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BILL



ANALYSIS

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Senate Bill 805 (Substitute S-2 as reported)  
Senate Bill 806 (Substitute S-1 as reported)  
Sponsor: Senator Patricia L. Birkholz (Senate Bill 805)  
Senator Tom George (Senate Bill 806)  
Committee: Natural Resources and Environmental Affairs

### **CONTENT**

Senate Bill 805 (S-1) would amend Part 196 (Clean Michigan Initiative Implementation) of the Natural Resources and Environmental Protection Act to increase from \$20 million to \$80 million the amount in the Clean Michigan Initiative (CMI) Bond Fund 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 \$40 million could be used for grants and not more than \$40 million could be used for loans under the CMI Revolving Loan Program proposed by Senate Bill 806.

Senate Bill 806 (S-1) would 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 bills are tie-barred to each other.

MCL 324.19608 (S.B. 805)  
Proposed MCL 324.19608a (S.B. 806)

Legislative Analyst: Claire Layman

### **FISCAL IMPACT**

Senate Bill 805 (S-2) would not increase or decrease State expenditures, but it would redistribute the authorization for Clean Michigan Initiative funding. The bill would increase the allowed expenditures for brownfield grants and loans from \$20,000,000 for the entire program to up to \$40,000,000 for grants and up to \$40,000,000 for loans. This would be a \$60,000,000 increase for this program. It would result in less funding for other response activities, including cleanup of environmental sites and leaking underground storage tanks.

Statute currently provides that between \$40,000,000 and \$60,000,000 of the \$335,000,000 of CMI response activity funding must be used for facilities that pose an imminent or substantial endangerment to public health, safety, or the environment. The extent to which this requirement has been satisfied is unknown. If at least \$40,000,000 has been spent to meet this requirement, then up to \$128 million in CMI response activity funding remains unappropriated and uncommitted. The increase for brownfield grants and loans in Senate Bill 805 (S-2) could be funded and leave \$68,000,000 available for the other purposes. However, if none of the substantial endangerment funding requirement has been met, then \$28,000,000 of the response activity funding would be available for other purposes after the increased allotment for brownfields grants and loans was supported.

Additional indeterminate and indirect benefits, such as job creation, increased tax revenue, and other economic activity, could occur with increased redevelopment of brownfields due to the additional funding provided in Senate Bill 805 (S-2) and the long-term revolving loan program proposed by Senate Bill 806 (S-1). The impact would depend upon how quickly brownfields were cleaned up, what type and size of businesses located on the sites, and the applicable taxes collected.

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Fiscal Analyst: Jessica Runnels

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.