

HOUSE BILL No. 6057

November 29, 2016, Introduced by Rep. Faris and referred to the Committee on Appropriations.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding part 198.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1
2
3
4
5
6
7
8
9
10
11

PART 198

CLEAN MICHIGAN INITIATIVE

REAUTHORIZATION IMPLEMENTATION

SEC. 19801. AS USED IN THIS PART:

(A) "BONDS" MEANS THE BONDS AUTHORIZED UNDER THE CLEAN MICHIGAN INITIATIVE REAUTHORIZATION ACT.

(B) "DEPARTMENT" MEANS THE DEPARTMENT OF ENVIRONMENTAL QUALITY.

(C) "FUND" MEANS THE CLEAN MICHIGAN INITIATIVE REAUTHORIZATION BOND FUND CREATED IN SECTION 19806.

(D) "LOCAL UNIT OF GOVERNMENT" MEANS A COUNTY, CITY, VILLAGE,

1 OR TOWNSHIP, OR AN AGENCY OF A COUNTY, CITY, VILLAGE, OR TOWNSHIP;
2 OR AN AUTHORITY OR OTHER PUBLIC BODY CREATED BY OR PURSUANT TO
3 STATE LAW.

4 SEC. 19802. THE LEGISLATURE FINDS AND DECLARES THAT THE
5 ENVIRONMENTAL, NATURAL RESOURCES, AND PUBLIC HEALTH PROTECTION
6 PROGRAMS IMPLEMENTED UNDER THIS PART ARE A PUBLIC PURPOSE AND OF
7 PARAMOUNT PUBLIC CONCERN IN THE INTEREST OF THE HEALTH, SAFETY, AND
8 GENERAL WELFARE OF THE CITIZENS OF THIS STATE.

9 SEC. 19803. (1) THE BONDS SHALL BE ISSUED IN 1 OR MORE SERIES,
10 EACH SERIES TO BE IN A PRINCIPAL AMOUNT, TO BE DATED, TO HAVE THE
11 MATURITIES THAT MAY BE EITHER SERIAL, TERM, OR BOTH, TO BEAR
12 INTEREST AT A RATE OR RATES, TO BE SUBJECT OR NOT SUBJECT TO PRIOR
13 REDEMPTION, AND IF SUBJECT TO PRIOR REDEMPTION WITH OR WITHOUT CALL
14 PREMIUMS, TO BE PAYABLE AT A PLACE OR PLACES, TO HAVE OR NOT HAVE
15 PROVISIONS FOR REGISTRATION AS TO PRINCIPAL ONLY OR AS TO BOTH
16 PRINCIPAL AND INTEREST, TO BE IN A FORM AND TO BE EXECUTED IN A
17 MANNER AS SHALL BE DETERMINED BY RESOLUTION TO BE ADOPTED BY THE
18 STATE ADMINISTRATIVE BOARD. THE BONDS SHALL BE SUBJECT TO
19 COVENANTS, DIRECTIONS, RESTRICTIONS, OR RIGHTS SPECIFIED BY
20 RESOLUTION TO BE ADOPTED BY THE STATE ADMINISTRATIVE BOARD AS
21 NECESSARY TO ENSURE THE MARKETABILITY, INSURABILITY, OR TAX EXEMPT
22 STATUS OF THE BONDS. THE STATE ADMINISTRATIVE BOARD SHALL ROTATE
23 THE SERVICES OF LEGAL COUNSEL WHEN ISSUING BONDS.

24 (2) THE STATE ADMINISTRATIVE BOARD MAY REFUND BONDS ISSUED
25 UNDER THIS PART BY THE ISSUANCE OF NEW BONDS, WHETHER OR NOT THE
26 BONDS TO BE REFUNDED HAVE MATURED OR ARE SUBJECT TO PRIOR
27 REDEMPTION. THE STATE ADMINISTRATIVE BOARD MAY ISSUE BONDS PARTLY

1 TO REFUND BONDS ISSUED UNDER THIS PART AND PARTLY FOR ANY OTHER
2 PURPOSE PROVIDED BY THIS PART. THE PRINCIPAL AMOUNT OF ANY
3 REFUNDING BONDS ISSUED UNDER THIS SECTION SHALL NOT BE COUNTED
4 AGAINST THE LIMITATION ON PRINCIPAL AMOUNT PROVIDED IN THE CLEAN
5 MICHIGAN INITIATIVE REAUTHORIZATION ACT.

