



HOUSE BILL No. 5178

October 3, 1995, Introduced by Reps. Alley, Dolan, Freeman and Wetters and referred to the Committee on Conservation, Environment and Great Lakes.

A bill to amend sections 21508 and 21528 of Act No. 451 of the Public Acts of 1994, entitled "Natural resources and environmental protection act," being sections 324.21508 and 324.21528 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 21508 and 21528 of Act No. 451 of the
2 Public Acts of 1994, being sections 324.21508 and 324.21528 of
3 the Michigan Compiled Laws, are amended to read as follows:

4 Sec. 21508. (1) An environmental protection regulatory fee
5 is imposed on all refined petroleum products sold for resale in
6 this state or consumption in this state. The regulatory fee
7 shall be used pursuant to section 21506(4) for the cleanup and
8 prevention of environmental contamination resulting from releases
9 of refined petroleum products from underground storage tank

1 systems and to pay off bonds or notes pursuant to this part. The
2 regulatory fee shall be charged for capacity utilization of
3 underground storage tanks measured on a per gallon basis. The
4 regulatory fee shall be charged against all refined petroleum
5 products sold for resale in this state or consumption in this
6 state so as to not exclude any products that may be stored in an
7 underground tank at any point after the petroleum is refined.

8 ~~The~~ UNTIL THE STATE TREASURER FILES WITH THE SECRETARY OF STATE
9 A STATEMENT OF THE REVISED AMOUNT OF THE REGULATORY FEE PURSUANT
10 TO SUBSECTION (7), THE regulatory fee shall be 7/8 cent per
11 gallon for each gallon of refined petroleum sold for resale in
12 this state or consumption in this state, with the per gallon
13 charge being a direct measure of capacity utilization of an
14 underground storage tank system. FOLLOWING THE FILING OF THE
15 STATEMENT OF THE REVISED AMOUNT OF THE REGULATORY FEE WITH THE
16 SECRETARY OF STATE PURSUANT TO SUBSECTION (7), THE REGULATORY FEE
17 IMPOSED UNDER THIS SECTION IS THE AMOUNT STATED IN THE STATEMENT
18 OF THE REVISED AMOUNT OF THE REGULATORY FEE FILED WITH THE SECRE-
19 TARY OF STATE.

20 (2) The department of treasury shall precollect regulatory
21 fees from persons who refine petroleum in this state for resale
22 in this state or consumption in this state and persons who import
23 refined petroleum into this state for resale in this state or
24 consumption in this state. The department of treasury shall col-
25 lect regulatory fees that can be collected at the same time as
26 the sales tax under section 6a of the general sales tax act, Act
27 No. 167 of the Public Acts of 1933, being section 205.56a of the

1 Michigan Compiled Laws, at that time. The remainder of the
2 regulatory fees shall be collected in the manner determined by
3 the state treasurer.

4 (3) A public utility with more than 500,000 customers in
5 this state is exempt from any fee or assessment imposed under
6 this part if that fee or assessment is imposed on petroleum used
7 by that public utility for the generation of steam or
8 electricity.

9 (4) All regulatory fees collected pursuant to this part
10 shall be deposited into the emergency response fund created in
11 section 21507 until the emergency response fund reaches
12 \$1,000,000.00. When the emergency response fund is at
13 \$1,000,000.00, all regulatory fees shall be deposited into the
14 fund.

15 ~~(5) Each quarter, the administrator shall determine if fund~~
16 ~~revenues will be sufficient to pay expected expenditures from the~~
17 ~~fund. If expected expenditures are anticipated to exceed fund~~
18 ~~revenues, the state treasurer shall notify the advisory board~~
19 ~~and, with the advice of the board, shall advise the legislature~~
20 ~~of the estimated increase in the regulatory fee that would be~~
21 ~~necessary to pay expected expenditures or recommend other revi-~~
22 ~~sions to this part that would improve the security of the fund.~~
23 ~~If anticipated expenditures are significantly below anticipated~~
24 ~~revenues, the state treasurer shall notify the advisory board~~
25 ~~and, with the advice of the board, shall recommend to the legis-~~
26 ~~lature a reduction of the regulatory fee.~~

1 (5) ~~(6)~~ If the state treasurer determines that fund
2 revenues will not be sufficient to pay expected expenditures from
3 the fund, the state treasurer shall notify the administrator, and
4 90 days after this notification has been given the administrator
5 shall not accept any new work invoices or requests for
6 indemnification. Upon receiving this notification from the state
7 treasurer, the administrator shall notify by certified mail the
8 owners and operators of petroleum underground storage tank sys-
9 tems registered under part 211 that funding under this part will
10 no longer be available for new claims after the 90-day period has
11 expired. However, work invoices and requests for indemnification
12 that were submitted to the administrator prior to or during this
13 90-day period may be paid to the extent money is available in the
14 fund as provided in this part.

15 (6) ~~(7)~~ The department of treasury may audit, enforce,
16 collect, and assess the fee imposed by this part in the same
17 manner and subject to the same requirements as revenues collected
18 pursuant to Act No. 122 of the Public Acts of 1941, being
19 sections 205.1 to 205.31 of the Michigan Compiled Laws.

