

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5599**

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending sections 21502, 21503, 21508, 21510, 21510a, 21510c,  
21515, 21516, 21521, and 21526 (MCL 324.21502, 324.21503,  
324.21508, 324.21510, 324.21510a, 324.21510c, 324.21515, 324.21516,  
324.21521, and 324.21526), sections 21502, 21503, 21508, 21510,  
21515, 21516, 21521, and 21526 as amended and sections 21510a and  
21510c as added by 2014 PA 416, and by adding section 21510d.

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

- 1           Sec. 21502. As used in this part:
- 2           (a) "Administrator" means the administrator of the authority
- 3 as provided for in section 21525.
- 4           (b) "Affiliate" means a person that directly, or indirectly
- 5 through 1 or more intermediaries, controls the person specified.

1 (c) "Approved claim" means a claim that is approved pursuant  
2 to section ~~21515~~-21510.

3 (d) "Authority" means the underground storage tank authority  
4 created in section 21523.

5 (e) "Board of directors" or "board" means the board of  
6 directors of the authority.

7 (f) "Bond proceeds account" means the account within the fund  
8 to which proceeds of bonds or notes issued under this part have  
9 been credited.

10 (g) "Bonds or notes" means the bonds, notes, commercial paper,  
11 other obligations of indebtedness, or any combination of these,  
12 issued by the finance authority pursuant to this part.

13 (h) "Bulk transfer" means a transfer of refined petroleum or a  
14 refined petroleum product from, or purchase for resale by, a  
15 refiner, pipeline terminal operator, supplier, or marine terminal  
16 operator to or from another refiner, pipeline terminal operator,  
17 supplier, or marine terminal operator through pipeline tender or  
18 marine delivery, including pipeline movements of refined petroleum  
19 or a refined petroleum product from 1 or more marine vessel  
20 movements of refined petroleum or a refined petroleum product.  
21 Refined petroleum or a refined petroleum product in a refinery,  
22 pipeline, terminal, or marine vessel transporting refined petroleum  
23 or a refined petroleum product to a refinery or terminal is in the  
24 bulk transfer terminal system. Notwithstanding anything to the  
25 contrary in this subdivision, refined petroleum or a refined  
26 petroleum product transferred or purchased for resale by a refiner,  
27 pipeline terminal operator, supplier, or marine terminal operator

1 must be delivered to or otherwise remain within the bulk transfer  
2 terminal system prior to removal across the rack in order to  
3 constitute a bulk transfer.

4 (i) "Bulk transfer terminal system" means the refined  
5 petroleum or refined petroleum product distribution system  
6 consisting of refineries, pipelines, marine vessels, and terminals  
7 and includes refined petroleum or refined petroleum product storage  
8 tanks and refined petroleum or refined petroleum product storage  
9 facilities that are part of a refinery, boat terminal transfer, or  
10 terminal owned, operated, or controlled by a refiner, marine  
11 terminal operator, or pipeline terminal operator.

12 (j) "Claim" means the submission by the owner or operator or  
13 his or her representative of documentation on an application  
14 requesting payment by the authority. A claim shall include, at a  
15 minimum, a completed and signed claim form and the name, address,  
16 **AND** telephone number ~~, and federal tax identification number~~ of the  
17 owner or operator.

18 (k) ~~"Claim-"~~**CLAIMS** limit" means \$1,000,000.00 ~~for all claims~~  
19 ~~of owners or operators and their affiliates during a claim period~~  
20 ~~for owners and operators of 1 to 100 refined petroleum underground~~  
21 ~~storage tanks or \$2,000,000.00 for all claims of owners or~~  
22 ~~operators and their affiliates during a claim period for owners or~~  
23 ~~operators of more than 100 refined petroleum underground storage~~  
24 ~~tanks.~~**PER RELEASE. TWO OR MORE CLAIMS ARISING OUT OF THE SAME,**  
25 **INTERRELATED, ASSOCIATED, REPEATED, OR CONTINUOUS RELEASES OR A**  
26 **SERIES OF RELATED RELEASES SHALL BE SUBJECT TO 1 CLAIMS LIMIT. ANY**  
27 **CLAIM THAT TAKES PLACE OVER 2 OR MORE CLAIM PERIODS SHALL BE**

1 **SUBJECT TO 1 CLAIMS LIMIT.**

2 (l) "Claim period" means a 1-year period commencing on October  
3 1 of each year and ending on September 30 the following year.

4 (M) "CLAIM PERIOD AGGREGATE LIMIT" MEANS THE FOLLOWING  
5 AGGREGATE CLAIMS LIMIT FOR ALL RELEASES DISCOVERED DURING A CLAIM  
6 PERIOD:

7 (i) FOR OWNERS, OPERATORS, AND AFFILIATES OF 1 TO 100 REFINED  
8 PETROLEUM UNDERGROUND STORAGE TANKS, \$1,000,000.00.

9 (ii) FOR OWNERS, OPERATORS, AND AFFILIATES OF MORE THAN 100  
10 REFINED PETROLEUM UNDERGROUND STORAGE TANKS, \$2,000,000.00.