6 (3) THE STATE ADMINISTRATIVE BOARD MAY APPROVE INSURANCE
7 CONTRACTS, AGREEMENTS FOR LINES OF CREDIT, LETTERS OF CREDIT,
8 COMMITMENTS TO PURCHASE BONDS, AND ANY OTHER TRANSACTION TO PROVIDE
9 SECURITY TO ASSURE TIMELY PAYMENT OR PURCHASE OF ANY BOND ISSUED
10 UNDER THIS PART.

11 (4) THE STATE ADMINISTRATIVE BOARD MAY AUTHORIZE THE STATE
12 TREASURER, BUT ONLY WITHIN LIMITATIONS CONTAINED IN THE AUTHORIZING
13 RESOLUTION OF THE BOARD, TO DO 1 OR MORE OF THE FOLLOWING:

14 (A) SELL AND DELIVER AND RECEIVE PAYMENT FOR THE BONDS.

15 (B) DELIVER BONDS PARTLY TO REFUND BONDS AND PARTLY FOR OTHER
16 AUTHORIZED PURPOSES.

17 (C) SELECT WHICH OUTSTANDING BONDS WILL BE REFUNDED, IF ANY,
18 BY THE NEW ISSUE OF BONDS.

19 (D) BUY ISSUED BONDS AT NOT MORE THAN THEIR FACE VALUE.

20 (E) APPROVE INTEREST RATES OR METHODS FOR FIXING INTEREST
21 RATES, PRICES, DISCOUNTS, MATURITIES, PRINCIPAL AMOUNTS, PURCHASE
22 PRICES, PURCHASE DATES, REMARKETING DATES, DENOMINATIONS, DATES OF
23 ISSUANCE, INTEREST PAYMENT DATES, REDEMPTION RIGHTS AT THE OPTION
24 OF THE STATE OR THE OWNER, THE PLACE AND TIME OF DELIVERY AND
25 PAYMENT, AND OTHER MATTERS AND PROCEDURES NECESSARY TO COMPLETE THE
26 AUTHORIZED TRANSACTIONS.

27 (F) EXECUTE, DELIVER, AND PAY THE COST OF REMARKETING

1 AGREEMENTS, INSURANCE CONTRACTS, AGREEMENTS FOR LINES OF CREDIT,
2 LETTERS OF CREDIT, COMMITMENTS TO PURCHASE BONDS OR NOTES, AND ANY
3 OTHER TRANSACTION TO PROVIDE SECURITY TO ASSURE TIMELY PAYMENTS OR
4 PURCHASE OF ANY BOND ISSUED UNDER THIS PART.

5 (5) THE BONDS ARE NOT SUBJECT TO THE REVISED MUNICIPAL FINANCE
6 ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

7 (6) THE BONDS OR ANY SERIES OF THE BONDS SHALL BE SOLD AT A
8 PRICE AS DETERMINED BY THE STATE ADMINISTRATIVE BOARD.

9 (7) THE BONDS SHALL BE SOLD IN ACCORDANCE WITH A SCHEDULE
10 ESTABLISHED BY THE STATE ADMINISTRATIVE BOARD.

11 (8) THE ISSUANCE OF BONDS UNDER THIS SECTION IS SUBJECT TO THE
12 AGENCY FINANCING REPORTING ACT, 2002 PA 470, MCL 129.171 TO
13 129.177.

14 (9) FOR THE PURPOSE OF MORE EFFECTIVELY MANAGING ITS DEBT
15 SERVICE, THE STATE ADMINISTRATIVE BOARD MAY ENTER INTO AN INTEREST
16 RATE EXCHANGE OR SWAP, HEDGE, OR SIMILAR AGREEMENT WITH RESPECT TO
17 ITS BONDS OR NOTES ON THE TERMS AND PAYABLE FROM THE SOURCES AND
18 WITH THE SECURITY, IF ANY, AS DETERMINED BY A RESOLUTION OF THE
19 STATE ADMINISTRATIVE BOARD.

