

SENATE BILL No. 495

May 10, 2007, Introduced by Senators GILBERT, ANDERSON and OLSHOVE and referred to the Committee on Natural Resources and Environmental Affairs.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5204a (MCL 324.5204a), as added by 2005 PA 254.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5204a. (1) The authority in conjunction with the
2 department shall establish a strategic water quality initiatives
3 grant program that provides grants totaling not more than
4 ~~\$40,000,000.00~~ **\$80,000,000.00** to eligible municipalities. The grant
5 program shall provide assistance to municipalities to complete the
6 loan application requirements of section 5308.

7 (2) The grant program is subject to all of the following:

8 (a) The grant program shall provide grants to cover not more

1 than 90% of the costs incurred by a municipality to complete an
2 application for loan assistance from the state water pollution
3 control revolving fund or the fund.

4 (b) The 10% local match is not eligible for loan assistance
5 from the state water pollution control revolving fund or the fund.

6 (c) Grant funds shall not be used for general local government
7 administrative activities or activities performed by municipal
8 employees.

9 (d) A municipality shall not receive more than ~~\$1,000,000.00~~
10 \$2,000,000.00 in total grant assistance under this section.

11 (e) Grants under this section shall be available for projects
12 seeking or intending to seek loan assistance after September 30,
13 2006.

14 (f) The department shall cease accepting grant applications
15 under this section ~~2-4~~ years after the date the first grant
16 agreement is entered into under subsection (3).

17 ~~(3) Within 6 months after the effective date of the amendatory~~
18 ~~act that added this section, the~~ **THE** department shall establish an
19 application and review process for considering grant applications
20 under this section. The application shall contain the information
21 required by the department and the authority. Within 30 days after
22 receipt of an application, the department shall publish notice of
23 the application on the department's calendar. Within 60 days after
24 receipt of an administratively complete grant application, the
25 department shall, in writing, notify the applicant whether the
26 application is approved or rejected. If the department approves a
27 grant under this section, the department and the authority shall

1 enter into a grant agreement with the recipient prior to
2 transferring funds. The grant agreement shall contain terms
3 established by the department and the authority and a requirement
4 that the grant recipient repay the grant, within 90 days of being
5 informed to do so, with interest at a rate not to exceed 8% per
6 year, to the authority for deposit into the fund if any of the
7 following occur:

8 (a) The applicant fails to submit an administratively complete
9 loan application for assistance from the state water pollution
10 control revolving fund or the fund for the project within 3 years
11 of the grant award.

12 (b) The project has been identified as being in the fundable
13 range and the applicant declines loan assistance from the state
14 water pollution control revolving fund or the fund in that fiscal
15 year.

16 (c) The applicant is unable to, or decides not to, proceed
17 with constructing the project or opts to finance construction by
18 means other than a grant from the state water pollution control
19 revolving fund or the fund.

20 (4) For each year in which the department receives grant
21 applications under this section, the department shall report by
22 July 1 of each year to the standing committees of the senate and
23 the house of representatives with primary jurisdiction over issues
24 pertaining to natural resources and the environment and to the
25 senate and house of representatives appropriations committees on
26 the utilization of funds under this part that were received from
27 the Great Lakes water quality bond fund created in section 19706.

1 The report shall include, at a minimum, all of the following:

2 (a) The number of grant applications received under this
3 section.

4 (b) The name of each municipality applying for a grant.

5 (c) The individual and annual cumulative amount of grant funds
6 awarded, including an identification of whether each award was for
7 the purpose of applying for assistance from the state water
8 pollution control revolving fund or the fund.

9 (d) A summary of loan assistance, by year, tendered from the
10 state water pollution control revolving fund and the fund.

11 (5) The senate and house appropriations committees shall
12 annually review whether there is sufficient money in the fund to
13 implement this section and section 5202.