

# HOUSE BILL No. 6244

June 12, 2018, Introduced by Reps. Sowerby, Sabo, Rabhi, Green, Chang, Geiss, Lasinski, Elder, Hertel, Chirkun, Yancey, Yanez, Moss, LaGrand, Sneller, Zemke, Cochran, Brinks, Singh, Durhal, Greig, Cambensy, Neeley, Faris, Wittenberg, Phelps, Gay-Dagnogo, Hammoud and Jones and referred to the Committee on Natural Resources.

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
(MCL 324.101 to 324.90106) by adding sections 19806 and 19807.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

8        (C) ANY REPAYMENT OF PRINCIPAL AND INTEREST MADE UNDER A LOAN  
9 PROGRAM AUTHORIZED IN THIS PART.

10       (D) ANY FEDERAL OR OTHER FUNDS RECEIVED.

11       (3) THE DEPARTMENT OF TREASURY MAY ESTABLISH RESTRICTED

1 SUBACCOUNTS WITHIN THE FUND AS NECESSARY TO ADMINISTER THE FUND.

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

4 (A) NOT MORE THAN \$500,000,000.00 FOR WATER AND SEWER  
5 INFRASTRUCTURE PROJECTS.

6 (B) NOT MORE THAN \$100,000,000.00 SHALL BE USED FOR WATER  
7 QUALITY MONITORING AND WATER RESOURCES PROTECTION AND WATER  
8 POLLUTION CONTROL ACTIVITIES.

9 (C) NOT MORE THAN \$100,000,000.00 SHALL BE USED FOR NONPOINT  
10 SOURCE POLLUTION PREVENTION AND CONTROL PROJECTS OR WELLHEAD  
11 PROTECTION PROJECTS.

12 (D) NOT MORE THAN \$50,000,000.00 FOR FAILING ON-SITE  
13 WASTEWATER TREATMENT SYSTEMS.

14 (E) NOT MORE THAN \$400,000,000.00 SHALL BE USED FOR RESPONSE  
15 ACTIVITIES AT FACILITIES.

16 (F) NOT MORE THAN \$25,000,000.00 SHALL BE USED FOR REMEDIATION  
17 OF CONTAMINATED LAKE AND RIVER SEDIMENTS.

18 (G) NOT MORE THAN \$250,000,000.00 SHALL BE USED TO ABATE LEAD  
19 HAZARDS.

20 (H) NOT MORE THAN \$25,000,000.00 SHALL BE USED FOR POLLUTION  
21 PREVENTION PROGRAMS.

22 (I) NOT MORE THAN \$50,000,000.00 SHALL BE USED FOR WATERFRONT  
23 IMPROVEMENTS.

24 (2) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE  
25 FUND. EXCEPT AS MAY BE REQUIRED TO MAINTAIN THE EXCLUSION FROM  
26 GROSS INCOME OF THE INTEREST PAID ON THE BONDS OR TO COMPLY  
27 OTHERWISE WITH STATE OR FEDERAL LAW, INTEREST AND EARNINGS FROM

1 INVESTMENT OF THE PROCEEDS OF ANY BOND ISSUE SHALL BE ALLOCATED IN  
2 THE SAME PROPORTION AS EARNED ON THE INVESTMENT OF THE PROCEEDS OF  
3 THE BOND ISSUE.

4 (3) EXCEPT AS MAY BE REQUIRED TO MAINTAIN THE EXCLUSION FROM  
5 GROSS INCOME OF THE INTEREST PAID ON THE BONDS OR TO COMPLY  
6 OTHERWISE WITH STATE OR FEDERAL LAW, ALL REPAYMENTS OF PRINCIPAL  
7 AND INTEREST EARNED UNDER A LOAN PROGRAM AUTHORIZED BY THIS PART  
8 SHALL BE CREDITED TO THE APPROPRIATE RESTRICTED SUBACCOUNT OF THE  
9 FUND AND USED FOR THE PURPOSES AUTHORIZED FOR THAT SUBACCOUNT OR TO  
10 PAY DEBT SERVICE ON ANY OBLIGATION ISSUED WHICH PLEDGES THE LOAN  
11 REPAYMENTS AND THE PROCEEDS OF WHICH ARE DEPOSITED IN THAT  
12 SUBACCOUNT.

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

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

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

27 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 99th Legislature are  
2 enacted into law:

3 (a) Senate Bill No.\_\_\_\_ or House Bill No. 6243 (request no.  
4 06187'18).

5 (b) Senate Bill No.\_\_\_\_ or House Bill No. 6245 (request no.  
6 06531'18).

7 Enacting section 2. This amendatory act does not take effect  
8 unless the question provided for in the clean Michigan initiative  
9 reauthorization act is approved by a majority of the registered  
10 electors voting on the question at the next general election.