

SENATE BILL NO. 305

May 15, 2025, Introduced by Senators CHANG, BAYER, SHINK, GEISS, CAVANAGH, MCMORROW and IRWIN and referred to Committee on Energy and Environment.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
(MCL 324.101 to 324.90106) by adding section 5534.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5534. (1) As used in this section:
2 (a) "Air quality facility supplemental environmental project"
3 means an environmentally beneficial project for air pollution
4 prevention, air pollution reduction, or air monitoring or
5 evaluation that an alleged violator agrees to undertake at the

1 facility where an air quality violation occurred as part of a
2 settlement of an enforcement action, but that the alleged violator
3 is not otherwise legally required to perform.

4 (b) "AQEM fund" means the air quality enforcement and
5 mitigation fund created in subsection (2).

6 (c) "Environmental justice community" means a geographic area
7 that the department has identified as a community facing a
8 disproportionate environmental burden, using the department's
9 MiEJScreen or the United States Environmental Protection Agency's
10 EJSCREEN and indicators such as sensitive populations,
11 socioeconomic factors, exposures, and environmental effects.

12 (2) The air quality enforcement and mitigation fund is created
13 in the state treasury. The state treasurer shall deposit all civil
14 and administrative fines collected under this part in the AQEM
15 fund. If the person responsible for an alleged violation agrees to
16 a settlement of an enforcement action under section 5528, 5529, or
17 5530, money that the person spends on an air quality facility
18 supplemental environmental project is not a fine for the purposes
19 of this subsection. The state treasurer shall direct the investment
20 of the AQEM fund. The state treasurer shall credit to the AQEM fund
21 interest and earnings from fund investments. Money in the AQEM fund
22 at the close of the fiscal year shall remain in the AQEM fund and
23 shall not lapse to the general fund. The department is the
24 administrator of the AQEM fund for audits of the fund.

25 (3) The department shall expend money from the AQEM fund, upon
26 appropriation, only as follows:

27 (a) Twenty percent of the money shall be expended for
28 functions of the department that are related to 1 or both of the
29 following:

1 (i) Increased air monitoring that benefits environmental
2 justice communities.

3 (ii) Administration of the air quality community impact grant
4 program under subsection (4).

5 (b) Eighty percent of the money shall be expended for air
6 quality community impact grants under subsection (4) for 1 or more
7 of the following in the communities where the violations occurred
8 or nearby communities, giving priority to environmental justice
9 communities:

10 (i) Mitigation of air pollution such as by buffers of
11 vegetation, air filtration systems in homes or schools, and diesel
12 engine retrofit or diesel equipment replacement programs.

13 (ii) Assessments of the health impacts of air pollution.

14 (iii) Education and training programs for community residents
15 and local environmental regulators to increase effectiveness of
16 enforcement programs in deterring violations of this part and rules
17 promulgated or orders issued under this part.

18 (4) The department shall establish an air quality community
19 impact grant program. The program shall provide grants to nonprofit
20 entities, school districts, institutions of higher education, and
21 local units of government, including, but not limited to, local
22 health or environmental departments, for the purposes of subsection
23 (3) (b).

24 (5) The department shall develop guidelines to implement
25 subsection (4). At a minimum, the guidelines shall describe how
26 grants are to be allocated, the procedures for applying for grants,
27 the criteria for awarding grants, and administrative and fiscal
28 requirements governing the receipt and expenditure of grants. The
29 department shall develop the guidelines in consultation with an

1 advisory committee that includes, but is not limited to, at least 1
2 of each of the following:

3 (a) A public health expert.

4 (b) A representative of an environmental justice organization.

5 (c) A representative of the department of health and human
6 services.

7 (d) A representative of a local health department or local
8 environmental department.

9 (e) Two residents of environmental justice communities.

10 (f) An industry representative who has a background in
11 environmental compliance or mitigation of the effects of pollution.

12 (6) The department, in collaboration with environmental
13 justice and environmental interest groups, shall develop a process
14 to identify environmental justice communities, including
15 researching best practices in the United States. The identification
16 process shall include community engagement to obtain information
17 and feedback.

18 (7) The department shall post on its website and otherwise
19 make publicly available an annual report on the purposes for which
20 grants were awarded under subsection (3) (b), including the
21 communities affected.

22 Enacting section 1. This amendatory act takes effect 90 days
23 after the date it is enacted into law.