

**SUBSTITUTE FOR
SENATE BILL NO. 1104**

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

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For Fiscal Year Ending
September 30, 2003

1	DEPARTMENT OF ENVIRONMENTAL QUALITY	
2	Full-time equated unclassified positions.....	6.0
3	Full-time equated classified positions.....	1,590.7
4	GROSS APPROPRIATION.....	\$ 404,907,300
5	Interdepartmental grant revenues:	
6	Total interdepartmental grants and intradepartmental	
7	transfers.....	\$ 14,042,900
8	ADJUSTED GROSS APPROPRIATION.....	\$ 390,864,400
9	Federal revenues:	
10	Total federal revenues.....	131,521,400
11	Special revenue funds:	
12	Total local revenues.....	0
13	Total private revenues.....	435,700
14	Total other state restricted revenues.....	184,157,100
15	State general fund/general purpose.....	\$ 74,750,200
16	FUND SOURCE SUMMARY:	
17	GROSS APPROPRIATION.....	\$ 404,907,300
18	Interdepartmental grant revenues:	
19	IDG-MDCH, local public health operations.....	10,472,500
20	IDG-MDSP.....	632,200
21	IDG, Michigan transportation fund.....	884,800
22	IDT, interdivisional charges.....	2,053,400
23	Total interdepartmental grants and intradepartmental	
24	transfers.....	14,042,900
25	ADJUSTED GROSS APPROPRIATION.....	\$ 390,864,400
26	Federal revenues:	

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1	DOC-NOAA, federal.....	3,063,500
2	DOD, federal.....	455,300
3	DOI, federal.....	457,800
4	EPA-GWDW.....	4,740,700
5	EPA-LUST trust.....	1,977,500
6	EPA-UST.....	238,000
7	EPA, federal.....	27,805,400
8	EPA, radon.....	323,500
9	EPA, superfund.....	7,057,800
10	Federal revenues.....	85,000,000
11	FEMA, federal.....	401,900
12	Total federal revenues.....	131,521,400
13	Special revenue funds:	
14	Private funds.....	435,700
15	Total private revenues.....	435,700
16	Aboveground storage tank fees.....	717,500
17	Air emissions fees.....	11,577,000
18	CESARS service fee.....	26,300
19	Clean Michigan initiative - administration.....	2,885,700
20	Clean Michigan initiative - clean water fund.....	3,000,000
21	Cleanup and redevelopment fund.....	10,200,000
22	Community pollution prevention fund.....	250,000
23	Drinking water revolving fund.....	6,059,500
24	Environmental education fund.....	184,500
25	Environmental pollution prevention fund.....	330,300
26	Environmental protection fund.....	15,042,700

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For Fiscal Year Ending
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1	Environmental response fund.....	17,933,900
2	Environmental training revenue.....	295,800
3	Fees and collections.....	818,700
4	Financial instruments.....	5,000,000
5	Great Lakes protection fund.....	2,151,100
6	Hazardous materials transportation permit fund.....	87,800
7	Land and water permit fees.....	3,111,300
8	Landfill maintenance trust fund.....	47,200
9	Metallic mining surveillance fee revenue.....	68,200
10	Michigan underground storage tank financial assurance	
11	fund.....	62,455,700
12	Mineral well regulatory fee revenue.....	215,300
13	Oil and gas regulatory fund.....	7,792,900
14	Orphan well fund.....	2,002,000
15	Public utility assessments.....	786,100
16	Public water supply fees.....	4,451,000
17	Publication revenue.....	103,200
18	Saginaw bay and river restoration revenue.....	154,500
19	Sand extraction fee revenue.....	188,300
20	Scrap tire regulatory fund.....	1,821,500
21	Septage waste license fees.....	1,752,400
22	Settlement funds.....	3,402,100
23	Sewage sludge land application fee.....	742,500
24	Soil erosion and sedimentation control training fund.	101,300
25	Solid waste program fees.....	1,319,900
26	Stormwater permit fees.....	1,364,000

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1	Submerged log recovery fund.....	101,600
2	Underground storage tank fees.....	4,245,400
3	Waste reduction fee revenue.....	5,626,700
4	Wastewater operator training fees.....	168,400
5	Water analysis fees.....	2,600,400
6	Water pollution control revolving fund.....	2,884,300
7	Water quality protection fund.....	25,000
8	Water use reporting fees.....	65,100
9	Total other state restricted revenues.....	184,157,100
10	State general fund/general purpose..... \$	74,750,200
11	Sec. 102. EXECUTIVE	
12	Full-time equated unclassified positions.....6.0	
13	Full-time equated classified positions.....15.0	
14	Unclassified salaries--6.0 FTE positions..... \$	505,000
15	Executive direction--8.0 FTE positions.....	1,057,700
16	Office of the Great Lakes--7.0 FTE positions.....	<u>773,200</u>
17	GROSS APPROPRIATION..... \$	2,335,900
18	Appropriated from:	
19	Federal revenues:	
20	DOI, federal.....	51,900
21	EPA, federal.....	101,100
22	Special revenue funds:	
23	Environmental education fund.....	184,500
24	Environmental response fund.....	43,200
25	Great Lakes protection fund.....	101,100
26	Oil and gas regulatory fund.....	89,600

