



HOUSE BILL No. 5439

November 30, 1995, Introduced by Reps. Hanley, Martinez, Harder, DeMars, Brewer, Price, McBryde, Cherry and Pitoniak and referred to the Committee on Appropriations.

A bill to amend section 19508 of Act No. 451 of the Public Acts of 1994, entitled "Natural resources and environmental protection act," as added by Act No. 60 of the Public Acts of 1995, being section 324.19508 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 19508 of Act No. 451 of the Public Acts
2 of 1994, as added by Act No. 60 of the Public Acts of 1995, being
3 section 324.19508 of the Michigan Compiled Laws, is amended to
4 read as follows:

5 Sec. 19508. (1) Except as provided in subsection (3), money
6 in the fund that is allocated under section 19507 shall be used
7 for the following purposes:

8 (a) Money in the fund that is allocated under section
9 19507(1)(a) shall be used for sites identified through part 201,

1 to be expended and recovered by the state in the same manner as
2 provided in that part. Of the funds allocated under section
3 19507(1)(a), the following apply:

4 (i) Not more than \$35,000,000.00 shall be used to clean up
5 sites of environmental contamination that have been identified
6 under former Act No. 307 of the Public Acts of 1982 or part 201;
7 that will not be funded in the next fiscal year; and that have
8 been approved by the department as having measurable economic
9 benefit. The department, after consultation with the department
10 of commerce, shall promulgate rules that establish the criteria
11 and process by which sites will be selected and determined to
12 qualify as sites having measurable economic benefit.

13 (ii) Not more than \$10,000,000.00 may be used to provide
14 grants to eligible communities to investigate and determine
15 whether property within an eligible community is a site of envi-
16 ronmental contamination and, if so, to characterize the nature
17 and extent of the contamination. A grant shall only be issued
18 under this subparagraph if all of the following conditions are
19 met:

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

25 (B) The property has demonstrable economic development
26 potential. This provision does not require a specific
27 development proposal to be identified.

1 (C) The property is located within an eligible community
2 that has received less than \$1,000,000.00 in total grants under
3 this subparagraph. However, a grant that has resulted in measur-
4 able economic benefits shall not be included in the calculation
5 of the \$1,000,000.00.

6 (b) Money in the fund that is allocated for solid waste
7 projects including, but not limited to, reducing, recycling, and
8 properly disposing of solid waste shall be used to fund state
9 projects, to provide grants and loans to local units of govern-
10 ment, and to provide grants and loans to private entities for any
11 of the programs identified in part 191, in the amounts appropri-
12 ated pursuant to subsection (5). HOWEVER, IN ORDER TO BE ELIGI-
13 BLE FOR A GRANT OR LOAN UNDER THIS SUBDIVISION, THE APPLICANT
14 MUST CERTIFY THAT THE APPLICANT HAS A RECYCLED PRODUCT PROCURE-
15 MENT POLICY IN PLACE. Not less than \$17,500,000.00 of the money
16 for solid waste projects shall be used to fund the following:

17 (i) To promote and expand markets for recycled materials.

18 (ii) To assist in the recycling of solid wastes, including,
19 but not limited to, plastics, metals, tires, wood, and paper.

20 (iii) To promote research on resource recovery.

21 (iv) To study marketing options for products that use recy-
22 cled materials.

23 (c) Money in the fund that is allocated to capitalize the
24 state water pollution control revolving fund created in
25 section 16a of the shared credit rating act, Act No. 227 of the
26 Public Acts of 1985, being section 141.1066a of the Michigan
27 Compiled Laws, shall be used as provided in part 53.

1 (d) Money in the fund that is allocated to fund this state's
2 participation in a regional Great Lakes protection fund pursuant
3 to part 331.

4 (2) If, by June 28, 1995, the department determines that
5 money allocated under subsection (1)(a)(ii) is unlikely to be
6 expended pursuant to that subparagraph, \$5,000,000.00 of the
7 money allocated pursuant to that subparagraph shall be expended
8 pursuant to subsection (1)(a)(i).

