

HOUSE BILL No. 6228

June 5, 2008, Introduced by Rep. Bennett and referred to the Committee on Appropriations.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 19607, 19608, 19608a, 19613, and 19614 (MCL
324.19607, 324.19608, 324.19608a, 324.19613, and 324.19614),
sections 19607, 19613, and 19614 as added by 1998 PA 288, section
19608 as amended by 2003 PA 252, and section 19608a as added by
2003 PA 253.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 19607. (1) The total proceeds of all bonds **AUTHORIZED BY**
2 **THE ELECTORS OF THIS STATE IN 1998** shall be deposited into the fund
3 and allocated as follows:

4 (a) Not more than \$335,000,000.00 shall be used for response
5 activities at facilities.

6 (b) Not more than \$50,000,000.00 shall be used for waterfront

1 improvements.

2 (c) Not more than \$25,000,000.00 shall be used for remediation
3 of contaminated lake and river sediments.

4 (d) Not more than \$50,000,000.00 shall be used for nonpoint
5 source pollution prevention and control projects or wellhead
6 protection projects.

7 (e) Not more than \$90,000,000.00 shall be used for water
8 quality monitoring and water resources protection and pollution
9 control activities.

10 (f) Not more than \$20,000,000.00 shall be used for pollution
11 prevention programs.

12 (g) Not more than \$5,000,000.00 shall be used to abate lead
13 hazards.

14 (h) Not more than \$50,000,000.00 shall be used for state park
15 infrastructure improvements.

16 (i) Not more than \$50,000,000.00 shall be used for local
17 recreation projects.

18 **(2) THE TOTAL PROCEEDS OF ALL BONDS AUTHORIZED BY THE ELECTORS**
19 **OF THIS STATE IN 2008 SHALL BE DEPOSITED INTO THE FUND AND**
20 **ALLOCATED AS FOLLOWS:**

21 **(A) NOT MORE THAN \$700,000,000.00 SHALL BE USED FOR RESPONSE**
22 **ACTIVITIES AT FACILITIES.**

23 **(B) NOT MORE THAN \$100,000,000.00 SHALL BE USED FOR BROWNFIELD**
24 **REDEVELOPMENT GRANTS AND LOANS.**

25 **(C) NOT MORE THAN \$5,000,000.00 SHALL BE USED FOR PREVENTION**
26 **AND MANAGEMENT OF AQUATIC INVASIVE SPECIES.**

27 **(D) NOT MORE THAN \$65,000,000.00 SHALL BE USED FOR HABITAT**

1 CONSERVATION AND RESTORATION AND SPECIES MANAGEMENT ACTIVITIES.

2 (E) NOT MORE THAN \$60,000,000.00 SHALL BE USED TO IMPROVE
3 DRINKING WATER INFRASTRUCTURE AND SUPPORT SOURCE WATER PROTECTION.

4 (F) NOT MORE THAN \$100,000,000.00 SHALL BE USED FOR
5 REMEDIATION OF CONTAMINATED LAKE AND RIVER SEDIMENTS.

6 (G) NOT MORE THAN \$65,000,000.00 SHALL BE USED FOR NONPOINT
7 SOURCE POLLUTION PREVENTION AND CONTROL GRANT PROJECTS.

8 (H) NOT MORE THAN \$20,000,000.00 SHALL BE USED FOR POLLUTION
9 PREVENTION PROGRAMS.

10 (I) NOT MORE THAN \$25,000,000.00 SHALL BE USED FOR WATER
11 QUALITY MONITORING.

12 (J) NOT MORE THAN \$50,000,000.00 SHALL BE USED FOR WATERFRONT
13 IMPROVEMENTS.

14 (K) NOT MORE THAN \$20,000,000.00 SHALL BE USED TO ABATE LEAD
15 HAZARDS.

16 (l) NOT MORE THAN \$35,000,000.00 SHALL BE USED FOR THE
17 CONSERVATION RESERVE ENHANCEMENT PROGRAM.

18 (M) NOT MORE THAN \$20,000,000.00 SHALL BE USED FOR THE
19 CONSERVATION ASSISTANCE PROGRAM AND THE MICHIGAN AGRICULTURE
20 ENVIRONMENTAL ASSURANCE PROGRAM FOR ACTIVITIES THAT PROTECT
21 GROUNDWATER AND SURFACE WATER.

