

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012**

Introduced by Senator Kowall

ENROLLED SENATE BILL No. 1155

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," (MCL 324.101 to 324.90106) by adding section 5204f.

The People of the State of Michigan enact:

Sec. 5204f. (1) The department, in conjunction with the authority, shall establish a wetland mitigation bank funding program that provides grants and loans totaling not more than \$10,000,000.00 to eligible municipalities. Of the money expended under this subsection, up to \$500,000.00 may be used for grants. Funding may be used for the purpose of this subsection as long as funds remain available.

(2) Grants awarded under the wetland mitigation bank funding program shall provide assistance to municipalities to complete loan application requirements for funding from the wetland mitigation bank funding program or to complete loan application requirements for other sources of financing. Grants for wetland mitigation banks are subject to the following:

(a) Grants shall not cover more than 90% of the costs incurred by a municipality to complete an application for loan assistance.

(b) Grant funding may be used for the following purposes:

(i) Developing an approvable wetland mitigation banking proposal.

(ii) Notifying affected local units of government and adjacent property owners of the proposed wetland mitigation bank, and working to resolve objections to the project.

(iii) Planning and designing the wetland mitigation bank.

(iv) Completing the wetland mitigation bank funding program loan application or loan application requirements for other sources of financing.

(c) The 10% local match is not eligible for loan assistance from the wetland mitigation funding bank program.

(d) Grant funds shall not be used for general local government administrative activities or activities performed by municipal employees that are unrelated to development of the wetland mitigation bank loan application.

(e) Applications for grants from the wetland mitigation funding bank program shall be made on a form provided by the department and shall contain the information required by the department and the authority. Grant applications may be made at any time.

(f) The department shall establish a review process for considering grant applications under this subsection. The department shall notify the applicant in writing whether the application is approved or rejected. If the department approves a grant under this section, the department and the authority shall enter into a grant agreement with the recipient prior to transferring funds.

(g) The grant agreement shall contain terms established by the department and the authority and a 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, to the authority for deposit into the fund if any of the following occur:

(i) The applicant fails to submit an administratively complete loan application for assistance from the wetland mitigation bank funding program or other source of financing for the project within 1 year of the date on which the grant expires.

(ii) The applicant declines the loan assistance for 2 consecutive years unless the applicant proceeds with funding from another source.

(iii) The applicant is unable to enter into a signed wetland mitigation banking agreement with the department within 2 years of the date on which the grant expires.

(iv) The applicant is unable to or decides not to proceed with constructing the project.

(3) Loans under the wetland mitigation bank funding program shall provide assistance to municipalities to establish a wetland mitigation bank. Loans shall be subject to the following:

(a) Loans under the wetland mitigation bank funding program shall be for 1 or more of the following:

(i) Complete and execute the wetland mitigation banking agreement with the department.

(ii) Complete engineering and design for the wetland mitigation bank.

(iii) Purchase land for the wetland mitigation bank.

(iv) Construct the wetland mitigation bank.

(v) Conduct monitoring and maintenance necessary to ensure that the performance standards are or will be met.

(vi) In addition, the department may approve the use of loan funds for other activities needed to establish a wetland mitigation bank upon a demonstrated need by the municipality.

(b) Applications for loans from the wetland mitigation bank funding program shall be made on a form provided by the department and shall contain the information required by the department and the authority. Loan applications may be made at any time.

(4) The department shall establish a review process for considering loan applications under this subsection. The department shall notify the applicant in writing whether the loan is approved or rejected. Prior to releasing a loan, the authority in consultation with the department shall enter into a loan agreement with the loan recipient.

(5) For each year in which the department receives grant or loan applications under this section, the department shall report by October 1 to the standing committees of the senate and the house of representatives with primary jurisdiction over issues pertaining to natural resources and the environment and to the senate and house appropriations committees on the utilization of funds under this part that were received from the Great Lakes water quality bond fund created in section 19706. The report shall include, at a minimum, all of the following:

(a) The number of grant and loan applications received under this section.

(b) The name of each municipality applying for a grant or loan, or both.

(c) The amount of local match for each grant awarded.

(d) The individual and annual cumulative amount of grant and loan funds awarded, including an identification of the purpose of each grant and loan awarded.

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

(a) Senate Bill No. 1156.

(b) Senate Bill No. 1157.

(c) Senate Bill No. 1158.

(d) House Bill No. 5673.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Sam E. Randall

Clerk of the House of Representatives

Approved

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Governor