

**SUBSTITUTE FOR  
HOUSE BILL NO. 4358**

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. Subject to the conditions set forth in this act, the

4

amounts listed in this part are appropriated for the department of

House Bill No. 4358 (H-1) as amended July 25, 2007

environmental quality for the fiscal year ending September 30,  
2008, from the funds indicated in this part. The following is a  
summary of the appropriations in this part:

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 1,561.7

GROSS APPROPRIATION..... \$ [372,909,600]

Interdepartmental grant revenues:

IDG-MDCH local public health operations..... 10,472,500

IDG from MDOT - Michigan transportation fund..... 1,057,000

IDG from MSP..... 740,400

IDT, interdivisional charges..... 2,053,400

IDT, laboratory services..... 4,088,500

Total interdepartmental grants and intradepartmental  
transfers ..... 18,411,800

ADJUSTED GROSS APPROPRIATION..... \$ [354,497,800]

Federal revenues:

DHS, federal..... 3,602,700

DOC-NOAA, federal..... 3,670,200

DOD, federal..... 1,184,700

DOI, federal..... 594,000

EPA, brownfield cleanup revolving loan fund..... 1,000,000

EPA, multiple..... 122,681,900

HHS, federal..... 6,200

Total federal revenues..... 132,739,700

Special revenue funds:

1	Total local revenues.....	0
2	Private funds.....	455,100
3	Total private revenues.....	455,100
4	Total local and private revenues.....	455,100
5	Aboveground storage tank fees.....	760,400
6	Air emissions fees.....	8,982,900
7	Aquifer protection revolving fund.....	400,000
8	Campground fund.....	237,600
9	Clean Michigan initiative fund - administration.....	335,500
10	Clean Michigan initiative fund - clean water fund....	3,372,000
11	Clean Michigan initiative fund - response activities .	5,663,200
12	Cleanup and redevelopment fund.....	12,383,100
13	Community pollution prevention fund.....	250,000
14	Environmental pollution prevention fund.....	1,058,100
15	Environmental protection fund.....	3,907,100
16	Environmental response fund.....	6,299,700
17	Fees and collections.....	552,500
18	Financial instruments.....	5,000,000
19	Great Lakes protection fund.....	1,603,100
20	Groundwater discharge permit fees.....	1,201,600
21	Hazardous material transportation permit fund.....	218,500
22	Infrastructure construction fund.....	400,000
23	Laboratory data quality recognition fund.....	16,200
24	Land and water permit fees.....	2,085,200
25	Landfill maintenance trust fund.....	55,900
26	Medical waste emergency response fund.....	240,300
27	Metallic mining surveillance fee revenue.....	93,500

## House Bill No. 4358 (H-1) as amended July 25, 2007

1	Mineral well regulatory fee revenue.....	125,600
2	Nonferrous metallic mineral surveillance.....	218,600
3	NPDES fees.....	3,362,400
4	Oil and gas regulatory fund.....	7,829,100
5	Orphan well fund.....	2,051,900
6	Public swimming pool fund.....	541,300
7	Public utility assessments.....	786,100
8	Public water supply fees.....	3,949,600
9	Publication revenue.....	120,200
10	Refined petroleum fund.....	30,684,500
11	Restricted funds.....	15,379,800
12	Retired engineers technical assistance fund.....	1,474,300
13	Revitalization revolving loan fund.....	84,300
14	Revolving loan revenue bonds.....	11,400,000
15	Saginaw Bay and River restoration revenue.....	174,800
16	Sand extraction fee revenue.....	198,300
17	Scrap tire regulatory fund.....	5,846,300
18	Septage waste contingency fund.....	37,700
19	Septage waste program fund.....	720,200
20	Settlement funds.....	[2,093,100]
21	Sewage sludge land application fees.....	850,800
22	Soil erosion and sedimentation control training fund.	114,700
23	Solid waste program fees.....	3,520,900
24	Small business pollution prevention revolving loan	
25	fund .....	107,700
26	Stormwater permit fees.....	2,799,400
27	Strategic water quality initiatives fund.....	10,000,000

