

SENATE BILL No. 538

May 25, 2005, Introduced by Senator BROWN and referred to the Committee on Agriculture, Forestry and Tourism.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 14501 and 14513 (MCL 324.14501 and 324.14513),
section 14501 as amended by 2004 PA 333 and section 14513 as
amended by 2004 PA 334.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14501. As used in this part:

2 (A) "AGRICULTURAL BIOMASS" MEANS RESIDUE AND WASTE GENERATED
3 FROM THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS, ANIMAL
4 WASTES, OR FOOD PROCESSING WASTES.

5 (B) ~~—(a)—~~ "Department" means the department of environmental
6 quality.

(C) ~~—(b)—~~ "Director" means the director of the department of environmental quality.

(D) "ELIGIBLE FARMER" MEANS A PERSON WHO PROCESSES AGRICULTURAL PRODUCTS OR A PERSON WHO IS ENGAGED AS AN OWNER-OPERATOR OF A FARM IN THE PRODUCTION OF AGRICULTURAL GOODS AS DEFINED BY SECTION 35(1)(H) OF THE SINGLE BUSINESS TAX ACT, 1975 PA 228, MCL 208.35. ELIGIBLE FARMER DOES NOT INCLUDE A PERSON WHO HAS BEEN FOUND GUILTY OF A CRIMINAL VIOLATION UNDER, OR A PERSON WHO HAS BEEN DETERMINED RESPONSIBLE FOR 2 OR MORE CIVIL VIOLATIONS UNDER, PART 31 WITHIN A 1-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE OF APPLICATION FOR A LOAN UNDER SECTION 14513.

(E) ~~—(e)—~~ "Environmental wastes" means all environmental pollutants, wastes, discharges, and emissions, regardless of how they are regulated and regardless of whether they are released to the general environment or the workplace environment.

(F) ~~—(d)—~~ "Pollution prevention" means all of the following:

(i) "Source reduction" as defined in ~~the pollution prevention act of 1990, subtitle C of title VI of the omnibus budget reconciliation act of 1990, Public Law 101-508, 42 U.S.C. 13101 to 13109~~ 42 USC 13102.

(ii) "Pollution prevention" as described in the United States environmental protection agency's pollution prevention statement dated June 15, 1993.

(iii) Environmentally sound on-site or off-site reuse or recycling.

(iv) THE USE OF AGRICULTURAL BIOMASS BY A QUALIFIED AGRICULTURAL ENERGY PRODUCTION SYSTEM.

(G) "QUALIFIED AGRICULTURAL ENERGY PRODUCTION SYSTEM" MEANS THE STRUCTURES, EQUIPMENT, AND APPARATUS TO BE USED TO PRODUCE A GASEOUS FUEL FROM THE NONCOMBUSTIVE DECOMPOSITION OF AGRICULTURAL BIOMASS AND THE APPARATUS AND EQUIPMENT USED TO GENERATE ELECTRICITY OR HEAT FROM THE GASEOUS FUEL OR STORE THE GASEOUS FUEL FOR FUTURE GENERATION OF ELECTRICITY OR HEAT. QUALIFIED AGRICULTURAL ENERGY PRODUCTION SYSTEM MAY INCLUDE, BUT IS NOT LIMITED TO, A METHANE DIGESTER, BIOMASS GASIFICATION TECHNOLOGY, OR THERMAL DEPOLYMERIZATION TECHNOLOGY.

(H) ~~—(e)—~~ "RETAP" means the retired engineers technical assistance program created in section 14511.

(I) ~~—(f)—~~ "Retap fund" means the retired engineers technical assistance program fund created in section 14512.

(J) ~~—(g)—~~ "Small business" means a business that is not dominant in its field as ~~defined~~ DESCRIBED in 13 ~~C.F.R.~~ CFR part 121 ~~—~~ and meets both of the following requirements:

(i) Is independently owned or operated, by a person that employs 500 or fewer individuals.

(ii) Is a small business concern as defined in ~~the small business act, Public Law 85-536, 72 Stat. 384~~ 15 USC 632.

Sec. 14513. (1) The small business pollution prevention assistance revolving loan fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

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

3 (4) The department shall expend money from the fund, upon
4 appropriation, to provide loans to small businesses to implement
5 pollution prevention projects. For each loan issued under this
6 section, the money shall be disbursed by the department to a
7 lending institution that has entered into a loan participation
8 agreement with the department.

9 (5) TO BE ELIGIBLE FOR A LOAN FROM THE FUND, AN APPLICANT
10 SEEKING TO IMPLEMENT A POLLUTION PREVENTION PROJECT UNDER SECTION
11 14501(F) (iv) SHALL MEET ALL OF THE FOLLOWING REQUIREMENTS:

12 (A) BE AN ELIGIBLE FARMER.

13 (B) BE VERIFIED UNDER THE MICHIGAN AGRICULTURE ENVIRONMENTAL
14 ASSURANCE PROGRAM ESTABLISHED BY MICHIGAN STATE UNIVERSITY IN
15 CONJUNCTION WITH AGRICULTURAL PRODUCERS AND OTHER INTERESTED
16 GROUPS.

17 (C) HAVE APPLIED FOR 1 OR MORE OF THE FOLLOWING:

18 (i) A GRANT UNDER THE RENEWABLE ENERGY SYSTEMS AND ENERGY
19 EFFICIENCY IMPROVEMENTS PROGRAM CREATED UNDER 7 USC 8106.

20 (ii) A CONSERVATION INNOVATION GRANT UNDER 16 USC 3839AA-8.

21 (iii) A GRANT UNDER ANY OTHER FEDERAL PROGRAM THAT PROVIDES
22 ASSISTANCE FOR QUALIFIED AGRICULTURAL ENERGY PRODUCTION SYSTEMS.

23 (iv) A CONTRACT TO RECEIVE A COST-SHARE PAYMENT FOR A
24 STRUCTURAL PRACTICE UNDER THE ENVIRONMENTAL QUALITY INCENTIVES
25 PROGRAM UNDER 16 USC 3839AA TO 3839AA-7.

26 (6) ~~—(5)—~~ The ~~—maximum—~~ AMOUNT OF A loan from the fund shall
27 ~~be~~ NOT EXCEED \$150,000.00 ~~—, and a—~~ OR, FOR A POLLUTION PREVENTION

1 PROJECT UNDER SECTION 14501(F) (iv), \$200,000.00. A small business
2 shall not receive more than 1 loan in any 3-year period. A

3 POLLUTION PREVENTION PROJECT UNDER SECTION 14501(F) (iv) SHALL NOT
4 RECEIVE MORE THAN 1 LOAN, WHETHER OR NOT IT IS A SMALL BUSINESS.

5 Interest rates paid by the small business shall be set by the
6 director, but shall not exceed 5%.

7 (7) ~~—(6)—~~ As used in this section, "fund" means the small
8 business pollution prevention assistance revolving loan fund
9 created in subsection (1).