11 (N) ~~(m)~~ "Controls" means the possession or the contingent or  
12 noncontingent right to acquire possession, direct or indirect, of  
13 the power to direct or cause the direction of the management and  
14 policies of a person, whether through the ownership of voting  
15 securities or interests, by contract, other than a commercial  
16 contract for goods or nonmanagement services, by pledge of  
17 securities, or otherwise, unless the power is the result of an  
18 official position with or corporate office held by the person.

19 (O) ~~(n)~~ "Corrective action" means that term as it is defined  
20 in section 21302.

21 (P) ~~(o)~~ "Deductible amount" means the amount of corrective  
22 action costs or indemnification costs that are required to be paid  
23 by an owner or operator as provided in section 21510a. ~~before the~~  
24 ~~owner or operator is eligible to submit a claim under this part.~~

25 (Q) ~~(p)~~ "Department" means the department of environmental  
26 quality.

27 (R) ~~(q)~~ "Eligible person" means an owner or operator who meets

1 the eligibility requirements under this part to submit a claim.

2 (S) ~~(r)~~—"Excluded liquid" means that term as defined in 26 CFR  
3 48.4081-1.

4 (T) ~~(s)~~—"Finance authority" means the Michigan finance  
5 authority created by Executive Reorganization Order No. 2010-2, MCL  
6 12.194.

7 (U) ~~(t)~~—"Financial responsibility requirements" means the  
8 financial responsibility for taking corrective action and for  
9 compensating third parties for bodily injury and property damage  
10 caused by a release from a refined petroleum underground storage  
11 tank system that the owner or operator of a refined petroleum  
12 underground storage tank system must demonstrate under part 211 and  
13 the rules promulgated under that part.

14 (V) ~~(u)~~—"Fund" means the underground storage tank cleanup fund  
15 created in section 21506b and includes the bond proceeds account  
16 established within the fund.

17 (W) ~~(v)~~—"Indemnification" means indemnification of an owner or  
18 operator for a legally enforceable judgment entered against the  
19 owner or operator by a third party, or a legally enforceable  
20 settlement entered between the owner or operator and a third party,  
21 compensating that third party for bodily injury or property damage,  
22 or both, caused by an accidental release as those terms are defined  
23 in R 29.2163 of the Michigan ~~administrative code~~. **ADMINISTRATIVE**  
24 **CODE**.

25 (X) ~~(w)~~—"Location" means a parcel of property where refined  
26 petroleum underground storage tank systems are registered pursuant  
27 to part 211.

1           **(Y)** ~~(x)~~—"Marine terminal operator" means a person that stores  
2 refined petroleum or a refined petroleum product at a boat terminal  
3 transfer.

4           **(Z)** ~~(y)~~—"Operator" means that term as it is defined in section  
5 21303 or a person to whom an approved claim has been assigned or  
6 transferred.

7           **(AA)** ~~(z)~~—"Owner" means that term as it is defined in section  
8 21303.

9           **(BB)** ~~(aa)~~—"Oxygenate" means an organic compound containing  
10 oxygen and having properties as a fuel that are compatible with  
11 petroleum, including, but not limited to, ethanol, methanol, or  
12 methyl tertiary butyl ether (MTBE).

13           Sec. 21503. As used in this part:

14           (a) "Person" means an individual, partnership, corporation,  
15 association, governmental entity, or other legal entity.

16           (b) "Pipeline terminal operator" means a person that receives  
17 and stores refined petroleum or a refined petroleum product in  
18 tanks and other equipment used in receiving and storing refined  
19 petroleum or a refined petroleum product from interstate and  
20 intrastate pipelines, pending wholesale bulk reshipment.

21           (c) "Qualifying expenditures" means an expenditure for a  
22 specific activity that does not exceed the allowable payment for  
23 that activity as detailed on the schedule of costs.

24           (d) "Rack" means a mechanism for delivering refined petroleum  
25 or a refined petroleum product from a refiner, a pipeline terminal  
26 operator, or a marine terminal operator into a railroad tank car, a  
27 transport truck, a tank wagon, or the fuel supply tank of a marine

1 vessel.

2 (e) "Refined petroleum" means aviation gasoline, middle  
3 distillates, jet fuel, kerosene, gasoline, residual oils, and any  
4 oxygenates that have been blended with any of these. Refined  
5 petroleum includes refined petroleum products and transmix. Refined  
6 petroleum does not include excluded liquids.

7 (f) "Refined petroleum fund" means the refined petroleum fund  
8 established under section 21506a.

9 (g) "Refined petroleum underground storage tank" means an  
10 underground storage tank system used for the storage of refined  
11 petroleum.

12 (h) "Refiner" means a person that meets both of the following:

13 (i) Manufactures or produces refined petroleum or a refined  
14 petroleum product at a refinery.

15 (ii) Is a taxable fuel registrant that is a refiner for  
16 purposes of 26 CFR 48.4081-1.

17 (i) "Refinery" means a facility used by a refiner to produce  
18 refined petroleum or a refined petroleum product from crude oil,  
19 unfinished oils, natural gas liquids, or other hydrocarbons by any  
20 process involving substantially more than the blending of refined  
21 petroleum and from which refined petroleum or a refined petroleum  
22 product may be removed by pipeline or marine vessel or at a rack.

