HOUSE BILL No. 6357

September 24, 2002, Introduced by Rep. DeVuyst and referred to the Committee on Land Use and Environment.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding part 50.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 PART 50 ON-SITE DISPOSAL SYSTEMS
- 2 SEC. 5001. AS USED IN THIS PART:
- 3 (A) "DEPARTMENT" MEANS THE DEPARTMENT OF ENVIRONMENTAL
- 4 QUALITY.
- 5 (B) "ON-SITE DISPOSAL SYSTEM" OR "SYSTEM" MEANS A NATURAL
- 6 SYSTEM OR MECHANICAL DEVICE USED TO COLLECT, TREAT, AND DISCHARGE
- 7 OR RECLAIM WASTEWATER FROM 1 OR MORE DWELLING UNITS WITHOUT THE
- 8 USE OF COMMUNITY-WIDE SEWERS OR A CENTRALIZED TREATMENT
- 9 FACILITY.
- SEC. 5002. (1) THE DEPARTMENT SHALL PROMULGATE RULES THAT
 - ESTABLISH PERFORMANCE STANDARDS FOR THE DESIGN AND INSTALLATION

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- 1 OF ON-SITE DISPOSAL SYSTEMS. IN PROMULGATING THE RULES, THE
- 2 DEPARTMENT SHALL CONSIDER ALL OF THE FOLLOWING:
- 3 (A) THE SOIL AND GEOLOGIC CONDITIONS AT THE LOCATION IN
- 4 WHICH THE SYSTEM IS TO BE USED.
- 5 (B) THE ENVIRONMENTAL SENSITIVITY OF THE LOCATION IN WHICH
- 6 THE SYSTEM IS TO BE USED.
- 7 (C) THE TYPE OF SYSTEM TO BE USED.
- 8 (2) THE RULES PROMULGATED UNDER SUBSECTION (1) MAY REQUIRE
- 9 DIFFERENT STANDARDS FOR ON-SITE DISPOSAL SYSTEMS BASED UPON THE
- 10 GEOLOGIC CONDITIONS IN WHICH THE SYSTEM IS LOCATED OR PROPOSED TO
- 11 BE LOCATED.
- 12 (3) NOTWITHSTANDING SUBSECTION (1), A PASSIVE SOIL BASED
- 13 ON-SITE DISPOSAL SYSTEM IS AUTHORIZED FOR USE IN THIS STATE IF IT
- 14 MEETS ALL OF THE FOLLOWING REQUIREMENTS:
- 15 (A) THE SYSTEM IS INSTALLED IN COMPLIANCE WITH APPLICABLE
- 16 SOIL STANDARDS.
- 17 (B) THE MANUFACTURER OF THE SYSTEM PROVIDES TO EACH OWNER A
- 18 FULL WRITTEN WARRANTY ON EACH SYSTEM INSTALLED. THE WARRANTY
- 19 SHALL BE FOR A MINIMUM OF 5 YEARS FROM THE DATE OF INSTALLATION
- 20 AND SHALL COVER MANUFACTURER'S DESIGN AND INSTALLATION SPECIFICA-
- 21 TIONS FOR LABOR AND MATERIAL COSTS TO REMEDY FAILURE TO MEET PER-
- 22 FORMANCE EXPECTATIONS FOR SYSTEMS USED AND INSTALLED IN ACCORD-
- 23 ANCE WITH MANUFACTURER'S SPECIFICATIONS. THE WARRANTY SHALL
- 24 AUTOMATICALLY TRANSFER TO EACH SUBSEQUENT OWNER OF THE PROPERTY
- 25 DURING THE WARRANTY PERIOD.
- 26 (C) THE MANUFACTURER PROVIDES EVIDENCE OF FINANCIAL
- 27 ASSURANCE AS PROVIDED FOR IN SUBSECTION (4).

