



House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

## GRANTS & LOANS TO LOCALS FROM CMI BOND FUND

**House Bill 5264 (Substitute H-1)**  
**Sponsor: Rep. Clark Bisbee**

**House Bill 5270 (Substitute H-1)**  
**Sponsor: Rep. Mike Nofs**

**Senate Bill 805 as passed by the Senate**  
**Sponsor: Sen. Patricia L. Birkholz**

**Senate Bill 806 as passed by the Senate**  
**Sponsor: Sen. Tom George**

**Committee: Commerce**  
**Completed to 11-12-03**

### **A SUMMARY OF HOUSE BILLS 5264 AND 5270 AND SENATE BILLS 805 AND 806 AS REPORTED FROM THE HOUSE COMMITTEE ON COMMERCE 11-12-03**

House Bill 5264 and Senate Bill 805 would each amend Part 196 (Clean Michigan Initiative Implementation) of the Natural Resources and Environmental Protection Act (MCL 324.19608) to increase from \$20 million to \$75 million the amount in the Clean Michigan Initiative (CMI) Bond Fund that could be used for grants and loans to local units of government and brownfield redevelopment authorities for facilities with redevelopment potential. Grants or loans could not be made to local units or redevelopment authorities responsible for causing a release or threat of release under Part 201 (Environmental Remediation). Not more than \$37.5 million could be used for grants and not more than \$37.5 million could be used for loans under the CMI Revolving Loan Program proposed by Senate Bill 806. Part 196 also currently provides that between \$40 million and \$60 million of the CMI response activity funding must be used for facilities that pose an imminent or substantial endangerment to public health, safety, or the environment. The bills would raise that amount to \$93 million. (The two bills are nearly identical.)

House Bill 5270 and Senate Bill 806 would each amend Part 196 to require the Department of Environmental Quality to create a Clean Michigan Initiative Revolving Loan Program for the purpose of making loans to local units of government and brownfield redevelopment authorities to provide for eligible activities promoting economic development. (The two bills are nearly identical.) Under the bills, the DEQ would accept, and consider for approval, applications for loans throughout the year. Final decisions would have to be made by the department within 90 days [of the application being complete]. The bills list the information that needs to be in an application to make it complete. Approved applicants would have to enter into a loan agreement with the DEQ and would have to submit progress status reports every six months during the implementation schedule. A final report would be due within three months of completion of the loan-funded activities.

House Bills 5264, 5270 and Senate Bills 805 and 806 (11-12-03)

House Bills 5264 and 5270 are tie-barred to each other, and Senate Bills 805 and 806 are tie-barred to each other.

***FISCAL IMPLICATIONS:***

Based on an analysis of an earlier version of House Bill 5264 by the House Fiscal Agency, the bill would reduce the amount of CMI funds available for other cleanup and restoration projects by \$55 million. While there would be no fiscal impact on state government, notes the HFA, local governments that are eligible for brownfield grants and loans would have access to local land redevelopment funding. The actual impact on local government would depend on the amount and nature of the assistance provided to a given governmental unit. (11-10-03)

***POSITIONS:***

The Department of Environmental Quality testified in support of the substitute versions of the bills. (11-12-03)

The Michigan Chamber of Commerce supports the bills. (11-12-03)

House Bills 5264, 5270 and Senate Bills 805 and 806 (11-12-03)

Analyst: C. Couch

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■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.