23 (j) "Regulated financial institution" means a state or  
24 nationally chartered bank, savings and loan association or savings  
25 bank, credit union, or other state or federally chartered lending  
26 institution or a regulated affiliate or regulated subsidiary of any  
27 of these entities.

1 (k) "Regulatory fee" means the environmental protection  
2 regulatory fee imposed under section 21508.

3 (l) "Release" means that term as it is defined in section  
4 21303.

5 (m) "Removal" or "removed" means a physical transfer other  
6 than by evaporation, loss, or destruction of refined petroleum or a  
7 refined petroleum product from a refiner, pipeline terminal  
8 operator, or marine terminal operator.

9 (n) "Schedule of costs" means the list of allowable  
10 reimbursement amounts that may be paid on a claim, as established  
11 in section 21510b.

12 (o) "Site" means that term as it is defined in section 21303.

13 (p) "Supplier" means a supplier or permissive supplier  
14 licensed under the motor fuel tax act, 2000 PA 403, MCL 207.1001 to  
15 207.1170.

16 (q) "Tank wagon" means a straight truck having 1 or more  
17 compartments other than the fuel supply tank designed or used to  
18 carry fuel.

19 (r) "Terminal" means a refined petroleum or refined petroleum  
20 products storage and distribution facility that meets all of the  
21 following requirements:

22 (i) Is registered as a qualified terminal by the internal  
23 revenue service.

24 (ii) Is supplied by a pipeline or a marine vessel.

25 (iii) Has a rack from which refined petroleum or refined  
26 petroleum products may be removed.

27 (s) "Transmix" means the mixed product that results from the



1 buffer or interface of 2 different products in a pipeline shipment,  
2 or a mixture of 2 different products within a refinery or terminal  
3 that results in an off-grade mixture.

4 (t) "Transport truck" means a semitrailer combination rig  
5 designed or used for the purpose of transporting refined petroleum  
6 or a refined petroleum product over the public roads or highways.

7 (u) "Two-party exchange" means a transaction, including a book  
8 transfer, in which refined petroleum or a refined petroleum product  
9 is transferred from 1 supplier to another supplier and to which all  
10 of the following apply:

11 (i) The transaction includes a transfer of refined petroleum  
12 or a refined petroleum product from the person that holds the  
13 original inventory position for the refined petroleum or refined  
14 petroleum product in storage tanks as reflected in the records of  
15 the refiner, pipeline terminal operator, or marine terminal  
16 operator.

17 (ii) The exchange transaction is completed before removal  
18 across the rack by the receiving supplier.

19 (iii) The refiner, pipeline terminal operator, or marine  
20 terminal operator in its books and records treats the receiving  
21 exchange party as the supplier that removes the refined petroleum  
22 or refined petroleum product across a rack for purposes of  
23 reporting the transaction to the department under the motor fuel  
24 tax act, 2000 PA 403, MCL 207.1001 to 207.1170.

25 (v) "Underground storage tank system" means that term as it is  
26 defined in section 21303.

27 **(w) "WORK INVOICE" MEANS A LIST OF GOODS OR SERVICES FOR COSTS**

1 **OF CORRECTIVE ACTION RELATED TO A CLAIM, INCLUDING A STATEMENT OF**  
2 **THE AMOUNT DUE.**

3       Sec. 21508. (1) An environmental protection regulatory fee is  
4 imposed on all refined petroleum products sold for resale in this  
5 state or consumption in this state. The regulatory fee shall be  
6 charged for capacity utilization of refined petroleum underground  
7 storage tanks measured on a per gallon basis. The regulatory fee  
8 shall be charged against all refined petroleum products sold for  
9 resale in this state or consumption in this state so as to not  
10 exclude any products that may be stored in a refined petroleum  
11 underground tank at any point after the petroleum is refined. The  
12 regulatory fee shall be 7/8 cent per gallon for each gallon of  
13 refined petroleum sold for resale in this state or consumption in  
14 this state, with the per gallon charge being a direct measure of  
15 capacity utilization of a refined underground storage tank system.  
16 ~~Beginning January 1, 2015, the~~ **THE** regulatory fee shall not be  
17 imposed on a bulk transfer of or a 2-party exchange involving  
18 refined petroleum or refined petroleum products.

19       (2) The department of treasury shall precollect regulatory  
20 fees from persons who refine petroleum in this state for resale in  
21 this state or consumption in this state and persons who import  
22 refined petroleum into this state for resale in this state or  
23 consumption in this state. ~~The department of treasury shall collect~~  
24 ~~regulatory fees that can be collected at the same time as the sales~~  
25 ~~tax under section 6a of the general sales tax act, 1933 PA 167, MCL~~  
26 ~~205.56a.~~ The remainder of the regulatory fees shall be collected in  
27 the manner determined by the state treasurer.

1 (3) A public utility with more than 500,000 customers in this  
2 state is exempt from any fee or assessment imposed under this part  
3 if that fee or assessment is imposed on petroleum used by that  
4 public utility for the generation of steam or electricity.

5 ~~(4) Beginning on the effective date of the 2014 amendatory act~~  
6 ~~that amended this section, all~~ **ALL** regulatory fees collected  
7 pursuant to this part during each state fiscal year shall be  
8 deposited as follows:

9 (a) The first \$20,000,000.00 that is collected shall be  
10 deposited into the fund.