20 (7) WITHIN 1 MONTH AFTER THE EFFECTIVE DATE OF THE 1995
21 AMENDATORY ACT THAT AMENDED THIS SECTION, THE STATE TREASURER
22 SHALL DETERMINE THE AMOUNT OF MONEY NEEDED TO PAY IN FULL ALL
23 APPROVED OR APPROVABLE WORK INVOICES AND REQUESTS FOR INDEMNIFI-
24 CATION THAT WERE RECEIVED BY THE DEPARTMENT ON OR BEFORE JUNE 29,
25 1995 THAT HAVE NOT BEEN PAID, ANY WORK INVOICES OR REQUESTS FOR
26 INDEMNIFICATION THAT WERE DENIED BUT FOR WHICH AN APPEAL WAS
27 FILED ON OR BEFORE JUNE 29, 1995 AND WHOSE DENIAL WAS

1 SUBSEQUENTLY OVERTURNED ON APPEAL, AND ANY EXISTING DEBT
2 OBLIGATION OF THE FUND. THE STATE TREASURER SHALL DETERMINE THE
3 AMOUNT AT WHICH THE REGULATORY FEE NEEDS TO BE SET IN ORDER TO
4 FULLY PAY THE OBLIGATIONS DESCRIBED IN THIS SUBSECTION WITHIN 6
5 MONTHS AFTER THE EFFECTIVE DATE OF THE 1995 AMENDATORY ACT THAT
6 AMENDED THIS SECTION, INCLUDING THE COST OF ANY NECESSARY NEW
7 DEBT ISSUANCE. UPON MAKING THIS DETERMINATION, THE STATE TREA-
8 SURER SHALL FILE WITH THE SECRETARY OF STATE A STATEMENT OF THE
9 REVISED AMOUNT OF THE REGULATORY FEE.

10 Sec. 21528. (1) ~~The~~ WITHIN 6 MONTHS AFTER THE EFFECTIVE
11 DATE OF THE 1995 AMENDATORY ACT THAT AMENDED THIS SECTION, THE
12 authority ~~may~~ SHALL issue ~~from time to time~~ bonds or notes in
13 principal amounts the authority considers necessary to provide
14 funds ~~for any purpose, including, but not limited to, all of the~~
15 ~~following~~ TO PAY IN FULL ALL APPROVED OR APPROVABLE WORK
16 INVOICES THAT WERE RECEIVED BY THE DEPARTMENT ON OR BEFORE JUNE
17 29, 1995 THAT HAVE NOT BEEN PAID, ANY WORK INVOICES OR REQUESTS
18 FOR INDEMNIFICATION THAT WERE DENIED BUT FOR WHICH AN APPEAL WAS
19 FILED ON OR BEFORE JUNE 29, 1995 AND WHOSE DENIAL WAS SUBSE-
20 QUENTLY OVERTURNED ON APPEAL, AND FOR ANY OF THE FOLLOWING AS
21 DETERMINED APPROPRIATE BY THE AUTHORITY:

22 (a) The purposes described in section 21506(4)(a) and (d).

23 (b) The payment, funding, or refunding of the principal of,
24 interest on, or redemption premiums on bonds or notes issued by
25 the authority whether the bonds or notes or interest to be funded
26 or refunded have or have not become due.

1 (c) The establishment or increase of reserves to secure or
2 to pay authority bonds or notes or interest on those bonds or
3 notes.

4 (d) The payment of interest on the bonds or notes for a
5 period determined by the authority.

6 (e) The payment of all other costs or expenses of the
7 authority incident to and necessary or convenient to implement
8 its purposes and powers.

9 (2) The bonds or notes of the authority are not a general
10 obligation of the authority but are payable solely from the reve-
11 nues or funds, or both, pledged to the payment of the principal
12 of and interest on the bonds or notes as provided in the resolu-
13 tion authorizing the bond or note.

14 (3) The bonds or notes of the authority:

15 (a) Shall be authorized by resolution of the authority.

16 (b) Shall bear the date or dates of issuance.

17 (c) May be issued as either tax-exempt bonds or notes or
18 taxable bonds or notes for federal income tax purposes.

19 (d) Shall be serial bonds, term bonds, or term and serial
20 bonds.

21 (e) Shall mature at such time or times not exceeding 20
22 years from the date of issuance.

23 (f) May provide for sinking fund payments.

24 (g) May provide for redemption at the option of the author-
25 ity for any reason or reasons.

26 (h) May provide for redemption at the option of the
27 bondholder for any reason or reasons.

1 (i) Shall bear interest at a fixed or variable rate or rates
2 of interest per annum or at no interest.

3 (j) Shall be registered bonds, coupon bonds, or both.

4 (k) May contain a conversion feature.

5 (l) May be transferable.

6 (m) Shall be in the form, denomination or denominations, and
7 with such other provisions and terms as is determined necessary
8 or beneficial by the authority.

9 (4) If a member of the board of directors or any officer of
10 the authority whose signature or facsimile of his or her signa-
11 ture appears on the note, bond, or coupon ceases to be a member
12 or officer before the delivery of that bond or note, the signa-
13 ture continues to be valid and sufficient for all purposes, as if
14 the member or officer had remained in office until the delivery.

15 (5) Bonds or notes of the authority may be sold at a public
16 or private sale at the time or times, at the price or prices, and
17 at a discount as the authority determines. An authority bond or
18 note is not subject to the municipal finance act, Act No. 202 of
19 the Public Acts of 1943, being sections 131.1 to 139.3 of the
20 Michigan Compiled Laws. The bond or note shall not require the
21 approval of the state treasurer under Act No. 202 of the Public
22 Acts of 1943 and shall not be required to be registered. The
23 bond or note of the authority shall not be required to be filed
24 under the uniform securities act, Act No. 265 of the Public Acts
25 of 1964, being sections 451.501 to 451.818 of the Michigan
26 Compiled Laws.