



HOUSE BILL No. 4926

June 1, 1995, Introduced by Reps. Munsell, Fitzgerald, McManus, Crissman, Harder, Bullard, Curtis, Dalman, Pitoniak and Middleton and referred to the Committee on Conservation, Environment and Great Lakes.

A bill to amend sections 21508, 21512, and 21514 of Act No. 451 of the Public Acts of 1994, entitled "Natural resources and environmental protection act," section 21512 as amended by Act No. 12 of the Public Acts of 1995, being sections 324.21508, 324.21512, and 324.21514 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 21508, 21512, and 21514 of Act No. 451
2 of the Public Acts of 1994, section 21512 as amended by Act
3 No. 12 of the Public Acts of 1995, being sections 324.21508,
4 324.21512, and 324.21514 of the Michigan Compiled Laws, are
5 amended to read as follows:

6 Sec. 21508. (1) An environmental protection regulatory fee
7 is imposed on all refined petroleum products sold for resale in
8 this state or consumption in this state. The regulatory fee

1 shall be used pursuant to section 21506(4) for the cleanup and
2 prevention of environmental contamination resulting from releases
3 of refined petroleum products from underground storage tank sys-
4 tems and to pay off bonds or notes pursuant to this part. The
5 regulatory fee shall be charged for capacity utilization of
6 underground storage tanks measured on a per gallon basis. The
7 regulatory fee shall be charged against all refined petroleum
8 products sold for resale in this state or consumption in this
9 state so as to not exclude any products that may be stored in an
10 underground tank at any point after the petroleum is refined.
11 The regulatory fee shall be ~~7/8-cent~~ 2 CENTS per gallon for
12 each gallon of refined petroleum sold for resale in this state or
13 consumption in this state, with the per gallon charge being a
14 direct measure of capacity utilization of an underground storage
15 tank system.

16 (2) The department of treasury shall precollect regulatory
17 fees from persons who refine petroleum in this state for resale
18 in this state or consumption in this state and persons who import
19 refined petroleum into this state for resale in this state or
20 consumption in this state. The department of treasury shall col-
21 lect regulatory fees that can be collected at the same time as
22 the sales tax under section 6a of the general sales tax act, Act
23 No. 167 of the Public Acts of 1933, being section 205.56a of the
24 Michigan Compiled Laws, at that time. The remainder of the regu-
25 latory fees shall be collected in the manner determined by the
26 state treasurer.

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

6 (4) All regulatory fees collected pursuant to this part
7 shall be deposited into the emergency response fund created in
8 section 21507 until the emergency response fund reaches
9 \$1,000,000.00. When the emergency response fund is at
10 \$1,000,000.00, all regulatory fees shall be deposited into the
11 fund.

12 (5) Each quarter, the administrator shall determine if fund
13 revenues will be sufficient to pay expected expenditures from the
14 fund. If expected expenditures are anticipated to exceed fund
15 revenues, the state treasurer shall notify the advisory board
16 and, with the advice of the board, shall advise the legislature
17 of the estimated increase in the regulatory fee that would be
18 necessary to pay expected expenditures or recommend other revi-
19 sions to this part that would improve the security of the fund.
20 If anticipated expenditures are significantly below anticipated
21 revenues, the state treasurer shall notify the advisory board
22 and, with the advice of the board, shall recommend to the legis-
23 lature a reduction of the regulatory fee.

24 (6) If the state treasurer determines that fund revenues
25 will not be sufficient to pay expected expenditures from the
26 fund, the state treasurer shall notify the administrator, and 90
27 days after this notification has been given the administrator

1 shall not accept any new work invoices or requests for
 2 indemnification. Upon receiving this notification from the state
 3 treasurer, the administrator shall notify by certified mail the
 4 owners and operators of petroleum underground storage tank sys-
 5 tems registered under part 211 that funding under this part will
 6 no longer be available for new claims after the 90-day period has
 7 expired. However, work invoices and requests for indemnification
 8 that were submitted to the administrator prior to or during this
 9 90-day period may be paid to the extent money is available in the
 10 fund as provided in this part.