22 (N) NOT MORE THAN \$35,000,000.00 SHALL BE USED FOR GRANTS TO
23 ESTABLISH CONSERVATION EASEMENTS IN SUPPORT OF FARMLAND
24 PRESERVATION AND OF OPEN SPACE PRESERVATION FOR PROTECTION OF WATER
25 QUALITY AND ECOLOGICALLY SENSITIVE AREAS.

26 (3) ~~(2)~~—The state treasurer shall direct the investment of the
27 fund. Except as may be required to maintain the exclusion from

1 gross income of the interest paid on the bonds or to comply
2 otherwise with state or federal law, interest and earnings from
3 investment of the proceeds of any bond issue shall be allocated in
4 the same proportion as earned on the investment of the proceeds of
5 the bond issue.

6 (4) ~~(3)~~—Except as may be required to maintain the exclusion
7 from gross income of the interest paid on the bonds or to comply
8 otherwise with state or federal law, all repayments of principal
9 and interest earned under a loan program authorized by this part
10 shall be credited to the appropriate restricted subaccount of the
11 fund and used for the purposes authorized for that subaccount or to
12 pay debt service on any obligation issued which pledges the loan
13 repayments and the proceeds of which are deposited in that
14 subaccount.

15 (5) ~~(4)~~—The bond proceeds shall be expended in an appropriate
16 manner that maintains the tax exempt status of the bonds.

17 (6) ~~(5)~~—The unencumbered balance in the fund at the close of
18 the fiscal year shall remain in the fund and shall not revert to
19 the general fund.

20 (7) ~~(6)~~—The department shall provide an annual accounting of
21 bond proceeds spending on a cash basis to the department of
22 treasury in order for the state to comply with requirements set
23 forth for issuing tax exempt bonds, including arbitrage rebate
24 calculations. This accounting shall be submitted **IN AN ELECTRONIC**
25 **FORMAT** to the governor, ~~the standing committees of the house of~~
26 ~~representatives and the senate that primarily address issues~~
27 ~~pertaining to the protection of natural resources and the~~

1 ~~environment, and the appropriations committees in the house of~~
2 ~~representatives and the senate.~~ **THE CLERK OF THE HOUSE OF**
3 **REPRESENTATIVES, AND THE SECRETARY OF THE SENATE.**

4 Sec. 19608. (1) Money in the fund that is allocated under
5 section ~~19607~~**19607(1)** shall be used for the following purposes:

6 (a) Money allocated under section 19607(1)(a) shall be used by
7 the department to fund all of the following:

8 (i) Corrective actions undertaken by the department to address
9 releases from leaking underground storage tanks pursuant to part
10 213.

11 (ii) Response activities undertaken by the department at
12 facilities pursuant to part 201 to address public health and
13 environmental problems or to promote redevelopment.

14 (iii) Assessment activities undertaken by the department to
15 determine whether a property is a facility.

16 (iv) \$75,000,000.00 shall be used to provide grants and loans
17 to local units of government and brownfield redevelopment
18 authorities created under the brownfield redevelopment financing
19 act, 1996 PA 381, MCL 125.2651 to 125.2672, for response activities
20 at known or suspected facilities with redevelopment potential. Of
21 the money provided for in this subparagraph, not more than
22 \$37,500,000.00 shall be used to provide grants and not more than
23 \$37,500,000.00 shall be used to provide loans pursuant to the clean
24 Michigan initiative revolving loan program created in section
25 19608a. However, grants or loans provided for in this subparagraph
26 shall not be made to a local unit of government or a brownfield
27 redevelopment authority that is responsible for causing a release

1 or threat of release under part 201 at the site proposed for grant
2 or loan funding.

3 (v) Not more than \$12,000,000.00 shall be used for grants
4 pursuant to the municipal landfill grant program under section
5 20109a.

6 (b) Money allocated under section 19607(1)(b) shall be used
7 for waterfront redevelopment grants pursuant to part 795.

8 (c) Money allocated under section 19607(1)(c) shall be used
9 for response activities for the remediation of contaminated lake
10 and river sediments pursuant to part 201.

