

**SUBSTITUTE FOR  
SENATE BILL NO. 1086**

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. Subject to the conditions set forth in this act, the

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amounts listed in this part are appropriated for the department of

1 environmental quality for the fiscal year ending September 30,  
 2 2007, from the funds indicated in this part. The following is a  
 3 summary of the appropriations in this part:

4 **DEPARTMENT OF ENVIRONMENTAL QUALITY**

5 APPROPRIATION SUMMARY:

6	Full-time equated unclassified positions .....	6.0	
7	Full-time equated classified positions.....	1,561.7	
8	GROSS APPROPRIATION.....		\$ 372,128,500
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and intradepartmental		
11	transfers .....		18,233,600
12	ADJUSTED GROSS APPROPRIATION.....		\$ 353,894,900
13	Federal revenues:		
14	Total federal revenues.....		140,338,500
15	Special revenue funds:		
16	Total local revenues.....		0
17	Total private revenues.....		450,000
18	Total other state restricted revenues.....		180,212,000
19	State general fund/general purpose.....		\$ 32,894,400
20	FUND SOURCE SUMMARY:		
21	Full-time equated unclassified positions.....	6.0	
22	Full-time equated classified positions.....	1,561.7	
23	GROSS APPROPRIATION.....		\$ 372,128,500
24	Interdepartmental grant revenues:		
25	IDG-MDCH, local public health operations.....		10,472,500
26	IDG-MDSP.....		719,800
27	IDG, Michigan transportation fund.....		1,020,800

1	IDT, interdivisional charges.....	2,053,400
2	IDT, laboratory services.....	3,967,100
3	Total interdepartmental grants and intradepartmental	
4	transfers .....	18,233,600
5	ADJUSTED GROSS APPROPRIATION.....	\$ 353,894,900
6	Federal revenues:	
7	DHHS, federal.....	6,100
8	DHS, federal.....	1,522,700
9	DOC-NOAA, federal.....	3,577,000
10	DOD, federal.....	1,091,800
11	DOI, federal.....	584,500
12	EPA, brownfield cleanup revolving loan fund.....	1,000,000
13	EPA, multiple.....	132,556,400
14	Total federal revenues.....	140,338,500
15	Special revenue funds:	
16	Private funds.....	450,000
17	Total private revenues.....	450,000
18	Aboveground storage tank fees.....	824,000
19	Air emissions fees.....	13,550,500
20	Aquifer protection revolving fund.....	400,000
21	Campground fund.....	248,500
22	Clean Michigan initiative - administration.....	1,295,600
23	Clean Michigan initiative - clean water fund.....	3,276,900
24	Cleanup and redevelopment fund.....	12,774,600
25	Community pollution prevention fund.....	250,000
26	Environmental education fund.....	206,700
27	Environmental pollution prevention fund.....	2,028,700

1	Environmental protection fund.....	5,566,000
2	Environmental response fund.....	11,419,100
3	Fees and collections.....	583,800
4	Financial instruments.....	5,000,000
5	Great Lakes protection fund.....	2,563,200
6	Groundwater discharge permit fees.....	2,033,900
7	Hazardous materials transportation permit fund.....	226,600
8	Laboratory data quality recognition fund.....	15,700
9	Land and water permit fees.....	2,586,700
10	Landfill maintenance trust fund.....	54,000
11	Medical waste emergency response fund.....	250,900
12	Metallic mining surveillance fee revenue.....	91,000
13	Mineral well regulatory fee revenue.....	238,000
14	Nonferrous metallic mineral surveillance.....	210,500
15	NPDES fees.....	3,563,800
16	Oil and gas regulatory fund.....	10,043,000
17	Orphan well fund.....	2,041,200
18	Public swimming pool fund.....	556,500
19	Public utility assessments.....	814,600
20	Public water supply fees.....	4,694,500
21	Publication revenue.....	116,400
22	Refined petroleum fund.....	34,729,300
23	Retired engineers technical assistance fund.....	1,500,600
24	Revolving loan revenue bonds.....	11,400,000
25	Saginaw Bay and River restoration revenue.....	169,900
26	Sand extraction fee revenue.....	196,300
27	Scrap tire regulatory fund.....	6,005,300

1	Septage waste contingency fund.....	36,600
2	Septage waste license fees.....	1,835,800
3	Settlement funds.....	3,080,300
4	Sewage sludge land application fee.....	862,600
5	Small business pollution prevention revolving loan	
6	fund .....	104,000
7	Soil erosion and sedimentation control training fund.	111,400
8	Solid waste program fees.....	4,524,800
9	Stormwater permit fees.....	2,942,800
10	Strategic water quality initiatives fund.....	10,015,300
11	Underground storage tank fees.....	3,485,000
12	Waste reduction fee revenue.....	4,722,000
13	Wastewater operator training fees.....	181,300
14	Water analysis fees.....	3,497,900
15	Water pollution control revolving fund.....	3,119,100
16	Water quality protection fund.....	25,000
17	Water use reporting fees.....	141,800
18	Total other state restricted revenues.....	180,212,000
19	State general fund/general purpose.....	\$ 32,894,400
20	<b>Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT</b>	
21	Full-time equated unclassified positions .....	6.0
22	Full-time equated classified positions.....	78.0
23	Unclassified salaries--6.0 FTE positions.....	\$ 482,600
24	Administrative hearings.....	422,600
25	Automated data processing.....	2,053,400
26	Central operations--62.0 FTE positions.....	6,660,400
27	Environmental support projects.....	5,000,000