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For Fiscal Year Ending
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1	Settlement funds.....	210,700
2	State general fund/general purpose..... \$	1,553,800
3	Sec. 103. DEPARTMENT SUPPORT SERVICES	
4	Full-time equated classified positions.....75.0	
5	Financial and business services--32.0 FTE positions.. \$	1,682,800
6	Field operations support--20.0 FTE positions.....	1,427,300
7	Automated data processing.....	2,053,400
8	Office of special environmental projects--6.0 FTE	
9	positions.....	592,900
10	Personnel--13.0 FTE positions.....	781,500
11	Administrative hearings--4.0 FTE positions.....	404,700
12	Building occupancy charges.....	8,572,500
13	Rent-privately owned property.....	1,836,900
14	Environmental support projects.....	<u>5,000,000</u>
15	GROSS APPROPRIATION..... \$	22,352,000
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDT, interdivisional charges.....	2,053,400
19	Federal revenues:	
20	EPA, superfund.....	57,800
21	Special revenue funds:	
22	Aboveground storage tank fee revenue.....	25,600
23	Air emissions fees.....	401,800
24	Clean Michigan initiative - administration.....	162,600
25	Environmental pollution prevention fund.....	62,900
26	Environmental response fund.....	1,297,000

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1	Fees and collections.....	99,400
2	Financial instruments.....	5,000,000
3	Land and water permit fees.....	107,500
4	Michigan underground storage tank financial assurance	
5	fund.....	333,300
6	Oil and gas regulatory fund.....	598,100
7	Public utility assessments.....	12,300
8	Public water supply fees.....	528,100
9	Scrap tire regulatory fund.....	88,400
10	Settlement funds.....	170,600
11	Solid waste program fees.....	69,600
12	Stormwater permit fees.....	50,500
13	Waste reduction fee revenue.....	54,700
14	Water analysis fees.....	187,700
15	Water pollution control revolving fund.....	14,900
16	Water use reporting fees.....	8,400
17	Underground storage tank fees.....	206,600
18	State general fund/general purpose..... \$	10,760,800
19	Sec. 104. GEOLOGICAL SURVEY	
20	Full-time equated classified positions.....70.5	
21	Services to oil and gas programs--61.0 FTE positions. \$	6,756,100
22	Well plugging - orphan wells--2.5 FTE positions.....	2,002,000
23	Coal and sand dune management--3.0 FTE positions.....	594,200
24	Mineral wells management--3.0 FTE positions.....	215,300
25	Metallic mining reclamation program--1.0 FTE	
26	positions.....	<u>68,200</u>

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1	GROSS APPROPRIATION.....	\$	9,635,800
2	Appropriated from:		
3	Federal revenues:		
4	DOI, federal.....		405,900
5	Special revenue funds:		
6	Environmental response fund.....		75,900
7	Metallic mining surveillance fee revenue.....		68,200
8	Mineral well regulatory fee revenue.....		215,300
9	Oil and gas regulatory fund.....		6,444,500
10	Orphan well fund.....		2,002,000
11	Publication revenue.....		103,200
12	Sand extraction fee revenue.....		188,300
13	State general fund/general purpose.....	\$	132,500
14	Sec. 105. LAND AND WATER MANAGEMENT		
15	Full-time equated classified positions.....150.0		
16	Land and water program direction--11.0 FTE positions.	\$	896,900
17	Field permitting and project assistance--85.0 FTE		
18	positions.....		7,300,800
19	Water management--24.0 FTE positions.....		2,378,300
20	Great Lakes shorelands--30.0 FTE positions.....		2,960,900
21	Submerged log recovery program.....		<u>101,600</u>
22	GROSS APPROPRIATION.....	\$	13,638,500
23	Appropriated from:		
24	Interdepartmental grant revenues:		
25	IDG, Michigan transportation fund.....		838,500
26	Federal revenues:		

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1	EPA, federal.....	666,300
2	DOC-NOAA, federal.....	1,537,900
3	FEMA, federal.....	401,900
4	Special revenue funds:	
5	Land and water permit fees.....	2,897,100
6	Soil erosion and sedimentation control training fund.	101,300
7	Submerged log recovery fund.....	101,600
8	State general fund/general purpose..... \$	7,093,900
9	Sec. 106. AIR QUALITY	
10	Full-time equated classified positions.....244.5	
11	Air quality programs--244.5 FTE positions..... \$	<u>20,778,400</u>
12	GROSS APPROPRIATION..... \$	20,778,400
13	Appropriated from:	
14	Federal revenues:	
15	EPA, federal.....	3,777,100
16	Special revenue funds:	
17	Air emissions fees.....	10,034,100
18	Environmental response fund.....	89,200
19	State general fund/general purpose..... \$	6,878,000
20	Sec. 107. SURFACE WATER QUALITY	
21	Full-time equated classified positions.....206.5	
22	Compliance and permits--109.0 FTE positions..... \$	9,338,400
23	Surface water surveillance program--36.5 FTE	
24	positions.....	7,912,800
25	Watershed management and nonpoint source--40.0 FTE	
26	positions.....	3,550,900

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1	Fish contaminant monitoring contracts.....	321,000
2	Sewage sludge land application program--6.5 FTE	
3	positions.....	742,500
4	Stormwater discharge program--14.5 FTE positions.....	1,233,500
5	Willow Run airport environmental project.....	<u>100</u>
6	GROSS APPROPRIATION..... \$	23,099,200
7	Appropriated from:	
8	Federal revenues:	
9	EPA, federal.....	7,474,300
10	Special revenue funds:	
11	CESARS service fee.....	26,300
12	Clean Michigan initiative - administration.....	577,000
13	Clean Michigan initiative - clean water fund.....	3,000,000
14	Environmental response fund.....	147,800
15	Saginaw bay and river restoration revenue.....	154,500
16	Septage waste license fees.....	227,400
17	Sewage sludge land application fee.....	742,500
18	Stormwater permit fees.....	1,227,000
19	Water pollution control revolving fund.....	590,300
20	State general fund/general purpose..... \$	8,932,100
21	Sec. 108. DRINKING WATER PROTECTION AND RADIOLOGICAL HEALTH	
22	Full-time equated classified positions.....203.7	
23	Environmental health--34.0 FTE positions..... \$	3,241,500
24	Laboratory services administration--67.0 FTE	
25	positions.....	5,959,000
26	Drinking water--86.2 FTE positions.....	12,423,600

