SENATE BILL NO. 565

June 24, 2021, Introduced by Senators BUMSTEAD, VICTORY, MCBROOM, RUNESTAD, DALEY, MACDONALD, BIZON, ZORN, THEIS, OUTMAN, NESBITT, HORN, LAUWERS, VANDERWALL, JOHNSON, LASATA, STAMAS, BARRETT and SCHMIDT and referred to the Committee on Appropriations.

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2021; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2021, from the following funds:
### APPROPRIATION SUMMARY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROSS APPROPRIATION</strong></td>
<td>$ 2,500,000,000</td>
</tr>
<tr>
<td>Interdepartmental grant revenues:</td>
<td></td>
</tr>
<tr>
<td>Total interdepartmental grants and</td>
<td></td>
</tr>
<tr>
<td>intradepartmental transfers</td>
<td>0</td>
</tr>
<tr>
<td><strong>ADJUSTED GROSS APPROPRIATION</strong></td>
<td>$ 2,500,000,000</td>
</tr>
<tr>
<td>Federal revenues:</td>
<td></td>
</tr>
<tr>
<td>Total other federal revenues</td>
<td>2,210,000,000</td>
</tr>
<tr>
<td>Special revenue funds:</td>
<td></td>
</tr>
<tr>
<td>Total local revenues</td>
<td>0</td>
</tr>
<tr>
<td>Total private revenues</td>
<td>0</td>
</tr>
<tr>
<td>Total other state restricted revenues</td>
<td>290,000,000</td>
</tr>
<tr>
<td>State general fund/general purpose</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

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### (1) DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROSS APPROPRIATION</strong></td>
<td>$ 15,000,000</td>
</tr>
<tr>
<td>Interdepartmental grant revenues:</td>
<td></td>
</tr>
<tr>
<td>Total interdepartmental grants and</td>
<td></td>
</tr>
<tr>
<td>intradepartmental transfers</td>
<td>0</td>
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<td>Total other state restricted revenues</td>
<td>0</td>
</tr>
<tr>
<td>State general fund/general purpose</td>
<td>$ 0</td>
</tr>
</tbody>
</table>
(2) ONE-TIME APPROPRIATIONS

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture pollution prevention fund</td>
<td>$15,000,000</td>
</tr>
</tbody>
</table>

GROSS APPROPRIATION $15,000,000

Appropriated from:

Federal revenues:

Coronavirus state fiscal recovery fund 15,000,000

State general fund/general purpose $ 0

Sec. 103. DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION $2,485,000,000

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers 0

ADJUSTED GROSS APPROPRIATION $2,485,000,000

Federal revenues:

Total other federal revenues 2,195,000,000

Special revenue funds:

Total local revenues 0

Total private revenues 0

Total other state restricted revenues 290,000,000

State general fund/general purpose $ 0

(2) ONE-TIME APPROPRIATIONS

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean water infrastructure</td>
<td>$235,000,000</td>
</tr>
<tr>
<td>Dam risk reduction revolving loan fund</td>
<td>650,000,000</td>
</tr>
<tr>
<td>Drinking water program</td>
<td>400,000,000</td>
</tr>
<tr>
<td>Emergency dam safety action fund</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Emergency dam safety grant program</td>
<td>15,000,000</td>
</tr>
</tbody>
</table>
Failing septic system loans 35,000,000
Geologic data collection 15,000,000
Healthy hydration 85,000,000
Lead line replacement 600,000,000
Michigan water use advisory council recommendations 5,000,000
PFAS remediation grant program 100,000,000
Public health risk reduction grants 20,000,000
Stormwater, asset management, and wastewater program grants 100,000,000
Waste water - clean water infrastructure grants 200,000,000
Wetland mitigation grants 10,000,000
GROSS APPROPRIATION $ 2,485,000,000

Appropriated from:
Federal revenues:
Coronavirus state fiscal recovery fund 2,195,000,000
Special revenues:
Great Lakes water quality bond 290,000,000
State general fund/general purpose $ 0

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS
Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2021 is $290,000,000.00 and total state spending from state sources to be paid to local units of government is $0.00.
Sec. 202. The appropriations made and expenditures authorized under this part and part 1 and the departments, commissions, boards, offices, and programs for which appropriations are made under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this act, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within this act for the particular department, board, commission, office, or institution.

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Sec. 301. (1) From the funds appropriated in part 1 for agriculture pollution prevention fund, $10,000,000.00 shall be used for incentives or cost sharing to assist farmers and landowners with implementing conservation, environmental risk reduction, and natural resource protection with a special focus on efforts resulting in an impact on the western Lake Erie basin.

(2) From the funds appropriated in part 1 for agriculture pollution prevention fund, $5,000,000.00 shall be used as a grant program to conservation districts to provide increased services to those seeking assistance from the Michigan agriculture environmental assistance program (MAEAP).

(3) Funds appropriated in part 1 for agriculture pollution prevention fund must not be spent or otherwise distributed unless Senate Bill No. 494 of the 101st Legislature is enacted into law.

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
Sec. 401. Funds appropriated in part 1 for clean water infrastructure must not be spent or otherwise distributed unless Senate Bill No. 319 and Senate Bill No. 320 of the 101st Legislature are enacted into law.

Sec. 402. Funds appropriated in part 1 for emergency dam safety grant program, emergency dam safety action fund, and dam risk reduction revolving loan fund must not be spent or otherwise distributed unless Senate Bill No. 470 of the 101st Legislature is enacted into law.

Sec. 403. (1) From the funds appropriated in part 1 for drinking water program, $100,000,000.00 shall be used for a grant program for water suppliers to connect adjacent water systems or to allow 2 or more systems to consolidate.