- 1 (D) THE SYSTEM IS INSTALLED BY AN INDIVIDUAL WHO HAS BEEN
- 2 CERTIFIED BY THE MANUFACTURER OF THE SYSTEM AS TRAINED TO PROP-
- 3 ERLY INSTALL THE SYSTEM AND IS ON THE LIST OF INDIVIDUALS THAT
- 4 THE MANUFACTURER HAS SUBMITTED TO THE DEPARTMENT AS BEING
- 5 CERTIFIED.
- 6 (E) THE SYSTEM IS INSTALLED IN COMPLIANCE WITH THE
- 7 FOLLOWING:
- 8 (i) THE STORAGE CAPACITY OF THE SYSTEM IS EQUIVALENT TO THAT
- 9 AVAILABLE IN A CONVENTIONAL GRAVEL SYSTEM.
- 10 (ii) THE TOTAL TRENCH BOTTOM AREA OF THE SYSTEM MEASURED AS
- 11 THE AREA BOUNDED BY THE OUTERMOST LIMITS OF THE SYSTEM'S CONTACT
- 12 WITH THE TRENCH BOTTOM IS AT LEAST 50% OF THAT REQUIRED FOR A
- 13 CONVENTIONAL GRAVEL SYSTEM BUT NOT LESS THAN 300 SQUARE FEET.
- 14 (F) THE SYSTEM COMPLIES WITH ALL OF THE FOLLOWING:
- 15 (i) THE ABSORPTION AREA COMPLIES WITH ALL OTHER APPLICABLE
- 16 REQUIREMENTS INCLUDING, BUT NOT LIMITED TO, VERTICAL AND HORIZON-
- 17 TAL SEPARATION DISTANCES, TRENCH LOCATION, TRENCH DEPTH, AND CON-
- 18 TOUR ORIENTATION. THE ENTIRE ABSORPTION AREA IS SHOWN ON THE
- 19 CONSTRUCTION DRAWINGS, WHICH ARE AVAILABLE TO THE DEPARTMENT.
- 20 (ii) EXCEPT FOR SIZING THE DRAINFIELD IN ACCORDANCE WITH
- 21 MANUFACTURER'S SPECIFICATION AND SUBSTITUTING THE APPROPRIATE
- 22 PROPRIETARY MATERIALS OR DEVICES, THE DRAINFIELD IS INSTALLED
- 23 EXACTLY AS PROVIDED BY APPLICABLE LAW, INCLUDING, BUT NOT LIMITED
- 24 TO, THE LATERAL SEPARATION OF TRENCHES BASED ON TRENCH WIDTH.
- 25 (iii) LATERAL TRENCH RUNS ARE AS LONG AS PRACTICAL WITHIN
- 26 THE LIMITS OF THE APPROVED SITE SO AS TO MINIMIZE THE LINEAR
- 27 LOADING RATE.

1	(4) THE MANUFACTURER OF A PASSIVE, SOIL-BASED, ON-SITE
2	DISPOSAL SYSTEM SHALL DELIVER TO THE DEPARTMENT EVIDENCE OF
3	FINANCIAL ASSURANCE IN THE FORM OF A LETTER OF CREDIT, INSURANCE
4	POLICY, CASH ESCROW, OR OTHER ASSURANCE ACCEPTABLE TO THE DEPART
5	MENT IN THE INITIAL AMOUNT OF AT LEAST \$100,000.00, WHICH SHALL
6	BE AVAILABLE FOR PAYMENT OF UNSATISFIED WARRANTY CLAIMS IF THE
7	DEPARTMENT DETERMINES THAT THE MANUFACTURER REFUSES TO PAY A
8	LEGITIMATE WARRANTY CLAIM OR CLAIMS OR IS FINANCIALLY UNABLE TO
9	HONOR THE WARRANTY REQUIRED IN SUBSECTION (3)(B). THE MANUFAC-
10	TURER SHALL DELIVER EVIDENCE OF THE ANNUALLY REVISED FINANCIAL
11	ASSURANCE AMOUNT BASED ON THE FOLLOWING FORMULA ON OR BEFORE
12	DECEMBER 31 OF THE YEAR PRECEDING THE YEAR FOR WHICH THE FINAN-
13	CIAL ASSURANCE IS REQUIRED. A FAILURE RATE OF 3% AND A REPAIR
14	COST OF \$5,000.00 SHALL BE ASSUMED UNTIL DATA ARE AVAILABLE FROM
15	SYSTEMS INSTALLED IN MICHIGAN THAT INDICATE A DIFFERENT FAILURE
16	RATE OR REPAIR COST SHOULD BE USED FOR A PARTICULAR SYSTEM. THE
17	MANUFACTURER SHALL BE RESPONSIBLE FOR COLLECTING AND REPORTING
18	THE DATA USED TO CALCULATE THE NUMBER OF SYSTEMS INSTALLED IN
19	MICHIGAN EACH YEAR. THE AMOUNT OF FINANCIAL ASSURANCE SHALL BE
20	INCREASED FROM THE \$100,000.00 MINIMUM ANNUALLY, AS NECESSARY,
21	BASED ON THE FOLLOWING FORMULA:
22	FA=N x F x C
23	WHERE: FA=THE FINANCIAL ASSURANCE AMOUNT IN DOLLARS.
24 25	N=THE NUMBER OF SYSTEMS INSTALLED IN MICHIGAN OVER THE PREVIOUS 5 YEARS.
26 27 28	F=THE FAILURE RATE OF THE SYSTEM BY PERCENTAGE (THIS FACTOR MAY BE MODIFIED AFTER 2 YEARS OF DATA ARE COLLECTED).