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1	Radiological protection--16.5 FTE positions.....	1,604,400
2	Groundwater use reporting.....	<u>150,000</u>
3	GROSS APPROPRIATION..... \$	23,378,500
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG-MSP.....	632,200
7	Federal revenues:	
8	EPA, federal.....	1,128,600
9	EPA-GWDW.....	4,075,700
10	EPA, radon.....	233,500
11	Special revenue funds:	
12	Drinking water revolving fund.....	3,369,600
13	Fees and collections.....	719,300
14	Great Lakes protection fund.....	150,000
15	Public water supply fees.....	2,257,600
16	Settlement funds.....	285,200
17	Water analysis fees.....	2,257,300
18	Water use reporting fees.....	56,700
19	State general fund/general purpose..... \$	8,212,800
20	Sec. 109. LOW-LEVEL RADIOACTIVE WASTE AUTHORITY	
21	Full-time equated classified positions.....2.0	
22	Low-level radioactive waste authority--2.0 FTE	
23	positions..... \$	<u>769,700</u>
24	GROSS APPROPRIATION..... \$	769,700
25	Appropriated from:	
26	Special revenue funds:	

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1	Public utility assessments.....	769,700
2	State general fund/general purpose..... \$	0
3	Sec. 110. ENVIRONMENTAL RESPONSE	
4	Full-time equated classified positions.....245.0	
5	Environmental cleanup and redevelopment program..... \$	16,544,700
6	Contaminated site investigations, cleanup, and	
7	revitalization--195.0 FTE positions.....	15,928,100
8	State cleanup (Part 201 of 1994 PA 451).....	3,027,900
9	Emergency cleanup actions.....	2,000,000
10	Federal cleanup project management--50.0 FTE	
11	positions.....	5,025,000
12	Superfund cleanup.....	<u>7,250,000</u>
13	GROSS APPROPRIATION..... \$	49,775,700
14	Appropriated from:	
15	Federal revenues:	
16	DOD, federal.....	455,300
17	EPA, federal.....	2,818,700
18	EPA, superfund.....	7,000,000
19	Special revenue funds:	
20	Private funds.....	135,700
21	Clean Michigan initiative - administration.....	1,472,800
22	Cleanup and redevelopment fund.....	7,234,000
23	Environmental protection fund.....	14,973,700
24	Environmental response fund.....	13,449,400
25	Landfill maintenance trust fund.....	47,200
26	Settlement funds.....	1,938,900

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1	State general fund/general purpose.....	\$	250,000
2	Sec. 111. STORAGE TANKS		
3	Full-time equated classified positions.....		108.5
4	MI underground storage tank financial assurance		
5	program--34.5 FTE positions.....	\$	61,635,700
6	Underground storage tank program--37.0 FTE positions.		4,102,900
7	Aboveground storage tank program--9.0 FTE positions..		691,900
8	Leaking underground storage tank cleanup program.....		5,316,000
9	Emergency cleanup actions.....		2,000,000
10	Leaking underground storage tank program--28.0 FTE		
11	positions.....		<u>3,700,200</u>
12	GROSS APPROPRIATION.....	\$	77,446,700
13	Appropriated from:		
14	Federal revenues:		
15	EPA-LUST trust.....		1,977,500
16	EPA-UST.....		238,000
17	Special revenue funds:		
18	Aboveground storage tank fees.....		691,900
19	Clean Michigan initiative - administration.....		590,900
20	Cleanup and redevelopment fund.....		2,966,000
21	Environmental response fund.....		2,439,000
22	Michigan underground storage tank financial assurance		
23	fund.....		61,635,700
24	Underground storage tank fees.....		3,864,900
25	State general fund/general purpose.....	\$	3,042,800
26	Sec. 112. WASTE MANAGEMENT		

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1	Full-time equated classified positions.....	149.0		
2	Administration and technical support--	19.0 FTE		
3	positions.....		\$	1,526,800
4	Compliance and enforcement--	72.0 FTE positions.....		5,250,500
5	Hazardous waste permits--	28.0 FTE positions.....		2,637,700
6	Groundwater permits--	18.0 FTE positions.....		1,275,800
7	Solid waste program--	12.0 FTE positions.....		1,061,000
8	Hazardous waste program support.....			<u>515,000</u>
9	GROSS APPROPRIATION.....		\$	12,266,800
10	Appropriated from:			
11	Federal revenues:			
12	EPA, federal.....			2,929,400
13	Special revenue funds:			
14	Environmental pollution prevention fund.....			267,400
15	Environmental response fund.....			262,700
16	Hazardous materials transportation permit fund.....			87,800
17	Scrap tire regulatory fund.....			915,000
18	Solid waste program fees.....			1,190,300
19	Waste reduction fee revenue.....			1,224,300
20	State general fund/general purpose.....		\$	5,389,900
21	Sec. 113. ENVIRONMENTAL ASSISTANCE DIVISION			
22	Full-time equated classified positions.....	99.0		
23	Municipal assistance--	32.5 FTE positions.....	\$	2,908,200
24	Pollution prevention--	34.0 FTE positions.....		3,010,800
25	Low-income community wastewater assistance.....			90,000
26	Environmental services--	12.0 FTE positions.....		1,647,100