1	Executive direction--9.0 FTE positions .....	2,171,600
2	Human resource optimization user charges .....	96,000
3	Office of the Great Lakes--7.0 FTE positions .....	973,700
4	Building occupancy charges .....	7,910,000
5	Rent - privately owned property .....	<u>2,066,900</u>
6	GROSS APPROPRIATION .....	27,837,200
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDT, interdivisional charges .....	2,053,400
10	IDT, laboratory services .....	499,900
11	Federal revenues:	
12	DOI, federal .....	155,400
13	EPA, multiple .....	268,600
14	Special revenue funds:	
15	Aboveground storage tank fees .....	90,300
16	Air emissions fees .....	853,800
17	Campground fund .....	17,800
18	Clean Michigan initiative - administration .....	183,900
19	Cleanup and redevelopment fund .....	1,368,400
20	Environmental education fund .....	206,700
21	Environmental pollution prevention fund .....	63,000
22	Environmental protection fund .....	51,600
23	Environmental response fund .....	1,254,700
24	Fees and collections .....	50,400
25	Financial instruments .....	5,000,000
26	Great Lakes protection fund .....	563,200
27	Groundwater discharge permit fees .....	121,600

1	Hazardous materials transportation permit fund.....	15,400
2	Land and water permit fees.....	112,500
3	Medical waste emergency response fund.....	20,500
4	NPDES fees.....	325,500
5	Oil and gas regulatory fund.....	1,646,700
6	Public swimming pool fund.....	31,200
7	Public utility assessments.....	32,800
8	Public water supply fees.....	548,800
9	Refined petroleum fund.....	4,457,200
10	Retired engineers technical assistance fund.....	26,300
11	Scrap tire regulatory fund.....	124,500
12	Settlement funds.....	882,900
13	Sewage sludge land application fee.....	38,900
14	Solid waste program fees.....	141,300
15	Stormwater permit fees.....	222,000
16	Underground storage tank fees.....	278,600
17	Waste reduction fee revenue.....	264,700
18	Wastewater operator training fees.....	13,200
19	Water analysis fees.....	124,500
20	Water use reporting fees.....	8,400
21	State general fund/general purpose.....	\$ 5,718,600
22	<b>Sec. 103. AIR QUALITY</b>	
23	Full-time equated classified positions.....	241.5
24	Air quality programs--241.5 FTE positions.....	\$ <u>23,998,500</u>
25	GROSS APPROPRIATION.....	\$ 23,998,500
26	Appropriated from:	
27	Federal revenues:	

1	EPA, multiple.....		5,758,900
2	Special revenue funds:		
3	Air emissions fees.....		11,459,100
4	Environmental response fund.....		102,400
5	Fees and collections.....		393,600
6	Oil and gas regulatory fund.....		103,600
7	Refined petroleum fund.....		2,747,500
8	State general fund/general purpose.....	\$	3,433,400
9	<b>Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES</b>		
10	Full-time equated classified positions.....	184.0	
11	Program services and grant management--27.5 FTE		
12	positions .....	\$	3,352,700
13	Laboratory services--68.0 FTE positions.....		6,609,600
14	Municipal assistance--35.5 FTE positions.....		5,227,800
15	Pollution prevention and technical assistance--53.0		
16	FTE positions .....		5,110,800
17	Pollution prevention outreach.....		300,000
18	Retired engineers technical assistance program.....		1474300
19	Revitalization revolving loan program.....		<u>1,000,000</u>
20	GROSS APPROPRIATION.....	\$	23,075,200
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDT, laboratory services.....		3,467,200
24	Federal revenues:		
25	DOC-NOAA, federal.....		343,600
26	EPA, brownfield cleanup revolving loan fund.....		1,000,000
27	EPA, multiple.....		3,344,000



1	Special revenue funds:	
2	Private funds.....	300,000
3	Air emissions fees.....	738,700
4	Clean Michigan initiative - administration.....	169,600
5	Environmental protection fund.....	66,600
6	Environmental response fund.....	644,800
7	Laboratory data quality recognition fund.....	15,700
8	Public water supply fees.....	244,200
9	Retired engineers technical assistance fund.....	1,474,300
10	Settlement funds.....	227,400
11	Small business pollution prevention revolving loan	
12	fund .....	104,000
13	Stormwater permit fees.....	93,200
14	Strategic water quality initiatives fund.....	215,300
15	Waste reduction fee revenue.....	4,169,700
16	Wastewater operator training fees.....	168,100
17	Water analysis fees.....	3,214,100
18	Water pollution control revolving fund.....	2,333,100
19	State general fund/general purpose.....	\$ 741,600
20	<b>Sec. 105. OFFICE OF GEOLOGICAL SURVEY</b>	
21	Full-time equated classified positions.....	68.0
22	Coal and sand dune management--3.0 FTE positions .....	\$ 619,600
23	Metallic mine reclamation--1.0 FTE position.....	91,000
24	Mineral wells management--3.0 FTE positions .....	241,700
25	Nonferrous metallic mining--2.0 FTE positions .....	206,800
26	Orphan well--2.0 FTE positions .....	2,041,200
27	Services to oil and gas--57.0 FTE positions .....	<u>7,243,500</u>

