

**SUBSTITUTE FOR  
SENATE BILL NO. 677**

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending sections 21556 and 21559 (MCL 324.21556 and 324.21559),  
section 21556 as added by 2006 PA 321 and section 21559 as added by  
2006 PA 322.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 21556. (1) To be considered for eligibility for  
2 reimbursement under the first round of the temporary reimbursement  
3 program, a person shall submit to the department a completed first  
4 round precertification application on a form provided by the  
5 department. A person may submit more than 1 first round  
6 precertification application if he or she possesses more than 1  
7 approved claim for releases that meet the eligibility requirements  
8 in subsection (3)(a) to (d).

1           (2) To be considered for approval, first round  
2 precertification applications shall be received by the department  
3 at or before 5 p.m. on the one hundred eightieth day following the  
4 department's initiation date of the application period.

5           (3) In order for a person to be eligible for reimbursement  
6 under the first round of the temporary reimbursement program, the  
7 completed first round precertification application shall  
8 demonstrate all of the following:

9           (a) That the person was the owner or operator who submitted  
10 and had an approved claim or that the person received a valid  
11 assignment of an approved claim in accordance with section 21516.

12           (b) That the release for which the approved claim was obtained  
13 has not been closed pursuant to part 213.

14           (c) That the release for which the approved claim was obtained  
15 caused the site to be classified as a class 1 or class 2 site,  
16 based on the most recently submitted data or reports prior to May  
17 9, 2005, or as otherwise determined by the department prior to May  
18 9, 2005.

19           (d) For underground storage tank systems that are operating at  
20 the location from which the release occurred, that the owner or  
21 operator, if he or she is the applicant, is currently in compliance  
22 with the registration and fee requirements of part 211.

23           (4) All applications for the temporary reimbursement program  
24 shall be considered on a first-come, first-served basis. If the  
25 first round precertification application received by the department  
26 successfully demonstrates eligibility in accordance with  
27 subsections (2) and (3), the department shall approve the first

1 round precertification application. Not more than 900  
2 precertification applications shall be approved by the department.

3 ~~— (5) An eligible person shall have 540 days after the date of~~  
4 ~~approval of the precertification application to perform corrective~~  
5 ~~actions pursuant to part 213 at the site of release in accordance~~  
6 ~~with section 21558.~~

7 (5) ~~(6)~~ Only corrective action costs incurred after the date  
8 of approval of the precertification application and up to ~~the five~~  
9 ~~hundred fortieth day following precertification application~~  
10 ~~approval~~ **SEPTEMBER 30, 2009** shall be considered for reimbursement  
11 by the department. Corrective action costs incurred after ~~the five~~  
12 ~~hundred fortieth day~~ **SEPTEMBER 30, 2009** are not eligible for  
13 reimbursement.

14 (6) ~~(7)~~ An eligible person may receive up to \$50,000.00 or  
15 such additional amount as may be made available pursuant to section  
16 21557(8), for approved corrective action costs for each approved  
17 precertification application.

18 (7) ~~(8)~~ An eligible person shall submit all work invoices for  
19 which reimbursement is being sought to the department ~~within 600~~  
20 ~~days following the precertification application approval date~~ **NOT**  
21 **LATER THAN DECEMBER 29, 2009**. An eligible person shall not submit a  
22 request for reimbursement that totals less than ~~\$5,000.00~~ **\$3,000.00**  
23 for the costs of corrective action, except for the last  
24 reimbursement request.

25 (8) ~~(9)~~ Eligible persons shall receive reimbursement of 80% of  
26 the amount of each approved work invoice until the maximum  
27 reimbursement amount is reached. The remaining 20% shall be

1 considered the co-pay amount. Proof of payment of the co-pay amount  
2 is required with each work invoice submittal.

3 (9) ~~(10)~~—Corrective actions for which reimbursement is sought  
4 shall conform to the requirements of part 213 and section 21558.  
5 Requests for reimbursement are subject to sections 21559 to 21561.

6 (10) ~~(11)~~—Any allocated amount for reimbursement in the first  
7 round that is not expended, but subject to appeal pursuant to  
8 section 21561, shall be held in reserve until the appeal is  
9 exhausted and a final reimbursement determination is made.