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1	Pollution prevention outreach.....	300,000
2	Technical assistance--20.5 FTE positions.....	<u>3,028,200</u>
3	GROSS APPROPRIATION..... \$	10,984,300
4	Appropriated from:	
5	Federal revenues:	
6	EPA, federal.....	664,600
7	EPA-GWDW.....	665,000
8	Special revenue funds:	
9	Private funds.....	300,000
10	Air emissions fees.....	654,200
11	Clean Michigan initiative - administration.....	82,400
12	Drinking water revolving fund.....	1,274,300
13	Environmental training revenue.....	295,800
14	Settlement funds.....	67,800
15	Stormwater permit fees.....	86,500
16	Waste reduction fee revenue.....	3,962,900
17	Wastewater operator training fees.....	168,400
18	Water pollution control revolving fund.....	2,159,300
19	State general fund/general purpose..... \$	603,100
20	Sec. 114. CRIMINAL INVESTIGATIONS	
21	Full-time equated classified positions.....22.0	
22	Environmental investigations--22.0 FTE positions..... \$	<u>1,904,900</u>
23	GROSS APPROPRIATION..... \$	1,904,900
24	Appropriated from:	
25	Federal revenues:	
26	EPA, federal.....	129,900

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1	Special revenue funds:	
2	Michigan underground storage tank financial assurance	
3	fund.....	111,700
4	Oil and gas regulatory fund.....	116,500
5	Scrap tire regulatory fund.....	36,800
6	State general fund/general purpose..... \$	1,510,000
7	Sec. 115. GRANTS	
8	Grants to counties--air pollution..... \$	85,000
9	Water pollution control and drinking water revolving	
10	fund.....	102,353,500
11	Noncommunity water grants.....	1,400,000
12	Land and water management grants.....	1,800,000
13	Federal - nonpoint source water pollution grants.....	6,500,000
14	Federal - Great Lakes remedial action plan grants....	700,000
15	Great Lakes research and protection grants.....	1,900,000
16	Pollution prevention local grants.....	250,000
17	Radon grants.....	135,000
18	Septage waste compliance grants.....	1,525,000
19	Scrap tire grants.....	700,000
20	Drinking water revolving fund implementation.....	1,330,000
21	Local health department operations.....	10,472,500
22	Volunteer river, stream, and creek cleanup.....	<u>25,000</u>
23	GROSS APPROPRIATION..... \$	129,176,000
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	IDG-MDCH, local public health operations.....	10,472,500

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1	Federal revenues:	
2	DOC-NOAA, federal.....	1,500,000
3	EPA, federal.....	7,500,000
4	EPA, radon.....	90,000
5	Federal revenues.....	85,000,000
6	Special revenue funds:	
7	Community pollution prevention fund.....	250,000
8	Drinking water revolving fund.....	1,330,000
9	Great Lakes protection fund.....	1,900,000
10	Public water supply fees.....	1,400,000
11	Scrap tire regulatory fund.....	700,000
12	Septage waste license fees.....	1,525,000
13	Water quality protection fund.....	25,000
14	State general fund/general purpose..... \$	17,483,500
15	Sec. 116. INFORMATION TECHNOLOGY	
16	Information technology services and projects..... \$	<u>7,364,900</u>
17	GROSS APPROPRIATION..... \$	7,364,900
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG, Michigan transportation fund.....	46,300
21	Federal revenues:	
22	DOC-NOAA, federal.....	25,600
23	EPA, federal.....	615,400
24	Special revenue funds:	
25	Air emissions fees.....	486,900
26	Drinking water revolving fund.....	85,600

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1	Environmental protection fund.....	69,000
2	Environmental response fund.....	129,700
3	Land and water permit fees.....	106,700
4	Michigan underground storage tank financial assurance	
5	fund.....	375,000
6	Oil and gas regulatory fund.....	544,200
7	Public utility assessments.....	4,100
8	Public water supply fees.....	265,300
9	Scrap tire regulatory fund.....	81,300
10	Settlement funds.....	728,900
11	Solid waste program fees.....	60,000
12	Underground storage tank fees.....	173,900
13	Waste reduction fee revenue.....	384,800
14	Water analysis fees.....	155,400
15	Water pollution control revolving fund.....	119,800
16	State general fund/general purpose..... \$	2,907,000

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19 PART 2

20 PROVISIONS CONCERNING APPROPRIATIONS

21 **GENERAL SECTIONS**

22 Sec. 201. Pursuant to section 30 of article IX of the state consti-
23 tution of 1963, total state spending from state resources under part 1
24 for fiscal year 2002-2003 is \$258,907,300.00 and state spending from
25 state resources to be paid to local units of government for fiscal year
26 2002-2003 is \$15,547,500.00. The itemized statement below identifies

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1 appropriations from which spending to units of local government will
2 occur:

3 DEPARTMENT OF ENVIRONMENTAL QUALITY

4 GRANTS

5	Grants to counties - air pollution.....	\$	85,000
6	Local health department operations.....		10,472,500
7	Septage waste compliance program.....		1,525,000
8	Scrap tire grants.....		700,000
9	Noncommunity water grants.....		1,400,000
10	Radon grants.....		35,000
11	Drinking water grants.....		<u>1,330,000</u>
12	TOTAL.....	\$	15,547,500

13 Sec. 202. The appropriations authorized under this act are subject
14 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

15 Sec. 203. As used in this act:

16 (a) "CESARS" means chemical evaluation search and retrieval system.

17 (b) "Department" means the department of environmental quality.

18 (c) "DOC" means the United States department of commerce.

19 (d) "DOC-NOAA" means the DOC national oceanic and atmospheric
20 administration.

21 (e) "DOD" means the United States department of defense.

22 (f) "DOE" means the United States department of energy.

23 (g) "DOI" means the United States department of interior.

24 (h) "EPA" means the United States environmental protection agency.

25 (i) "EPA-GWDW" means the EPA groundwater drinking water.