11 (d) Money allocated under section 19607(1)(d) shall be used
12 for nonpoint source pollution prevention and control grants or
13 wellhead protection grants pursuant to part 88.

14 (e) Money allocated under section 19607(1)(e) shall be
15 deposited into the clean water fund created in section 8807.

16 (f) Money allocated under section 19607(1)(f) shall be
17 expended as follows:

18 (i) \$10,000,000.00 shall be deposited into the retired
19 engineers technical assistance program fund created in section
20 14512.

21 (ii) \$5,000,000.00 shall be deposited into the small business
22 pollution prevention assistance revolving loan fund created in
23 section 14513.

24 (iii) \$5,000,000.00 shall be used by the department to implement
25 pollution prevention activities other than those funded under
26 subparagraphs (i) and (ii).

27 (g) Money that is allocated under section 19607(1)(g) shall be

1 used by the department of community health for remediation and
2 physical improvements to structures to abate or minimize exposure
3 of persons to lead hazards.

4 (h) Money allocated under section 19607(1)(h) shall be used
5 for infrastructure improvements at Michigan state parks as
6 determined by the department of natural resources. The installation
7 or upgrade of drinking water systems or rest room facilities shall
8 be the first priority.

9 (i) Money allocated under section 19607(1)(i) shall be used to
10 provide grants to local units of government for local recreation
11 projects pursuant to part 716.

12 (2) Of the money allocated under section 19607(1)(a),
13 \$93,000,000.00 shall be used for facilities that pose an imminent
14 or substantial endangerment to the public health, safety, or
15 welfare, or to the environment. For purposes of this subsection,
16 facilities that pose an imminent or substantial endangerment shall
17 include, but are not limited to, those where public access poses
18 hazards because of potential exposure to chemicals or safety risks
19 and where drinking water supplies are threatened by contamination.

20 (3) Before expending any funds allocated under subsection
21 (1)(c) at a site that is an area of concern as designated by the
22 parties to the Great Lakes water quality agreement, the department
23 shall notify the public advisory council established to oversee
24 that area of concern regarding the development, implementation, and
25 evaluation of response activities to be conducted with money in the
26 fund at that area of concern.

27 ~~(4) Money in the fund shall not be used to develop a municipal~~

1 ~~or commercial marina.~~

2 (4) MONEY IN THE FUND THAT IS ALLOCATED UNDER SECTION 19607(2)
3 SHALL BE USED FOR THE FOLLOWING PURPOSES:

4 (A) MONEY ALLOCATED UNDER SECTION 19607(2) (A) SHALL BE USED BY
5 THE DEPARTMENT TO FUND THE FOLLOWING:

6 (i) RESPONSE ACTIVITIES UNDERTAKEN BY THE DEPARTMENT AT
7 FACILITIES UNDER THIS ACT TO ADDRESS THREATS TO THE PUBLIC HEALTH,
8 SAFETY, AND WELFARE AND THE ENVIRONMENT OR TO PROMOTE
9 REDEVELOPMENT.

10 (ii) ASSESSMENT ACTIVITIES UNDERTAKEN BY THE DEPARTMENT TO
11 DETERMINE WHETHER A PROPERTY IS A FACILITY.

12 (B) MONEY ALLOCATED UNDER SECTION 19607(2) (B) SHALL BE USED BY
13 THE DEPARTMENT TO FUND THE FOLLOWING:

14 (i) \$100,000,000.00 SHALL BE USED TO PROVIDE GRANTS AND LOANS
15 TO LOCAL UNITS OF GOVERNMENT AND BROWNFIELD REDEVELOPMENT
16 AUTHORITIES CREATED UNDER THE BROWNFIELD REDEVELOPMENT FINANCING
17 ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, FOR BASELINE
18 ENVIRONMENTAL ASSESSMENTS, DUE CARE ACTIVITIES, AND REMEDIAL
19 ACTIVITIES AT KNOWN OR SUSPECTED FACILITIES WITH REDEVELOPMENT
20 POTENTIAL.

21 (ii) OF THE MONEY PROVIDED FOR IN SUBPARAGRAPH (i), NOT MORE
22 THAN \$80,000,000.00 SHALL BE USED TO PROVIDE GRANTS AND NOT MORE
23 THAN \$20,000,000.00 SHALL BE USED TO PROVIDE LOANS UNDER THE
24 REVOLVING LOAN PROGRAM CREATED IN SECTION 19608A.

