

SENATE BILL No. 1501

September 21, 2010, Introduced by Senator SWITALSKI and referred to the Committee on Education.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 20101 (MCL 324.20101), as amended by 1996 PA
383, and by adding sections 20121 and 20122.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20101. (1) As used in this part:

2 (a) "Act of God" means an unanticipated grave natural disaster
3 or other natural phenomenon of an exceptional, inevitable, and
4 irresistible character, the effects of which could not have been
5 prevented or avoided by the exercise of due care or foresight.

6 (b) "Agricultural property" means real property used for
7 farming in any of its branches, including cultivating of soil;
8 growing and harvesting of any agricultural, horticultural, or
9 floricultural commodity; dairying; raising of livestock, bees,

1 fish, fur-bearing animals, or poultry; turf and tree farming; and
2 performing any practices on a farm as an incident to, or in
3 conjunction with, these farming operations. Agricultural property
4 does not include property used for commercial storage, processing,
5 distribution, marketing, or shipping operations.

6 (c) "Attorney general" means the department of the attorney
7 general.

8 (d) "Baseline environmental assessment" means an evaluation of
9 environmental conditions which exist at a facility at the time of
10 purchase, occupancy, or foreclosure that reasonably defines the
11 existing conditions and circumstance at the facility so that, in
12 the event of a subsequent release, there is a means of
13 distinguishing the new release from existing contamination.

14 (e) "Board" means the brownfield redevelopment board created
15 in section 20104a.

16 (f) "Department" means the director of the department of
17 ~~environmental quality~~ **NATURAL RESOURCES AND ENVIRONMENT** or his or
18 her designee to whom the director delegates a power or duty by
19 written instrument.

20 (g) "Director" means the director of the department of
21 ~~environmental quality~~ **NATURAL RESOURCES AND ENVIRONMENT**.

22 (h) "Directors" means the directors or their designees of the
23 departments of ~~environmental quality~~ **NATURAL RESOURCES AND**
24 **ENVIRONMENT**, community health, agriculture, and state police.

25 (i) "Disposal" means the discharge, deposit, injection,
26 dumping, spilling, leaking, or placing of any hazardous substance
27 into or on any land or water so that the hazardous substance or any

1 constituent of the hazardous substance may ~~enter the environment or~~
2 be emitted into the air or discharged into any groundwater or
3 surface water **OR OTHERWISE ENTER THE ENVIRONMENT.**

4 (j) "Enforcement costs" means court expenses, reasonable
5 attorney fees of the attorney general, and other reasonable
6 expenses of an executive department that are incurred in relation
7 to enforcement under this part or rules promulgated under this
8 part, or both.

9 (k) "Environment" or "natural resources" means land, surface
10 water, groundwater, subsurface ~~strata~~, air, fish, wildlife, or
11 biota within the state.

12 (l) "Environmental contamination" means the release of a
13 hazardous substance, or the potential release of a discarded
14 hazardous substance, in a quantity which is or may become injurious
15 to the environment or to the public health, safety, or welfare.

16 (m) "Evaluation" means those activities including, but not
17 limited to, investigation, studies, sampling, analysis, development
18 of feasibility studies, and administrative efforts that are needed
19 to determine the nature, extent, and impact of a release or threat
20 of release and necessary response activities.

21 (n) "Exacerbation" means the occurrence of either of the
22 following caused by an activity undertaken by the person who owns
23 or operates the property, with respect to existing contamination:

24 (i) Contamination that has migrated beyond the boundaries of
25 the property which is the source of the release at levels above
26 cleanup criteria ~~specified in~~ **ESTABLISHED UNDER** section

27 20120a(1)(a) unless a criterion is not relevant because exposure is

1 reliably restricted pursuant to section 20120b.

2 (ii) A change in facility conditions that increases response
3 activity costs.