11 (b) Following the deposit under subdivision (a), all money  
12 collected shall be deposited into the refined petroleum fund.

13 (5) The department of treasury may audit, enforce, collect,  
14 and assess the fee imposed by this part in the same manner and  
15 subject to the same requirements as revenues collected pursuant to  
16 1941 PA 122, MCL 205.1 to 205.31.

17 Sec. 21510. (1) An owner or operator is eligible to receive  
18 money from the authority for corrective action or indemnification  
19 due to a release from a refined petroleum underground storage tank  
20 system only if all of the following requirements are satisfied and  
21 the owner or operator otherwise complies with this part:

22 (a) The release from which the corrective action or  
23 indemnification arose was discovered and reported on or after ~~the~~  
24 ~~effective date of the 2014 amendatory act that amended this~~  
25 ~~section.~~ **DECEMBER 30, 2014.**

26 (b) The refined petroleum underground storage tank from which  
27 the release occurred was, at the time of discovery of the release,

1 and is presently, in compliance with the registration and fee  
2 requirements of part 211. ~~and the rules promulgated under that~~  
3 ~~part.~~

4 (c) The owner or operator reported the release within 24 hours  
5 after its discovery as required by part 211 and the rules  
6 promulgated under that part.

7 (d) The owner or operator is not the United States government.

8 (e) The claim is not for a release from a refined petroleum  
9 underground storage tank closed prior to January 1, 1974, in  
10 compliance with the fire prevention code, 1941 PA 207, MCL 29.1 to  
11 29.33, and the rules promulgated under that act.

12 (f) The owner or operator ~~has maintained~~ **WAS IN COMPLIANCE**  
13 **WITH THE** financial responsibility requirements ~~for the deductible~~  
14 ~~amount.~~ **OF PART 211 AND THE RULES PROMULGATED UNDER THAT PART AT THE**  
15 **TIME OF THE DISCOVERY OF THE RELEASE OR RELEASES FOR WHICH THE**  
16 **CLAIM IS FILED.**

17 ~~— (g) The owner or operator has paid the deductible amount.~~

18 (G) ~~(h)~~ The owner or operator is otherwise eligible to receive  
19 money from the authority under this part.

20 (H) ~~(i)~~ The total amount of expenditures, including the  
21 deductible amount, does not exceed the ~~claim~~ **CLAIMS** limit **OR THE**  
22 **CLAIM PERIOD AGGREGATE LIMIT APPLICABLE TO THE CLAIM.**

23 (2) The owner or operator may receive money from the authority  
24 for corrective action or indemnification due to a release that  
25 originates from an aboveground piping and dispensing portion of a  
26 refined petroleum underground storage tank system if all of the  
27 following requirements are satisfied:

1 (a) The owner or operator is otherwise in compliance with this  
2 part and the rules promulgated under this part.

3 (b) The release is sudden and immediate.

4 (c) The release is of a quantity exceeding 25 gallons and is  
5 released into groundwater, surface water, or soils.

6 (d) The owner or operator reported the release to the  
7 department within 24 hours after its discovery.

8 (3) Either the owner or the operator may receive money from  
9 the authority under this part for an occurrence, but not both.

10 (4) An owner or operator that is a public utility with more  
11 than 500,000 customers in this state is ineligible to receive money  
12 from the authority for corrective action or indemnification  
13 associated with a release from a refined petroleum underground  
14 storage tank system used to supply refined petroleum for the  
15 generation of steam electricity.

16 (5) If an owner or operator has received money from the  
17 authority under this part for a release at a location, the owner  
18 and operator are not eligible to receive money from the authority  
19 for a subsequent release at the same location unless the owner or  
20 operator has done either or both of the following:

21 (a) Discovered the subsequent release pursuant to corrective  
22 action being taken on a confirmed release and included this  
23 subsequent release as part of the corrective action for the  
24 confirmed release.

25 (b) Upgraded, replaced, removed, or properly closed in place  
26 all refined petroleum underground storage tank systems at the  
27 location of the release so as to meet the requirements of part 211

1 and the rules promulgated under that part.

2 (6) An owner or operator ~~who~~**THAT** discovers a subsequent  
3 release at the same location as an initial release pursuant to  
4 subsection (5) (a) may receive money from the authority to perform  
5 corrective action on the subsequent release, if the owner or  
6 operator otherwise complies with the requirements of this part and  
7 the rules promulgated under this part. However, the subsequent  
8 release shall be considered as part of the claim for the initial  
9 release for purposes of determining the total amount of  
10 expenditures for corrective action and indemnification under  
11 subsection ~~(1)(i)~~. **(1) (H)** .

12 (7) An owner or operator ~~who~~**THAT** discovers a subsequent  
13 release at the same location as an initial release following  
14 compliance with subsection (5) (b) may receive money from the  
15 authority to perform corrective action on the subsequent release,  
16 if there have been not more than 2 releases at the location, and if  
17 the owner or operator otherwise complies with the requirements of  
18 this part and the rules promulgated under this part. The subsequent  
19 release shall be considered a separate claim for purposes of  
20 determining the total amount of expenditures for corrective action  
21 and indemnification under subsection ~~(1)(i)~~. **(1) (H)** .