25 (C) MONEY ALLOCATED UNDER SECTION 19607(2) (C) SHALL BE USED
26 FOR PREVENTION AND MANAGEMENT OF AQUATIC INVASIVE SPECIES.

27 (D) MONEY ALLOCATED UNDER SECTION 19607(2) (D) SHALL BE USED

1 FOR HABITAT AND SPECIES RESTORATION AND PROTECTION ACTIVITIES.

2 (E) MONEY ALLOCATED UNDER SECTION 19607(2)(E) SHALL BE
3 DEPOSITED IN THE STATE DRINKING WATER REVOLVING FUND ESTABLISHED
4 UNDER SECTION 16B OF THE SHARED CREDIT RATING ACT, 1985 PA 227, MCL
5 141.1066B.

6 (F) MONEY ALLOCATED UNDER SECTION 19607(2)(F) SHALL BE USED
7 FOR RESPONSE ACTIVITIES FOR THE REMEDIATION OF CONTAMINATED LAKE
8 AND RIVER SEDIMENTS PURSUANT TO PART 201 AND PART 31.

9 (G) MONEY ALLOCATED UNDER SECTION 19607(2)(G) SHALL BE USED
10 FOR ANY OF THE FOLLOWING:

11 (i) NO POINT SOURCE ACTIVITIES FOR ANY OF THE FOLLOWING:

12 (A) THE DEVELOPMENT OF NONPOINT SOURCE WATERSHED MANAGEMENT
13 PLANS.

14 (B) THE IMPLEMENTATION OF APPROVED NONPOINT SOURCE WATERSHED
15 MANAGEMENT PLANS.

16 (C) THE IMPLEMENTATION OF PROGRAMS TO IDENTIFY AND CORRECT
17 ILLICIT CONNECTIONS TO STORM SEWER SYSTEMS.

18 (D) WELLHEAD PROTECTION ACTIVITIES.

19 (E) NO POINT SOURCE ACTIVITIES AFFECTING HUMAN HEALTH OR THE
20 ENVIRONMENT AS DETERMINED BY THE DEPARTMENT.

21 (ii) ACTIVITIES TO IDENTIFY AND ADDRESS SOURCES OF
22 MICROORGANISMS CAUSING IMPAIRMENT OR RESTRICTIONS ON USE OF WATERS
23 OF THE STATE FOR BODY CONTACT RECREATION.

24 (H) MONEY ALLOCATED UNDER SECTION 19607(2)(H) SHALL BE
25 EXPENDED AS FOLLOWS:

26 (i) \$5,000,000.00 SHALL BE DEPOSITED INTO THE RETIRED ENGINEERS
27 TECHNICAL ASSISTANCE PROGRAM FUND CREATED IN SECTION 14512.

1 (ii) \$15,000,000.00 SHALL BE USED BY THE DEPARTMENT TO
2 IMPLEMENT POLLUTION PREVENTION ACTIVITIES OTHER THAN THOSE FUNDED
3 UNDER SUBPARAGRAPH (i) .

4 (I) MONEY ALLOCATED UNDER SECTION 19607(2) (I) SHALL BE USED
5 FOR WATER QUALITY MONITORING ACTIVITIES.

6 (J) MONEY ALLOCATED UNDER SECTION 19607(2) (J) SHALL BE USED
7 FOR WATERFRONT REDEVELOPMENT ACTIVITIES UNDER PART 795.

8 (K) MONEY THAT IS ALLOCATED UNDER SECTION 19607(2) (K) SHALL BE
9 USED BY THE DEPARTMENT OF COMMUNITY HEALTH FOR REMEDIATION AND
10 PHYSICAL IMPROVEMENTS TO STRUCTURES TO ABATE OR MINIMIZE EXPOSURE
11 OF PERSONS TO LEAD HAZARDS.

12 (l) MONEY ALLOCATED UNDER SECTION 19607(2) (l) SHALL BE USED TO
13 FUND THE CONSERVATION RESERVE ENHANCEMENT PROGRAM UNDER PART 82.

