

SUBSTITUTE FOR
HOUSE BILL NO. 6027

A bill to amend 1976 PA 390, entitled
"Emergency management act,"
by amending the title and section 19 (MCL 30.419), the title as
amended by 2006 PA 267 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
7 local agencies and officials; to prescribe immunities and

1 liabilities; to provide for the acceptance of gifts; and to repeal
2 acts and parts of acts.

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

5 (2) The state treasurer shall deposit money and other assets
6 received from the disaster and emergency contingency fund, other
7 state or federal sources, or any other source in the state hazard
8 mitigation fund. The state treasurer shall direct the investment of
9 money in the state hazard mitigation fund and credit interest and
10 earnings from the investments to the state hazard mitigation fund.

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

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

17 (5) Subject to subsection (6), the department shall expend
18 money from the state hazard mitigation fund, on appropriation, only
19 for the use of hazard mitigation programs by the department of
20 state police.

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

28 (7) The state hazard mitigation fund may be expended by the
29 department to support the reasonable administrative expenses

1 related to the administration of the grant program created under
2 this section.

3 (8) The director shall promulgate administrative rules
4 governing grant applications, award determinations, eligible
5 expenditures, and program administration that are related to the
6 hazard mitigation fund. The rules described in this subsection must
7 include, but are not limited to, all of the following criteria:

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

14 (i) State agencies.

15 (ii) Local governments.

16 (iii) Federally recognized tribal governments.

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

27 (c) Reimbursement from funds in the hazard mitigation fund for
28 expenditures is limited to approved hazard mitigation activities
29 that align with eligible activities under the Federal Emergency

1 Management Agency's hazard mitigation assistance programs or
2 section 406 of the Robert T. Stafford disaster relief and emergency
3 assistance act, Public Law 93-288, for public assistance
4 mitigation.

5 (d) The governor-appointed Michigan Citizen-Community
6 Emergency Response Coordinating Council must be consulted regarding
7 funding decisions related to the hazard mitigation fund.

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

1 exceed the following amounts or 10% of the total annual operating
 2 budget for the preceding fiscal year of the county or municipality,
 3 whichever is less:

4 (a) For a county or municipality with a population under
 5 ~~25,000 according to the most recent federal decennial census,~~
 6 ~~\$250,000.00.~~ **75,000, \$1,000,000.00.**

7 (b) For a county or municipality with a population of ~~25,000~~
 8 **75,000** or more, and ~~less than 75,000 according to the most recent~~
 9 ~~federal decennial census, \$500,000.00.~~ **\$2,000,000.00.**

10 ~~(c) For a county or municipality with a population of 75,000~~
 11 ~~or more according to the most recent federal decennial census,~~
 12 ~~\$1,000,000.00.~~

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

19 (a) Demonstration of exhaustion of local effort.

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

1 occurs, or the municipality is incorporated in the county emergency
2 management program.

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

6 (d) Reimbursement for expenditures ~~shall~~**must** be limited to
7 public damage and direct loss as a result of the disaster or
8 emergency, or expenses incurred by the applicant for reimbursing
9 employees for disaster or emergency related activities which were
10 not performed as a part of their normal duties, or for other needs
11 required specifically for the mitigation of the effects, or in
12 response to the disaster or emergency.

13 (e) A disaster assessment team established by the emergency
14 management division of the department has substantiated the damages
15 claimed by the applicant. Damage estimates submitted by the
16 applicant ~~shall~~**must** be based upon a disaster assessment carried
17 out by the applicant according to standard procedures recommended
18 by the emergency management division.

19 Enacting section 1. This amendatory act does not take effect
20 unless Senate Bill No. 1047 of the 102nd Legislature is enacted
21 into law.