

**SUBSTITUTE FOR  
HOUSE BILL NO. 6027**

A bill to amend 1976 PA 390, entitled "Emergency management act," by amending the title and sections 18 and 19 (MCL 30.418 and 30.419), the title as amended by 2006 PA 267, section 18 as amended by 2018 PA 263, and section 19 as amended by 2018 PA 264, and by adding section 18a.

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

1 TITLE  
2 An act to provide for planning, mitigation, response, and  
3 recovery from natural and human-made disaster within and outside  
4 this state; to create the Michigan emergency management advisory  
5 council and prescribe its powers and duties; **to create certain**  
6 **funds**; to prescribe the powers and duties of certain state and



1 local agencies and officials; to prescribe immunities and  
 2 liabilities; to provide for the acceptance of gifts; and to repeal  
 3 acts and parts of acts.

4 Sec. 18. (1) A disaster and emergency contingency fund is  
 5 created. ~~and shall be administered by the director. The director~~  
 6 **shall administer the fund.** An annual accounting of expenditures  
 7 under this act ~~shall~~**must** be made to the legislature and the  
 8 legislature shall annually appropriate sufficient funds to maintain  
 9 the fund at a level not to exceed ~~\$10,000,000.00~~**\$25,000,000.00** and  
 10 not less than ~~\$2,500,000.00~~**Unexpended \$10,000,000.00. Except as**  
 11 **otherwise provided under subsection (7), unexpended** and  
 12 unencumbered funds remaining in the disaster and emergency  
 13 contingency fund at the end of the fiscal year ~~shall~~**do** not lapse  
 14 to the general fund and ~~shall be~~**are** carried forward and be  
 15 available for expenditure in subsequent fiscal years.

16 (2) The director may expend money from the disaster and  
 17 emergency contingency fund upon appropriation for the purpose of  
 18 paying necessary and reasonable overtime, travel, and subsistence  
 19 expenses incurred by an employee of an agency of this state acting  
 20 at the direction of the director in a disaster or emergency related  
 21 operation, and, with the concurrence of the governor or the  
 22 governor's designated representative, for other needs required for  
 23 the mitigation of the effects of, or in response to, a disaster or  
 24 emergency.

25 (3) The director may place directly in the disaster and  
 26 emergency contingency fund a reimbursement for expenditures out of  
 27 the fund received from the federal government, or another source.

28 (4) If a state of major disaster or emergency is declared by  
 29 the President of the United States, and when authorized by the



1 governor, an expenditure from the fund may be made by the director  
2 upon appropriation to pay the state's matching share of grants as  
3 provided by the ~~disaster relief act of 1974, Robert T. Stafford~~  
4 **disaster relief and emergency assistance act**, Public Law 93-288. ~~7~~  
5 ~~88 Stat 143.~~

6 (5) The state treasurer shall direct the investment of the  
7 disaster and emergency contingency fund. The state treasurer shall  
8 credit to the disaster and emergency contingency fund interest and  
9 earnings from fund investments.

10 (6) The director shall submit a recommendation to the  
11 legislature concerning an amendment to this section that provides  
12 for the use of funds from the disaster and emergency contingency  
13 fund created in this section for an initiative to aid preemptive  
14 disaster resiliency programs. The recommendation described in this  
15 subsection must include information concerning how the initiative  
16 described in this subsection is designed to avoid the worst types  
17 of disasters.

18 (7) Except as otherwise provided in this subsection, each  
19 year, 20% of the funds remaining in the disaster and emergency  
20 contingency fund at the end of the fiscal year may be transferred  
21 and deposited into the state hazard mitigation fund created in  
22 section 18a. The transfer and deposit described in this subsection  
23 may be made only if at the end of the fiscal year the balance in  
24 the disaster and emergency contingency fund, after this transfer  
25 and deposit, will be \$5,000,000.00 or more.

26 Sec. 18a. (1) The state hazard mitigation fund is created in  
27 the state treasury.

28 (2) The state treasurer shall deposit money and other assets  
29 received from the disaster and emergency contingency fund, other



1 state or federal sources, or any other source in the state hazard  
2 mitigation fund. The state treasurer shall direct the investment of  
3 money in the state hazard mitigation fund and credit interest and  
4 earnings from the investments to the state hazard mitigation fund.

5 (3) The department is the administrator of the state hazard  
6 mitigation fund for audits of the state hazard mitigation fund.

7 (4) The unexpended and unencumbered funds remaining in the  
8 state hazard mitigation fund at the end of the fiscal year do not  
9 lapse to the general fund and are carried forward and available for  
10 expenditure in subsequent fiscal years.

11 (5) Subject to subsection (6), the department shall expend  
12 money from the state hazard mitigation fund, on appropriation, only  
13 for the use of hazard mitigation programs by the department of  
14 state police.

15 (6) Before expending any funds from the hazard mitigation  
16 fund, the department must request evidence that the activities to  
17 be completed account for future risks and hazard exposure. Hazard  
18 mitigation funds may be used to rebuild any damaged infrastructure,  
19 in conjunction with funds described under section 19, in a manner  
20 that will further reduce the exposure of the public to future  
21 hazards and mitigate against future loss.

22 (7) The state hazard mitigation fund may be expended by the  
23 department to support the reasonable administrative expenses  
24 related to the administration of the grant program created under  
25 this section.