4 (o) "Facility" means any area, place, or property where a
5 hazardous substance in excess of the concentrations which satisfy
6 the requirements ~~of~~ **ESTABLISHED UNDER** section 20120a(1)(a) or (17)
7 or the cleanup criteria for unrestricted residential use under part
8 213 has been released, deposited, disposed of, or otherwise comes
9 to be located. Facility does not include any area, place, or
10 property at which response activities have been completed which
11 satisfy the cleanup criteria for the residential category ~~provided~~
12 ~~for in~~ **ESTABLISHED UNDER** section 20120a(1)(a) and (17) or at which
13 corrective action has been completed under part 213 which satisfies
14 the cleanup criteria for unrestricted residential use.

15 (p) "Feasibility study" means a process for developing,
16 evaluating, and selecting appropriate response activities.

17 (q) "Foreclosure" means possession of a property by a lender
18 on which it has foreclosed on a security interest or the expiration
19 of a lawful redemption period, whichever occurs first.

20 (r) "Free product" means a hazardous substance in a liquid
21 phase equal to or greater than 1/8 inch of measurable thickness
22 that is not dissolved in water and that has been released into the
23 environment.

24 (s) "Fund" means the cleanup and redevelopment fund
25 established in section 20108.

26 (t) "Hazardous substance" means 1 or more of the following,
27 but does not include fruit, vegetable, or field crop residuals or

1 processing by-products, or aquatic plants, that are applied to the
2 land for an agricultural use or for use as an animal feed, if the
3 use is consistent with generally accepted agricultural management
4 practices developed pursuant to the Michigan right to farm act, ~~Act~~
5 ~~No. 93 of the Public Acts of 1981, being sections 286.471 to~~
6 ~~286.474 of the Michigan Compiled Laws 1981 PA 93, MCL 286.471 TO~~
7 **286.474:**

8 (i) Any substance that the department demonstrates, on a case
9 by case basis, poses an unacceptable risk to the public health,
10 safety, or welfare, or the environment, considering the fate of the
11 material, dose-response, toxicity, or adverse impact on natural
12 resources.

13 (ii) Hazardous substance as defined in **SECTION 101 OF TITLE I**
14 **OF** the comprehensive environmental response, compensation, and
15 liability act of 1980, Public Law 96-510, ~~94 Stat. 2767-42 USC~~
16 **9601.**

17 (iii) Hazardous waste as defined in ~~part 111~~ **SECTION 11103.**

18 (iv) Petroleum as described in ~~part 213~~ **SECTION 21303.**

19 (u) "Interim response activity" means the cleanup or removal
20 of a released hazardous substance or the taking of other actions,
21 prior to the implementation of a remedial action, as may be
22 necessary to prevent, minimize, or mitigate injury to the public
23 health, safety, or welfare, or to the environment. Interim response
24 activity also includes, but is not limited to, measures to limit
25 access, replacement of water supplies, and temporary relocation of
26 people as determined to be necessary by the department. In
27 addition, interim response activity means the taking of other

actions as may be necessary to prevent, minimize, or mitigate a threatened release.

(v) "Lender" means any of the following:

(i) A state or nationally chartered bank.

(ii) A state or federally chartered savings and loan association or savings bank.

(iii) A state or federally chartered credit union.

(iv) Any other state or federally chartered lending institution. ~~or~~

(v) ~~A~~ regulated affiliate or regulated subsidiary of any entity listed in ~~this subparagraph or subparagraphs (i) to (iii)~~ (iv).

(vi) ~~(v)~~ An insurance company authorized to do business in this state pursuant to the insurance code of 1956, ~~Act No. 218 of the Public Acts of 1956, being sections 500.100 to 500.8302 of the Michigan Compiled Laws 1956 PA 218, MCL 500.100 TO 500.8302.~~

(vii) ~~(vi)~~ A motor vehicle finance company subject to the motor vehicle **SALES** finance act, ~~Act No. 27 of the Extra Session of 1950, being sections 492.101 to 492.141 of the Michigan Compiled Laws 1950 (EX SESS) PA 27, MCL 492.101 TO 492.141,~~ with net assets in excess of \$50,000,000.00.