22 ~~(8) An owner or operator may submit to the authority a request~~  
23 ~~for a determination that the owner or operator would be eligible~~  
24 ~~for funding under this part in the event of a release from a~~  
25 ~~refined petroleum underground storage tank system. Upon receipt of~~  
26 ~~a request under this subsection, the authority shall make a~~  
27 ~~determination and provide notice of that determination, in writing,~~

1 ~~to the owner or operator. The notice may contain conditions for~~  
2 ~~maintenance of that eligibility.~~ **AN OWNER OR OPERATOR THAT SEEKS TO**  
3 **RECEIVE MONEY FROM THE AUTHORITY FOR CORRECTIVE ACTION SHALL SUBMIT**  
4 **TO THE ADMINISTRATOR THE CLEANUP FUND CLAIM SUBMITTAL FORM CREATED**  
5 **BY THE AUTHORITY CONTAINING THE INFORMATION REQUIRED BY THE**  
6 **ADMINISTRATOR TO DETERMINE COMPLIANCE WITH THIS PART. THE**  
7 **ADMINISTRATOR SHALL DETERMINE WHETHER THE CLAIM COMPLIES WITH THIS**  
8 **PART AND SHALL NOTIFY THE OWNER OR OPERATOR. THE ADMINISTRATOR MAY**  
9 **CONSULT WITH THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS TO**  
10 **MAKE THE DETERMINATION REQUIRED IN THIS SUBSECTION.**

11 Sec. 21510a. (1) ~~Prior to submitting a claim under this part,~~  
12 ~~an~~ **AN** owner or operator is responsible for a deductible amount as  
13 follows:

14 (a) ~~Subject to subdivision (b), \$50,000.00 per claim.~~ **IF THE**  
15 **OWNER OR OPERATOR OR ITS AFFILIATE OWNS OR OPERATES FEWER THAN 8**  
16 **REFINED PETROLEUM UNDERGROUND STORAGE TANKS, \$2,000.00 PER CLAIM.**

17 (b) If the owner or operator or its affiliate owns or operates  
18 ~~fewer than 8 refined petroleum underground storage tanks and pays~~  
19 ~~the authority an annual fee of \$500.00 per refined petroleum~~  
20 ~~underground storage tank, \$15,000.00 per claim. For purposes of~~  
21 ~~this subdivision, each compartment of a multiple compartment~~  
22 ~~refined petroleum underground storage tank is considered a refined~~  
23 ~~petroleum underground storage tank for purposes of calculating the~~  
24 ~~annual fee.~~ **8 OR MORE REFINED PETROLEUM UNDERGROUND STORAGE TANKS,**  
25 **\$10,000.00 PER CLAIM.**

26 (C) **THE DEDUCTIBLE AMOUNT UNDER SUBDIVISIONS (A) AND (B) IS**  
27 **RETROACTIVE TO ALL CLAIMS FILED FOR RELEASES DISCOVERED AND**

1 **REPORTED ON OR AFTER DECEMBER 30, 2014.**

2 ~~—— (2) The due date for the annual fee paid pursuant to~~  
3 ~~subsection (1) (b) shall be set by the authority.~~

4 **(2)** ~~(3)~~ The deductible amount applies to each claim. However,  
5 2 or more claims arising out of the same, interrelated, associated,  
6 repeated, or continuous releases or a series of related releases  
7 shall be considered a single claim and ~~be~~ **ARE** subject to ~~1 claim~~  
8 ~~limit and 1 deductible amount.~~ Any claim ~~which~~ **THAT** takes place  
9 over 2 or more claim periods ~~shall be~~ **IS** subject to ~~1 claim limit~~  
10 ~~and 1 deductible amount.~~

11 **(3)** ~~(4)~~ An owner or operator that submits a ~~claim~~ **WORK INVOICE**  
12 under section 21515 ~~shall include work invoices or other evidence~~  
13 ~~that~~ **IS RESPONSIBLE FOR** the deductible amount described in  
14 subsection (1). ~~has been met.~~ The expenses toward meeting the  
15 deductible amount shall be documented and shall comply with the  
16 following:

17 (a) Expenses for items listed in the schedule of costs shall  
18 be at or below the allowable reimbursement amount listed in the  
19 schedule of costs.

20 (b) Expenses for items that are not listed in the schedule of  
21 costs shall be reasonable and necessary considering conditions at  
22 the site based upon a competitive bidding process established by  
23 the authority.

24 Sec. 21510c. A claim shall not be approved by the authority  
25 for any of the following:

26 (a) A release that was expected or intended by an owner or  
27 operator, or an employee of an owner or operator.



1 (b) Punitive, exemplary, or multiplied damages, fines, taxes,  
2 penalties, assessments, punitive or statutory assessments, or any  
3 civil, administrative, or criminal fines, sanctions, or penalties.

4 (c) A claim made by an owner or operator against any other  
5 person that is also an owner or operator of the refined petroleum  
6 underground storage tank system.