20 SEC. 19804. THE BONDS SHALL BE FULLY NEGOTIABLE UNDER THE
21 UNIFORM COMMERCIAL CODE, 1962 PA 174, MCL 440.1101 TO 440.9994. THE
22 BONDS AND THE INTEREST ON THE BONDS SHALL BE EXEMPT FROM ALL
23 TAXATION BY THIS STATE OR ANY LOCAL UNIT OF GOVERNMENT.

24 SEC. 19805. THE BONDS ARE SECURITIES IN WHICH BANKS, SAVINGS
25 AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES, CREDIT UNIONS, AND
26 OTHER PERSONS CARRYING ON A BANKING BUSINESS; ALL INSURANCE
27 COMPANIES, INSURANCE ASSOCIATIONS, AND OTHER PERSONS CARRYING ON AN

1 INSURANCE BUSINESS; AND ALL ADMINISTRATORS, EXECUTORS, GUARDIANS,
2 TRUSTEES, AND OTHER FIDUCIARIES MAY PROPERLY AND LEGALLY INVEST
3 FUNDS, INCLUDING CAPITAL, BELONGING TO THEM OR WITHIN THEIR
4 CONTROL.

5 SEC. 19806. (1) THE CLEAN MICHIGAN INITIATIVE REAUTHORIZATION
6 BOND FUND IS CREATED IN THE STATE TREASURY.

7 (2) THE FUND SHALL CONSIST OF ALL OF THE FOLLOWING:

8 (A) THE PROCEEDS OF SALES OF THE BONDS AND ANY PREMIUM AND
9 ACCRUED INTEREST RECEIVED ON THE DELIVERY OF THE BONDS.

10 (B) ANY INTEREST OR EARNINGS GENERATED BY THE PROCEEDS
11 DESCRIBED IN SUBDIVISION (A).

12 (C) ANY FEDERAL OR OTHER FUNDS RECEIVED.

13 (3) THE DEPARTMENT OF TREASURY MAY ESTABLISH RESTRICTED
14 SUBACCOUNTS WITHIN THE FUND AS NECESSARY TO ADMINISTER THE FUND.

15 SEC. 19807. (1) THE TOTAL PROCEEDS OF ALL BONDS SHALL BE
16 DEPOSITED INTO THE FUND AND ALLOCATED AS FOLLOWS:

17 (A) NOT MORE THAN \$300,000,000.00 SHALL BE USED TO ABATE LEAD
18 CONTAMINATION IN WATER USED FOR DRINKING WATER OR OTHER HOUSEHOLD
19 PURPOSES.

20 (B) NOT MORE THAN \$200,000,000.00 SHALL BE USED TO ABATE LEAD
21 HAZARDS IN HOMES AND BUILDINGS.

22 (C) NOT MORE THAN \$200,000,000.00 SHALL BE USED FOR
23 REPLACEMENT SOURCES OF CONTAMINATED WATER SUPPLIES TO PROTECT WATER
24 RESOURCES AND ENSURE WATER QUALITY THROUGH BOTH OF THE FOLLOWING:

25 (i) ON-SITE WASTEWATER SYSTEM INSPECTION AND REPAIR PROGRAMS.

26 (ii) RESTORATION OF NATURAL WATERCOURSES THROUGH DAM REMOVAL.

27 (D) NOT MORE THAN \$100,000,000.00 SHALL BE USED FOR POLLUTION

1 PREVENTION THROUGH NONPOINT SOURCE POLLUTION PREVENTION AND CONTROL
2 PROJECTS AND WELLHEAD PROTECTION PROJECTS.

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

5 (F) NOT MORE THAN \$100,000,000.00 SHALL BE USED TO CLEAN UP
6 SITES OF ENVIRONMENTAL CONTAMINATION.

