

# SENATE BILL NO. 109

February 26, 2025, Introduced by Senators MCCANN, BAYER, KLINEFELT and WOJNO and referred to Committee on Appropriations.

A bill to amend 1976 PA 390, entitled  
"Emergency management act,"  
by amending the title and sections 18 and 19 (MCL 30.418 and  
30.419), the title as amended by 2006 PA 267, section 18 as amended  
by 2018 PA 263, and section 19 as amended by 2018 PA 264, and by  
adding section 18a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE  
2 An act to provide for planning, mitigation, response, and  
3 recovery from natural and human-made disaster within and outside

1 this state; to create the Michigan emergency management advisory  
 2 council and prescribe its powers and duties; **to create certain**  
 3 **funds**; to prescribe the powers and duties of certain state and  
 4 local agencies and officials; to prescribe immunities and  
 5 liabilities; to provide for the acceptance of gifts; and to repeal  
 6 acts and parts of acts.

7       Sec. 18. (1) A disaster and emergency contingency fund is  
 8 created. ~~and shall be administered by the director. The director~~  
 9 **shall administer the fund.** An annual accounting of expenditures  
 10 under this act ~~shall~~ **must** be made to the legislature and the  
 11 legislature shall annually appropriate sufficient funds to maintain  
 12 the fund at a level not to exceed ~~\$10,000,000.00~~ **\$25,000,000.00** and  
 13 not less than ~~\$2,500,000.00~~. ~~Unexpended \$10,000,000.00.~~ **Except as**  
 14 **otherwise provided under subsection (7), unexpended** and  
 15 unencumbered funds remaining in the disaster and emergency  
 16 contingency fund at the end of the fiscal year ~~shall~~ **do** not lapse  
 17 to the general fund and ~~shall be~~ **are** carried forward and ~~be~~  
 18 available for expenditure in subsequent fiscal years.

19       (2) The director may expend money from the disaster and  
 20 emergency contingency fund upon appropriation for the purpose of  
 21 paying necessary and reasonable overtime, travel, and subsistence  
 22 expenses incurred by an employee of an agency of this state acting  
 23 at the direction of the director in a disaster or emergency related  
 24 operation, and, with the concurrence of the governor or the  
 25 governor's designated representative, for other needs required for  
 26 the mitigation of the effects of, or in response to, a disaster or  
 27 emergency.

28       (3) The director may place directly in the disaster and  
 29 emergency contingency fund a reimbursement for expenditures out of

1 the fund received from the federal government, or another source.

2 (4) If a state of major disaster or emergency is declared by  
3 the President of the United States, and when authorized by the  
4 governor, an expenditure from the fund may be made by the director  
5 upon appropriation to pay the state's matching share of grants as  
6 provided by the ~~disaster relief act of 1974,~~ **Robert T. Stafford**  
7 **disaster relief and emergency assistance act**, Public Law 93-288. ~~7~~  
8 ~~88 Stat 143.~~

9 (5) The state treasurer shall direct the investment of the  
10 disaster and emergency contingency fund. The state treasurer shall  
11 credit to the disaster and emergency contingency fund interest and  
12 earnings from fund investments.

13 (6) The director shall submit a recommendation to the  
14 legislature concerning an amendment to this section that provides  
15 for the use of funds from the disaster and emergency contingency  
16 fund created in this section for an initiative to aid preemptive  
17 disaster resiliency programs. The recommendation described in this  
18 subsection must include information concerning how the initiative  
19 described in this subsection is designed to avoid the worst types  
20 of disasters.

21 (7) Except as otherwise provided in this subsection, each  
22 year, 20% of the funds remaining in the disaster and emergency  
23 contingency fund at the end of the fiscal year may be transferred  
24 and deposited into the state hazard mitigation fund created in  
25 section 18a. The transfer and deposit described in this subsection  
26 may be made only if at the end of the fiscal year the balance in  
27 the disaster and emergency contingency fund, after this transfer  
28 and deposit, will be \$10,000,000.00 or more.

29 Sec. 18a. (1) The state hazard mitigation fund is created in

1 the state treasury.

2 (2) The state treasurer shall deposit money and other assets  
3 received from the disaster and emergency contingency fund, other  
4 state or federal sources, or any other source in the state hazard  
5 mitigation fund. The state treasurer shall direct the investment of  
6 money in the state hazard mitigation fund and credit interest and  
7 earnings from the investments to the state hazard mitigation fund.

8 (3) The department is the administrator of the state hazard  
9 mitigation fund for audits of the state hazard mitigation fund.

10 (4) The unexpended and unencumbered funds remaining in the  
11 state hazard mitigation fund at the end of the fiscal year do not  
12 lapse to the general fund and are carried forward and available for  
13 expenditure in subsequent fiscal years.

14 (5) Subject to subsection (6), the department shall expend  
15 money from the state hazard mitigation fund, on appropriation, only  
16 for the use of hazard mitigation programs by the department of  
17 state police.

18 (6) Before expending any funds from the hazard mitigation  
19 fund, the department must request evidence that the activities to  
20 be completed account for future risks and hazard exposure. Hazard  
21 mitigation funds may be used to rebuild any damaged infrastructure,  
22 in conjunction with funds described under section 19, in a manner  
23 that will further reduce the exposure of the public to future  
24 hazards and mitigate against future loss.

25 (7) The state hazard mitigation fund may be expended by the  
26 department to support the reasonable administrative expenses  
27 related to the administration of the grant program created under  
28 this section.

