



HOUSE BILL No. 5519

March 16, 2000, Introduced by Reps. Shackleton, Green, Gilbert, Kukuk, Richardville, Sheltrown, Rivet, Hager, Kowall, Van Woerkom, Bovin, DeRossett, Sanborn, Allen, Voorhees, Gosselin, Shulman, Hart, Rick Johnson, Lockwood, Middaugh, Faunce, Schermesser, Law, Basham, Callahan, Tabor, Bisbee, Bradstreet, Caul, Stamas, Jellema, Birkholz, Raczkowski, Scranton, Toy and Kuipers and referred to the Committee on Conservation and Outdoor Recreation.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
(MCL 324.101 to 324.90106) by adding part 794; and to make an
appropriation.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 794 EMERGENCY RECREATIONAL WATER ACCESS

SEC. 79401. AS USED IN THIS PART:

(A) "BOTTOMLAND" MEANS THE LAND AREA OF A WATER BODY THAT
LIES BELOW THE ORDINARY HIGH-WATER MARK AND THAT MAY OR MAY NOT
BE COVERED BY WATER.

(B) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL RESOURCES.

(C) "DREDGING" MEANS THE REMOVAL OF SEDIMENTS FROM
BOTTOMLAND.

(D) "DREDGING COSTS" MEANS THE COSTS ASSOCIATED WITH
DREDGING INCLUDING COSTS OF REMOVAL, DISPOSAL, AND TESTING OF

1 SEDIMENTS, AND THE COSTS ASSOCIATED WITH OBTAINING NECESSARY
2 PERMITS REQUIRED TO CONDUCT DREDGING.

3 (E) "FUND" MEANS THE EMERGENCY RECREATIONAL WATER ACCESS
4 FUND CREATED IN SECTION 79403.

5 (F) "MARINA" MEANS A NON-PUBLICLY-OWNED COMMERCIAL FACILITY
6 THAT IS LOCATED IN THIS STATE, THAT EXTENDS INTO OR OVER A WATER
7 BODY, AND THAT OFFERS SERVICES TO THE PUBLIC FOR DOCKING, LOAD-
8 ING, OR OTHER SERVICING OF RECREATIONAL WATERCRAFT.

9 (G) "ORDINARY HIGH-WATER MARK" MEANS EITHER OF THE
10 FOLLOWING:

11 (i) FOR AN INLAND LAKE OR STREAM, THAT TERM AS IT IS DEFINED
12 IN SECTION 30101.

13 (ii) FOR THE GREAT LAKES, THE ORDINARY HIGH-WATER MARK AS
14 DESCRIBED IN SECTION 32502.

15 (H) "WATER BODY" MEANS THE GREAT LAKES AND THEIR CONNECTING
16 WATERS AND INLAND LAKES AND STREAMS AS DEFINED IN SECTION 30101.

17 SEC. 79402. (1) BY APRIL 1, 2000, THE DEPARTMENT SHALL
18 ESTABLISH A LOAN PROGRAM WITH MONEY IN THE FUND THAT WILL PROVIDE
19 LOANS TO OWNERS OF MARINAS IN THE STATE FOR DREDGING COSTS NECES-
20 SITATED BY LOW WATER LEVELS. THE PROGRAM SHALL DO ALL OF THE
21 FOLLOWING:

22 (A) PROVIDE LOANS FOR DREDGING PROJECTS THAT BEGIN ON OR
23 AFTER JANUARY 1, 2000.

24 (B) PROVIDE LOANS ON A FIRST-COME-FIRST-SERVED BASIS TO
25 QUALIFYING OWNERS OF MARINAS WHO CAN DOCUMENT THE NEED FOR DREDG-
26 ING TO ACCOMMODATE THE USE OF THE MARINAS BY RECREATIONAL
27 WATERCRAFT.

1 (C) LIMIT THE MAXIMUM AMOUNT OF A LOAN TO A MARINA OWNER TO
2 \$50,000.00.

3 (D) CHARGE INTEREST ON THE LOAN IN AN AMOUNT EQUAL TO THE
4 AMOUNT CHARGED FOR LOANS FROM THE STATE WATER POLLUTION CONTROL
5 REVOLVING FUND ESTABLISHED UNDER SECTION 16A OF THE SHARED CREDIT
6 RATING ACT, 1985 PA 227, MCL 141.1066A.

7 (E) REQUIRE THAT THE LOAN BE REPAYED IN NOT MORE THAN 7
8 YEARS.

9 (F) REQUIRE THAT THE FIRST INSTALLMENT OF REPAYMENT ON THE
10 LOAN BEGIN 1 YEAR AFTER THE DATE OF ISSUANCE OF THE LOAN.

11 (2) A PERSON WHO WISHES TO APPLY FOR A LOAN UNDER THIS SEC-
12 TION SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT ON A FORM PRE-
13 SCRIBED BY THE DEPARTMENT AND CONTAINING THE INFORMATION REQUIRED
14 BY THE DEPARTMENT. AT A MINIMUM, THE APPLICATION SHALL REQUIRE
15 ALL OF THE FOLLOWING:

16 (A) THE LOAN AMOUNT REQUESTED.