- 1 C=THE AVERAGE COST OF REPAIR (THIS FACTOR MAY BE
- MODIFIED AFTER 5 YEARS OF DATA ARE COLLECTED). 2
- 3 SEC. 5003. (1) PROPERTY CONTAINING AN ON-SITE DISPOSAL
- SYSTEM SHALL NOT BE TRANSFERRED UNLESS THE SYSTEM HAS BEEN 4
- 5 INSPECTED AND A WRITTEN COPY OF THE INSPECTION REPORT IS PROVIDED
- 6 TO THE PROSPECTIVE TRANSFEREE AS PROVIDED IN SUBSECTION (3).
- 7 INSPECTION SHALL DETERMINE ALL OF THE FOLLOWING:
- 8 (A) WHETHER THE SYSTEM IS IN COMPLIANCE WITH THE RULES
- 9 PROMULGATED UNDER SECTION 5002 OR, IF THE SYSTEM WAS INSTALLED
- PRIOR TO THE EFFECTIVE DATE OF THE RULES PROMULGATED UNDER 10
- 11 SECTION 5002, WHETHER THE SYSTEM IS FUNCTIONING PROPERLY.
- 12 (B) WHETHER THE SEPTIC TANK OF THE SYSTEM NEEDS TO BE PUMPED
- 13 OUT.
- 14 (C) FOR SYSTEMS INSTALLED ON OR AFTER THE EFFECTIVE DATE OF
- 15 THE RULES PROMULGATED UNDER SECTION 5002, ANY ACTIONS NEEDED TO
- 16 BRING THE SYSTEM INTO COMPLIANCE WITH THE RULES.
- 17 (D) FOR SYSTEMS INSTALLED PRIOR TO THE EFFECTIVE DATE OF THE
- 18 RULES PROMULGATED UNDER SECTION 5002, ANY ACTIONS NEEDED TO ALLOW
- 19 THE SYSTEM TO FUNCTION PROPERLY.
- 20 (2) THE INSPECTION UNDER SUBSECTION (1) SHALL BE CONDUCTED
- 21 BY THE COUNTY IN WHICH THE SYSTEM IS LOCATED OR A PERSON AUTHO-
- 22 RIZED BY THAT COUNTY TO CONDUCT THE INSPECTION. THE COUNTY OR
- 23 PERSON AUTHORIZED BY THE COUNTY TO CONDUCT INSPECTIONS MAY CHARGE
- 24 A REASONABLE FEE FOR CONDUCTING THE INSPECTIONS.
- 25 (3) THE WRITTEN COPY OF THE INSPECTION REPORT REQUIRED UNDER
- SUBSECTION (1) SHALL BE PROVIDED TO THE PROSPECTIVE TRANSFEREE 26
- 27 NOT LATER THAN THE TIME PRESCRIBED FOR PROVIDING THE WRITTEN
- DISCLOSURE STATEMENT UNDER THE SELLER DISCLOSURE ACT, 1993 PA 92, 28

- 1 MCL 565.951 TO 565.966, AS PROVIDED IN SECTION 4 OF THE SELLER
- 2 DISCLOSURE ACT, 1993 PA 92, MCL 565.954.
- **3** (4) THIS SECTION DOES NOT APPLY TO TRANSFERS OF PROPERTY
- 4 DESCRIBED IN SECTION 3 OF THE SELLER DISCLOSURE ACT, 1993 PA 92,
- **5** MCL 565.953.
- 6 SEC. 5004. (1) THE DEPARTMENT SHALL DEVELOP EDUCATIONAL
- 7 MATERIALS TO EDUCATE ALL ON-SITE WASTEWATER SYSTEM HOMEOWNERS
- 8 REGARDING PROPER MAINTENANCE OF THEIR SYSTEMS. THESE EDUCATIONAL
- 9 MATERIALS SHALL INCLUDE, AT A MINIMUM, ALL OF THE FOLLOWING:
- 10 (A) INFORMATION ON HOW THE SYSTEM WORKS AND WHAT SHOULD AND
- 11 SHOULD NOT BE INTRODUCED INTO THE SYSTEM.
- 12 (B) NORMAL INTERVALS FOR PUMPING AND CLEANING THE SEPTIC
- **13** TANK.
- 14 (C) SCHEDULE AND PROCEDURES FOR INSPECTING THE SYSTEM FOR
- 15 ABOVEGROUND AND BELOWGROUND MALFUNCTION.
- 16 (D) LIKELY LONG-TERM COSTS OF FAILING TO PROPERLY MAINTAIN
- 17 THE SYSTEM.
- 18 (2) THE DEPARTMENT SHALL PROVIDE COPIES OF THE EDUCATIONAL
- 19 MATERIALS DEVELOPED UNDER SUBSECTION (1) TO EACH COUNTY. EACH
- 20 COUNTY SHALL PROVIDE THE EDUCATIONAL MATERIALS TO THE OWNERS OF
- 21 ON-SITE DISPOSAL SYSTEMS LOCATED WITHIN ITS JURISDICTION AT LEAST
- 22 ONCE EACH YEAR. THE EDUCATIONAL MATERIALS DISTRIBUTED UNDER THIS
- 23 SECTION SHALL BE DEVELOPED BY THE DEPARTMENT AND SHALL BE PRO-
- 24 VIDED TO EACH COUNTY FOR DISTRIBUTION.