1	GROSS APPROPRIATION.....	\$	10,443,800
2	Appropriated from:		
3	Federal revenues:		
4	DOI, federal.....		423,300
5	Special revenue funds:		
6	Metallic mining surveillance fee revenue.....		91,000
7	Mineral well regulatory fee revenue.....		238,000
8	Nonferrous metallic mineral surveillance.....		210,500
9	Oil and gas regulatory fund.....		7,127,100
10	Orphan well fund.....		2,041,200
11	Publication revenue.....		116,400
12	Sand extraction fee revenue.....		196,300
13	State general fund/general purpose.....	\$	0
14	<b>Sec. 106. LAND AND WATER MANAGEMENT</b>		
15	Full-time equated classified positions.....	129.0	
16	Program direction--8.0 FTE positions.....	\$	904,500
17	Field permitting and project assistance--72.0 FTE		
18	positions .....		7,221,000
19	Great Lakes shorelands--28.0 FTE positions.....		2,559,000
20	Water management--21.0 FTE positions.....		<u>2,618,800</u>
21	GROSS APPROPRIATION.....	\$	13,303,300
22	Appropriated from:		
23	Interdepartmental grant revenues:		
24	IDG, Michigan transportation fund.....		968,000
25	Federal revenues:		
26	DHS, federal.....		966,400
27	DOC-NOAA, federal.....		1,450,100

1	EPA, multiple.....	1,007,500
2	Special revenue funds:	
3	Environmental protection fund.....	1,613,800
4	Land and water permit fees.....	1,897,400
5	State general fund/general purpose.....	\$ 5,400,100
6	<b>Sec. 107. REMEDIATION AND REDEVELOPMENT</b>	
7	Full-time equated classified positions.....	297.5
8	Contaminated site investigation, cleanup, and	
9	revitalization--230.5 FTE positions.....	\$ 22,471,700
10	Federal cleanup project management--67.0 FTE positions	8,139,700
11	Emergency cleanup actions.....	4,000,000
12	Refined petroleum product cleanup program.....	22,000,000
13	State cleanup 451.....	2,500,000
14	Superfund cleanup.....	<u>4,000,000</u>
15	GROSS APPROPRIATION.....	\$ 63,111,400
16	Appropriated from:	
17	Federal revenues:	
18	DHHS, federal.....	6,100
19	DOD, federal.....	1,081,900
20	EPA, multiple.....	8,403,500
21	Special revenue funds:	
22	Private funds.....	150,000
23	Clean Michigan initiative - administration.....	351,600
24	Cleanup and redevelopment fund.....	10,657,300
25	Environmental protection fund.....	3,834,000
26	Environmental response fund.....	8,609,900
27	Landfill maintenance trust fund.....	54,000

1	Refined petroleum fund.....	26,600,700
2	Settlement funds.....	1,458,400
3	State general fund/general purpose.....	\$ 1,904,000
4	<b>Sec. 108. WASTE AND HAZARDOUS MATERIALS</b>	
5	Full-time equated classified positions.....	183.5
6	Aboveground storage tank program--8.0 FTE positions..	\$ 733,700
7	Hazardous waste management program--61.0 FTE positions	6,249,200
8	Low-level radioactive waste authority--2.0 FTE	
9	positions .....	777,600
10	Medical waste program.....	230,400
11	Radiological protection program--16.5 FTE positions..	1,383,600
12	Scrap tire regulatory program--11.0 FTE positions....	1,021,800
13	Solid waste management program--50.0 FTE positions...	4,393,800
14	Underground storage tank program--35.0 FTE positions.	<u>3,288,900</u>
15	GROSS APPROPRIATION.....	\$ 18,079,000
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDG-MDSP.....	719,800
19	Federal revenues:	
20	EPA, multiple.....	3,875,800
21	Special revenue funds:	
22	Aboveground storage tank fees.....	733,700
23	Environmental pollution prevention fund.....	1,965,700
24	Hazardous materials transportation permit fund.....	211,200
25	Medical waste emergency response fund.....	230,400
26	Public utility assessments.....	777,600
27	Scrap tire regulatory fund.....	1,021,800

1	Solid waste program fees.....		4,322,000
2	Underground storage tank fees.....		3,028,200
3	Waste reduction fee revenue.....		71,800
4	State general fund/general purpose.....	\$	1,121,000
5	<b>Sec. 109. WATER</b>		
6	Full-time equated classified positions.....	358.2	
7	Aquifer protection program.....	\$	350,000
8	Aquifer protection and dispute resolution - IDG to		
9	Michigan department of agriculture.....		50,000
10	Drinking water and environmental health--114.2 FTE		
11	positions .....		15,858,100
12	Fish contaminant monitoring.....		316,100
13	Groundwater discharge--22.0 FTE positions.....		2,048,300
14	NPDES nonstormwater program--121.4 FTE positions .....		10,578,900
15	Sewage sludge land application program--6.5 FTE		
16	positions .....		823,700
17	Surface water--94.1 FTE positions.....		<u>15,083,900</u>
18	GROSS APPROPRIATION.....	\$	45,109,000
19	Appropriated from:		
20	Federal revenues:		
21	EPA, multiple.....		19,030,200
22	Special revenue funds:		
23	Aquifer protection revolving fund.....		400,000
24	Campground fund.....		230,700
25	Clean Michigan initiative - administration.....		590,500
26	Clean Michigan initiative - clean water fund.....		3,276,900
27	Environmental response fund.....		162,400