## House Bill No. 4358 (H-1) as amended July 25, 2007

1	Underground storage tank fees.....		3,125,500
2	Waste reduction fee revenue.....		2,141,600
3	Wastewater operator training fees.....		172,100
4	Water analysis fees.....		3,317,600
5	Water pollution control revolving fund.....		3,066,400
6	Water quality protection fund.....		25,000
7	Water use reporting fees.....		245,700
8	Total other state restricted revenues.....	[171,681,900]	
9	State general fund/general purpose.....	\$	49,621,100
10	<b>Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT</b>		
11	<b>SUPPORT</b>		
12	Full-time equated unclassified positions.....	6.0	
13	Full-time equated classified positions.....	78.0	
14	Unclassified salaries--6.0 FTE positions.....	\$	587,600
15	Administrative hearings.....		441,800
16	Executive direction--9.0 FTE positions.....		2,306,100
17	Central operations--62.0 FTE positions.....		6,697,100
18	Office of the Great Lakes--7.0 FTE positions.....		1,048,900
19	Automated data processing.....		2,053,400
20	Environmental support projects.....		5,000,000
21	Human resources optimization user charges.....		98,600
22	Building occupancy charges.....		7,530,400
23	Rent - privately owned property.....		<u>1,966,900</u>
24	GROSS APPROPRIATION.....	\$	27,730,800
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDT, interdivisional charges.....		2,053,400

1	IDT, laboratory services.....	510,700
2	Federal revenues:	
3	DOC-NOAA, federal.....	22,500
4	DOI, federal.....	160,300
5	EPA, multiple.....	268,000
6	Special revenue funds:	
7	Financial instruments.....	5,000,000
8	Great Lakes protection fund.....	603,100
9	Restricted funds.....	11,165,800
10	Settlement funds.....	104,400
11	State general fund/general purpose.....	\$ 7,842,600
12	<b>Sec. 103. AIR QUALITY</b>	
13	Full-time equated classified positions.....	241.5
14	Air quality programs--241.5 FTE positions.....	\$ <u>26,408,400</u>
15	GROSS APPROPRIATION.....	\$ 26,408,400
16	Appropriated from:	
17	Federal revenues:	
18	EPA, multiple.....	4,130,000
19	DHS, federal.....	2,027,600
20	Special revenue funds:	
21	Air emissions fees.....	8,217,300
22	Environmental response fund.....	106,200
23	Fees and collections.....	408,400
24	Oil and gas regulatory fund.....	107,500
25	Refined petroleum fund.....	2,850,700
26	State general fund/general purpose.....	\$ 8,560,700
27	<b>Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES</b>	

1 **DIVISION**

2	Full-time equated classified positions.....	184.0	
3	Laboratory services--68.0 FTE positions.....		\$ 6,822,900
4	Municipal assistance--35.5 FTE positions.....		5,305,100
5	Pollution prevention outreach programs.....		300,000
6	Pollution prevention and technical assistance--53.0		
7	FTE positions .....		5,085,800
8	Program services and grant management--27.5 FTE		
9	positions .....		3,886,300
10	Retired engineers technical assistance program.....		1,474,300
11	Revitalization revolving loan fund.....		<u>1,000,000</u>
12	GROSS APPROPRIATION.....		\$ 23,874,400
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDT, laboratory services.....		3,577,800
16	Federal revenues:		
17	EPA, brownfield cleanup revolving loan fund.....		1,000,000
18	DOC-NOAA, federal.....		353,000
19	EPA, multiple.....		3,432,400
20	Special revenue funds:		
21	Private funds.....		300,000
22	Air emissions fees.....		765,600
23	Environmental protection fund.....		68,500
24	Environmental response fund.....		662,500
25	Laboratory data quality recognition fund.....		16,200
26	Public water supply fees.....		252,100
27	Revitalization revolving loan fund.....		84,300

