established in the bill.

Date Completed: 5-21-96

Fiscal Analyst: G. Cutler

floor\sb919

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.