26 (j) "EPA-LUST trust" means the EPA leaking underground storage tank
27 trust fund.

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- 1 (k) "EPA, radon" means the EPA radon grants.
2 (l) "EPA-UST" means the EPA underground storage tank.
3 (m) "FEMA" means the federal emergency management agency.
4 (n) "FTE" means full-time equated.
5 (o) "IDG" means interdepartmental grant.
6 (p) "IDT" means intradepartmental transfer.
7 (q) "MDCH" means the Michigan department of community health.
8 (r) "MDSP" means the Michigan department of state police.
9 (s) "MI" means Michigan.
10 (t) "NPL" means the federal national priority list.

11 Sec. 204. The department of civil service shall bill departments
12 and agencies at the end of the first fiscal quarter for the 1% charge
13 authorized by section 5 of article XI of the state constitution of 1963.
14 Payments shall be made for the total amount of the billing by the end of
15 the second fiscal quarter.

16 Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on
17 the state classified civil service. State departments and agencies are
18 prohibited from hiring any new full-time state classified civil service
19 employees and prohibited from filling any vacant state classified civil
20 service positions. This hiring freeze does not apply to internal trans-
21 fers of classified employees from 1 position to another within a
22 department.

23 (2) The state budget director shall grant exceptions to the hiring
24 freeze described in subsection (1) when the state budget director
25 believes that the hiring freeze will result in rendering a state depart-
26 ment or agency unable to deliver basic services, cause a loss of revenue
27 to the state, result in the inability of the state to receive federal

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1 funds, or would necessitate additional expenditures that exceed any
2 savings from maintaining a vacancy. The state budget director shall
3 report quarterly to the chairpersons of the senate and house of represen-
4 tatives standing committees on appropriations the number of exceptions to
5 the hiring freeze approved during the previous quarter and the reasons to
6 justify the exception.

7 Sec. 206. (1) In addition to the funds appropriated in part 1,
8 there is appropriated an amount not to exceed \$30,000,000.00 for federal
9 contingency funds. These funds are not available for expenditure until
10 they have been transferred to another line item in this act under
11 section 393(2) of the management and budget act, 1984 PA 431,
12 MCL 18.1393.

13 (2) In addition to the funds appropriated in part 1, there is appro-
14 priated an amount not to exceed \$5,000,000.00 for state restricted con-
15 tingency funds. These funds are not available for expenditure until they
16 have been transferred to another line item in this act under
17 section 393(2) of the management and budget act, 1984 PA 431,
18 MCL 18.1393.

19 (3) In addition to the funds appropriated in part 1, there is appro-
20 priated an amount not to exceed \$100,000.00 for local contingency funds.
21 These funds are not available for expenditure until they have been trans-
22 ferred to another line item in this act under section 393(2) of the man-
23 agement and budget act, 1984 PA 431, MCL 18.1393.

24 (4) In addition to the funds appropriated in part 1, there is appro-
25 priated an amount not to exceed \$100,000.00 for private contingency
26 funds. These funds are not available for expenditure until they have

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1 been transferred to another line item in this act under section 393(2) of
2 the management and budget act, 1984 PA 431, MCL 18.1393.

3 Sec. 207. At least 60 days before beginning any effort to privat-
4 ize, the department shall submit a complete project plan to the appropri-
5 ate senate and house of representatives appropriations subcommittees and
6 the senate and house fiscal agencies. The plan shall include the cri-
7 teria under which the privatization initiative will be evaluated. The
8 evaluation shall be completed and submitted to the appropriate senate and
9 house of representatives appropriations subcommittees and the senate and
10 house fiscal agencies within 30 months.

11 Sec. 208. Unless otherwise specified in this act, the department
12 shall use the Internet to fulfill the reporting requirements of this
13 act. This may include transmission of reports via electronic mail to the
14 recipients identified for each reporting requirement or it may include
15 placement of reports on an Internet or Intranet site.

16 Sec. 209. Funds appropriated in part 1 should not be used for the
17 purchase of foreign goods or services, or both, if competitively priced
18 American goods or services, or both, of comparable quality are
19 available. Preference should be given to goods or services, or both,
20 manufactured or provided by Michigan businesses if they are competitively
21 priced and of comparable value.

22 Sec. 210. The director shall take all reasonable steps to ensure
23 that businesses in deprived and depressed communities compete for and
24 perform contracts to provide services or supplies, or both. Each direc-
25 tor shall strongly encourage firms with which the department contracts to
26 subcontract with certified businesses in depressed and deprived
27 communities for services, supplies, or both.

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1 Sec. 211. (1) From funds appropriated under part 1, the department
2 shall prepare a report that lists all of the following regarding grant or
3 loan or grant and loan programs administered by the department for the
4 fiscal year ending on September 30, 2003:

5 (a) The name of each program.

6 (b) The goals of the program, the criteria, eligibility, process,
7 filing fees, nominating procedures, and deadlines for each program.

8 (c) The maximum and minimum grant and loan available and whether
9 there is a match requirement for each program.

10 (d) The amount of any required match, and whether in-kind contribu-
11 tions may be used as part or all of a required match.

12 (e) Information pertaining to the application process, timeline for
13 each program, and the contact people within the department.

14 (f) The source of funds for each program, including the citation of
15 pertinent authorizing acts.

16 (g) Information regarding plans for the next fiscal year for the
17 phaseout, expansion, or changes for each program.

18 (h) A listing of all recipients of grants or loans awarded by the
19 department by type and amount of grant or loan.

20 (2) The reports required under this section shall be submitted to
21 the state budget office, the senate and house appropriations committees,
22 and senate and house fiscal agencies by January 1, 2003.