7 (d) A release caused by, based upon, resulting from, or  
8 attributable to the owner's or operator's intentional, knowing,  
9 willful, or deliberate noncompliance with any statute, regulation,  
10 ordinance, administrative complaint, notice of violation, notice  
11 letter, executive order, or instruction of any governmental agency  
12 or body.

13 (e) A release arising from the ownership, maintenance, use, or  
14 entrustment to others of any aircraft, auto, rolling stock, or  
15 watercraft, including loading and unloading.

16 (f) Costs, charges, or expenses incurred by the owner or  
17 operator for goods supplied by the owner or operator or services  
18 performed by the staff or employees of the owner or operator, or  
19 its parent, subsidiary, or affiliate, unless the costs, charges, or  
20 expenses are incurred with the prior written approval of the  
21 authority.

22 (g) A release arising from any consequence, whether direct or  
23 indirect, of war, invasion, act of a foreign enemy, act of  
24 terrorists, hostilities, whether war has been declared or not,  
25 civil war, rebellion, revolution, insurrection or military or  
26 usurped power, strike, riot, or civil commotion.

27 (h) Costs arising out of the reconstruction, repair,

1 replacement, upgrading of a refined petroleum underground storage  
2 tank system, or any other improvements and any site enhancements or  
3 routine maintenance on, within, or under a location.

4 (i) Costs arising out of the removing, replacing, or recycling  
5 ~~of the contents~~ of a refined petroleum underground storage tank  
6 system **OR ITS CONTENTS**.

7 (j) Costs, charges, or expenses incurred to investigate or  
8 verify that a confirmed release has taken place.

9 (k) Costs related to the injury of an employee of the owner or  
10 operator or its parent, subsidiary, or affiliate arising out of and  
11 in the course of employment by the owner or operator or its parent,  
12 subsidiary, or affiliate or performing duties related to the  
13 conduct of the business of the owner or operator or its parent,  
14 subsidiary, or affiliate by a spouse, child, parent, brother, or  
15 sister of that employee. This subdivision applies whether the owner  
16 or operator may be liable as an employer or in any other capacity  
17 and to any obligation to share damages with or repay someone else  
18 who must pay damages because of the injury.

19 (l) Any obligation of the owner or operator under worker's  
20 compensation, unemployment compensation, or disability benefits law  
21 or similar law.

22 (m) Any liability or claim for liability of others assumed by  
23 the owner or operator under any contract or agreement, unless the  
24 owner or operator would have been liable in the absence of the  
25 contract or agreement.

26 (n) A release on, within, under, or emanating from a location  
27 if the release commenced subsequent to the time ~~such~~**THE** location

1 was sold, given away, or abandoned.

2 (O) COSTS THAT HAVE BEEN OR WILL BE SUBMITTED TO OR THAT HAVE  
3 BEEN PAID PURSUANT TO AN INSURANCE POLICY OR POLICIES.

4 (P) COSTS ARISING FROM CORRECTIVE ACTIONS PERFORMED IN EXCESS  
5 OF THE CORRECTIVE ACTIONS REQUIRED TO OBTAIN A RESTRICTED CLOSURE  
6 BASED ON THEN CURRENT LAND USE.

7 (Q) COSTS INCURRED AFTER THE CLOSURE DATE OF THE RELEASE OR  
8 RELEASES FOR WHICH THE CLAIM WAS FILED EXCEPT FOR COSTS FOR  
9 MONITORING WELL ABANDONMENT OR REMEDIATION SYSTEM DECOMMISSIONING,  
10 OR BOTH, PERFORMED WITHIN 1 YEAR OF THE CLOSURE DATE.

11 SEC. 21510D. IF AN OWNER OR OPERATOR INTENDS TO RELY ON THE  
12 FUND TO MEET FINANCIAL RESPONSIBILITY REQUIREMENTS, THE OWNER OR  
13 OPERATOR SHALL SUBMIT TO THE AUTHORITY A REQUEST FOR A  
14 DETERMINATION THAT THE OWNER OR OPERATOR WOULD BE ELIGIBLE FOR  
15 FUNDING UNDER THIS PART IN THE EVENT OF A RELEASE FROM A REFINED  
16 PETROLEUM UNDERGROUND STORAGE TANK SYSTEM. UPON RECEIPT OF A  
17 REQUEST UNDER THIS SUBSECTION, THE AUTHORITY SHALL MAKE A  
18 DETERMINATION AND PROVIDE NOTICE OF THAT DETERMINATION, IN WRITING,  
19 TO THE OWNER OR OPERATOR. THE NOTICE MAY CONTAIN CONDITIONS FOR  
20 MAINTENANCE OF THAT ELIGIBILITY. A DETERMINATION UNDER THIS SECTION  
21 IS BASED UPON A DEMONSTRATION OF ALL OF THE FOLLOWING:

22 (A) THE OWNER OR OPERATOR IS NOT INELIGIBLE FOR FUNDING UNDER  
23 SECTION 21510(4) AND (5).

24 (B) THE REFINED PETROLEUM UNDERGROUND STORAGE TANK OR TANKS  
25 ARE PRESENTLY IN COMPLIANCE WITH THE REGISTRATION AND FEE  
26 REQUIREMENTS OF PART 211.