1	Fees and collections.....	139,800
2	Groundwater discharge permit fees.....	1,912,300
3	Land and water permit fees.....	467,400
4	NPDES fees.....	3,238,300
5	Public swimming pool fund.....	525,300
6	Public water supply fees.....	2,229,600
7	Refined petroleum fund.....	840,200
8	Saginaw Bay and River restoration revenue.....	169,900
9	Septage waste contingency fund.....	36,600
10	Septage waste license fees.....	310,800
11	Sewage sludge land application fee.....	823,700
12	Soil erosion and sedimentation control training fund.	111,400
13	Stormwater permit fees.....	2,627,600
14	Water pollution control revolving fund.....	649,300
15	Water use reporting fees.....	133,400
16	State general fund/general purpose.....	\$ 7,202,700
17	<b>Sec. 110. CRIMINAL INVESTIGATIONS</b>	
18	Full-time equated classified positions.....	22.0
19	Environmental investigations--22.0 FTE positions.....	\$ <u>2,504,600</u>
20	GROSS APPROPRIATION.....	\$ 2,504,600
21	Appropriated from:	
22	Federal revenues:	
23	DHS, federal.....	539,000
24	EPA, multiple.....	149,000
25	Special revenue funds:	
26	Environmental response fund.....	128,100
27	Oil and gas regulatory fund.....	351,300

1	Scrap tire regulatory fund.....		275,600
2	State general fund/general purpose.....	\$	1,061,600
3	<b>Sec. 111. GRANTS</b>		
4	Coastal management grants.....	\$	2,000,000
5	Federal - Great Lakes remedial action plan grants....		700,000
6	Federal - nonpoint source water pollution grants.....		6,500,000
7	Grants to counties--air pollution.....		83,700
8	Radon grants.....		90,000
9	Water pollution control and drinking water revolving		
10	fund .....		106,979,900
11	Drinking water revolving fund implementation.....		1,330,000
12	Great Lakes research and protection grants.....		2,000,000
13	Local health department operations.....		10,472,500
14	Noncommunity water grants.....		1,400,000
15	Pollution prevention local grants.....		250,000
16	Septage waste compliance grants.....		1,525,000
17	Scrap tire grants.....		4,500,000
18	Volunteer river, stream, and creek cleanup.....		<u>25,000</u>
19	GROSS APPROPRIATION.....	\$	137,856,100
20	Appropriated from:		
21	Interdepartmental grant revenues		
22	IDG-MDCH, local public health operations.....		10,472,500
23	Federal revenues:		
24	DOC-NOAA, federal.....		1,700,000
25	EPA, multiple.....		88,920,000
26	Special revenue funds:		
27	Community pollution prevention fund.....		250,000

1	Great Lakes protection fund.....		2,000,000
2	Public water supply fees.....		1,400,000
3	Refined petroleum fund.....		83,700
4	Revolving loan revenue bonds.....		11,400,000
5	Scrap tire regulatory fund.....		4,500,000
6	Septage waste license fees.....		1,525,000
7	Strategic water quality initiatives fund.....		9,800,000
8	Water quality protection fund.....		25,000
9	State general fund/general purpose.....	\$	5,779,900
10	<b>Sec. 112. INFORMATION TECHNOLOGY</b>		
11	Information technology services and projects.....	\$	<u>6,810,400</u>
12	GROSS APPROPRIATION.....	\$	6,810,400
13	Appropriated from:		
14	Interdepartmental grant revenues		
15	IDG, Michigan transportation fund.....		52,800
16	Federal revenues:		
17	DHS, federal.....		17,300
18	DOC-NOAA, federal.....		83,300
19	DOD, federal.....		9,900
20	DOI, federal.....		5,800
21	EPA, multiple.....		1,798,900
22	Special revenue funds:		
23	Air emissions fees.....		498,900
24	Cleanup and redevelopment fund.....		748,900
25	Environmental response fund.....		516,800
26	Land and water permit fees.....		109,400
27	Oil and gas regulatory fund.....		814,300



1	Public utility assessments.....	4,200
2	Public water supply fees.....	271,900
3	Scrap tire regulatory fund.....	83,400
4	Settlement funds.....	511,600
5	Solid waste program fees.....	61,500
6	Underground storage tank fees.....	178,200
7	Waste reduction fee revenue.....	215,800
8	Water analysis fees.....	159,300
9	Water pollution control revolving fund.....	136,700
10	State general fund/general purpose..... \$	531,500

## 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 resources under part 1 for fiscal year 2006-2007 is \$213,106,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$5,938,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

## DEPARTMENT OF ENVIRONMENTAL QUALITY

## WASTE AND HAZARDOUS MATERIALS

Radiological protection program.....	\$	25,000
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## GRANTS

Drinking water grants.....	\$	1,330,000
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1	Grants to counties - air pollution.....	83,700
2	Noncommunity water grants.....	1,400,000
3	Scrap tire grants.....	1,575,000
4	Septage waste compliance program.....	<u>1,525,000</u>
5	TOTAL.....	\$ 5,938,700

6       Sec. 202. The appropriations authorized under this act are  
7 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
8 to 18.1594.

9       Sec. 203. As used in this act:

10       (a) "Department" means the department of environmental  
11 quality.

12       (b) "DHHS" means the United States department of health and  
13 human services.

14       (c) "DHS" means the United States department of homeland  
15 security.

16       (d) "DOC" means the United States department of commerce.

