

**SUBSTITUTE FOR
HOUSE BILL NO. 4572**

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.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5204. (1) The strategic water quality initiatives fund is
2 created within the state treasury.
3 (2) The state treasurer may receive money or other assets from
4 any source for deposit into the fund. The state treasurer shall
5 direct the investment of the fund. The state treasurer shall credit
6 to the fund interest and earnings from fund investments. The
7 authority shall act as fiscal agent for the fund in accordance with
8 the shared credit rating act, 1985 PA 227, MCL 141.1051 to
9 141.1076.

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

(4) The authority in consultation with the department shall expend money from the fund, upon appropriation, only for ~~loans and~~
~~for~~ THE FOLLOWING:

(A) GRANTS UNDER THIS SECTION.

(B) LOANS UNDER SECTION 5202.

(C) THE costs of the authority and the department in administering the fund.

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

(6) [EXCEPT AS PROVIDED IN SUBSECTION (9),] THE DEPARTMENT SHALL ESTABLISH A GRANT PROGRAM THAT

PROVIDES GRANTS TO GOVERNMENTAL UNITS TO COVER THE COSTS OF DESIGN, ENGINEERING, AND PROFESSIONAL CONSULTING WHEN DEVELOPING THE PROJECT PLAN IN APPLYING FOR LOAN ASSISTANCE FROM THE STATE WATER POLLUTION CONTROL REVOLVING FUND. GRANT FUNDS SHALL NOT BE USED FOR PUBLIC NOTICE ACTIVITIES, GENERAL LOCAL GOVERNMENT ADMINISTRATION COSTS, OR COSTS ASSOCIATED WITH PUBLIC EDUCATION OF THE PROPOSED PROJECT. A GOVERNMENTAL UNIT SHALL NOT RECEIVE MORE THAN AN ACCUMULATED TOTAL OF \$3,000,000.00 IN GRANTS UNDER THIS SECTION. THE DEPARTMENT SHALL ESTABLISH AN APPLICATION AND REVIEW PROCESS FOR CONSIDERING GRANT APPLICATIONS UNDER THIS SECTION. THE APPLICATION SHALL CONTAIN THE INFORMATION REQUIRED BY THE DEPARTMENT. WITHIN 60 DAYS AFTER RECEIPT OF AN ADMINISTRATIVELY COMPLETE GRANT APPLICATION, THE DEPARTMENT SHALL NOTIFY THE APPLICANT WHETHER THE APPLICATION IS APPROVED OR REJECTED. IF THE

1 APPLICATION IS REJECTED, THE DEPARTMENT SHALL, IN WRITING, NOTIFY
2 THE APPLICANT OF THE REASONS WHY THE APPLICATION WAS REJECTED. IF
3 THE DEPARTMENT APPROVES A GRANT UNDER THIS SECTION, THE DEPARTMENT
4 SHALL ENTER INTO A GRANT AGREEMENT WITH THE GRANT RECIPIENT PRIOR
5 TO RELEASING THE GRANT. THE GRANT AGREEMENT SHALL CONTAIN TERMS
6 APPROVED BY THE DEPARTMENT AND A REQUIREMENT THAT THE GRANT
7 RECIPIENT REPAY THE GRANT, WITH INTEREST AT A RATE NOT TO EXCEED 8%
8 PER YEAR, TO THE AUTHORITY IF ANY OF THE FOLLOWING OCCUR:

9 (A) IF THE GRANT RECIPIENT FAILS TO SUBMIT AN ADMINISTRATIVELY
10 COMPLETE LOAN APPLICATION FOR ASSISTANCE FROM THE STATE WATER
11 POLLUTION CONTROL REVOLVING FUND WITHIN 12 MONTHS AFTER A GRANT IS
12 RELEASED.

13 (B) IF THE GRANT RECIPIENT DOES NOT USE FUNDING FROM THE STATE
14 WATER POLLUTION CONTROL REVOLVING FUND FOR THE PROJECT AFTER
15 RECEIVING APPROVAL FOR A LOAN FROM THE STATE WATER POLLUTION
16 CONTROL REVOLVING FUND.

17 (C) IF THE GRANT RECIPIENT OBTAINS A LOAN FROM THE STATE WATER
18 POLLUTION CONTROL REVOLVING FUND, BUT FAILS TO MAKE SUBSTANTIAL
19 PROGRESS TOWARD IMPLEMENTING THE PROJECT FOR WHICH THE LOAN WAS
20 ISSUED WITHIN 18 MONTHS AFTER THE ISSUANCE OF THE LOAN.

21 (7) IF AN APPLICANT'S ADMINISTRATIVELY COMPLETE APPLICATION
22 FOR A LOAN FROM THE STATE WATER POLLUTION CONTROL REVOLVING FUND IS
23 REJECTED, THE GRANT RECIPIENT IS NOT REQUIRED TO REPAY A GRANT
24 UNDER SUBSECTION (6).

25 (8) AS USED IN THIS SECTION, "STATE WATER POLLUTION CONTROL
26 REVOLVING FUND" MEANS THE STATE WATER POLLUTION CONTROL REVOLVING
27 FUND ESTABLISHED IN SECTION 16A OF THE SHARED CREDIT RATING ACT,

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1 1985 PA 227, MCL 141.1066A.

[(9) A GOVERNMENTAL UNIT THAT HAS ALREADY STARTED TO DEVELOP A
PROJECT PLAN PRIOR TO THE EFFECTIVE DATE OF THIS AMENDATORY ACT IS
ELIGIBLE TO APPLY FOR A GRANT UNDER THIS SECTION FOR THE AMOUNT OF MONEY
EXPENDED BY THE GOVERNMENTAL UNIT FOR ENGINEERING AND PROFESSIONAL
CONSULTING.]

2 Enacting section 1. This amendatory act does not take effect
3 unless House Bill No. 4573 of the 93rd Legislature is enacted into
4 law.