(viii) ~~(vii)~~ A foreign bank.

(ix) ~~(viii)~~ A retirement fund regulated pursuant to state law or a pension fund regulated pursuant to federal law with net assets in excess of \$50,000,000.00.

(x) ~~(ix)~~ A state or federal agency authorized by law to hold a security interest in real property or a local unit of government holding a reversionary interest in real property.

1 (xi) ~~(x)~~ A nonprofit tax exempt organization created to promote
2 economic development in which a majority of the organization's
3 assets are held by a local unit of government.

4 (xii) ~~(xi)~~ Any other person who loans money for the purchase of
5 or improvement of real property.

6 (xiii) ~~(xii)~~ Any person who retains or receives a security
7 interest to service a debt or to secure a performance obligation.

8 (w) "Local health department" means that term as defined in
9 section 1105 of the public health code, ~~Act No. 368 of the Public~~
10 ~~Acts of 1978, being section 333.1105 of the Michigan Compiled Laws~~
11 **1978 PA 368, MCL 333.1105.**

12 (x) "Local unit of government" means a county, city, township,
13 or village, an agency of a local unit of government, an authority,
14 or any other public body or entity created by or pursuant to state
15 law. Local unit of government does not include the state or federal
16 government or a state or federal agency.

17 (y) "Operator" means a person who is in control of or
18 responsible for the operation of a facility. Operator does not
19 include either of the following:

20 (i) A person who holds indicia of ownership primarily to
21 protect the person's security interest in the facility, unless that
22 person participates in the management of the facility as described
23 in section 20101a.

24 (ii) A person who is acting as a fiduciary in compliance with
25 section 20101b.

26 (z) "Owner" means a person who owns a facility. Owner does not
27 include either of the following:

1 (i) A person who holds indicia of ownership primarily to
2 protect the person's security interest in the facility, including,
3 but not limited to, a vendor's interest under a recorded land
4 contract, unless that person participates in the management of the
5 facility as described in section 20101a.

6 (ii) A person who is acting as a fiduciary in compliance with
7 section 20101b.

8 (aa) "Permitted release" means 1 or more of the following:

9 (i) A release in compliance with an applicable, legally
10 enforceable permit issued under state law.

11 (ii) A lawful and authorized discharge into a permitted waste
12 treatment facility.

13 (iii) A federally permitted release as defined in **SECTION 101 OF**
14 **TITLE I OF** the comprehensive environmental response, compensation,
15 and liability act of 1980, Public Law 96-510, ~~94 Stat. 2767~~ **42 USC**
16 **9601**.

17 (bb) "Release" includes, but is not limited to, any spilling,
18 leaking, pumping, pouring, emitting, emptying, discharging,
19 injecting, escaping, leaching, dumping, or disposing of a hazardous
20 substance into the environment, or the abandonment or discarding of
21 barrels, containers, and other closed receptacles containing a
22 hazardous substance. Release does not include any of the following:

23 (i) A release that results in exposure to persons solely within
24 a workplace, with respect to a claim that these persons may assert
25 against their employers.

26 (ii) Emissions from the engine exhaust of a motor vehicle,
27 rolling stock, aircraft, or vessel.

1 (iii) A release of source **MATERIAL**, by-product **MATERIAL**, or
2 special nuclear material from a nuclear incident, as those terms
3 are defined in **SECTION 1 OF** the atomic energy act of 1954, chapter
4 1073, 68 Stat. ~~919-922~~, **42 USC 2014**, if the release is subject to
5 requirements with respect to financial protection established by
6 the nuclear regulatory commission under ~~section 170 of chapter 14~~
7 ~~of title I of the atomic energy act of 1954, chapter 1073, 71 Stat.~~
8 ~~576, 42 U.S.C. 2210~~ **THE ATOMIC ENERGY DAMAGES ACT, 42 USC 2210**, or
9 any release of source **MATERIAL**, by-product **MATERIAL**, or special
10 nuclear material from any processing site designated under section
11 102(a)(1) of title I or 302(a) of title III of the uranium mill
12 tailings radiation control act of 1978, Public Law 95-604, ~~42~~
13 ~~U.S.C. 7912 and~~ **42 USC 7912 OR 7942**.

