

SENATE BILL No. 1346

September 8, 2004, Introduced by Senator BIRKHOLZ and referred to the Committee on Natural Resources and Environmental Affairs.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5204 (MCL 324.5204), as added by 2002 PA 397, and by adding part 50.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **PART 50 ON-SITE DISPOSAL SYSTEMS**

2 **Sec. 5001. As used in this part:**

3 (a) "Department" means the department of environmental
4 quality.

5 (b) "Model ordinance" means the model county ordinance
6 prepared under section 5002.

7 (c) "On-site disposal system" or "system" means a natural
8 system or mechanical device used to collect, treat, and discharge
9 or reclaim wastewater from 1 or more dwelling units without the
10 use of community-wide sewers or a centralized treatment

1 facility.

2 Sec. 5002. (1) The department shall prepare a model county
3 ordinance that establishes standards for the design,
4 installation, and maintenance of on-site disposal systems. The
5 model ordinance shall include all of the following:

6 (a) A prioritization procedure that identifies and addresses
7 first those systems that are at greatest risk of contaminating
8 ground or surface waters of the state including, but not limited
9 to, both of the following:

10 (i) Waters that are identified as impaired on the list
11 prepared under section 303(d) of title III of the federal water
12 pollution control act, 33 USC 1313, for pathogens or untreated
13 sewage.

14 (ii) Areas identified as having significant ecological
15 importance.

16 (b) Standards for the minimum height the system should be
17 situated above groundwater before fill.

18 (c) Standards for siting and maintenance that require
19 consideration of soil permeability.

20 (d) Standards for siting and maintenance based on distance
21 from a water body.

22 (e) Standards that address the appropriateness of a system
23 based on current use.

24 (2) The model ordinance may require different standards for
25 on-site disposal systems based upon the geologic conditions in
26 which the system is located or proposed to be located.

27 Sec. 5003. (1) Property containing an on-site disposal

1 system shall not be transferred unless the system has been
2 inspected and a written copy of the inspection report is provided
3 to the prospective transferee as provided in subsection (3). The
4 inspection shall determine all of the following:

5 (a) Whether the system is in compliance with all applicable
6 county ordinances.

7 (b) Whether the system is functioning in the manner that it
8 was designed to function.

9 (c) Whether the holding tank of the system needs to be
10 emptied.

11 (d) For systems installed on or after the effective date of
12 an applicable county ordinance, the actions needed to bring the
13 system into compliance with the ordinance.

14 (e) For systems installed prior to the effective date of an
15 applicable county ordinance, the actions needed to allow the
16 system to function in the manner that it was designed to
17 function.

18 (2) The inspection under subsection (1) shall be conducted by
19 the county in which the system is located or a person authorized
20 by that county to conduct the inspection. The county or person
21 authorized by the county to conduct inspections may charge a
22 reasonable fee not to exceed the costs of conducting the
23 inspections.

24 (3) The written copy of the inspection report shall be
25 provided to the prospective transferee not later than the time
26 prescribed for providing the written disclosure statement under
27 the seller disclosure act, 1993 PA 92, MCL 565.951 to 565.966, as

1 provided in section 4 of the seller disclosure act, 1993 PA 92,
2 MCL 565.954.

3 (4) The actions required under subsection (1)(d) or (e), as
4 applicable, shall be undertaken within 1 year after the date the
5 inspection report was provided to the prospective transferee
6 under subsection (3).

7 (5) This section does not apply to transfers of property
8 described in section 3 of the seller disclosure act, 1993 PA 92,
9 MCL 565.953.

10 Sec. 5004. Each county shall provide educational materials
11 to the owners of on-site disposal systems located within its
12 jurisdiction at least once each year. The educational materials
13 distributed under this section shall be developed by the
14 department and shall be provided to each county for distribution.

15 Sec. 5204. (1) The strategic water quality initiatives fund
16 is created within the state treasury.

17 (2) The state treasurer may receive money or other assets
18 from any source for deposit into the fund. The state treasurer
19 shall direct the investment of the fund. The state treasurer
20 shall credit to the fund interest and earnings from fund
21 investments. The authority shall act as fiscal agent for the
22 fund in accordance with the shared credit rating act, 1985
23 PA 227, MCL 141.1051 to 141.1076.

24 (3) Money in the fund at the close of the fiscal year shall
25 remain in the fund and shall not lapse to the general fund.

26 (4) Money in the fund shall be used, upon appropriation, only
27 for the following purposes:

1 (a) Not more than \$5,000,000.00 by the department for grants
2 to counties to conduct inspections of on-site disposal systems
3 under part 50. Of the money appropriated under this subsection,
4 not more than 5% may be used by the department for administrative
5 costs.

6 (b) ~~—(4) The~~ By the authority in consultation with the
7 department ~~shall expend money from the fund, upon appropriation,~~
8 ~~only~~ for loans and for the costs of the authority and the
9 department in administering the fund.

10 (5) The fund may be pledged as security for bonds to be
11 issued by the authority for the purpose of funding loans if
12 authorized by the state administrative board.