7 (2) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE
8 FUND. EXCEPT AS MAY BE REQUIRED TO MAINTAIN THE EXCLUSION FROM
9 GROSS INCOME OF THE INTEREST PAID ON THE BONDS OR TO COMPLY
10 OTHERWISE WITH STATE OR FEDERAL LAW, INTEREST AND EARNINGS FROM
11 INVESTMENT OF THE PROCEEDS OF ANY BOND ISSUE SHALL BE ALLOCATED IN
12 THE SAME PROPORTION AS EARNED ON THE INVESTMENT OF THE PROCEEDS OF
13 THE BOND ISSUE.

14 (3) THE BOND PROCEEDS SHALL BE EXPENDED IN AN APPROPRIATE
15 MANNER THAT MAINTAINS THE TAX EXEMPT STATUS OF THE BONDS.

16 (4) THE UNENCUMBERED BALANCE IN THE FUND AT THE CLOSE OF THE
17 FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE
18 GENERAL FUND.

19 (5) THE DEPARTMENT SHALL PROVIDE AN ANNUAL ACCOUNTING OF BOND
20 PROCEEDS SPENDING ON A CASH BASIS TO THE DEPARTMENT OF TREASURY IN
21 ORDER FOR THE STATE TO COMPLY WITH REQUIREMENTS SET FORTH FOR
22 ISSUING TAX EXEMPT BONDS, INCLUDING ARBITRAGE REBATE CALCULATIONS.
23 THE DEPARTMENT SHALL SUBMIT THIS ACCOUNTING TO THE GOVERNOR, THE
24 STANDING COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE
25 THAT PRIMARILY ADDRESS ISSUES PERTAINING TO THE PROTECTION OF
26 NATURAL RESOURCES AND THE ENVIRONMENT AND PUBLIC HEALTH, AND THE
27 APPROPRIATIONS COMMITTEES IN THE HOUSE OF REPRESENTATIVES AND THE

1 SENATE.

2 SEC. 19808. (1) MONEY IN THE FUND THAT IS ALLOCATED UNDER
3 SECTION 19807 SHALL BE USED FOR THE FOLLOWING PURPOSES:

4 (A) MONEY THAT IS ALLOCATED UNDER SECTION 19807(1) (A) SHALL BE
5 USED BY THE DEPARTMENT FOR LEAD ABATEMENT GRANTS FROM THE LEAD
6 ABATEMENT FUND UNDER SECTION 11E OF THE SAFE DRINKING WATER ACT,
7 1976 PA 399, MCL 325.1011F.

8 (B) MONEY THAT IS ALLOCATED UNDER SECTION 19807(1) (B) SHALL BE
9 DEPOSITED INTO THE LEAD SAFE HOMES FUND CREATED IN SECTION 5474D OF
10 THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.5474D, TO BE USED BY
11 THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR REMEDIATION AND
12 PHYSICAL IMPROVEMENTS TO STRUCTURES TO ABATE OR MINIMIZE EXPOSURE
13 OF PERSONS TO LEAD HAZARDS PURSUANT TO PART 54A OF THE PUBLIC
14 HEALTH CODE, 1978 PA 368, MCL 333.5451 TO 333.5477.

15 (C) MONEY THAT IS ALLOCATED UNDER SECTION 19807(1) (C) SHALL BE
16 USED AS FOLLOWS:

17 (i) BY THE DEPARTMENT TO PROVIDE WATER SUPPLY REPLACEMENT FOR
18 PERSONS SERVED BY A PUBLIC WATER SUPPLY AS DEFINED IN SECTION 2 OF
19 THE SAFE DRINKING WATER ACT, 1976 PA 399, MCL 325.1002, THAT DOES
20 NOT MEET STATE DRINKING WATER STANDARDS.

21 (ii) BY THE DEPARTMENT, TO IMPLEMENT AN ON-SITE WASTEWATER
22 SYSTEM INSPECTION AND REPAIR PROGRAM.

23 (iii) BY THE DEPARTMENT OF NATURAL RESOURCES TO RESTORE
24 NATURAL WATERCOURSES THROUGH THE REMOVAL OF DAMS.

