

HOUSE BILL NO. 6027

November 07, 2024, Introduced by Rep. Morse and referred to the Committee on Appropriations.

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

1 this state; to create the Michigan emergency management advisory
2 council and prescribe its powers and duties; **to create certain**
3 **funds**; to prescribe the powers and duties of certain state and
4 local agencies and officials; to prescribe immunities and
5 liabilities; to provide for the acceptance of gifts; and to repeal
6 acts and parts of acts.

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

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

28 (3) The director may place directly in the disaster and
29 emergency contingency fund a reimbursement for expenditures out of

1 the fund received from the federal government, or another source.

2 (4) If a state of major disaster or emergency is declared by
3 the President of the United States, and when authorized by the
4 governor, an expenditure from the fund may be made by the director
5 upon appropriation to pay the state's matching share of grants as
6 provided by the ~~disaster relief act of 1974, Robert T. Stafford~~
7 **disaster relief and emergency assistance act**, Public Law 93-288. ~~7~~
8 ~~88 Stat 143.~~

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

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

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

29 **Sec. 18a. (1) The state hazard mitigation fund is created in**

1 the state treasury.

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

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

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

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

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

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

29 (8) The director shall promulgate administrative rules

1 governing grant applications, award determinations, eligible
2 expenditures, and program administration that are related to the
3 hazard mitigation fund. The rules described in this subsection must
4 include, but are not limited to, all of the following criteria:

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

11 (i) State agencies.

12 (ii) Local governments.

13 (iii) Federally recognized tribal governments.

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

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

1 mitigation.

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

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

1 (a) For a county or municipality with a population under
2 25,000, ~~according to the most recent federal decennial census,~~
3 ~~\$250,000.00.~~ **\$1,000,000.00.**

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

7 ~~(c) For a county or municipality with a population of 75,000~~
8 ~~or more according to the most recent federal decennial census,~~
9 ~~\$1,000,000.00.~~

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

16 (a) Demonstration of exhaustion of local effort.

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

29 (c) Evidence that the applicable county or municipal emergency

1 operations plan was implemented in a timely manner at the beginning
2 of the disaster or emergency.

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

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