17       (e) "DOC-NOAA" means the DOC national oceanic and atmospheric  
18 administration.

19       (f) "DOD" means the United States department of defense.

20       (g) "DOI" means the United States department of interior.

21       (h) "EPA" means the United States environmental protection  
22 agency.

23       (i) "FTE" means full-time equated.

24       (j) "IDG" means interdepartmental grant.

25       (k) "IDT" means intradepartmental transfer.

26       (l) "MDCH" means the Michigan department of community health.

27       (m) "MDSP" means the Michigan department of state police.

1 (n) "MI" means Michigan.

2 (o) "NPDES" means national pollutant discharge elimination  
3 system.

4 Sec. 204. The department of civil service shall bill  
5 departments and agencies at the end of the first fiscal quarter for  
6 the 1% charge authorized by section 5 of article XI of the state  
7 constitution of 1963. Payments shall be made for the total amount  
8 of the billing by the end of the second fiscal quarter.

9 Sec. 205. (1) A hiring freeze is imposed on the state  
10 classified civil service. State departments and agencies are  
11 prohibited from hiring any new full-time state classified civil  
12 service employees and prohibited from filling any vacant state  
13 classified civil service positions. This hiring freeze does not  
14 apply to internal transfers of classified employees from 1 position  
15 to another within a department.

16 (2) The state budget director shall grant exceptions to the  
17 hiring freeze described in subsection (1) when the state budget  
18 director believes that the hiring freeze will result in rendering a  
19 state department or agency unable to deliver basic services, cause  
20 a loss of revenue to the state, result in the inability of the  
21 state to receive federal funds, or would necessitate additional  
22 expenditures that exceed any savings from maintaining a vacancy.  
23 The state budget director shall report quarterly to the  
24 chairpersons of the senate and house of representatives standing  
25 committees on appropriations the number of exceptions to the hiring  
26 freeze approved during the previous quarter and the reasons to  
27 justify the exception.

1       Sec. 206. The department shall use the Internet to fulfill the  
2 reporting requirements of this act. This may include transmission  
3 of reports via electronic mail to the recipients identified for  
4 each reporting requirement or it may include placement of reports  
5 on an Internet or Intranet site.

6       Sec. 207. The departments and state agencies receiving  
7 appropriations under this act shall receive and retain copies of  
8 all reports funded from appropriations in part 1. These departments  
9 and state agencies shall follow federal and state guidelines for  
10 short-term and long-term retention of these reports. To the extent  
11 consistent with federal and state guidelines, the requirements of  
12 this section are satisfied if the reports funded from  
13 appropriations in part 1 are retained in electronic format.

14       Sec. 208. By February 15, 2007, the department shall provide  
15 the state budget director, the subcommittees on environmental  
16 quality of the senate and house appropriations committees, and the  
17 senate and house fiscal agencies with an annual report on  
18 restricted fund balances, projected revenues, and expenditures for  
19 the fiscal years ending September 30, 2006 and September 30, 2007.

20       Sec. 209. (1) From funds appropriated under part 1, the  
21 department shall prepare a report that lists all of the following  
22 regarding grant or loan or grant and loan programs administered by  
23 the department for the fiscal year ending September 30, 2007:

24       (a) The name of each program.

25       (b) The goals of the program, the criteria, eligibility,  
26 process, filing fees, nominating procedures, and deadlines for each  
27 program.

1 (c) The maximum and minimum grant and loan available and  
2 whether there is a match requirement for each program.

3 (d) The amount of any required match, and whether in-kind  
4 contributions may be used as part or all of a required match.

5 (e) Information pertaining to the application process,  
6 timeline for each program, and the contact people within the  
7 department.

8 (f) The source of funds for each program, including the  
9 citation of pertinent authorizing acts.

10 (g) Information regarding plans for the next fiscal year for  
11 the phaseout, expansion, or changes for each program.

12 (h) A listing of all recipients of grants or loans awarded by  
13 the department by type and amount of grant or loan.

14 (2) The reports required under this section shall be submitted  
15 to the state budget office, the senate and house appropriations  
16 committees, and senate and house fiscal agencies by January 1,  
17 2007.

18 Sec. 210. The department shall notify the legislature and  
19 shall provide a public meeting and public comment opportunity with  
20 respect to any request received by the state of Michigan to divert  
21 water from the Great Lakes pursuant to the water resources  
22 development act of 1986, Public Law 99-662, 100 Stat. 4082.

23 Sec. 211. (1) The department shall report all of the following  
24 information relative to allocations made from appropriations for  
25 the environmental cleanup and redevelopment program, state cleanup,  
26 emergency actions, superfund cleanup, the revitalization revolving  
27 loan program, the brownfield grants and loans program, the leaking

1 underground storage tank cleanup program, the contaminated lake and  
2 river sediments cleanup program, the refined petroleum product  
3 cleanup program, and the environmental protection bond projects  
4 under section 19508(7) of the natural resources and environmental  
5 protection act, 1994 PA 451, MCL 324.19508, to the state budget  
6 director, the senate and house appropriations subcommittees on  
7 environmental quality, and the senate and house fiscal agencies:

8 (a) The name and location of the site for which an allocation  
9 is made.

10 (b) The nature of the problem encountered at the site.

11 (c) A brief description of how the problem will be resolved if  
12 the allocation is made for a response activity.

13 (d) The estimated date that site closure activities will be  
14 completed.