9 (3) If money that is expended pursuant to
10 subsection (1)(a)(ii) is recovered by an eligible community from
11 a person who may be liable under part 201, through proceeds from
12 the sale of the property, or through any other mechanism, and
13 additional funds for environmental response activities on the
14 property are not necessary, the eligible community may retain
15 those funds for expenditure on projects that the department
16 determines are eligible to receive funding under
17 subsection (1)(a)(ii). An accounting of the recovered funds must
18 be provided to the department within 30 days of receipt, and
19 approval and expenditure of the recovered funds shall be in the
20 same manner as funds awarded pursuant to subsection (1)(a)(ii).
21 If funds are recovered and not spent on other projects pursuant
22 to this subparagraph within 2 years after they are recovered by
23 the eligible community, the eligible community shall forward the
24 money collected to the state treasurer for deposit into the fund
25 to be used pursuant to subsection (1)(a)(ii). When accounting
26 for the use of recovered funds, eligible communities may itemize

1 deductions for site preparation and other costs directly related
2 to the reuse of a site funded under this section.

3 (4) Money provided in the fund may be used by the department
4 of treasury to pay for the cost of issuing bonds under former Act
5 No. 326 of the Public Acts of 1988 or part 193 and by the depart-
6 ment to pay department costs as provided in this subsection. Not
7 more than 6% of the total amount specified in
8 section 19507(1)(a), (b), and (d) shall be available for appro-
9 priation to the department to pay department costs directly asso-
10 ciated with the completion of a project described in section
11 19507(1)(a), (b), or (d), for which bonds are issued as provided
12 under this part. Any department costs associated with a project
13 described in section 19507(1)(c) for which bonds are issued under
14 this part shall be paid as provided in ~~the state statute imple-~~
15 ~~menting the state water pollution control revolving fund~~ PART
16 53. Bond proceeds shall not be available to pay indirect, admin-
17 istrative overhead costs incurred by any organizational unit of
18 the department not directly responsible for the completion of a
19 project. It is the intent of the legislature that general fund
20 appropriations to the department shall not be reduced as a result
21 of department costs funded pursuant to this subsection.

22 (5) Except as provided in subsection (3), the department
23 shall annually submit a list of all projects that are recommended
24 to be funded under this part to the governor, the standing com-
25 mittees of the house of representatives and the senate that pri-
26 marily address issues pertaining to the protection of natural
27 resources and the environment, and the appropriations committees

1 in the house of representatives and the senate. This list shall
2 be submitted to the legislature not later than February 15 of
3 each year. This list shall also be submitted before any request
4 for supplemental appropriation of bond funds. The list shall
5 include the name, address, and telephone number of the eligible
6 recipient or participant; the nature of the eligible project; the
7 county in which the eligible project is located; an estimate of
8 the total cost of the eligible project; and other information
9 considered pertinent by the department.

10 (6) The legislature shall appropriate prospective or actual
11 bond proceeds for projects proposed to be funded. Appropriations
12 shall be carried over to succeeding fiscal years until the
13 project for which the funds are appropriated is completed.
14 Environmental cleanup projects that are eligible for funding
15 under subsection (1)(a), but not including subsection (1)(a)(i)
16 and (ii), shall be prioritized and approved pursuant to the pro-
17 cedures outlined in part 201. Projects to which loans are pro-
18 vided from the state water pollution control revolving fund shall
19 be approved pursuant to ~~state law implementing that fund~~ PART
20 53. The capitalization of the regional Great Lakes protection
21 fund shall be a 1-time appropriation.

22 (7) Not later than December 31 of each year, the department
23 shall submit a list of the projects financed under this part to
24 the governor, the standing committees of the house of representa-
25 tives and the senate that primarily address issues pertaining to
26 the protection of natural resources and the environment, and the
27 committees of the house of representatives and the senate on

1 appropriations for the department. The list shall include the
2 name, address, and telephone number of the recipient or partici-
3 pant; the nature of the project; the amount of money received;
4 the county in which the project is located; and other information
5 considered pertinent by the department.

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

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

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

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

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

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