14 (M) MONEY ALLOCATED UNDER SECTION 19607(2) (M) SHALL BE USED TO
15 FUND IMPLEMENTATION OF PRACTICES TO PROTECT GROUNDWATER AND SURFACE
16 WATER AND TO FUND TECHNICAL ASSISTANCE TO SUPPORT THE MICHIGAN
17 AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM UNDER PART 82.

18 (N) MONEY ALLOCATED UNDER SECTION 19607(2) (N) SHALL BE USED TO
19 PROVIDE GRANTS TO ESTABLISH CONSERVATION EASEMENTS IN SUPPORT OF
20 FARMLAND PRESERVATION AND OF OPEN SPACE PRESERVATION FOR PROTECTION
21 OF WATER QUALITY AND ECOLOGICALLY SENSITIVE AREAS UNDER PARTS 361
22 AND 362.

23 (5) OF THE MONEY ALLOCATED UNDER SECTION 19607(2) (A) ,
24 \$550,000,000.00 SHALL BE USED BY THE DEPARTMENT FOR RESPONSE
25 ACTIVITIES AT FACILITIES THAT POSE AN IMMINENT OR SUBSTANTIAL
26 ENDANGERMENT TO THE PUBLIC HEALTH, SAFETY, OR WELFARE OR TO THE
27 ENVIRONMENT. FOR PURPOSES OF THIS SUBSECTION, FACILITIES THAT POSE

1 AN IMMINENT OR SUBSTANTIAL ENDANGERMENT SHALL INCLUDE, BUT ARE NOT
2 LIMITED TO, FACILITIES WHERE PUBLIC ACCESS POSES HAZARDS BECAUSE OF
3 POTENTIAL EXPOSURE TO CHEMICALS OR SAFETY RISKS AND WHERE DRINKING
4 WATER SUPPLIES ARE THREATENED BY CONTAMINATION.

5 (6) OF THE MONEY ALLOCATED UNDER SECTION 19607(2) (A),
6 \$150,000,000.00 SHALL BE USED BY THE DEPARTMENT FOR RESPONSE
7 ACTIVITIES AT FACILITIES TO PROMOTE REDEVELOPMENT.

8 (7) ~~(5)~~ Money ~~provided~~ in the fund may be used by the
9 department of treasury to pay for the cost of issuing bonds and by
10 the department, **THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF**
11 **COMMUNITY HEALTH**, and the department of natural resources to pay
12 department costs as provided in this subsection. Not more than 3%
13 of the total amount specified in section 19607(1) (a) to (f) **AND NOT**
14 **MORE THAN 6% OF THE TOTAL AMOUNT SPECIFIED IN SECTION 19607(2) (A)**
15 **TO (J)** shall be available for appropriation to the department to
16 ~~pay its costs directly associated with the completion of a project~~
17 ~~authorized by section 19607(1) (a) to (f)~~ **DEPARTMENT COSTS UNDER**
18 **THIS PART**. Not more than 3% of the total amount specified in
19 section 19607(1) (h) and (i) shall be available for appropriation to
20 the department of natural resources to pay its costs directly
21 associated with the completion of a project authorized by section
22 19607(1) (h) and (i). **NOT MORE THAN 6% OF THE TOTAL AMOUNT SPECIFIED**
23 **IN SECTION 19607(2) (I) TO (N) SHALL BE AVAILABLE FOR APPROPRIATION**
24 **TO THE DEPARTMENT OF AGRICULTURE TO PAY DEPARTMENT COSTS IN SUPPORT**
25 **OF THIS PART. NOT MORE THAN 6% OF THE TOTAL AMOUNT SPECIFIED IN**
26 **SECTION 19607(2) (K) SHALL BE AVAILABLE FOR APPROPRIATION TO THE**
27 **DEPARTMENT OF COMMUNITY HEALTH TO PAY DEPARTMENT COSTS IN SUPPORT**

1 OF THIS PART. PROJECT MANAGEMENT COSTS ARE ELIGIBLE AS DIRECT
 2 CHARGES TO THE PROJECTS OR PROGRAMS ALLOCATED IN SECTION 19607(2)
 3 AND SHALL NOT BE CONSIDERED DEPARTMENT COSTS. It is the intent of
 4 the legislature that general fund appropriations to the department,
 5 ~~and to~~ THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF COMMUNITY
 6 HEALTH, the department of natural resources, AND THE DEPARTMENT OF
 7 TREASURY shall not be reduced as a result of costs funded pursuant
 8 to this subsection.