15 (e) The amount of the allocation, or the anticipated financing  
16 for the site.

17 (f) A summary of the sites and the total amount of funds  
18 expended at the sites at the conclusion of the fiscal year.

19 (g) The number of sites that would qualify as brownfields that  
20 were redeveloped.

21 (2) The report prepared under subsection (1) shall also  
22 include all of the following:

23 (a) The status of all state-owned facilities that are on the  
24 list compiled under part 201 of the natural resources and  
25 environmental protection act, 1994 PA 451, MCL 324.20101 to  
26 324.20142.

27 (b) The report shall include the total amount of funds

1 expended during the fiscal year and the total amount of funds  
2 awaiting expenditure.

3 (c) The total amount of bonds issued for the environmental  
4 protection bond program pursuant to part 193 of the natural  
5 resources and environmental protection act, 1994 PA 451, MCL  
6 324.19301 to 324.19306, and bonds issued pursuant to the clean  
7 Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

8 (3) The report shall be made available by March 31 of each  
9 year.

10 Sec. 212. (1) The department of environmental quality is  
11 authorized to expend amounts remaining from the current and prior  
12 fiscal year appropriations to meet funding needs of legislatively  
13 approved sites for the environmental cleanup and redevelopment  
14 program and the leaking underground storage tank cleanup program.

15 (2) Unexpended and unencumbered amounts remaining from  
16 appropriations from the environmental protection bond fund  
17 contained in 2003 PA 173, are appropriated for expenditure for any  
18 site listed in this act and any site listed in the public acts  
19 referenced in this section.

20 (3) Unexpended and unencumbered amounts remaining from  
21 appropriations from the cleanup and redevelopment fund and  
22 unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA  
23 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure  
24 for any site listed in this act and any site listed in the public  
25 acts referenced in this section.

26 (4) Unexpended and unencumbered amounts remaining from  
27 appropriations from the clean Michigan initiative fund - response

1 activities contained in 2000 PA 52, 2001 PA 120, 2003 PA 173, 2003  
2 PA 237, 2004 PA 309, 2004 PA 350, and 2005 PA 11 are appropriated  
3 for expenditure for any site listed in this act and any site listed  
4 in the public acts referenced in this section.

5 (5) Unexpended and unencumbered amounts remaining from  
6 appropriations from the environmental protection fund contained in  
7 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are  
8 appropriated for expenditure for any site listed in this act and  
9 any site listed in the public acts referenced in this section.

10 (6) Unexpended and unencumbered amounts remaining from  
11 appropriations from the refined petroleum fund activities contained  
12 in 2005 PA 154 are appropriated for expenditure for any site listed  
13 in this act and any site listed in the public acts referenced in  
14 this section.

15 Sec. 213. Of the money appropriated from the environmental  
16 education fund in part 1, \$5,000.00 shall be allocated to Michigan  
17 State University Extension Service - 4-H Youth Programs to fund the  
18 Michigan Youth Conservation Council.

19 Sec. 214. From the funds appropriated in part 1 for  
20 information technology, departments and agencies shall pay user  
21 fees to the department of information technology for technology-  
22 related services and projects. These user fees shall be subject to  
23 provisions of an interagency agreement between the department and  
24 the department of information technology.

25 Sec. 215. Amounts appropriated in part 1 for information  
26 technology may be designated as work projects and carried forward  
27 to support department of environmental quality technology projects



1 under the direction of the department of information technology.  
2 Funds designated in this manner are not available for expenditure  
3 until approved as work projects under section 451a of the  
4 management and budget act, 1984 PA 431, MCL 18.1451a.

5 Sec. 216. (1) Due to the current budgetary problems in this  
6 state, out-of-state travel for the fiscal year ending September 30,  
7 2007 shall be limited to situations in which 1 or more of the  
8 following conditions apply:

9 (a) The travel is required by legal mandate or court order or  
10 for law enforcement purposes.

11 (b) The travel is necessary to protect the health or safety of  
12 Michigan citizens or visitors or to assist other states in similar  
13 circumstances.

14 (c) The travel is necessary to produce budgetary savings or to  
15 increase state revenues, including protecting existing federal  
16 funds or securing additional federal funds.

17 (d) The travel is necessary to comply with federal  
18 requirements.

19 (e) The travel is necessary to secure specialized training for  
20 staff that is not available within this state.

21 (f) The travel is financed entirely by federal or nonstate  
22 funds.

23 (2) If out-of-state travel is necessary but does not meet 1 or  
24 more of the conditions in subsection (1), the state budget director  
25 may grant an exception to allow the travel. Any exceptions granted  
26 by the state budget director shall be reported on a monthly basis  
27 to the house and senate appropriations committees.

1           (3) Not later than January 1 of each year, each department  
2 shall prepare a travel report listing all travel by classified and  
3 unclassified employees outside this state in the immediately  
4 preceding fiscal year that was funded in whole or in part with  
5 funds appropriated in the department's budget. The report shall be  
6 submitted to the chairs and members of the house and senate  
7 appropriations committees, the fiscal agencies, and the state  
8 budget director. The report shall include the following  
9 information:

10           (a) The name of each person receiving reimbursement for travel  
11 outside this state or whose travel costs were paid by this state.

12           (b) The destination of each travel occurrence.

13           (c) The dates of each travel occurrence.

14           (d) A brief statement of the reason for each travel  
15 occurrence.