11 (7) The department of treasury may audit, enforce, collect,
 12 and assess the fee imposed by this part in the same manner and
 13 subject to the same requirements as revenues collected pursuant
 14 to Act No. 122 of the Public Acts of 1941, being sections 205.1
 15 to 205.31 of the Michigan Compiled Laws.

16 Sec. 21512. (1) Except as provided in ~~subsection (4)~~
 17 SUBSECTIONS (2) AND (3), the administrator shall approve expendi-
 18 tures for corrective action and indemnification, on behalf of an
 19 owner or operator, of not more than ~~a total of the following~~
 20 ~~amounts~~ \$1,000,000.00 per claim submitted if the owner or opera-
 21 tor has met the requirements of this part and the rules promul-
 22 gated under this part. →

23 ~~(a) For underground storage tank systems that, on~~
 24 ~~October 26, 1993, have been upgraded pursuant to part 211 and the~~
 25 ~~rules promulgated under that part:~~

26 ~~(i) Claims submitted through December 31, 1995~~ \$1,000,000.00

~~(ii) Claims submitted from January 1, 1996 to~~

~~December 31, 1996~~

~~\$ 800,000.00~~

~~(iii) Claims submitted from January 1, 1997 to~~

~~December 31, 1997~~

~~\$ 600,000.00~~

~~(iv) Claims submitted from January 1, 1998 to~~

~~December 22, 1998~~

~~\$ 400,000.00~~

~~(b) For underground storage tank systems that, on~~

~~October 26, 1993, have not been upgraded pursuant to part 211 and~~

~~the rules promulgated under that part:~~

~~(i) Claims submitted through December 31, 1996~~

~~\$1,000,000.00~~

~~(ii) Claims submitted from January 1, 1997~~

~~through December 31, 1997~~

~~\$ 800,000.00~~

~~(iii) Claims submitted from January 1, 1998~~

~~through December 22, 1998~~

~~\$ 600,000.00~~

(2) Beginning December 23, 1998, the fund will not be avail-

able to provide any portion of an owner's or operator's financial

responsibility requirements.

(3) The approved expenditure under subsection (1) shall be

reduced by the amount of the interest subsidy paid to an owner or

operator who has defaulted on a loan subsidized through the

interest subsidy program established in this section.

~~(4) If, upon review of the study conducted under section~~

~~21547, the director, in consultation with the insurance commis-~~

~~sioner, determines that insurance is not available to meet the~~

~~owner's and operator's portion of financial responsibility~~

~~requirements, or that the insurance that is available is not~~

~~available for a reasonable cost, then the director may delay~~

1 ~~implementation of the schedule provided in subsection (1). Upon~~
2 ~~making such a determination, the department shall publish notice~~
3 ~~of the revised schedule. However, the revised implementation~~
4 ~~schedule shall not require the fund to provide any portion of an~~
5 ~~owner's or operator's financial responsibility requirements after~~
6 ~~December 22, 1998.~~

7 Sec. 21514. (1) Except as provided in subsection (2) and
8 section 21511, an owner or operator who is eligible under
9 section 21510 or 21511 to receive money from the fund in the
10 event of a release is responsible for the payment of ~~+10%~~ 9% of
11 each work invoice submitted ~~up to a maximum of \$15,000.00 of~~
12 FOR corrective action or indemnification costs associated with
13 the release. This amount or the amount provided for in subsec-
14 tion (2) may be referred to as the co-pay amount. An owner or
15 operator who has paid \$10,000.00 of corrective action costs on
16 October 26, 1993 for a release in which a claim has been submit-
17 ted is exempt from any additional co-pay amounts for that
18 release.

19 (2) An owner or operator who is eligible to receive money
20 from the fund in the event of a second release at a location is
21 responsible for the payment of ~~-30%~~ 25% of each work invoice ~~up~~
22 ~~to a maximum of \$45,000.00~~ of corrective action or indemnifica-
23 tion costs associated with the release.

24 (3) An owner or operator is not eligible to receive money
25 from the fund for more than 2 releases at a location.

26 (4) Upon transfer or sale of any legal, equitable, or
27 possessory interest in property, which at the time of transfer is

1 otherwise in compliance with this part and the rules promulgated
2 under this part, or upon which an approved claim and the corre-
3 sponding corrective action is in progress, any co-pay amount
4 paid, by written agreement, may be transferred.