9 (8) ~~(6)~~ MONEY IN THE FUND SHALL NOT BE USED TO DEVELOP A
 10 MUNICIPAL OR COMMERCIAL MARINA. A grant shall not be provided under
 11 this part for a project that is located at any of the following:

12 (a) Land sited for use as a gaming facility or as a stadium or
 13 arena for use by a professional sports team.

14 (b) Land or other facilities owned or operated by a gaming
 15 facility or by a stadium or arena for use by a professional sports
 16 team.

17 (c) Land within a project area described in a project plan
 18 ~~pursuant to~~ UNDER the economic development corporations act, 1974
 19 PA 338, MCL 125.1601 to 125.1636, for a gaming facility.

20 (9) ~~(7)~~ The department, THE DEPARTMENT OF AGRICULTURE, the
 21 department of natural resources, and the department of community
 22 health shall each submit annually a list of all projects that will
 23 be undertaken by ~~that~~ EACH department that are recommended to be
 24 funded under this part. The list shall be submitted IN AN
 25 ELECTRONIC FORMAT BY FEBRUARY 15 OF EACH YEAR to the governor, the
 26 ~~standing committees~~ CLERK of the house of representatives, and the
 27 SECRETARY OF THE senate. ~~that primarily address issues pertaining~~

1 ~~to the protection of natural resources and the environment, and the~~
2 ~~appropriations committees in the house of representatives and the~~
3 ~~senate. The list shall be submitted to the legislative committees~~
4 ~~not later than February 15 of each year. This~~ **THE** list shall also
5 be submitted before any request for supplemental appropriation of
6 bond funds **IN A FISCAL YEAR**. For each eligible project, the list
7 shall include the nature of the eligible project; the county in
8 which the eligible project is located; an estimate of the total
9 cost of the eligible project; and other information considered
10 pertinent by the administering state department. A project that is
11 funded by a grant or loan with money from the fund does not need to
12 be included on the list submitted under this subsection. However,
13 money in the fund that is appropriated for grants and loans shall
14 not be encumbered or expended until the administering state
15 department has reported **IN AN ELECTRONIC FORMAT** those projects that
16 have been approved for a grant or a loan to the ~~standing committees~~
17 **GOVERNOR, THE CLERK** of the house of representatives, and the
18 **SECRETARY OF THE** senate. ~~that primarily address issues pertaining~~
19 ~~to the protection of natural resources and the environment and to~~
20 ~~the appropriations subcommittees in the house of representatives~~
21 ~~and the senate on natural resources and environmental quality.~~
22 ~~Before submitting the first cycle of recommended projects under~~
23 ~~subsection (1)(a), the department shall publish and disseminate the~~
24 ~~criteria it will use in evaluating and recommending these projects~~
25 ~~for funding.~~

26 (10) ~~(8)~~The legislature shall appropriate prospective or
27 actual bond proceeds for projects proposed to be funded.

1 Appropriations shall be carried over to succeeding fiscal years
2 until the project for which the funds are appropriated is
3 completed.

4 (11) ~~(9)~~ Not later than ~~December~~ **MARCH** 31 of each year, the
5 department, **THE DEPARTMENT OF AGRICULTURE**, the department of
6 natural resources, and the department of community health shall
7 each submit **IN AN ELECTRONIC FORMAT** a list of the projects financed
8 under this part by that department **IN THE PRIOR YEAR** to the
9 governor, the ~~standing committees~~ **CLERK** of the house of
10 representatives, and the **SECRETARY OF THE** senate. ~~that primarily~~
11 ~~address issues pertaining to the protection of natural resources~~
12 ~~and the environment, and the subcommittees of the house of~~
13 ~~representatives and the senate on appropriations on natural~~
14 ~~resources and environmental quality.~~ Each list shall include the
15 name ~~, address, and telephone number~~ of the recipient or
16 participant, if appropriate; the name and location of the project;
17 the nature of the project; the amount of money allocated to the
18 project; the county in which the project is located; a brief
19 summary of what has been accomplished by the project; and other
20 information considered pertinent by the administering state
21 department.

