

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2006**

Introduced by Senator Brown

ENROLLED SENATE BILL No. 538

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending sections 14501 and 14513 (MCL 324.14501 and 324.14513), section 14501 as amended by 2004 PA 333 and section 14513 as amended by 2004 PA 334.

The People of the State of Michigan enact:

Sec. 14501. As used in this part:

(a) "Agricultural biomass" means residue and waste generated on a farm or by farm co-operative members from the production and processing of agricultural products, animal wastes, food processing wastes, or other materials as approved by the director.

(b) "Department" means the department of environmental quality.

(c) "Director" means the director of the department of environmental quality.

(d) "Eligible farmer or agricultural processor" means a person who processes agricultural products or a person who is engaged as an owner-operator of a farm in the production of agricultural goods as defined by section 35(1)(h) of the single business tax act, 1975 PA 228, MCL 208.35.

(e) "Environmental wastes" means all environmental pollutants, wastes, discharges, and emissions, regardless of how they are regulated and regardless of whether they are released to the general environment or the workplace environment.

(f) "Pollution prevention" means all of the following:

(i) "Source reduction" as defined in 42 USC 13102.

(ii) "Pollution prevention" as described in the United States environmental protection agency's pollution prevention statement dated June 15, 1993.

(iii) Environmentally sound on-site or off-site reuse or recycling including, but not limited to, the use of agricultural biomass by qualified agricultural energy production systems.

(g) "Qualified agricultural energy production system" means the structures, equipment, and apparatus to be used to produce a gaseous fuel from the noncombustive decomposition of agricultural biomass and the apparatus and equipment used to generate electricity or heat from the gaseous fuel or store the gaseous fuel for future generation of electricity or heat. Qualified agricultural energy production system may include, but is not limited to, a methane digester, biomass gasification technology, or thermal depolymerization technology.

(h) "RETAP" means the retired engineers technical assistance program created in section 14511.

(i) "Retap fund" means the retired engineers technical assistance program fund created in section 14512.

(j) "Small business" means a business that is not dominant in its field as described in 13 CFR part 121 and meets both of the following requirements:

(i) Is independently owned or operated, by a person that employs 500 or fewer individuals.

(ii) Is a small business concern as defined in 15 USC 632.

Sec. 14513. (1) The small business pollution prevention assistance revolving loan fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department shall expend money from the fund, upon appropriation, to provide loans to small businesses to implement pollution prevention projects. For each loan issued under this section, the money shall be disbursed by the department to a lending institution that has entered into a loan participation agreement with the department.

(5) To be eligible for a loan from the fund for a qualified agricultural energy production system, an applicant shall meet all of the following requirements:

(a) The applicant shall be an eligible farmer or agricultural processor, or a for-profit farmer cooperative corporation organized under and operated in accordance with sections 98 to 109 of 1931 PA 327, MCL 450.98 to 450.109.

(b) The applicant shall be verified under the appropriate system of the Michigan agriculture environmental assurance program administered by the department of agriculture.

(c) Within a 3-year period immediately preceding the date the application was submitted, the applicant shall not have been found guilty of a criminal violation under this act.

(d) Within a 1-year period immediately preceding the date the application was submitted, the applicant shall not have been found responsible for a civil violation under this act that resulted in a civil fine of \$10,000.00 or more.

(6) The amount of a loan from the fund shall not exceed \$200,000.00. A small business shall not receive more than 1 loan in any 3-year period. Interest rates paid by the small business shall be set by the director, but shall not exceed 5%.

(7) As used in this section, "fund" means the small business pollution prevention assistance revolving loan fund created in subsection (1).

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Ray E. Randall

Clerk of the House of Representatives

Approved

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Governor