(2) From the funds appropriated in part 1 for drinking water program, $50,000,000.00 shall be used for private well owner resources, including 1 or more of the following:

(a) Grants to private well owners to connect to an adjacent community water system as a result of contamination or failure.

(b) Grants to private well owners to replace or increase the depth of a well as a result of contamination or failure.

(c) Grants to local health departments to provide free or low-cost water testing to private well owners. Testing offered must include coliforms, nitrates/nitrites, arsenic, and other contaminants as determined by application.

(3) From the funds appropriated in part 1 for drinking water program, $200,000,000.00 shall be designated as a work project appropriation for use as the state 20% match for the federal drinking water revolving fund. Any unencumbered or unallotted funds allocated pursuant to this subsection shall not lapse at the end of
the fiscal year and shall be available for expenditures for
projects under this section until the projects have been completed.
The following is in compliance with section 451a(1) of the
management and budget act, 1984 PA 431, MCL 18.1451a:
   (a) The purpose of the work project is to provide 20% match
funding for the federal drinking water revolving fund.
   (b) The projects will be accomplished by utilizing state
employees or contracts with service providers, or both.
   (c) The total estimated cost of the work project is
$200,000,000.00.
   (d) The tentative completion date is September 30, 2025.
Sec. 404. Funds appropriated in part 1 for failing septic
system loans must not be spent or otherwise distributed unless
Senate Bill No. 319 of the 101st Legislature is enacted into law.
Sec. 405. (1) From the funds appropriated in part 1 for
geologic data collection, the department of environment, Great
Lakes, and energy shall annually make $3,000,000.00 available to
the United States Geological Survey (USGS) to conduct data
collection and mapping to expand geologic information in up to 25
targeted areas in this state.
   (2) Funds appropriated in part 1 for geologic data collection
must not be spent or otherwise distributed unless Senate Bill No.
488 of the 101st Legislature is enacted into law.
Sec. 406. (1) From the funds appropriated in part 1 for
healthy hydration, the department of environment, Great Lakes, and
energy shall award grants to schools for the installation of
filtered drinking water stations. Grant applicants shall provide a
30% match.
   (2) Funds appropriated in part 1 for healthy hydration must
not be spent or otherwise distributed unless Senate Bill No. 184 and Senate Bill No. 185 of the 101st Legislature are enacted into law.

Sec. 407. From the funds appropriated in part 1 for lead line replacement, the department of environment, Great Lakes, and energy shall award grants to water suppliers for costs related to service line replacement to meet the Michigan lead and copper rule. Grant applicants shall provide a 50% project match. Not less than 25% annually shall be spent in rural communities with a population of not more than 10,000 people according to the most recent federal decennial census.

Sec. 409. Funds appropriated in part 1 for public health risk reduction grants must not be spent or otherwise distributed unless Senate Bill No. 320 of the 101st Legislature is enacted into law.

Sec. 411. (1) From the funds appropriated in part 1 for wastewater–clean water infrastructure grants, the department of environment, Great Lakes, and energy shall award grants for design and construction projects to address sanitary and combined sewer overflows, and correct illicit connections to municipal drainage systems.

(2) Not less than $40,000,000.00 shall be allocated for grants to small communities for the design and construction of community wastewater facilities for communities with a population of not more than 5,000 according to the most recent decennial census where the majority of residents rely solely on individual septic systems for waste water.

Sec. 412. From the funds appropriated in part 1 for waste water–small community septic replacement grants, the department of environment, Great Lakes, and energy shall award grants for
design and construction of community wastewater facilities for communities with a population of not more than 5,000 according to the most recent decennial census where the majority of residents rely solely on individual septic systems for waste water.

Sec. 413. From the funds appropriated in part 1 for PFAS Remediation grant program, the department shall award grants for PFAS remediation projects at sites with no identified responsible party and shall address drinking water, groundwater, or surface water contamination from PFAS.

Sec. 414. (1) From the funds appropriated in part 1 for wetland mitigation grants, the department shall award grants to provide assistance for wetland mitigation actions including the purchase of wetland mitigation banking credits when available. Grant applicants must provide a 20% match. The grant program would provide assistance to those with approved wetland mitigation requirements resulting from permit applications under part 303 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30301 to 324.30328.

(2) The grant agreement shall contain terms established by the department and the requirement that the grant recipient repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8% per year, in the event that the part 303 permit is not issued.

Sec. 415. (1) From the funds appropriated in part 1 for Michigan water use advisory council (WUAC) recommendations for water conservation, data collection, and modeling, the department shall utilize the following as recommended in the December 2020 report by the WUAC:

(a) $2,100,000.00 for the creation of the Michigan hydrologic
framework.

(b) $485,000.00 for the installation and development of a groundwater monitoring well network.

(c) $350,000.00, in coordination with the United States Geologic Survey, for streamflow gauges.

(d) $250,000.00 for the Michigan integrated water management database.

(e) $200,000.00, in coordination with Michigan State University Extension, to develop and execute an educational program for agricultural water use efficiency.

(f) $55,000.00 to update statewide key aquifer properties for use in the water withdrawal assessment tool (WWAT).

(g) $50,000.00 to update the user interface for the WWAT.

(h) $50,000.00 for analysis and planning for long-term data collection priorities.

(i) $50,000.00 for a report identifying water conservation programming and policy needs as compared to existing programs at the state and national level.

(j) $40,000.00 for transition probability geostatistical mapping in Cass and Calhoun Counties.

(2) The unexpended funds appropriated in part 1 for Michigan water use advisory council recommendations are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to support the Michigan
water use advisory council recommendations.

(b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the work project is $5,000,000.00.

(d) The tentative completion date is September 30, 2024.