23 Sec. 212. By February 15, 2003, the department shall provide the
24 state budget director, the subcommittees on natural resources and envi-
25 ronmental quality of the senate and house appropriations committees, and
26 the senate and house fiscal agencies with an annual report on restricted

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1 fund balances, projected revenues, and expenditures for the fiscal years
2 ending September 30, 2002 and September 30, 2003.

3 Sec. 213. The department shall provide an annual report on the
4 total amount of funds received from responsible parties and legal settle-
5 ments, and the disposition of these funds. Included in the report shall
6 be a listing of the individual settlement cases, the location of the
7 facilities involved, the type of violation committed, and the amount of
8 funds received.

9 Sec. 214. The department shall notify the legislature and shall
10 provide a public meeting and public comment opportunity with respect to
11 any request received by the state of Michigan to divert water from the
12 Great Lakes pursuant to the water resources development act of 1986,
13 Public Law 99-662, 100 Stat. 4082.

14 Sec. 215. (1) The department shall report all of the following
15 information relative to allocations made in part 1 for the environmental
16 cleanup and redevelopment program, state cleanup, emergency actions,
17 superfund cleanup, the revitalization revolving loan program, the brown-
18 field grants and loans program, the leaking underground storage tank
19 cleanup program, the contaminated lake and river sediments cleanup pro-
20 gram, and the environmental protection bond projects under section
21 19508(7) of the natural resources and environmental protection act, 1994
22 PA 451, MCL 324.19508, to the state budget director, the senate and house
23 appropriations subcommittees on environmental quality, and the senate and
24 house fiscal agencies:

25 (a) The name and location of the site for which an allocation is
26 made.

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1 (b) The nature of the problem encountered at the site.

2 (c) A brief description of how the problem will be resolved if the
3 allocation is made for a response activity.

4 (d) The estimated date that site closure activities will be
5 completed.

6 (e) The amount of the allocation, or the anticipated financing for
7 the site.

8 (f) A summary of the sites and the total amount of funds expended at
9 the sites at the conclusion of the fiscal year.

10 (g) The number of sites that would qualify as brownfields that were
11 redeveloped.

12 (2) The report prepared under subsection (1) shall also include all
13 of the following:

14 (a) The status of all state-owned facilities that are on the list
15 compiled under part 201 of the natural resources and environmental pro-
16 tection act, 1994 PA 451, MCL 324.20101 to 324.20142.

17 (b) The report shall include the total amount of funds expended
18 during the fiscal year and the total amount of funds awaiting
19 expenditure.

20 (c) The total amount of bonds issued for the environmental protec-
21 tion bond program pursuant to part 193 of the natural resources and envi-
22 ronmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and
23 bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284,
24 MCL 324.95101 to 324.95108.

25 (3) The report shall be made available by March 31 of each year.

26 Sec. 216. Of the money appropriated from the environmental
27 education fund in part 1, \$5,000.00 shall be allocated to Michigan State

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1 University Extension Service - 4-H Youth Programs to fund the Michigan
2 Youth Conservation Council.

3 Sec. 217. The departments and state agencies receiving appropria-
4 tions under this act shall receive and retain copies of all reports
5 funded from appropriations in part 1. These departments and state agen-
6 cies shall follow federal and state guidelines for short-term and
7 long-term retention of these reports and records.

8 Sec. 218. (1) In addition to the funds appropriated in part 1 for
9 the environmental cleanup and redevelopment program and the leaking
10 underground storage tank cleanup program, the department of environmental
11 quality is authorized to expend amounts remaining from prior fiscal year
12 appropriations to meet funding needs of legislatively approved sites.

13 (2) Unexpended and unencumbered amounts remaining from appropria-
14 tions from the environmental protection bond fund contained in 1989
15 PA 180, 1990 PA 55, 1990 PA 194, 1991 PA 31, 1991 PA 160, 1993 PA 74,
16 1993 PA 353, 1994 PA 442, 1996 PA 353, and 1997 PA 114 are appropriated
17 for expenditure for any site listed in this act and any site listed in
18 the public acts referenced in this section.

19 (3) Unexpended and unencumbered amounts remaining from appropria-
20 tions from the cleanup and redevelopment fund and unclaimed bottle depos-
21 its fund contained in 1996 PA 319, 1997 PA 113, 1997 PA 114, 1998 PA 292,
22 1999 PA 125, 2000 PA 275, and 2001 PA 43 are appropriated for expenditure
23 for any site listed in this act and any site listed in the public acts
24 referenced in this section.

25 (4) Unexpended and unencumbered amounts remaining from appropria-
26 tions from the clean Michigan initiative fund - response activities
27 contained in 1999 PA 111, 2000 PA 52, 2000 PA 506, and 2001 PA 120 are

1 appropriated for expenditure for any site listed in this act and any site
2 listed in the public acts referenced in this section.

3 Sec. 219. By December 1, 2002, the department shall submit a
4 report, for the previous fiscal year, to the senate and house appropria-
5 tions subcommittees on environmental quality and natural resources, the
6 standing committees of the legislature with jurisdiction over issues pri-
7 marily related to natural resources and the environment, and the senate
8 and house fiscal agencies. The report shall include all of the
9 following:

(a) An estimate of the annual budget amount spent by the department
for compliance inspection, monitoring, and enforcement of all permits and
licenses issued by the department.

10 (b) The number of permits and licenses that have been issued.

11 (c) The number of compliance and complaint inspections completed, by
12 category, the number of on-site compliance inspections conducted, and the
number of compliance inspections that were not announced in advance to
the permittee or licensee.

13 (d) The number and percent of permit and license inspections that
14 were found to be in significant noncompliance, by category.

15 (e) A listing of the supplemental environmental projects agreed to
16 as a result of a consent agreement including all of the following:

17 (i) The case name.