26 (8) The director shall promulgate administrative rules  
27 governing grant applications, award determinations, eligible  
28 expenditures, and program administration that are related to the  
29 hazard mitigation fund. The rules described in this subsection must



1 include, but are not limited to, all of the following criteria:

2 (a) That eligibility for funding is limited to entities  
3 eligible to apply as sub-applicants for the Federal Emergency  
4 Management Agency's hazard mitigation assistance programs managed  
5 and administered by the emergency management and homeland security  
6 division within the department. For purposes of this subdivision,  
7 eligible sub-applicants include any of the following entities:

8 (i) State agencies.

9 (ii) Local governments.

10 (iii) Federally recognized tribal governments.

11 (b) Except as otherwise provided in this subdivision, the  
12 application process for receipt of funds in the hazard mitigation  
13 fund must require a showing of evidence that each applicant for  
14 funds has adopted and maintains an adequate local hazard mitigation  
15 plan that has been approved by the Federal Emergency Management  
16 Agency. For purposes of this subdivision, an applicant without a  
17 local hazard mitigation plan that has been approved by the Federal  
18 Emergency Management Agency may apply for funding as described in  
19 this subdivision to develop a new local hazard mitigation plan or  
20 update an existing local hazard mitigation plan that has lapsed.

21 (c) Reimbursement from funds in the hazard mitigation fund for  
22 expenditures is limited to approved hazard mitigation activities  
23 that align with eligible activities under the Federal Emergency  
24 Management Agency's hazard mitigation assistance programs or  
25 section 406 of the Robert T. Stafford disaster relief and emergency  
26 assistance act, Public Law 93-288, for public assistance  
27 mitigation.

28 (d) The governor-appointed Michigan Citizen-Community  
29 Emergency Response Coordinating Council must be consulted regarding



**1 funding decisions related to the hazard mitigation fund.**

2       Sec. 19. (1) Under extraordinary circumstances, upon the  
 3 declaration of a state of disaster or a state of emergency by the  
 4 governor and subject to the requirements of this subsection, the  
 5 governor may authorize an expenditure from the disaster and  
 6 emergency contingency fund to provide state assistance to counties  
 7 and municipalities when federal assistance is not available. If the  
 8 governor proclaims a state of disaster or a state of emergency, the  
 9 first recourse for disaster related expenses ~~shall~~**must** be to funds  
 10 of the county or municipality. If the demands placed upon the funds  
 11 of a county or municipality in coping with a particular disaster or  
 12 emergency are unreasonably great, the governing body of the county  
 13 or municipality may apply, by resolution of the local governing  
 14 body, for a grant from the disaster and emergency contingency fund.  
 15 The resolution ~~shall~~**must** certify that the affected county or  
 16 municipality emergency operations plan was implemented in a timely  
 17 manner. The resolution ~~shall~~**must** set forth the purpose for which  
 18 the assistance is sought, the extent of damages sustained, and  
 19 certify an exhaustion of local efforts. The assistance under this  
 20 subsection is to provide grants, excluding reimbursement for  
 21 capital outlay expenditures, in mitigation of the extraordinary  
 22 burden of a county or municipality in relation to its available  
 23 resources. Assistance grants under this section ~~shall~~**must** not  
 24 exceed the following amounts or 10% of the total annual operating  
 25 budget for the preceding fiscal year of the county or municipality,  
 26 whichever is less:

27       (a) For a county or municipality with a population under  
 28 ~~25,000 according to the most recent federal decennial census,~~  
 29 ~~\$250,000.00.~~ **75,000, \$1,000,000.00.**



1 (b) For a county or municipality with a population of ~~25,000~~  
2 **75,000** or more, and ~~less than 75,000 according to the most recent~~  
3 ~~federal decennial census, \$500,000.00.~~ **\$2,000,000.00.**

4 ~~(c) For a county or municipality with a population of 75,000~~  
5 ~~or more according to the most recent federal decennial census,~~  
6 ~~\$1,000,000.00.~~

7 (2) The director shall promulgate rules governing the  
8 application and eligibility for the use of the state disaster and  
9 emergency contingency fund. Rules that have been promulgated prior  
10 to December 31, 1988 to implement this section ~~shall~~ remain in  
11 effect until revised or replaced. The rules ~~shall~~ **must** include, but  
12 not be limited to, all of the following:

13 (a) Demonstration of exhaustion of local effort.

14 (b) Evidence that the applicant is a county that actively  
15 maintains an emergency management program, reviewed by and  
16 determined to be current and adequate by the emergency management  
17 division of the department, before the disaster or emergency for  
18 which assistance is being requested occurs. If the applicant is a  
19 municipality with a population of 10,000 or more, evidence that the  
20 municipality either maintains a separate emergency management  
21 program, reviewed by and determined to be current and adequate by  
22 the emergency management division of the department, before the  
23 disaster or emergency for which assistance is being requested or  
24 occurs, or the municipality is incorporated in the county emergency  
25 management program.

26 (c) Evidence that the applicable county or municipal emergency  
27 operations plan was implemented in a timely manner at the beginning  
28 of the disaster or emergency.

29 (d) Reimbursement for expenditures ~~shall~~ **must** be limited to



1 public damage and direct loss as a result of the disaster or  
2 emergency, or expenses incurred by the applicant for reimbursing  
3 employees for disaster or emergency related activities which were  
4 not performed as a part of their normal duties, or for other needs  
5 required specifically for the mitigation of the effects, or in  
6 response to the disaster or emergency.

7 (e) A disaster assessment team established by the emergency  
8 management division of the department has substantiated the damages  
9 claimed by the applicant. Damage estimates submitted by the  
10 applicant ~~shall~~**must** be based upon a disaster assessment carried  
11 out by the applicant according to standard procedures recommended  
12 by the emergency management division.

