

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1155

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
(MCL 324.101 to 324.90106) by adding section 5204f.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 5204F. (1) THE DEPARTMENT, IN CONJUNCTION WITH THE
2 AUTHORITY, SHALL ESTABLISH A WETLAND MITIGATION BANK FUNDING
3 PROGRAM THAT PROVIDES GRANTS AND LOANS TOTALING NOT MORE THAN
4 \$10,000,000.00 TO ELIGIBLE MUNICIPALITIES. OF THE MONEY EXPENDED
5 UNDER THIS SUBSECTION, UP TO \$500,000.00 MAY BE USED FOR GRANTS.
6 FUNDING MAY BE USED FOR THE PURPOSE OF THIS SUBSECTION AS LONG AS
7 FUNDS REMAIN AVAILABLE.
8 (2) GRANTS AWARDED UNDER THE WETLAND MITIGATION BANK FUNDING
9 PROGRAM SHALL PROVIDE ASSISTANCE TO MUNICIPALITIES TO COMPLETE LOAN
10 APPLICATION REQUIREMENTS FOR FUNDING FROM THE WETLAND MITIGATION
11 BANK FUNDING PROGRAM OR TO COMPLETE LOAN APPLICATION REQUIREMENTS

1 FOR OTHER SOURCES OF FINANCING. GRANTS FOR WETLAND MITIGATION BANKS
2 ARE SUBJECT TO THE FOLLOWING:

3 (A) GRANTS SHALL NOT COVER MORE THAN 90% OF THE COSTS INCURRED
4 BY A MUNICIPALITY TO COMPLETE AN APPLICATION FOR LOAN ASSISTANCE.

5 (B) GRANT FUNDING MAY BE USED FOR THE FOLLOWING PURPOSES:

6 (i) DEVELOPING AN APPROVABLE WETLAND MITIGATION BANKING
7 PROPOSAL.

8 (ii) NOTIFYING AFFECTED LOCAL UNITS OF GOVERNMENT AND ADJACENT
9 PROPERTY OWNERS OF THE PROPOSED WETLAND MITIGATION BANK, AND
10 WORKING TO RESOLVE OBJECTIONS TO THE PROJECT.

11 (iii) PLANNING AND DESIGNING THE WETLAND MITIGATION BANK.

12 (iv) COMPLETING THE WETLAND MITIGATION BANK FUNDING PROGRAM
13 LOAN APPLICATION OR LOAN APPLICATION REQUIREMENTS FOR OTHER SOURCES
14 OF FINANCING.

15 (C) THE 10% LOCAL MATCH IS NOT ELIGIBLE FOR LOAN ASSISTANCE
16 FROM THE WETLAND MITIGATION FUNDING BANK PROGRAM.

17 (D) GRANT FUNDS SHALL NOT BE USED FOR GENERAL LOCAL GOVERNMENT
18 ADMINISTRATIVE ACTIVITIES OR ACTIVITIES PERFORMED BY MUNICIPAL
19 EMPLOYEES THAT ARE UNRELATED TO DEVELOPMENT OF THE WETLAND
20 MITIGATION BANK LOAN APPLICATION.

21 (E) APPLICATIONS FOR GRANTS FROM THE WETLAND MITIGATION
22 FUNDING BANK PROGRAM SHALL BE MADE ON A FORM PROVIDED BY THE
23 DEPARTMENT AND SHALL CONTAIN THE INFORMATION REQUIRED BY THE
24 DEPARTMENT AND THE AUTHORITY. GRANT APPLICATIONS MAY BE MADE AT ANY
25 TIME.

26 (F) THE DEPARTMENT SHALL ESTABLISH A REVIEW PROCESS FOR
27 CONSIDERING GRANT APPLICATIONS UNDER THIS SUBSECTION. THE

1 DEPARTMENT SHALL NOTIFY THE APPLICANT IN WRITING WHETHER THE
2 APPLICATION IS APPROVED OR REJECTED. IF THE DEPARTMENT APPROVES A
3 GRANT UNDER THIS SECTION, THE DEPARTMENT AND THE AUTHORITY SHALL
4 ENTER INTO A GRANT AGREEMENT WITH THE RECIPIENT PRIOR TO
5 TRANSFERRING FUNDS.

6 (G) THE GRANT AGREEMENT SHALL CONTAIN TERMS ESTABLISHED BY THE
7 DEPARTMENT AND THE AUTHORITY AND A REQUIREMENT THAT THE GRANT
8 RECIPIENT REPAY THE GRANT, WITHIN 90 DAYS OF BEING INFORMED TO DO
9 SO, WITH INTEREST AT A RATE NOT TO EXCEED 8% PER YEAR, TO THE
10 AUTHORITY FOR DEPOSIT INTO THE FUND IF ANY OF THE FOLLOWING OCCUR:

11 (i) THE APPLICANT FAILS TO SUBMIT AN ADMINISTRATIVELY COMPLETE
12 LOAN APPLICATION FOR ASSISTANCE FROM THE WETLAND MITIGATION BANK
13 FUNDING PROGRAM OR OTHER SOURCE OF FINANCING FOR THE PROJECT WITHIN
14 1 YEAR OF THE DATE ON WHICH THE GRANT EXPIRES.