22 (12) **AS USED IN THIS SECTION:**

23 (A) **"DEPARTMENT COSTS" MEANS COSTS INCURRED BY THE DEPARTMENT,**
24 **THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF COMMUNITY HEALTH,**
25 **OR THE DEPARTMENT OF NATURAL RESOURCES FOR ADMINISTRATION AND**
26 **OPERATIONAL SUPPORT, INFORMATION TECHNOLOGY, AND MANAGEMENT**
27 **OVERSIGHT.**

1 **(B) "PROJECT MANAGEMENT COSTS" MEANS COSTS, INCLUDING STATE**
2 **STAFFING EXPENDITURES, DIRECTLY ASSOCIATED WITH THE REVIEW AND**
3 **IMPLEMENTATION OF A PROJECT, GRANT, OR LOAN.**

4 Sec. 19608a. (1) The department shall create a clean Michigan
5 initiative revolving loan program for the purpose of making loans
6 to local units of government and brownfield redevelopment
7 authorities created under the brownfield redevelopment financing
8 act, 1996 PA 381, MCL 125.2651 to 125.2672, for ~~response~~**BASELINE**
9 **ENVIRONMENTAL ASSESSMENTS, DUE CARE ACTIVITIES, AND REMEDIAL**
10 activities at known or suspected facilities with redevelopment
11 potential.

12 (2) The department shall accept, and consider for approval,
13 applications for loans throughout the year. The department shall
14 develop written instructions for prospective applicants, including
15 the criteria that will be used in application review and approval.

16 (3) Final application decisions shall be made by the
17 department within 90 days of submittal of a complete loan
18 application.

19 (4) A complete application shall include all of the following:

20 (a) A description of the proposed eligible activities.

21 (b) An itemized budget for the proposed eligible activities.

22 (c) A schedule for the completion of the proposed eligible
23 activities.

24 (d) The location of the property.

25 (e) The current ownership and ownership history of the
26 property.

27 (f) The current use of the property.

1 (g) A detailed history of the use of the property.

2 (h) The existing and proposed future zoning of the property.

3 (i) If the property is not owned by the applicant, a draft of
4 an enforceable agreement between the property owner and the
5 applicant that commits the property owner to cooperate with the
6 applicant, including a commitment to allow access to the property
7 to complete, at a minimum, the proposed eligible activities.

8 (j) A description of the property's economic redevelopment
9 potential.

10 (k) A resolution from the governing body of the applicant
11 committing to repayment of the loan according to the terms of this
12 section.

13 (l) Other information as specified by the department in its
14 written instructions.

15 (5) To receive loan funds, approved applicants must enter into
16 a loan agreement with the department. At a minimum, the loan
17 agreement shall contain all of the following:

18 (a) The approved eligible activities to be undertaken with
19 loan funds.

20 (b) An implementation schedule for the approved eligible
21 activities.

22 (c) Reporting requirements, including, at a minimum, the
23 following:

24 (i) The loan recipient shall submit a progress status report to
25 the department every 6 months during the implementation schedule.

26 (ii) The loan recipient shall provide a final report within 3
27 months of completion of the loan-funded activities that includes

1 documentation of project costs and expenditures, including invoices
2 and proof of payment.

3 (d) If the property is not owned by the loan recipient, an
4 executed agreement that has been approved by the department that
5 meets the requirements of subsection (4)(i).

6 (e) Other provisions as considered appropriate by the
7 department.

8 (6) As used in this section:

9 (a) "Baseline environmental assessment" and "response
10 activity" mean those terms as they are defined in section 20101.

11 (b) "Due care activities" means those activities conducted
12 under section 20107a.

13 (c) "Eligible activities" means baseline environmental
14 assessment activities, due care activities, and any additional
15 response activity. Eligible activities include only those
16 activities necessary to facilitate redevelopment. All eligible
17 activities must be consistent with a work plan or remedial action
18 plan pursuant to section 15 of the brownfield redevelopment
19 financing act, 1996 PA 381, MCL 125.2665. Unless otherwise approved
20 by the director, only activities carried out and costs incurred
21 after execution of a loan agreement are eligible.