25 (D) MONEY THAT IS ALLOCATED UNDER SECTION 19807(1) (D) SHALL BE
26 USED FOR POLLUTION PREVENTION PROGRAMS, INCLUDING FOR NONPOINT
27 SOURCE POLLUTION PREVENTION AND CONTROL GRANTS OR WELLHEAD

1 PROTECTION GRANTS PURSUANT TO PART 88.

2 (E) MONEY THAT IS ALLOCATED UNDER SECTION 19807(1) (E) SHALL BE
3 USED FOR RESPONSE ACTIVITIES FOR THE REMEDIATION OF CONTAMINATED
4 LAKE AND RIVER SEDIMENTS PURSUANT TO PART 201.

5 (F) MONEY THAT IS ALLOCATED UNDER SECTION 19807(1) (F) SHALL BE
6 DEPOSITED INTO THE CLEANUP AND REDEVELOPMENT FUND ESTABLISHED IN
7 SECTION 20108.

8 (2) THE MONEY ALLOCATED UNDER SECTION 19807(1) (F) SHALL BE
9 PRIORITIZED FOR USE AT SITES OF CONTAMINATION THAT POSE AN IMMINENT
10 OR SUBSTANTIAL ENDANGERMENT TO THE PUBLIC HEALTH, SAFETY, OR
11 WELFARE, OR TO THE ENVIRONMENT. FOR PURPOSES OF THIS SUBSECTION,
12 SITES OF CONTAMINATION THAT POSE AN IMMINENT OR SUBSTANTIAL
13 ENDANGERMENT INCLUDE, BUT ARE NOT LIMITED TO, THOSE WHERE PUBLIC
14 ACCESS POSES HAZARDS BECAUSE OF POTENTIAL EXPOSURE TO HAZARDOUS
15 SUBSTANCES OR SAFETY RISKS OR WHERE DRINKING WATER SUPPLIES ARE
16 THREATENED BY CONTAMINATION.

17 (3) BEFORE EXPENDING ANY FUNDS ALLOCATED UNDER SUBSECTION
18 (1) (E) AT A SITE THAT IS AN AREA OF CONCERN AS DESIGNATED BY THE
19 PARTIES TO THE GREAT LAKES WATER QUALITY AGREEMENT, THE DEPARTMENT
20 SHALL NOTIFY THE PUBLIC ADVISORY COUNCIL ESTABLISHED TO OVERSEE
21 THAT AREA OF CONCERN REGARDING THE DEVELOPMENT, IMPLEMENTATION, AND
22 EVALUATION OF RESPONSE ACTIVITIES TO BE CONDUCTED WITH MONEY IN THE
23 FUND AT THAT AREA OF CONCERN.

24 (4) MONEY PROVIDED IN THE FUND MAY BE USED BY THE DEPARTMENT
25 OF TREASURY TO PAY FOR THE COST OF ISSUING BONDS AND BY THE
26 DEPARTMENT, THE DEPARTMENT OF NATURAL RESOURCES, AND THE DEPARTMENT
27 OF HEALTH AND HUMAN SERVICES TO PAY COSTS AS PROVIDED IN THIS

1 SUBSECTION. NOT MORE THAN 3% OF THE AMOUNT SPECIFIED IN EACH
2 SUBDIVISION OF SECTION 19807(1) SHALL BE AVAILABLE FOR
3 APPROPRIATION TO THE ADMINISTERING STATE DEPARTMENT TO PAY ITS
4 COSTS DIRECTLY ASSOCIATED WITH THE COMPLETION OF A PROJECT
5 AUTHORIZED BY THAT SUBDIVISION. IT IS THE INTENT OF THE LEGISLATURE
6 THAT GENERAL FUND APPROPRIATIONS TO THE DEPARTMENT, THE DEPARTMENT
7 OF NATURAL RESOURCES, AND THE DEPARTMENT OF HEALTH AND HUMAN
8 SERVICES SHALL NOT BE REDUCED AS A RESULT OF COSTS FUNDED PURSUANT
9 TO THIS SUBSECTION.