18 (ii) The monetary value of the supplemental environmental project.

19 (iii) A description of the project.

(f) The number of administrative enforcement actions taken for
permit or license violations and the results of the enforcement actions,
including the amount of fines and penalties collected.

(g) The number of judicial enforcement actions taken for permit or
license violations and the results of the enforcement actions, including
the amount of fines and penalties collected.

20 (h) The number of facilities listed on the department's facility
21 profiler database that have been issued a permit. The department shall
22 include an update of the status of incorporating the department's remain-
23 ing databases to the facility profiler system.

24 Sec. 220. The department shall report to the state budget office,
25 the senate and house appropriations subcommittees on environmental quali-
26 ty, and the senate and house fiscal agencies when it is determined that

1 the fund balance in the environmental response fund will be less than
2 \$5,000,000.00 at any point during the fiscal year.

3 **DEPARTMENT SUPPORT SERVICES**

4 Sec. 301. Due to the consolidation of the department of environmen-
5 tal quality operations for the purpose of increasing agency efficiencies,
6 effective October 1, 2002, the department of environmental quality shall
7 not expend any of the funds appropriated in part 1 for rental payments or
8 operational expenses for the leased premises located at 300 South
9 Washington, Lansing, Michigan.

10 **LAND AND WATER MANAGEMENT**

11 Sec. 401. From the funds appropriated in part 1, the department
12 shall effectuate the following changes to the wetland protection program
13 through administrative rule:

14 (a) Require that a complete mitigation plan be received and approved
15 prior to permit issuance or as a permit condition and submitted prior to
16 commencement of any permitted project construction activities.

17 (b) Financial assurance should be required for every mitigation
18 project prior to commencement of any project construction activities.

19 (c) A mitigation certification process that includes the process for
20 release of the financial assurance should be established.

21 (d) Mitigation sites should not be used for primary water quality
22 treatment purposes, such as detention, retention, or sedimentation
23 ponds.

Sec. 402. From the funds appropriated in part 1, the department shall, through administrative rule, add to the atlas of critical dunes, those publicly owned dunes recommended in the publication "Final Report: Evaluation of Critical Dune Areas Designated Under Part 353 (Sand Dune Protection and Management) of the Natural Resources and Environmental Protection Act 1994 PA 451".

1 AIR QUALITY

2 Sec. 501. The department shall report quarterly, via the
3 department's Internet website, on air quality program expenditures and
4 revenues. The report shall include expenditures and revenues by fund
5 source and by program function.

6 SURFACE WATER QUALITY

7 Sec. 601. Of the funds appropriated in part 1 for surface water
8 surveillance, a minimum of \$250,000.00 shall be designated for grants to
9 local organizations for water quality monitoring activities.

10 DRINKING WATER

11 Sec. 701. The funds appropriated in part 1 for groundwater use
12 reporting shall be awarded as a grant for the development of a groundwa-
13 ter database needed to model the demands for domestic water uses of
14 groundwater supplies.

15 ENVIRONMENTAL RESPONSE

16 Sec. 801. The unexpended funds appropriated in part 1 for the state
17 cleanup program, environmental cleanup and redevelopment program, emer-
18 gency cleanup action, contaminated site investigations, cleanup and revi-
19 talization, and superfund cleanup projects are considered work project
20 appropriations and any unencumbered or unallotted funds are carried
21 forward into the succeeding fiscal year. The following is in compliance

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1 with section 451a(1) of the management and budget act, 1984 PA 431,
2 MCL 18.1451a:

3 (a) The purpose of the projects to be carried forward is to provide
4 contaminated site cleanup.

5 (b) The projects will be accomplished by contract.

6 (c) The total estimated cost of all projects is identified in each
7 line-item appropriation.

8 (d) The tentative completion date is September 30, 2007.

9 Sec. 802. Of the funds appropriated in part 1 as state match for
10 the superfund cleanup program, an amount not to exceed \$250,000.00 shall
11 be expended as the state match for the hazardous substance research
12 center.

13 Sec. 803. The funds appropriated in part 1 for the environmental
14 cleanup and redevelopment program shall be used to fund redevelopment and
15 cleanup activities on the following sites:

16	Allegan	Saugatuck Twp. Contamination
17	Berrien	Coloma DCPA Site
18	Calhoun	Verona Well Field
19	Calhoun	Residential Wells Tekonsha - North Plume
20	Cass	Cass St. Area Edwardsburg
21	Cass	Sundstrand Heat Transfer
22	Charlevoix	East Jordan Laundromat
23	Charlevoix	Former Boyne City Chemical
24	Eaton	916 S. Main Street, Eaton Rapids
25	Gladwin	Buckeye Oil Field
26	Gratiot	Gratiot County Landfill

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1	Hillsdale	Haischer Oil
2	Hillsdale	Wickens Oil
3	Hillsdale	Penland Oil
4	Jackson	Spring Arbor Wash & Dry
5	Kalamazoo	North 34th St. Area Richland
6	Kalamazoo	Schoolcraft Area Organics
7	Livingston	Main Street, Gregory
8	Monroe	Zieman Grames Rd. Dump
9	Muskegon	Ruddiman Creek Drum Dump
10	Oakland	Lapeer Road Residential Wells
11	Oakland	Waterford Hills Sanitary Landfill
12	Oscoda	Hoskins Manufacturing
13	Ottawa	Fenske Landfill Ottawa Co.
14	St. Joseph	SW Sturgis TCE
15	Van Buren	Commercial Street Industrial Area, Paw Paw
16	Wayne	Plymouth Industrial Holding Company
17	Wayne	General Oil Co.
18	Wayne	Standard Tube of Detroit
19	Wayne	CYB Tool
20	Wexford	AAR Cadillac Mfg.
21	Wexford	Yuma Tar
22	Sec. 804. Of the funds appropriated in part 1 for the environmental	
23	cleanup and redevelopment program, an amount not to exceed \$2,000,000.00	
24	shall be expended for the NPL municipal landfill match grants.	