29 (8) The director shall promulgate administrative rules

governing grant applications, award determinations, eligible expenditures, and program administration that are related to the hazard mitigation fund. The rules described in this subsection must include, but are not limited to, all of the following criteria:

(a) That eligibility for funding is limited to entities eligible to apply as sub-applicants for the Federal Emergency Management Agency's hazard mitigation assistance programs managed and administered by the emergency management and homeland security division within the department. For purposes of this subdivision, eligible sub-applicants include any of the following entities:

(i) State agencies.

(ii) Local governments.

(iii) Federally recognized tribal governments.

(b) Except as otherwise provided in this subdivision, the application process for receipt of funds in the hazard mitigation fund must require a showing of evidence that each applicant for funds has adopted and maintains an adequate local hazard mitigation plan that has been approved by the Federal Emergency Management Agency. For purposes of this subdivision, an applicant without a local hazard mitigation plan that has been approved by the Federal Emergency Management Agency may apply for funding as described in this subdivision to develop a new local hazard mitigation plan or update an existing local hazard mitigation plan that has lapsed.

(c) Reimbursement from funds in the hazard mitigation fund for expenditures is limited to approved hazard mitigation activities that align with eligible activities under the Federal Emergency Management Agency's hazard mitigation assistance programs or section 406 of the Robert T. Stafford disaster relief and emergency assistance act, Public Law 93-288, for public assistance

1 mitigation.

2 (d) The governor-appointed Michigan Citizen-Community  
3 Emergency Response Coordinating Council must be consulted regarding  
4 funding decisions related to the hazard mitigation fund.

5 Sec. 19. (1) Under extraordinary circumstances, upon the  
6 declaration of a state of disaster or a state of emergency by the  
7 governor and subject to the requirements of this subsection, the  
8 governor may authorize an expenditure from the disaster and  
9 emergency contingency fund to provide state assistance to counties  
10 and municipalities when federal assistance is not available. If the  
11 governor proclaims a state of disaster or a state of emergency, the  
12 first recourse for disaster related expenses ~~shall-must~~ be to funds  
13 of the county or municipality. If the demands placed upon the funds  
14 of a county or municipality in coping with a particular disaster or  
15 emergency are unreasonably great, the governing body of the county  
16 or municipality may apply, by resolution of the local governing  
17 body, for a grant from the disaster and emergency contingency fund.  
18 The resolution ~~shall-must~~ certify that the affected county or  
19 municipality emergency operations plan was implemented in a timely  
20 manner. The resolution ~~shall-must~~ set forth the purpose for which  
21 the assistance is sought, the extent of damages sustained, and  
22 certify an exhaustion of local efforts. The assistance under this  
23 subsection is to provide grants, excluding reimbursement for  
24 capital outlay expenditures, in mitigation of the extraordinary  
25 burden of a county or municipality in relation to its available  
26 resources. Assistance grants under this section ~~shall-must~~ not  
27 exceed the following amounts or 10% of the total annual operating  
28 budget for the preceding fiscal year of the county or municipality,  
29 whichever is less:

1 (a) For a county or municipality with a population under  
2 ~~25,000 according to the most recent federal decennial census,~~  
3 ~~\$250,000.00-75,000, \$1,000,000.00.~~

4 (b) For a county or municipality with a population of ~~25,000~~  
5 **75,000** or more, ~~and less than 75,000 according to the most recent~~  
6 ~~federal decennial census, \$500,000.00-\$2,000,000.00.~~

7 ~~(c) For a county or municipality with a population of 75,000~~  
8 ~~or more according to the most recent federal decennial census,~~  
9 ~~\$1,000,000.00.~~

10 (2) The director shall promulgate rules governing the  
11 application and eligibility for the use of the state disaster and  
12 emergency contingency fund. Rules that have been promulgated prior  
13 to December 31, 1988 to implement this section ~~shall~~ remain in  
14 effect until revised or replaced. The rules ~~shall~~ **must** include, but  
15 not be limited to, all of the following:

16 (a) Demonstration of exhaustion of local effort.

17 (b) Evidence that the applicant is a county that actively  
18 maintains an emergency management program, reviewed by and  
19 determined to be current and adequate by the emergency management  
20 division of the department, before the disaster or emergency for  
21 which assistance is being requested occurs. If the applicant is a  
22 municipality with a population of 10,000 or more, evidence that the  
23 municipality either maintains a separate emergency management  
24 program, reviewed by and determined to be current and adequate by  
25 the emergency management division of the department, before the  
26 disaster or emergency for which assistance is being requested or  
27 occurs, or the municipality is incorporated in the county emergency  
28 management program.

29 (c) Evidence that the applicable county or municipal emergency

1 operations plan was implemented in a timely manner at the beginning  
2 of the disaster or emergency.

3 (d) Reimbursement for expenditures ~~shall~~**must** be limited to  
4 public damage and direct loss as a result of the disaster or  
5 emergency, or expenses incurred by the applicant for reimbursing  
6 employees for disaster or emergency related activities which were  
7 not performed as a part of their normal duties, or for other needs  
8 required specifically for the mitigation of the effects, or in  
9 response to the disaster or emergency.

10 (e) A disaster assessment team established by the emergency  
11 management division of the department has substantiated the damages  
12 claimed by the applicant. Damage estimates submitted by the  
13 applicant ~~shall~~**must** be based upon a disaster assessment carried  
14 out by the applicant according to standard procedures recommended  
15 by the emergency management division.