1	Retired engineers technical assistance fund.....		1,474,300
2	Settlement revenue.....		234,400
3	Small business pollution prevention revolving loan		
4	fund .....		107,700
5	Stormwater permit fees.....		95,500
6	Strategic water quality initiatives fund.....		400,000
7	Waste reduction fee revenue.....		2,067,000
8	Wastewater operator training fees.....		172,100
9	Water analysis fees.....		3,317,600
10	Water pollution control revolving fund.....		2,398,300
11	State general fund/general purpose.....	\$	3,095,100
12	<b>Sec. 105. OFFICE OF GEOLOGICAL SURVEY</b>		
13	Full-time equated classified positions.....	68.0	
14	Coal and sand dune management--3.0 FTE positions .....	\$	626,000
15	Metallic mining reclamation program--1.0 FTE position		93,500
16	Mineral wells management--3.0 FTE positions .....		246,000
17	Nonferrous metallic mining--2.0 FTE positions .....		218,600
18	Services to oil and gas programs--57.0 FTE positions .		7,478,300
19	Well plugging-orphan wells--2.0 FTE positions .....		<u>2,051,900</u>
20	GROSS APPROPRIATION.....	\$	10,714,300
21	Appropriated from:		
22	Federal revenues:		
23	DOI, federal.....		427,700
24	Special revenue funds:		
25	Metallic mining surveillance fee revenue .....		93,500
26	Mineral well regulatory fee revenue .....		125,600
27	Nonferrous metallic mineral surveillance .....		218,600



1	Oil and gas regulatory fund.....		7,358,100
2	Orphan well fund.....		2,051,900
3	Publication revenue.....		120,200
4	Sand extraction fee revenue.....		198,300
5	State general fund/general purpose.....	\$	120,400
6	<b>Sec. 106. LAND AND WATER MANAGEMENT</b>		
7	Full-time equated classified positions.....	129.0	
8	Program direction--8.0 FTE positions.....	\$	938,700
9	Field permitting and project assistance--72.0 FTE		
10	positions .....		7,514,900
11	Great Lakes shorelands--28.0 FTE positions.....		2,662,700
12	Water management--21.0 FTE positions.....		<u>2,688,600</u>
13	GROSS APPROPRIATION.....	\$	13,804,900
14	Appropriated from:		
15	Interdepartmental grant revenues:		
16	IDG from MDOT - Michigan transportation fund.....		1,002,500
17	Federal revenues:		
18	DHS, federal.....		999,700
19	DOC-NOAA, federal.....		1,508,800
20	EPA, multiple.....		1,047,400
21	Special revenue funds:		
22	Land and water permit fees.....		1,486,000
23	State general fund/general purpose.....	\$	7,760,500
24	<b>Sec. 107. REMEDIATION AND REDEVELOPMENT</b>		
25	Full-time equated classified positions.....	297.5	
26	Federal cleanup project management--67.0 FTE positions	\$	8,385,800
27	Superfund cleanup.....		4,000,000

1	Contaminated site investigations, cleanup and	
2	revitalization--230.5 FTE positions.....	23,235,100
3	Emergency cleanup action.....	4,000,000
4	Environmental cleanup and redevelopment program.....	5,663,200
5	Refined petroleum product cleanup program.....	20,000,000
6	Environmental cleanup support.....	<u>2,340,000</u>
7	GROSS APPROPRIATION.....	\$ 67,624,100
8	Appropriated from:	
9	Federal revenues:	
10	DOD, federal.....	1,174,500
11	EPA, multiple.....	8,403,500
12	HHS, federal.....	6,200
13	Special revenue funds:	
14	Private funds.....	155,100
15	Clean Michigan initiative fund - response activities .	5,663,200
16	Cleanup and redevelopment fund.....	12,383,100
17	Environmental protection fund.....	3,838,600
18	Environmental response fund.....	5,231,400
19	Landfill maintenance trust fund.....	55,900
20	Refined petroleum fund.....	26,790,900
21	Settlement funds.....	1,504,300
22	State general fund/general purpose.....	\$ 2,417,400
23	<b>Sec. 108. WASTE AND HAZARDOUS MATERIALS DIVISION</b>	
24	Full-time equated classified positions..... 183.5	
25	Hazardous waste management program--61.0 FTE positions \$	6,463,200
26	Low-level radioactive waste authority--2.0 FTE	
27	positions .....	786,100