10 (5) THE DEPARTMENT, THE DEPARTMENT OF NATURAL RESOURCES, AND
11 THE DEPARTMENT OF HEALTH AND HUMAN SERVICES SHALL EACH SUBMIT
12 ANNUALLY A LIST OF ALL PROJECTS THAT WILL BE UNDERTAKEN BY THAT
13 DEPARTMENT THAT ARE RECOMMENDED TO BE FUNDED UNDER THIS PART. THE
14 LISTS SHALL BE SUBMITTED TO THE GOVERNOR, THE STANDING COMMITTEES
15 OF THE HOUSE OF REPRESENTATIVES AND THE SENATE THAT PRIMARILY
16 ADDRESS ISSUES PERTAINING TO THE PROTECTION OF NATURAL RESOURCES
17 AND THE ENVIRONMENT AND PUBLIC HEALTH, AND THE APPROPRIATIONS
18 COMMITTEES IN THE HOUSE OF REPRESENTATIVES AND THE SENATE. THE
19 LISTS SHALL BE SUBMITTED TO THE LEGISLATIVE COMMITTEES NOT LATER
20 THAN FEBRUARY 15 OF EACH YEAR. THE APPLICABLE LIST SHALL ALSO BE
21 SUBMITTED BEFORE ANY REQUEST FOR SUPPLEMENTAL APPROPRIATION OF BOND
22 FUNDS. FOR EACH ELIGIBLE PROJECT, A LIST SHALL INCLUDE THE NATURE
23 OF THE ELIGIBLE PROJECT; THE COUNTY IN WHICH THE ELIGIBLE PROJECT
24 IS LOCATED; AN ESTIMATE OF THE TOTAL COST OF THE ELIGIBLE PROJECT;
25 AND OTHER INFORMATION CONSIDERED PERTINENT BY THE ADMINISTERING
26 STATE DEPARTMENT. A PROJECT THAT IS ALREADY FUNDED, IN WHOLE OR IN
27 PART, BY A GRANT WITH MONEY FROM THE FUND DOES NOT NEED TO BE

1 INCLUDED ON A LIST SUBMITTED UNDER THIS SUBSECTION. HOWEVER, MONEY
2 IN THE FUND THAT IS APPROPRIATED FOR GRANTS SHALL NOT BE ENCUMBERED
3 OR EXPENDED UNTIL THE ADMINISTERING STATE DEPARTMENT HAS REPORTED
4 THOSE PROJECTS THAT HAVE BEEN APPROVED FOR A GRANT TO THE STANDING
5 COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE THAT
6 PRIMARILY ADDRESS ISSUES PERTAINING TO THE PROTECTION OF NATURAL
7 RESOURCES AND THE ENVIRONMENT AND PUBLIC HEALTH AND TO THE
8 APPROPRIATIONS SUBCOMMITTEES IN THE HOUSE OF REPRESENTATIVES AND
9 THE SENATE ON NATURAL RESOURCES, ENVIRONMENTAL QUALITY, AND PUBLIC
10 HEALTH. BEFORE SUBMITTING THE FIRST CYCLE OF RECOMMENDED PROJECTS
11 UNDER SUBSECTION (1) (F), THE DEPARTMENT SHALL PUBLISH AND
12 DISSEMINATE THE CRITERIA IT WILL USE IN EVALUATING AND RECOMMENDING
13 THESE PROJECTS FOR FUNDING.

14 (6) THE LEGISLATURE SHALL APPROPRIATE PROSPECTIVE OR ACTUAL
15 BOND PROCEEDS FOR PROJECTS PROPOSED TO BE FUNDED. APPROPRIATIONS
16 SHALL BE CARRIED OVER TO SUCCEEDING FISCAL YEARS UNTIL THE PROJECT
17 FOR WHICH THE FUNDS ARE APPROPRIATED IS COMPLETED.

