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REVISE SMALL BUSINESS POLLUTION PREVENTION ASSISTANCE PROGRAM

House Bill 5090

Sponsor: Rep. Barbara Farrah

House Bill 5091

Sponsor: Rep. Julie Dennis

**Committee: Land Use and Environment
Complete to 10-3-03**

A SUMMARY OF HOUSE BILLS 5090 - 5091 AS INTRODUCED 9-30-03

The bills would revise the eligibility criteria and increase the maximum amount of the loans available for the Small Business Pollution Prevention Assistance Revolving Loan Fund. The bills are tie-barred so that neither could become law unless both were enacted.

House Bill 5090 would amend the Natural Resources and Environmental Protection Act (MCL 324.14513) to specify that the Department of Environmental Quality could expend money from the Small Business Pollution Prevention Assistance Fund, upon appropriation, to provide loans to implement pollution prevention projects. For each loan issued, the money would be disbursed by the department to a lending institution that had entered into a loan participation agreement with the department. Currently under the law, the department expends money from the fund to implement pollution prevention recommendations made in RETAP (Retired Engineers Technical Assistance Program) audits, and other qualifying expenditures. House Bill 5090 would eliminate this provision.

In addition, the bill would increase the maximum loan from the fund from \$50,000 to \$150,000. Currently under the law, a small business cannot receive more than one loan in any three-year period, and the interest rate on the loan is set by the director of the Department of Environmental Quality, but cannot exceed 5 percent. The bill would retain these provisions.

Finally, the bill would delete the definitions in the current law for “qualifying pollution prevention expenditures,” and “small business.” Under the law, “qualifying pollution prevention expenditures” is defined to mean equipment or technology modifications, process or procedure modifications, reformulation or redesign of products, substitution of raw materials, and improvements in housekeeping, maintenance, training, or inventory control that reduces the amount of environmental waste or reduce the hazards to public health and the environment associated with environmental waste. Further, “small business” is defined to mean a business that is independently owned and operated, is not dominant in its field as defined in 13 CFR part 121, and meets both of the following requirements: 1) is owned or operated by a person that employs 100 or fewer individuals; and 2) is a small business concern as defined in the federal Small Business Act. Under the bill, these definitions would be eliminated.

House Bills 5090 and 5091 (10-3-03)

House Bill 5091 would amend the Natural Resources and Environmental Protection Act (MCL 324.14501) to define “small business” to mean a business that is not dominant in its field as defined in 13 CFR part 121, and meets both of the following requirements: 1) is independently owned and operated by a person that employs 500 or fewer individuals; and 2) is a small business concern as defined in the federal Small Business Act.

The bill also specifies that the Department of Environmental Quality can promulgate rules to implement and administer this part of the act.

Analyst: J. Hunault

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.