14 (iv) If applied according to label directions and according to
15 generally accepted agricultural and management practices, the
16 application of a fertilizer, soil conditioner, agronomically
17 applied manure, or pesticide, or fruit, vegetable, or field crop
18 residuals or processing by-products, aquatic plants, or a
19 combination of these substances. As used in this subparagraph,
20 "fertilizer", ~~and "soil conditioner", have the meaning given to~~
21 ~~these terms in part 85, and "pesticide" has the meaning given to~~
22 ~~that term in part 83~~ **MEAN THOSE TERMS AS DEFINED IN SECTIONS 8501,**
23 **8501A, AND 8305, RESPECTIVELY.**

24 (v) A release does not include fruits, vegetables, field crop
25 processing by-products, or aquatic plants, that are applied to the
26 land for an agricultural use or for use as an animal feed, if the
27 use is consistent with generally accepted agricultural and

1 management practices developed pursuant to the Michigan right to
2 farm act, ~~Act No. 93 of the Public Acts of 1981, being sections~~
3 ~~286.471 to 286.474 of the Michigan Compiled Laws 1981 PA 93, MCL~~
4 **286.471 TO 286.474.**

5 (cc) "Remedial action" includes, but is not limited to,
6 cleanup, removal, containment, isolation, destruction, or treatment
7 of a hazardous substance released or threatened to be released into
8 the environment, monitoring, maintenance, or the taking of other
9 actions that may be necessary to prevent, minimize, or mitigate
10 injury to the public health, safety, or welfare, or to the
11 environment.

12 (dd) "Remedial action plan" means a work plan for performing
13 remedial action under this part.

14 (ee) "Response activity" means evaluation, interim response
15 activity, remedial action, demolition, or the taking of other
16 actions necessary to protect the public health, safety, or welfare,
17 or the environment or the natural resources. Response activity also
18 includes health assessments or health effect studies carried out
19 under the supervision, or with the approval of, the department of
20 public health and enforcement actions related to any response
21 activity.

22 (ff) "Response activity costs" or "costs of response activity"
23 means all costs incurred in taking or conducting a response
24 activity, including enforcement costs.

25 (GG) **"SCHOOL" MEANS ALL BUILDINGS, PLAYGROUNDS, ATHLETIC**
26 **FIELDS, AND OTHER REAL PROPERTY OWNED OR LEASED BY A PRIVATE OR**
27 **PUBLIC ELEMENTARY OR SECONDARY INSTITUTION OF LEARNING FOR ANY OF**

1 GRADES KINDERGARTEN THROUGH 12. SCHOOL DOES NOT INCLUDE A FAMILY
2 RESIDENCE USED AS A HOME SCHOOL.

3 (HH) ~~(gg)~~—"Security interest" means any interest, including a
4 reversionary interest, in real property created or established for
5 the purpose of securing a loan or other obligation. Security
6 interests include, but are not limited to, mortgages, deeds of
7 trusts, liens, and title pursuant to lease financing transactions.
8 Security interests may also arise from transactions such as sale
9 and leasebacks, conditional sales, installment sales, trust receipt
10 transactions, certain assignments, factoring agreements, accounts
11 receivable financing arrangements, consignments, or any other
12 transaction in which evidence of title is created if the
13 transaction creates or establishes an interest in real property for
14 the purpose of securing a loan or other obligation.

15 (II) ~~(hh)~~—"Site" means the location of environmental
16 contamination.

17 (JJ) ~~(ii)~~—"Threatened release" or "threat of release" means
18 any circumstance that may reasonably be anticipated to cause a
19 release.