27 (C) THE OWNER OR OPERATOR IS NOT THE UNITED STATES GOVERNMENT.

1           (D) **THE OWNER OR OPERATOR HAS FINANCIAL RESPONSIBILITY FOR THE**  
2 **DEDUCTIBLE AMOUNT.**

3           Sec. 21515. (1) To receive money from the authority for  
4 corrective action, ~~the~~**AN** owner or operator **THAT HAS RECEIVED**  
5 **NOTICE FROM THE ADMINISTRATOR THAT ITS CLAIM HAS BEEN APPROVED**  
6 **PURSUANT TO SECTION 21510 (8)** shall follow the procedures outlined  
7 in this section and shall submit ~~a claim~~**WORK INVOICES** to the  
8 administrator containing information required by the administrator  
9 relevant to determining compliance with this part.

10 ~~—— (2) An owner or operator shall not submit a claim under~~  
11 ~~subsection (1) until work invoices in excess of the deductible~~  
12 ~~amount have been incurred.~~

13           (2) ~~(3) Upon~~ **WITHIN 45 DAYS OF** receipt of a ~~completed claim~~  
14 **WORK INVOICES SUBMITTED** pursuant to subsection (1) **USING FORMS**  
15 **CREATED BY THE AUTHORITY**, the administrator shall make all of the  
16 following determinations:

17           (a) Whether the owner or operator is eligible to receive  
18 funding under this part.

19           (b) Whether the work performed or proposed to be performed is  
20 consistent with ~~the requirements of part 213~~, and whether those  
21 activities are consistent with achieving site closure.

22           (c) Whether the owner or operator has paid the deductible  
23 amount.

24           (d) Whether the corrective action performed is reasonable and  
25 necessary considering conditions at the site of the release.

26           (e) Whether the cost of performing the corrective action work  
27 is at or below the allowable reimbursement amount in the schedule

1 of costs or, if the corrective action work is not a listed item,  
2 whether the cost is reasonable and necessary, **AND WHETHER THE COST**  
3 **WAS BASED UPON A COMPETITIVE BIDDING PROCESS ESTABLISHED BY THE**  
4 **AUTHORITY.**

5 (3) ~~(4)~~—The administrator may consult with the department and  
6 the department of licensing and regulatory affairs to make the  
7 determination required in subsection ~~(3)~~. **(2)**.

8 (4) ~~(5)~~—If the administrator determines under subsection ~~(3)~~  
9 **(2)** that the work ~~invoices included with the claim are~~ **INVOICE IS**  
10 reasonable and necessary considering conditions at the site of the  
11 release and reasonable in terms of cost and the owner or operator  
12 is eligible for funding under this part, the administrator shall  
13 approve the ~~claim~~ **WORK INVOICE** and notify the owner or operator ~~who~~  
14 **THAT** submitted the ~~claim~~ **WORK INVOICE** of the approval. If the  
15 administrator determines that the work described on the work  
16 invoices submitted was not reasonable and necessary or the cost of  
17 the work is not reasonable, or that the owner or operator is not  
18 eligible for funding under this part, the administrator shall deny  
19 the ~~claim~~ **WORK INVOICE** or any portion of the work ~~invoices~~ **INVOICE**  
20 submitted and give notice of the denial to the owner or operator  
21 ~~who~~ **THAT** submitted the ~~claim~~ **WORK INVOICE**.

22 (5) ~~(6)~~—The owner or operator may submit ~~additional work~~  
23 invoices to the administrator **THAT ARE RELATED TO A CLAIM ONLY**  
24 after **INITIAL** approval of a ~~THE~~ claim under subsection ~~(5)~~. Within  
25 ~~45 days after receipt of a work invoice, the administrator shall~~  
26 ~~make the following determinations:~~ **SECTION 21510(8) AND IF THE**  
27 **AGGREGATE AMOUNT OF WORK INVOICES IN THE SUBMISSION IS \$5,000.00 OR**

1 **MORE. THIS LIMITATION DOES NOT APPLY TO THE FINAL WORK INVOICE**  
 2 **SUBMISSION RELATED TO THE APPROVED CLAIM.**

3 ~~—— (a) Whether the work invoice complies with subsection (3).~~

4 ~~—— (b) Whether the owner or operator is currently in compliance~~  
 5 ~~with the registration and fee requirements of part 211 and the~~  
 6 ~~rules promulgated under that part for the refined petroleum~~  
 7 ~~underground storage tank system from which the release occurred.~~

8 **(6)** ~~(7)~~—If the administrator determines that ~~the~~**A** work  
 9 invoice does not meet the requirements of subsection ~~(6)~~, **(2) OR**  
 10 **(5)**, the administrator shall deny **REIMBURSEMENT FOR** the work  
 11 invoice and give written notice of the denial to the owner or  
 12 operator who submitted the work invoice.

13 ~~—— (8) The administrator shall keep records of approved work~~  
 14 ~~invoices. If the owner or operator has not exceeded the allowable~~  
 15 ~~amount of expenditure provided in section 21510(1)(i), the~~  
 16 ~~administrator shall pay the claim within 45 days of making the~~  
 17 ~~determinations under subsection (6).~~

18 **(7)** ~~(9)~~—The administrator ~~may~~**SHALL** approve a reimbursement  
 19 for a work invoice that was submitted by an owner or operator for  
 20 corrective action taken if the work invoice meets the requirements  
 21 of this part for an approved claim and an approved work invoice.