10 Sec. 21559. (1) For an eligible person to receive money under  
11 the temporary reimbursement program for corrective action, all of  
12 the following conditions shall be met:

13 (a) The eligible person, and the consultant retained by the  
14 eligible person, shall follow the procedures outlined in this  
15 section and shall submit reports, work plans, feasibility analyses,  
16 hydrogeological studies, and corrective action plans prepared under  
17 part 213 to the department, and shall provide other information  
18 required by the department relevant to determining compliance with  
19 this part and part 213.

20 (b) The eligible person shall submit a work invoice to the  
21 department, with an attached summary report of the work performed  
22 under the invoice and results of the work performed, including, but  
23 not limited to, laboratory results, soil boring logs, construction  
24 logs, site investigation results, and other information that may be  
25 requested by the department.

26 (c) Work invoices shall comply with all of the following:

27 (i) Be submitted on a standardized work invoice form provided

1 by the department.

2 (ii) Contain complete information in accordance with the form  
3 and the requirements of this section and as requested by the  
4 department.

5 (iii) Be in an amount ~~not less than \$5,000.00, except for the~~  
6 ~~last work invoice submitted for reimbursement under the approved~~  
7 ~~precertification application~~ **CONSISTENT WITH THE REQUIREMENTS OF**  
8 **SECTION 21556.**

9 (2) Upon receipt of a work invoice pursuant to subsection (1),  
10 the department shall make all of the following determinations:

11 (a) Whether the work performed is necessary and appropriate  
12 considering conditions at the site of the release.

13 (b) Whether the cost of performing the work is reasonable.

14 (c) Whether the eligible person is eligible to receive funding  
15 under this part.

16 (d) Whether the consultant retained by the eligible person has  
17 complied with section 21558.

18 (3) The department shall deny payment of a work invoice if the  
19 department determines that the corrective action work performed is  
20 not consistent with the requirements of part 213 or does not comply  
21 with the requirements of this part.

22 (4) Within 45 days after receipt of a work invoice, the  
23 department shall determine whether the work invoice complies with  
24 subsections (1) to (3). The department shall notify the eligible  
25 person in writing of such a determination.

26 (5) The department shall keep records of approved  
27 precertification applications and work invoices. If the eligible

1 person has not exceeded the allowable amount of expenditure  
2 provided in sections 21556 and 21557, the department shall forward  
3 an approved payment voucher to the state treasurer within 45 days  
4 after approval of the work invoice.

5 (6) Except as provided in subsection (7) or as otherwise  
6 provided in this subsection, upon receipt of an approved payment  
7 voucher, the state treasurer shall make a payment jointly to the  
8 eligible person and the consultant within 30 days. However, the  
9 eligible person may submit to the department a signed affidavit  
10 stating that the consultant listed on a work invoice has been paid  
11 in full. The affidavit shall list the work invoice number and  
12 precertification application to which the affidavit applies, a  
13 statement that the eligible person has mailed a copy of the  
14 affidavit by first-class mail to the consultant listed on the work  
15 invoice, and the date that the affidavit was mailed to the  
16 consultant. The department is not required to verify affidavits  
17 submitted under this subsection. If, within 14 days after the  
18 affidavit was mailed to the consultant under this subsection, the  
19 department has not received an objection in writing from the  
20 consultant listed on the work invoice, the state treasurer shall  
21 make the payment directly to the eligible person. If a check has  
22 already been issued to the eligible person and the consultant, the  
23 eligible person shall return the original check to the department  
24 along with the affidavit. If, within 14 days after the affidavit  
25 was mailed to the consultant, the department has not received an  
26 objection from the consultant listed on the check, the state  
27 treasurer shall reissue a check to the eligible person. If a

1 consultant objects to an affidavit received under this subsection  
2 and notifies the department in writing within 14 days after the  
3 affidavit was mailed to the consultant, the department shall notify  
4 the state treasurer, and the state treasurer shall issue or reissue  
5 the check to the eligible person and the consultant. The grounds  
6 for an objection by a consultant under this subsection shall be  
7 that the consultant has not been paid in full and the objection  
8 shall be made by affidavit. The state treasurer shall issue checks  
9 under this subsection within 60 days after an affidavit has been  
10 received by the department. Once payment has been made under this  
11 section, the refined petroleum fund is not liable for any claim on  
12 the basis of that payment.

13 (7) The temporary reimbursement program is subject to section  
14 21548.

15 (8) Upon direction of the department, the state treasurer may  
16 withhold partial payment of money on payment vouchers if there is  
17 reasonable cause to believe that there are violations of section  
18 21548 or if necessary to assure acceptable completion of the  
19 corrective actions.