20 (2) As used in this part, the phrase "a person who is liable"
21 includes a person who is described as being subject to liability in
22 section 20126. The phrase "a person who is liable" does not presume
23 that liability has been adjudicated.

24 SEC. 20121. BEFORE BEGINNING CONSTRUCTION OF A SCHOOL, THE
25 OWNER OR OPERATOR OF THE SCHOOL SHALL CONDUCT AN ENVIRONMENTAL
26 ASSESSMENT OF THE PROPERTY TO DETERMINE ALL OF THE FOLLOWING:

27 (A) WHETHER THE PROPERTY IS A FACILITY.

1 (B) THE NATURE AND EXTENT OF THE OWNER'S OR OPERATOR'S DUE
2 CARE OBLIGATIONS UNDER SECTION 20107A AND THE RESPONSE ACTIVITIES
3 NECESSARY TO FULFILL THOSE OBLIGATIONS.

4 (C) THE NATURE AND EXTENT OF ANY RESPONSE ACTIVITIES THAT THE
5 OWNER OR OPERATOR IS REQUIRED TO CONDUCT.

6 SEC. 20122. (1) EXCEPT AS PROVIDED IN SUBSECTION (2) OR (3), A
7 SCHOOL SHALL NOT BE CONSTRUCTED OR OPERATED ON PROPERTY THAT IS OR
8 WAS A FACILITY.

9 (2) IF RESPONSE ACTIVITIES THAT SATISFY THE CLEANUP CRITERIA
10 FOR LIMITED RESIDENTIAL USE ESTABLISHED UNDER SECTION 20120A(1)(F)
11 AND (17), OR CORRECTIVE ACTION THAT SATISFIES THE CLEANUP CRITERIA
12 FOR RESTRICTED RESIDENTIAL USE ESTABLISHED UNDER PART 213, HAVE
13 BEEN COMPLETED AT THE PROPERTY, A SCHOOL MAY BE CONSTRUCTED AND
14 OPERATED ON THE PROPERTY IF THE OWNER OR OPERATOR OF THE SCHOOL
15 MONITORS THE PROPERTY, INCLUDING, IF APPLICABLE, SOIL, AIR, AND
16 INDOOR AIR, TO DEMONSTRATE THAT NO UNACCEPTABLE EXPOSURES TO
17 HAZARDOUS SUBSTANCES EXIST. THE MONITORING SHALL BE CONDUCTED IN
18 CONFORMITY WITH A WRITTEN MONITORING PLAN THAT CONTAINS A SCHEDULE
19 FOR CONDUCTING THE MONITORING AND IS APPROVED BY THE DEPARTMENT.
20 THE DEPARTMENT SHALL NOT APPROVE A MONITORING PLAN UNDER THIS
21 SUBSECTION UNLESS THE OWNER OR OPERATOR OF THE SCHOOL HAS DONE BOTH
22 OF THE FOLLOWING:

23 (A) PROVIDED PUBLIC NOTICE, IN THE MANNER REQUIRED UNDER
24 SUBSECTION (4), OF THE ENVIRONMENTAL CONTAMINATION AT THE SITE, THE
25 PROPOSED MONITORING PLAN, THE RESULTS OF ANY MONITORING THAT HAS
26 ALREADY BEEN CONDUCTED AT THE SITE, AND THE RIGHT TO REQUEST A
27 HEARING UNDER SUBDIVISION (B).

1 (B) IF REQUESTED BY ANY PERSON WITHIN 14 DAYS AFTER PUBLIC
2 NOTICE IS PROVIDED UNDER SUBDIVISION (A), CONDUCTED A PUBLIC
3 HEARING IN THE VICINITY OF THE SITE. THE OWNER OR OPERATOR OF THE
4 SCHOOL SHALL GIVE PUBLIC NOTICE OF THE HEARING IN THE MANNER
5 REQUIRED UNDER SUBSECTION (4).