22 Sec. 19613. (1) Of the funds to be used to provide grants and
23 loans under section 19608(1)(a)(iv), all of the following conditions
24 apply:

25 (a) A recipient of a grant shall receive not more than 1 grant
26 per year not to exceed \$1,000,000.00 per grant.

27 (b) A recipient of a loan shall receive a maximum of 1 loan

1 per year not to exceed \$1,000,000.00 per loan.

2 (c) A grant shall be awarded only if the department determines
3 that both of the following apply:

4 (i) The property is a facility as defined in section 20101.

5 (ii) The proposed development of the property will result in
6 measurable economic benefit in excess of the grant amount requested
7 by the applicant.

8 (d) A loan shall be awarded only if the department determines
9 that both of the following apply:

10 (i) The property is a facility as defined in section 20101 or
11 is suspected of being a facility.

12 (ii) The property has economic development potential based on
13 the applicant's planned use of the property.

14 (2) OF THE FUNDS TO BE USED TO PROVIDE GRANTS AND LOANS UNDER
15 SECTION 19607(2)(B), ALL OF THE FOLLOWING CONDITIONS APPLY:

16 (A) GRANTS SHALL NOT BE MADE TO A LOCAL UNIT OF GOVERNMENT OR
17 A BROWNFIELD REDEVELOPMENT AUTHORITY OPERATING IN THE JURISDICTION
18 OF A LOCAL UNIT OF A GOVERNMENT THAT IS LIABLE UNDER PART 201 FOR A
19 RELEASE AT THE SITE PROPOSED FOR GRANT FUNDING.

20 (B) GRANT FUNDS SHALL NOT BE UTILIZED FOR ACTIVITIES THAT
21 WOULD RELIEVE A PERSON WHO HAS BEEN IDENTIFIED BY THE DEPARTMENT AS
22 A PERSON WHO IS LIABLE UNDER PART 201 AT THE TIME OF APPLICATION.

23 (C) A PROJECT SHALL RECEIVE NOT MORE THAN A \$1,000,000.00
24 GRANT AND A \$1,000,000.00 LOAN AWARD PER YEAR.

25 (D) GRANT FUNDS MAY BE USED FOR SITE ASSESSMENT REQUIRED TO
26 DETERMINE IF A PROPERTY IS A FACILITY AND TO CHARACTERIZE THE
27 CONTAMINATION TO DETERMINE THE SUITABILITY OF THE PROPERTY FOR

1 REDEVELOPMENT.

2 (E) A GRANT FOR ANY ACTIVITIES OTHER THAN ACTIVITIES UNDER
3 SECTION 19607(2)(B) SHALL BE AWARDED ONLY IF THE DEPARTMENT
4 DETERMINES THAT BOTH OF THE FOLLOWING APPLY:

5 (i) THE PROPERTY IS A FACILITY.

6 (ii) THE PROPOSED DEVELOPMENT OF THE PROPERTY WILL RESULT IN
7 MEASURABLE ECONOMIC BENEFIT IN EXCESS OF THE GRANT AMOUNT AWARDED.

8 (F) A LOAN SHALL BE AWARDED ONLY IF THE DEPARTMENT DETERMINES
9 THAT BOTH OF THE FOLLOWING APPLY:

10 (i) THE PROPERTY IS A FACILITY AS DEFINED IN SECTION 20101 OR
11 IS SUSPECTED OF BEING A FACILITY.

12 (ii) THE PROPERTY HAS ECONOMIC POTENTIAL BASED ON THE
13 APPLICANT'S PLANNED USE OF THE PROPERTY.

14 Sec. 19614. The department and the department of the attorney
15 general may recover costs expended ~~pursuant to~~ UNDER section
16 19608(1)(a)(i) to (iv) for corrective actions, response activities,
17 site assessments, and all other recoverable costs under part 201
18 from persons who are liable under part 201. Actions to recover
19 costs shall be undertaken in the manner provided in part 201.

20 Enacting section 1. This amendatory act does not take effect
21 unless Senate Bill No. ___ or House Bill No. 6227(request no.
22 07400'08 *) of the 94th Legislature is enacted into law and the
23 question provided for in that bill is submitted to and approved by
24 a majority of the registered electors voting on the question at the
25 November 4, 2008 general election, as provided under section 15 of
26 article IX of the state constitution of 1963.