22 **(8)** ~~(10)~~—Except as provided in subsection ~~(11)~~**(9)** and section  
 23 21519, the authority shall make a **JOINT** payment to the owner or  
 24 operator **AND THE CONTRACTOR THAT PERFORMED THE WORK LISTED IN THE**  
 25 **APPROVED WORK INVOICES** within ~~30~~**45** days **AFTER THE DATE OF THE**  
 26 **ADMINISTRATOR'S APPROVAL UNDER SUBSECTION (4)** if sufficient money  
 27 exists in the fund. Once payment has been made under this section,

1 the authority is not liable for any claim on the basis of that  
2 payment.

3 (9) ~~(11)~~—The authority may withhold partial payment of money  
4 on payment vouchers if there is reasonable cause to suspect that  
5 there are violations of section 21548 or if necessary to assure  
6 acceptable completion of the proposed work.

7 (10) ~~(12)~~—The authority shall prepare and make available to  
8 owners and operators standardized claim and work invoice forms.

9 Sec. 21516. (1) An owner or operator with a claim approved  
10 pursuant to section ~~21515~~ **21510** for which corrective action is in  
11 progress who sells or transfers the property that is the subject of  
12 the approved claim to another person may assign or transfer the  
13 approved claim to that other person. The person to whom the  
14 assignment or transfer is made is eligible to receive money from  
15 the authority as an owner or operator for the release which is the  
16 subject of the approved claim. Allowable, outstanding approved or  
17 paid work invoices of the owner or operator making the assignment  
18 or transfer may be counted toward the deductible amount of the  
19 person to whom the assignment or transfer is made.

20 (2) An owner or operator assigning or transferring an approved  
21 claim pursuant to this section shall notify the administrator of  
22 the proposed assignment or transfer at least 10 days before the  
23 effective date of the assignment or transfer.

24 Sec. 21521. (1) If the administrator denies a claim, ~~or~~ work  
25 invoice, ~~or a~~ request for indemnification, **OR REQUEST FOR AN**  
26 **ELIGIBILITY DETERMINATION UNDER SECTION 21510(8)**, the owner or  
27 operator who submitted the claim, work invoice, ~~or~~ request for

1 indemnification, **OR REQUEST FOR AN ELIGIBILITY DETERMINATION UNDER**  
2 **SECTION 21510(8)** may, within 14 days following the denial, request  
3 review by the board. However, if the administrator believes the  
4 dispute may be able to be resolved without the board's review, the  
5 administrator may contact the owner or operator regarding the  
6 issues in dispute and may negotiate a resolution of the dispute  
7 prior to the board's review. The board shall conduct a review of  
8 the denial to determine whether the claim, work invoice, or request  
9 for indemnification is payable under this part.

10 (2) A person who is denied approval by the board after review  
11 under subsection (1) may appeal the decision directly to the  
12 circuit court.

13 Sec. 21526. Except as otherwise provided in this part, the  
14 board of directors may do all things necessary or convenient to  
15 implement this part and the purposes, objectives, and powers  
16 delegated to the board of directors by other laws or executive  
17 orders, including, but not limited to, all of the following:

18 (a) Adopt an official seal and bylaws for the regulation of  
19 its affairs and alter the seal or bylaws.

20 (b) Sue and be sued in its own name and plead and be  
21 impleaded.

22 (c) Enter into contracts and other instruments necessary,  
23 incidental, or convenient to the performance of its duties and the  
24 exercise of its powers.

25 (d) With the prior consent of the director of the department,  
26 solicit and accept gifts, grants, loans, and other aid from any  
27 person or the federal, state, or local government or any agency of



1 the federal, state, or local government, or participate in any  
2 other way in a federal, state, or local government program.

3 (e) Procure insurance against loss in connection with the  
4 property, assets, or activities of the authority.

5 ~~—— (f) Invest money of the authority, at the board of directors'~~  
6 ~~discretion, in instruments, obligations, securities, or property~~  
7 ~~determined proper by the board of directors, and name and use~~  
8 ~~depositories for its money.~~

9 (F) ~~(g)~~ Contract for goods and services and engage personnel  
10 as necessary and engage the services of private consultants,  
11 managers, legal counsel, and auditors for rendering professional  
12 financial assistance and advice, payable out of any money of the  
13 authority.

14 (G) ~~(h)~~ Indemnify and procure insurance indemnifying members  
15 of the board of directors from personal loss or accountability from  
16 liability asserted by a person on bonds or notes of the authority,  
17 or from any personal liability or accountability by reason of the  
18 issuance of the bonds or notes, or by reason of any other action  
19 taken or the failure to act by the authority.

20 (H) ~~(i)~~ Do all other things necessary or convenient to achieve  
21 the objectives and purposes of the authority, this part, rules  
22 promulgated under this part, or other laws that relate to the  
23 purposes and responsibilities of the authority.

24 Enacting section 1. This amendatory act takes effect 90 days  
25 after the date it is enacted into law.