6 (3) IF RESPONSE ACTIVITIES THAT SATISFY THE CLEANUP CRITERIA
7 FOR RESIDENTIAL USE ESTABLISHED UNDER SECTION 20120A(1)(A) AND
8 (17), OR CORRECTIVE ACTION THAT SATISFIES THE CLEANUP CRITERIA FOR
9 UNRESTRICTED RESIDENTIAL USE ESTABLISHED UNDER PART 213, HAVE BEEN
10 COMPLETED AT THE PROPERTY, A SCHOOL MAY BE CONSTRUCTED AND OPERATED
11 ON THE PROPERTY IF THE OWNER OR OPERATOR DOES ALL OF THE FOLLOWING:

12 (A) PROVIDES PUBLIC NOTICE, IN THE MANNER REQUIRED UNDER
13 SUBSECTION (4), OF THE PRIOR STATUS OF THE PROPERTY AS A FACILITY
14 AND OF TESTING RESULTS THAT DEMONSTRATE THAT THE PROPERTY SATISFIES
15 THE CLEANUP CRITERIA FOR RESIDENTIAL USE ESTABLISHED UNDER SECTION
16 20120A(1)(A) AND (17) OR FOR UNRESTRICTED RESIDENTIAL USE UNDER
17 PART 213.

18 (B) PROVIDES THE PUBLIC AN OPPORTUNITY TO COMMENT.

19 (C) IF REQUESTED BY THE DEPARTMENT BASED ON NEW INFORMATION
20 RECEIVED BY THE DEPARTMENT THAT THE CONDITIONS AT THE SCHOOL ARE
21 REASONABLY LIKELY TO FAIL TO SATISFY THE CLEANUP CRITERIA FOR
22 RESIDENTIAL USE ESTABLISHED UNDER SECTION 20120A(1)(A) AND (17) OR
23 FOR UNRESTRICTED RESIDENTIAL USE UNDER PART 213, CONDUCTS AN
24 ENVIRONMENTAL ASSESSMENT. THE ENVIRONMENTAL ASSESSMENT SHALL BE
25 CONDUCTED IN CONFORMITY WITH A WRITTEN ASSESSMENT PLAN THAT
26 CONTAINS A SCHEDULE FOR CONDUCTING THE ENVIRONMENTAL ASSESSMENT AND
27 IS APPROVED BY THE DEPARTMENT. THE DEPARTMENT SHALL NOT APPROVE AN

1 ASSESSMENT PLAN UNDER THIS SUBSECTION UNLESS THE OWNER OR OPERATOR
2 HAS DONE BOTH OF THE FOLLOWING:

3 (i) PROVIDED PUBLIC NOTICE, IN THE MANNER REQUIRED UNDER
4 SUBSECTION (4), OF THE ENVIRONMENTAL CONTAMINATION AT THE SITE, THE
5 PROPOSED ASSESSMENT PLAN, THE RESULTS OF ANY ENVIRONMENTAL
6 ASSESSMENT THAT HAS ALREADY BEEN CONDUCTED AT THE SITE, AND THE
7 RIGHT TO REQUEST A HEARING UNDER SUBPARAGRAPH (ii).

8 (ii) IF REQUESTED BY ANY PERSON WITHIN 14 DAYS AFTER PUBLIC
9 NOTICE IS PROVIDED UNDER SUBPARAGRAPH (i), CONDUCTED A PUBLIC
10 HEARING IN THE VICINITY OF THE SITE. THE OWNER OR OPERATOR OF THE
11 SCHOOL SHALL GIVE PUBLIC NOTICE OF THE HEARING IN THE MANNER
12 REQUIRED UNDER SUBSECTION (4).

13 (4) NOTICE UNDER THIS SECTION, INCLUDING NOTICE OF A PUBLIC
14 HEARING, SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION
15 IN THE CITY, VILLAGE, OR TOWNSHIP WHERE THE SCHOOL IS OR WILL BE
16 LOCATED AND SHALL INCLUDE INFORMATION CONSIDERED APPROPRIATE BY THE
17 DEPARTMENT.