1 STORAGE TANKS

2 Sec. 901. (1) The funds appropriated in part 1 from the Michigan
3 underground storage tank financial assurance fund for the purpose of car-
4 rying out the duties and responsibilities as specified in part 215 of the
5 natural resources and environmental protection act, 1994 PA 451,
6 MCL 324.21501 to 324.21551, are considered work project appropriations
7 and any unencumbered funds are carried forward into the succeeding fiscal
8 year. The following is in compliance with section 451a(1) of the manage-
9 ment and budget act, 1984 PA 431, MCL 18.1451a:

10 (a) The purpose of the projects to be carried forward is to carry
11 out the responsibilities of part 215 of the natural resources and envi-
12 ronmental protection act, 1994 PA 451, MCL 324.21501 to 324.21551.

13 (b) The projects will be accomplished by contract and state
14 employees.

15 (c) The total estimated cost is identified in a line-item
16 appropriation.

17 (d) The tentative completion date is September 30, 2007.

18 (2) The Michigan underground storage tank financial assurance policy
19 board shall allocate the amount of the underground storage tank financial
20 assurance fund to be distributed to the department. If the amount recom-
21 mended by the board is less than that appropriated in part 1, expendi-
22 tures shall be adjusted accordingly.

23 (3) Included in the funds appropriated in part 1 from the Michigan
24 underground storage tank financial assurance fund are funds sufficient to
25 pay debt service costs on the bonds or notes issued pursuant to part 215
26 of the natural resources and environmental protection act, 1994 PA 451,
27 MCL 324.21501 to 324.21551.

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1 Sec. 902. The department shall report to the state budget director,
2 the senate and house appropriations subcommittees on environmental quali-
3 ty, and the senate and house fiscal agencies not later than October 31,
4 2003 on the Michigan underground storage tank financial assurance fund.
5 The report shall include the fund balance, estimate of available reve-
6 nues, number and dollar value of claims processed through September 30,
7 2002, and total estimated claims liability through December 22, 2004.

8 Sec. 903. The unexpended funds appropriated in part 1 for the leak-
9 ing underground storage tank cleanup program are considered work project
10 appropriations and any unencumbered or unallotted funds are carried over
11 into the succeeding fiscal year. The following is in compliance with
12 section 451a(1) of the management and budget act, 1984 PA 431,
13 MCL 18.1451a:

14 (a) The purpose of the projects to be carried over is to provide for
15 redevelopment and contaminated site cleanup.

16 (b) These projects will be accomplished by contract.

17 (c) The total estimated costs of all projects is identified in each
18 line-item appropriation.

19 (d) The tentative completion date for these projects is
20 September 30, 2007.

21 Sec. 904. The funds appropriated in part 1 for the leaking under-
22 ground storage tank cleanup program shall be used to fund redevelopment
23 and cleanup activities on the following sites:

24	Alger	Melstrand General Store
25	Eaton	5-Star Pizza
26	Eaton	Keweenaw Party Store

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1	Jackson	Vandy's Party Store
2	Monroe	Mike's Quality Meats (former)
3	Montmorency	Stoddard's A-1 Party Mart
4	Newaygo	Up North Gift Co.

5 **ENVIRONMENTAL ASSISTANCE**

6 Sec. 1001. The funds appropriated in part 1 for low-income commu-
7 nity wastewater assistance shall be provided to the Michigan community
8 action agency association. The appropriation enables the association to
9 expand rural community assistance program services to all Michigan
10 counties.

11 **CRIMINAL INVESTIGATIONS**

12 Sec. 1101. From funds appropriated in part 1, the department shall
13 conduct periodic inspections of imported solid waste at disposal facili-
14 ties to mitigate the unpermitted disposal of waste at Michigan disposal
15 sites.

16 Sec. 1102. With funds appropriated in part 1, the department shall
17 provide training in support of local efforts to regulate solid waste
18 disposal. Department environmental conservation officers shall be
19 directed to help train law enforcement officers and other enforcement
20 personnel to develop community partnerships to combat illegal dumping at
21 the local level.

1 **GRANTS**

2 Sec. 1201. If a certified health department does not exist in a
3 city, county, or district or does not fulfill its responsibilities under
4 part 117 of the natural resources and environmental protection act, 1994
5 PA 451, MCL 324.11701 to 324.11719, then the department may spend funds
6 appropriated in part 1 under the septage waste compliance program in
7 accordance with section 11716 of the natural resources and environmental
8 protection act, 1994 PA 451, MCL 324.11716.

9 Sec. 1202. Of the funds appropriated in part 1 for scrap tire
10 grants, \$100,000.00 shall be available for grants to communities to cover
11 scrap tire fire suppression costs, provided owner liability bonds and
12 other available funding sources have been exhausted.

13 **INFORMATION TECHNOLOGY**

14 Sec. 1301. From the funds appropriated in part 1 for information
15 technology, the department shall pay user fees to the department of
16 information technology for technology related services and projects.
17 These user fees shall be subject to provisions of an interagency agree-
18 ment between the department and the department of information
19 technology.

20 Sec. 1302. Amounts appropriated in part 1 for information technol-
21 ogy may be designated as work projects and carried forward to support
22 technology projects under the direction of the department of information
23 technology. Funds designated in this manner are not available for expen-
24 diture until approved as work projects under section 451a of the
25 management and budget act, 1984 PA 431, MCL 18.1451a.