18 (7) NOT LATER THAN DECEMBER 31 OF EACH YEAR, THE DEPARTMENT,
19 THE DEPARTMENT OF NATURAL RESOURCES, AND THE DEPARTMENT OF HEALTH
20 AND HUMAN SERVICES SHALL EACH SUBMIT A LIST OF THE PROJECTS
21 FINANCED UNDER THIS PART BY THAT DEPARTMENT TO THE GOVERNOR, THE
22 STANDING COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE
23 THAT PRIMARILY ADDRESS ISSUES PERTAINING TO THE PROTECTION OF
24 NATURAL RESOURCES AND THE ENVIRONMENT AND PUBLIC HEALTH, AND THE
25 APPROPRIATION SUBCOMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE
26 SENATE ON APPROPRIATIONS ON NATURAL RESOURCES, ENVIRONMENTAL
27 QUALITY, AND PUBLIC HEALTH. EACH LIST SHALL INCLUDE THE NAME,

1 ADDRESS, AND TELEPHONE NUMBER OF THE RECIPIENT OR PARTICIPANT, IF
2 APPROPRIATE; THE NAME AND LOCATION OF THE PROJECT; THE NATURE OF
3 THE PROJECT; THE AMOUNT OF MONEY ALLOCATED TO THE PROJECT; THE
4 COUNTY IN WHICH THE PROJECT IS LOCATED; A BRIEF SUMMARY OF WHAT HAS
5 BEEN ACCOMPLISHED BY THE PROJECT; AND OTHER INFORMATION CONSIDERED
6 PERTINENT BY THE ADMINISTERING STATE DEPARTMENT.

7 SEC. 19809. AN APPLICATION FOR A GRANT FROM THE FUND SHALL BE
8 MADE ON A FORM OR IN A FORMAT PRESCRIBED BY THE ADMINISTERING STATE
9 DEPARTMENT. THE ADMINISTERING STATE DEPARTMENT MAY REQUIRE THE
10 APPLICANT TO PROVIDE ANY INFORMATION REASONABLY NECESSARY TO ALLOW
11 THE ADMINISTERING STATE DEPARTMENT TO MAKE A DETERMINATION REQUIRED
12 BY THIS PART.

13 SEC. 19810. THE ADMINISTERING STATE DEPARTMENT SHALL NOT MAKE
14 A GRANT WITH MONEY FROM THE FUND UNLESS ALL OF THE FOLLOWING
15 CONDITIONS ARE MET:

16 (A) THE APPLICANT DEMONSTRATES THAT THE PROPOSED PROJECT IS IN
17 COMPLIANCE WITH ALL APPLICABLE STATE LAWS AND RULES OR WILL RESULT
18 IN COMPLIANCE WITH STATE LAWS AND RULES.

19 (B) THE APPLICANT DEMONSTRATES TO THE ADMINISTERING STATE
20 DEPARTMENT THE CAPABILITY TO CARRY OUT THE PROPOSED PROJECT.

21 (C) THE APPLICANT DEMONSTRATES TO THE ADMINISTERING STATE
22 DEPARTMENT THAT THERE IS AN IDENTIFIABLE SOURCE OF FUNDS FOR THE
23 FUTURE MAINTENANCE AND OPERATION OF THE PROPOSED PROJECT, IF
24 APPROPRIATE.

25 (D) WITHIN THE LAST 24 MONTHS, THE APPLICANT HAS SUCCESSFULLY
26 UNDERGONE AN AUDIT CONDUCTED IN ACCORDANCE WITH GENERALLY ACCEPTED
27 AUDITING STANDARDS.

1 (E) WITHIN THE LAST 24 MONTHS, THE APPLICANT HAS NOT HAD A
2 GRANT FROM THE ADMINISTERING STATE DEPARTMENT REVOKED OR TERMINATED
3 OR HAD THE ADMINISTERING STATE DEPARTMENT DETERMINE THAT THE
4 APPLICANT DEMONSTRATED AN INABILITY TO MANAGE A GRANT.

5 SEC. 19811. PRIOR TO MAKING A GRANT WITH MONEY FROM THE FUND,
6 THE ADMINISTERING STATE DEPARTMENT SHALL CONSIDER THE EXTENT TO
7 WHICH THE MAKING OF THE GRANT CONTRIBUTES TO THE ACHIEVEMENT OF A
8 BALANCED DISTRIBUTION OF GRANTS AND LOANS THROUGHOUT THE STATE.