16           (e) The transportation and related costs of each travel  
17 occurrence, including the proportion funded with state general  
18 fund/general purpose revenues, the proportion funded with state  
19 restricted revenues, the proportion funded with federal revenues,  
20 and the proportion funded with other revenues.

21           (f) A total of all out-of-state travel funded for the  
22 immediately preceding fiscal year.

23           Sec. 217. Funds appropriated in part 1 shall not be used for  
24 the purchase of foreign goods or services, or both, if  
25 competitively priced and comparable quality American goods or  
26 services, or both, are available. Preference should be given to  
27 goods or services, or both, manufactured or provided by Michigan

1 businesses if they are competitively priced and of comparable  
2 quality.

3       Sec. 218. The department shall collaborate with the statewide  
4 public advisory council, local advisory councils, the United States  
5 environmental protection agency, and other appropriate federal  
6 agencies, the department of natural resources, and other  
7 appropriate parties to develop a long-term strategy to restore and  
8 formally remove Michigan's Great Lakes areas of concern from the  
9 federal listing. Among other information, the strategy should  
10 include a list of cleanup, source control, monitoring, and  
11 assessment activities eligible for funding under the federal Great  
12 Lakes legacy act; their estimated cost; options for meeting any  
13 nonfederal funding match requirements for these activities,  
14 including recommendations for changes to existing appropriations  
15 and program expenditures to qualify as matching funds for federal  
16 grant programs; a description of the optimum staffing level for the  
17 areas of concern program and available funding options; and a  
18 description of the department's role in seeking the formal removal  
19 of areas of concern, or specific beneficial use impairments, from  
20 the federal list, including minimum cleanup goals for identified  
21 impairments based on applicable state and federal regulatory  
22 standards and the monitoring programs available for assessing  
23 progress in achieving those goals. In addition, the department  
24 shall strive to apply for an equitable share of federal funding and  
25 technical assistance available to support the area of concern  
26 program and strive to provide the funds needed to meet nonfederal  
27 funding requirements.

## Senate Bill No. 1086 as amended March 29, 2006

1       Sec. 219. The department shall not take disciplinary action  
2 against an employee for communicating with a member of the  
3 legislature or his or her staff.

4       Sec. 220. The department shall annually report to the state  
5 budget director, the senate and house appropriations committees,  
6 and the senate and house fiscal agencies an accounting of all civil  
7 and criminal fine revenue collected during the year.

8       Sec. 221. Unexpended settlement revenues at the end of the  
9 fiscal year may be carried forward into the settlement fund in the  
10 succeeding fiscal year up to a maximum carryforward of  
11 \$2,500,000.00.

12       <<Sec. 222. From the funds appropriated in part 1, the department  
13 shall conduct a study and establish an ongoing effort to benchmark its  
14 permitting, enforcement, and compliance efforts relative to the  
15 performance of comparable states in the region. By December 31, 2007, the  
16 department shall submit a report on the results of the benchmark study to  
17 the state budget director, the senate and house appropriations  
18 subcommittees on environmental quality, and the senate and house fiscal  
19 agencies. The report shall include a description of the department's  
20 ongoing program to benchmark its permitting, enforcement, and compliance  
21 efforts. Before adopting an initial benchmark study design, the  
22 department will consult with the environmental advisory council, an  
23 advisory body appointed by the director of the department that broadly  
24 represents interests regulated by the department including, at a minimum,  
25 representatives from the regulated community, local units of government,  
26 and citizen organizations. The department will adopt a study design by  
27 October 1, 2006. In order to complete the report, the department shall

Senate Bill No. 1086 as amended March 29, 2006

1 select and contract with the person or entity to perform the study  
2 according to the established state bidding process and procurement  
3 procedures, with the contract in place by January 31, 2007.

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5 Sec. 223. It is the intent of the legislature that, on or  
6 before January 1, 2007, the department renew the joint agreement,  
7 which was initially signed in January 2002, of the United States  
8 environmental protection agency and the state to pursue regulatory  
9 innovation. It is the intent that the agreement be renewed in a  
10 substantially similar form to uphold the principal tenants of the  
11 agreement, including, but not limited to, helping farms and farm  
12 operations voluntarily prevent or minimize agricultural pollution  
13 risks.

14 Sec 224. By October 15, 2006, the department shall provide to  
15 the senate and house appropriations subcommittees on environmental  
16 quality and the senate and house fiscal agencies a list of general  
17 fund/general purpose budget cuts sufficient to reduce department  
18 general fund/general purpose spending by 7.93% in fiscal year 2006-  
19 2007 if the K-16 ballot initiative is adopted by the voters of this  
20 state.

21 Sec. 225. The director shall take all reasonable steps to  
22 ensure businesses in deprived and depressed communities and Baldwin  
23 in Lake County compete for and perform contracts to provide  
24 services or supplies, or both. The director shall strongly  
25 encourage firms with which the department contracts to subcontract  
26 with certified businesses in depressed and deprived communities for  
27 services, supplies, or both.

Senate Bill No. 1086 as amended March 29, 2006

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**AIR QUALITY**

Sec. 401. The department shall report quarterly, via the department's Internet website, on air quality program expenditures and revenues. The report shall include expenditures and revenues by fund source and by program function.