17 (B) A DESCRIPTION OF THE PROPOSED DREDGING PROJECT.

18 (C) THE DREDGING COSTS OF THE PROPOSED DREDGING PROJECT.

19 (D) A DESCRIPTION OF HOW THE DREDGING COSTS WERE
20 DETERMINED.

21 (E) EVIDENCE OF THE FINANCIAL CAPABILITY OF THE APPLICANT TO
22 REPAY THE LOAN AMOUNT REQUESTED.

23 (3) THE DEPARTMENT SHALL APPROVE A LOAN UNDER THIS SECTION
24 IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

25 (A) THE DEPARTMENT DETERMINES THAT DREDGING IS NECESSARY TO
26 ACCOMMODATE THE USE OF THE MARINA BY RECREATIONAL WATERCRAFT.

1 (B) THE DEPARTMENT DETERMINES, IN CONSULTATION WITH THE
2 DEPARTMENT OF TREASURY, THAT THE APPLICANT IS FINANCIALLY CAPABLE
3 OF REPAYING THE LOAN.

4 (C) THE DEPARTMENT DETERMINES THAT THE APPLICANT WILL BE
5 ABLE TO COMPLETE THE DREDGING PROJECT IN FULL COMPLIANCE WITH
6 THIS PART.

7 (4) UPON APPROVAL OF A LOAN UNDER SUBSECTION (3), THE
8 DEPARTMENT SHALL ENTER INTO A LOAN AGREEMENT WITH THE RECIPIENT
9 THAT CONTAINS TERMS AND CONDITIONS AS REQUIRED BY THE
10 DEPARTMENT. THE DEPARTMENT SHALL REQUIRE AS PART OF THE LOAN
11 AGREEMENT THAT THE LOAN RECIPIENT SUBMIT EVIDENCE TO THE DEPART-
12 MENT THAT THE LOAN AMOUNT WAS USED TO PAY FOR DREDGING COSTS.
13 THE LOAN AGREEMENT SHALL CONTAIN PENALTIES FOR DEFAULT ON THE
14 LOAN.

15 (5) ALL MONEY RECEIVED BY THE DEPARTMENT FOR THE REPAYMENT
16 OF A LOAN ISSUED UNDER THIS SECTION SHALL BE FORWARDED TO THE
17 STATE TREASURER FOR DEPOSIT INTO THE FUND.

18 SEC. 79403. (1) THE EMERGENCY RECREATIONAL WATER ACCESS
19 FUND IS CREATED WITHIN THE STATE TREASURY.

20 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS
21 FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER
22 SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER
23 SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND
24 INVESTMENTS.

25 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
26 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

1 (4) MONEY FROM THE FUND SHALL BE EXPENDED, UPON
2 APPROPRIATION, ONLY FOR THE FOLLOWING PURPOSES:

3 (A) LOANS TO MARINA OWNERS FOR DREDGING COSTS AS PROVIDED IN
4 THIS PART.

5 (B) THE DEPARTMENT'S COSTS OF ADMINISTERING THE LOAN PROGRAM
6 CREATED UNDER THIS PART. HOWEVER, NOT MORE THAN 3% OF THE MONEY
7 EXPENDED FROM THE FUND IN ANY STATE FISCAL YEAR SHALL BE EXPENDED
8 FOR THE PURPOSE OF THIS SUBDIVISION.

9 SEC. 79404. (1) THE DEPARTMENT SHALL NOT APPROVE A LOAN
10 FROM THE FUND AFTER OCTOBER 1, 2002.

11 (2) PRIOR TO OCTOBER 1, 2002, THE DEPARTMENT, IN CONSULTA-
12 TION WITH THE DEPARTMENT OF TREASURY, SHALL PREPARE AND SUBMIT TO
13 THE LEGISLATURE A DETAILED REPORT THAT EVALUATES THE LOAN PROGRAM
14 PROVIDED FOR IN THIS PART AND RECOMMENDS WHETHER A NEED EXISTS IN
15 THE STATE TO CONTINUE THE LOAN PROGRAM BEYOND OCTOBER 1, 2002.
16 THE DEPARTMENT MAY INCLUDE RECOMMENDATIONS IN THIS REPORT FOR
17 STATUTORY CHANGES THAT WOULD IMPROVE THE LOAN PROGRAM.

18 SEC. 79405. (1) FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
19 2000, THERE IS APPROPRIATED FROM THE GENERAL FUND TO THE FUND THE
20 SUM OF \$10,000,000.00.

21 (2) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2000, THERE IS
22 APPROPRIATED FROM THE FUND TO THE DEPARTMENT THE SUM OF
23 \$10,000,000.00 TO BE USED FOR THE PURPOSES PROVIDED IN SECTION
24 79403(4).

25 (3) ANY MONEY APPROPRIATED TO THE DEPARTMENT UNDER
26 SUBSECTION (2) THAT IS NOT EXPENDED BY SEPTEMBER 30, 2000 SHALL
27 LAPSE INTO THE FUND.