9 SEC. 19812. (1) A RECIPIENT OF A GRANT MADE WITH MONEY FROM
10 THE FUND SHALL DO BOTH OF THE FOLLOWING:

11 (A) KEEP AN ACCOUNTING OF THE MONEY SPENT ON THE PROJECT OR
12 FACILITY IN A GENERALLY ACCEPTED MANNER. THE ACCOUNTING IS SUBJECT
13 TO A POST AUDIT.

14 (B) OBTAIN AUTHORIZATION FROM THE ADMINISTERING STATE
15 DEPARTMENT BEFORE IMPLEMENTING A CHANGE THAT SIGNIFICANTLY ALTERS
16 THE PROPOSED PROJECT.

17 (2) THE ADMINISTERING STATE DEPARTMENT MAY REVOKE A GRANT MADE
18 WITH MONEY FROM THE FUND OR WITHHOLD PAYMENT IF THE RECIPIENT FAILS
19 TO COMPLY WITH THE TERMS AND CONDITIONS OF THE GRANT AGREEMENT OR
20 WITH THE REQUIREMENTS OF THIS PART OR THE RULES PROMULGATED UNDER
21 THIS PART, OR WITH OTHER APPLICABLE LAW OR RULES. IF A GRANT IS
22 REVOKED, THE ADMINISTERING STATE DEPARTMENT MAY RECOVER ALL FUNDS
23 AWARDED.

24 (3) THE ADMINISTERING STATE DEPARTMENT MAY WITHHOLD A GRANT
25 UNTIL THE ADMINISTERING STATE DEPARTMENT DETERMINES THAT THE
26 RECIPIENT IS ABLE TO PROCEED WITH THE PROPOSED PROJECT.

27 (4) TO ASSURE TIMELY COMPLETION OF A PROJECT, THE

1 ADMINISTERING STATE DEPARTMENT MAY WITHHOLD 10% OF THE GRANT AMOUNT
2 UNTIL THE PROJECT IS COMPLETE.

3 (5) IF AN APPROVED APPLICANT FAILS TO SIGN A GRANT AGREEMENT
4 WITHIN 90 DAYS AFTER RECEIPT OF A WRITTEN GRANT OFFER BY THE
5 ADMINISTERING STATE DEPARTMENT, THE ADMINISTERING STATE DEPARTMENT
6 MAY CANCEL THE GRANT OFFER. THE APPLICANT MAY NOT APPEAL OR CONTEST
7 A CANCELLATION PURSUANT TO THIS SUBSECTION.

8 (6) THE ADMINISTERING STATE DEPARTMENT MAY TERMINATE A GRANT
9 AGREEMENT AND REQUIRE IMMEDIATE REPAYMENT OF THE GRANT IF THE
10 RECIPIENT USES GRANT FUNDS FOR ANY PURPOSE OTHER THAN FOR THE
11 APPROVED ACTIVITIES SPECIFIED IN THE GRANT AGREEMENT. THE
12 ADMINISTERING STATE DEPARTMENT SHALL PROVIDE THE RECIPIENT WRITTEN
13 NOTICE OF THE TERMINATION 30 DAYS PRIOR TO THE TERMINATION.

14 SEC. 19813. EVERY 2 YEARS THAT STATE PROGRAMS FUNDED WITH
15 MONEY FROM THE FUND CONTINUE TO BE ADMINISTERED, THE AUDITOR
16 GENERAL SHALL CONDUCT A PERFORMANCE AUDIT OF THESE PROGRAMS. UPON
17 COMPLETION OF A PERFORMANCE AUDIT UNDER THIS SECTION, THE AUDITOR
18 GENERAL SHALL SUBMIT A COPY OF THE PERFORMANCE AUDIT TO THE AUDITED
19 DEPARTMENT AND TO THE LEGISLATURE.

20 SEC. 19814. THE DEPARTMENT MAY PROMULGATE RULES NECESSARY TO
21 IMPLEMENT THIS PART.

22 Enacting section 1. This amendatory act does not take effect
23 unless the question provided for in the clean Michigan initiative
24 reauthorization act is approved by a majority of the registered
25 electors voting on the question at the next general election.