1	Medical waste program--2.0 FTE positions .....	240,300
2	Radiological protection--14.5 FTE positions .....	1,418,800
3	Scrap tire regulatory program--11.0 FTE positions ....	1,061,200
4	Solid waste management program--50.0 FTE positions ...	4,568,100
5	Underground storage tank program--35.0 FTE positions .	3,394,600
6	Aboveground storage tank program--8.0 FTE positions ..	<u>760,400</u>
7	GROSS APPROPRIATION.....	\$ 18,692,700
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG-MDSP.....	740,400
11	Federal revenues:	
12	EPA, multiple.....	4,006,600
13	Special revenue funds:	
14	Aboveground storage tank fees.....	760,400
15	Environmental pollution prevention fund.....	1,058,100
16	Hazardous material transportation permit fund.....	218,500
17	Medical waste emergency response fund.....	240,300
18	Public utility assessments.....	786,100
19	Scrap tire regulatory fund.....	1,061,200
20	Solid waste program fees.....	3,520,900
21	Underground storage tank fees.....	3,125,500
22	Waste reduction fee revenue.....	74,600
23	State general fund/general purpose .....	\$ 3,100,100
24	<b>Sec. 109. WATER DIVISION</b>	
25	Full-time equated classified positions.....	358.2
26	Drinking water and environmental health--114.2 FTE	
27	positions .....	\$ 16,093,800

1	Surface water--94.1 FTE positions .....	15,339,700
2	NPDES nonstormwater program--118.4 FTE positions .....	10,975,900
3	Groundwater discharge--22.0 FTE positions .....	2,965,300
4	Sewage sludge land application program--6.5 FTE	
5	positions .....	850,800
6	Aquifer protection program.....	350,000
7	Aquifer protection and dispute resolution - IDG to	
8	Michigan department of agriculture.....	50,000
9	Expedited water/wastewater permits--3.0 FTE positions	400,000
10	Fish contaminant monitoring contracts .....	<u>316,100</u>
11	GROSS APPROPRIATION.....	\$ 47,341,600
12	Appropriated from:	
13	Federal revenues:	
14	EPA, multiple.....	18,070,000
15	Special revenue funds:	
16	Aquifer protection revolving fund.....	400,000
17	Campground fund.....	237,600
18	Clean Michigan initiative fund - administration.....	335,500
19	Clean Michigan initiative fund - clean water fund....	3,372,000
20	Environmental response fund.....	167,100
21	Fees and collections.....	144,100
22	Groundwater discharge permit fees.....	1,201,600
23	Infrastructure construction fund.....	400,000
24	Land and water permit fees.....	599,200
25	NPDES fees.....	3,362,400
26	Public swimming pool fund.....	541,300
27	Public water supply fees.....	2,297,500