**ENVIRONMENTAL SCIENCE AND SERVICES**

Sec. 501. By July 1, 2007, the department shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department of environmental quality, outlining the implementation of the Great Lakes water quality bond provided for in part 197 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state water pollution

Senate Bill No. 1086 as amended March 29, 2006

control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

Sec. 502. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

<<Sec. 503. From the funds appropriated in part 1, the department, in cooperation with the department of agriculture, shall publish by September 30, 2007 an environmental regulatory compliance guide for the fruit and vegetable processing sector. This guide will cross-reference the updated 2006 edition of the "Michigan Manufacturers Guide to Environmental, Health and Safety Regulations". The department will develop by April 30, 2007 a plan and schedule to develop compliance guides for other small business categories. The guides shall provide information to assist small businesses in complying with state environmental regulatory requirements and shall explain in plain language the actions a small business in each sector is required to take to comply with state regulatory requirements, including how to obtain necessary permits.>>

#### **LAND AND WATER MANAGEMENT**

Sec. 601. The department may waive permit fees for nonprofit organizations conducting approved stream habitat improvement projects.

#### **REMEDIATION AND REDEVELOPMENT**

1       Sec. 701. The unexpended funds appropriated in part 1 for  
2 emergency cleanup actions and the refined petroleum product cleanup  
3 program are considered work project appropriations and any  
4 unencumbered or unallotted funds are carried forward into the  
5 succeeding fiscal year. The following is in compliance with section  
6 451a(1) of the management and budget act, 1984 PA 431, MCL  
7 18.1451a:

8       (a) The purpose of the projects to be carried forward is to  
9 provide contaminated site cleanup.

10       (b) The projects will be accomplished by contract.

11       (c) The total estimated cost of all projects is identified in  
12 each line-item appropriation.

13       (d) The tentative completion date is September 30, 2011.

14       Sec. 702. From funds appropriated in part 1 for activities  
15 related to cleanup sites under part 201 of the natural resources  
16 and environmental protection act, 1994 PA 451, MCL 324.20101 to  
17 324.20142, the department shall incorporate into remedial action  
18 plans area-wide or site-specific cleanup criteria derived from  
19 peer-reviewed risk assessment based on bioavailability studies,  
20 site-specific human exposure data, and any other scientifically  
21 based risk assessment studies that are available and relevant.

## 22       WASTE AND HAZARDOUS MATERIALS

23       Sec. 801. The department shall notify the members of the  
24 senate and house of representatives of the appropriate district at  
25 least 48 hours in advance of a departmental order which suspends or  
26 red tags any wholesale or retail sale of petroleum products. If



Senate Bill No. 1086 as amended March 29, 2006

1 imminent public health and safety concerns require action on a  
2 department order in less than 48 hours, the department shall notify  
3 the appropriate members of the senate and house of representatives  
4 of the department order within 48 hours after the action is  
5 completed.

<<Sec. 802. It is the intent of the legislature that the  
recommendations of the site review board, as established in section 11117  
of the natural resources and environmental protection act, 1994 PA 451,  
MCL 324.11117, are the final approval for each site construction permit  
application that is referred to the board by the department.>>

6 **WATER**

7 Sec. 901. By February 1, 2007, the department shall submit a  
8 report on the department's use of the national pollutant discharge  
9 elimination system fund created in MCL 324.3121 for the previous  
10 fiscal year, to the senate and house appropriations subcommittees  
11 on environmental quality, the standing committees of the  
12 legislature with jurisdiction over issues primarily related to  
13 natural resources and the environment, and the senate and house  
14 fiscal agencies. The report shall include a summary of how the  
15 appropriations in part 1 for NPDES nonstormwater program were used  
16 for the various permissible uses of the fund and shall include  
17 specific information on all of the following:

18 (a) The number of compliance and complaint inspections  
19 completed, by category, the number of on-site compliance  
20 inspections conducted, and the number of compliance inspections  
21 that were not announced in advance to the permittee or licensee.

22 (b) The number and percent of permit and license inspections  
23 that were found to be in significant noncompliance, by category.

24 (c) The number of administrative enforcement actions taken for  
25 permit or license violations and the results of the enforcement  
26 actions, including the amount of fines and penalties collected.

1 (d) The number of judicial enforcement actions taken for  
2 permit or license violations and the results of the enforcement  
3 actions, including the amount of fines and penalties collected.

4 (e) A listing of the supplemental environmental projects  
5 agreed to as a result of a consent agreement including all of the  
6 following: the case name, the monetary value of the supplemental  
7 environmental project, and a description of the project.

8 Sec. 902. Of the funds appropriated in part 1 for safe  
9 drinking water assistance activities under part 54 of the natural  
10 resources and environmental protection act, 1994 PA 451, MCL  
11 324.5401 to 324.5418, the department shall allocate the full 2%  
12 available for technical assistance under 42 USC 300j-12.

### 13 GRANTS

14 Sec. 1001. If a certified health department does not exist in  
15 a city, county, or district or does not fulfill its  
16 responsibilities under part 117 of the natural resources and  
17 environmental protection act, 1994 PA 451, MCL 324.11701 to  
18 324.11720, then the department may spend funds appropriated in part  
19 1 under the septage waste compliance program in accordance with  
20 section 11716 of the natural resources and environmental protection  
21 act, 1994 PA 451, MCL 324.11716.

22 Sec. 1002. Of the funds appropriated in part 1 for scrap tire  
23 grants, \$100,000.00 shall be available for grants to communities to  
24 cover scrap tire fire suppression costs, provided owner liability  
25 bonds and other available funding sources have been exhausted.