15 (ii) THE APPLICANT DECLINES THE LOAN ASSISTANCE FOR 2
16 CONSECUTIVE YEARS UNLESS THE APPLICANT PROCEEDS WITH FUNDING FROM
17 ANOTHER SOURCE.

18 (iii) THE APPLICANT IS UNABLE TO ENTER INTO A SIGNED WETLAND
19 MITIGATION BANKING AGREEMENT WITH THE DEPARTMENT WITHIN 2 YEARS OF
20 THE DATE ON WHICH THE GRANT EXPIRES.

21 (iv) THE APPLICANT IS UNABLE TO OR DECIDES NOT TO PROCEED WITH
22 CONSTRUCTING THE PROJECT.

23 (3) LOANS UNDER THE WETLAND MITIGATION BANK FUNDING PROGRAM
24 SHALL PROVIDE ASSISTANCE TO MUNICIPALITIES TO ESTABLISH A WETLAND
25 MITIGATION BANK. LOANS SHALL BE SUBJECT TO THE FOLLOWING:

26 (A) LOANS UNDER THE WETLAND MITIGATION BANK FUNDING PROGRAM
27 SHALL BE FOR 1 OR MORE OF THE FOLLOWING:

1 (i) COMPLETE AND EXECUTE THE WETLAND MITIGATION BANKING
2 AGREEMENT WITH THE DEPARTMENT.

3 (ii) COMPLETE ENGINEERING AND DESIGN FOR THE WETLAND MITIGATION
4 BANK.

5 (iii) PURCHASE LAND FOR THE WETLAND MITIGATION BANK.

6 (iv) CONSTRUCT THE WETLAND MITIGATION BANK.

7 (v) CONDUCT MONITORING AND MAINTENANCE NECESSARY TO ENSURE
8 THAT THE PERFORMANCE STANDARDS ARE OR WILL BE MET.

9 (vi) IN ADDITION, THE DEPARTMENT MAY APPROVE THE USE OF LOAN
10 FUNDS FOR OTHER ACTIVITIES NEEDED TO ESTABLISH A WETLAND MITIGATION
11 BANK UPON A DEMONSTRATED NEED BY THE MUNICIPALITY.

12 (B) APPLICATIONS FOR LOANS FROM THE WETLAND MITIGATION BANK
13 FUNDING PROGRAM SHALL BE MADE ON A FORM PROVIDED BY THE DEPARTMENT
14 AND SHALL CONTAIN THE INFORMATION REQUIRED BY THE DEPARTMENT AND
15 THE AUTHORITY. LOAN APPLICATIONS MAY BE MADE AT ANY TIME.

16 (4) THE DEPARTMENT SHALL ESTABLISH A REVIEW PROCESS FOR
17 CONSIDERING LOAN APPLICATIONS UNDER THIS SUBSECTION. THE DEPARTMENT
18 SHALL NOTIFY THE APPLICANT IN WRITING WHETHER THE LOAN IS APPROVED
19 OR REJECTED. PRIOR TO RELEASING A LOAN, THE AUTHORITY IN
20 CONSULTATION WITH THE DEPARTMENT SHALL ENTER INTO A LOAN AGREEMENT
21 WITH THE LOAN RECIPIENT.

22 (5) FOR EACH YEAR IN WHICH THE DEPARTMENT RECEIVES GRANT OR
23 LOAN APPLICATIONS UNDER THIS SECTION, THE DEPARTMENT SHALL REPORT
24 BY OCTOBER 1 TO THE STANDING COMMITTEES OF THE SENATE AND THE HOUSE
25 OF REPRESENTATIVES WITH PRIMARY JURISDICTION OVER ISSUES PERTAINING
26 TO NATURAL RESOURCES AND THE ENVIRONMENT AND TO THE SENATE AND
27 HOUSE APPROPRIATIONS COMMITTEES ON THE UTILIZATION OF FUNDS UNDER

1 THIS PART THAT WERE RECEIVED FROM THE GREAT LAKES WATER QUALITY
2 BOND FUND CREATED IN SECTION 19706. THE REPORT SHALL INCLUDE, AT A
3 MINIMUM, ALL OF THE FOLLOWING:

4 (A) THE NUMBER OF GRANT AND LOAN APPLICATIONS RECEIVED UNDER
5 THIS SECTION.

6 (B) THE NAME OF EACH MUNICIPALITY APPLYING FOR A GRANT OR
7 LOAN, OR BOTH.

8 (C) THE AMOUNT OF LOCAL MATCH FOR EACH GRANT AWARDED.

9 (D) THE INDIVIDUAL AND ANNUAL CUMULATIVE AMOUNT OF GRANT AND
10 LOAN FUNDS AWARDED, INCLUDING AN IDENTIFICATION OF THE PURPOSE OF
11 EACH GRANT AND LOAN AWARDED.

12 Enacting section 1. This amendatory act does not take effect
13 unless all of the following bills of the 96th Legislature are
14 enacted into law:

15 (a) Senate Bill No. 1156.

16 (b) Senate Bill No. 1157.

17 (c) Senate Bill No. 1158.

18 (d) House Bill No. 5673.