1	Refined petroleum fund.....	959,200
2	Saginaw Bay and River restoration revenue .....	174,800
3	Septage waste contingency fund.....	37,700
4	Septage waste program fund.....	320,200
5	Sewage sludge land application fees.....	850,800
6	Soil erosion and sedimentation control training fund .	114,700
7	Stormwater permit fees.....	2,703,900
8	Water pollution control revolving fund.....	668,100
9	Water use reporting fees.....	245,700
10	State general fund/general purpose.....	\$ 10,138,200
11	<b>Sec. 110. CRIMINAL INVESTIGATIONS</b>	
12	Full-time equated classified positions.....	22.0
13	Environmental investigations--22.0 FTE positions .....	\$ <u>2,587,400</u>
14	GROSS APPROPRIATION.....	\$ 2,587,400
15	Appropriated from:	
16	Federal revenues:	
17	DHS, federal.....	557,600
18	EPA, multiple.....	154,100
19	Special revenue funds:	
20	Environmental response fund.....	132,500
21	Oil and gas regulatory fund.....	363,500
22	Scrap tire regulatory fund.....	285,100
23	State general fund/general purpose.....	\$ 1,094,600
24	<b>Sec. 111. GRANTS</b>	
25	Water pollution control and drinking water revolving	
26	funds .....	\$ 88,063,500
27	Noncommunity water grants.....	1,400,000

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1	Grants to counties - air pollution.....	83,700
2	Coastal management grants.....	2,000,000
3	Federal - nonpoint source water pollution grants.....	6,500,000
4	Federal - Great Lakes remedial action plan grants....	700,000
5	Great Lakes research and protection grants.....	1,000,000
6	Radon grants.....	90,000
7	Drinking water program grants.....	1,330,000
8	Local health department operations.....	10,472,500
9	Pollution prevention local grants.....	250,000
	[Real-time water quality monitoring.....	250,000]
10	Septage waste compliance grants.....	400,000
11	Scrap tire grants.....	4,500,000
12	Strategic water quality initiative loans.....	9,600,000
13	Volunteer river, stream, and creek cleanup.....	25,000
14	GROSS APPROPRIATION.....	\$ [126,664,700]
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	IDG-MDCH, local public health operations.....	10,472,500
18	Federal revenues:	
19	DOC-NOAA, federal.....	1,700,000
20	EPA, multiple.....	81,323,000
21	Special revenue funds:	
22	Community pollution prevention fund.....	250,000
23	Great Lakes protection fund.....	1,000,000
24	Public water supply fees.....	1,400,000
25	Refined petroleum fund.....	83,700
26	Revolving loan revenue bonds.....	11,400,000
27	Scrap tire regulatory fund.....	4,500,000

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1	Septage waste program fund.....	400,000
	[Settlement funds.....]	250,000]
2	Strategic water quality initiatives fund.....	9,600,000
3	Water quality protection fund.....	25,000
4	State general fund/general purpose.....	\$ 4,260,500
5	<b>Sec. 112. INFORMATION TECHNOLOGY</b>	
6	Information technology services and projects.....	\$ <u>7,466,300</u>
7	GROSS APPROPRIATION.....	\$ 7,466,300
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG from MDOT - Michigan transportation fund.....	54,500
11	Federal revenues:	
12	DHS, federal.....	17,800
13	DOC-NOAA, federal.....	85,900
14	DOD, federal.....	10,200
15	DOI, federal.....	6,000
16	EPA, multiple.....	1,846,900
17	Special revenue funds:	
18	Restricted funds.....	4,214,000
19	State general fund/general purpose.....	\$ 1,231,000

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

23       Sec. 201. Pursuant to section 30 of article IX of the state  
 24 constitution of 1963, total state spending from state resources  
 25 under part 1 for fiscal year 2007-2008 is [\$221,303,000.00] and state  
 26 spending from state resources to be paid to local units of

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government for fiscal year 2007-2008 is [\$4,300,000.00]. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY

GRANTS

Noncommunity water grants.....	1,400,000
[Real-time water quality monitoring.....	250,000]
Scrap tire grants.....	2,250,000
Septage waste compliance program.....	<u>400,000</u>
TOTAL.....	\$ [4,300,000]

Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this act:

(a) "Department" means the department of environmental quality.

(b) "DHHS" means the United States department of health and human services.

(c) "DHS" means the United States department of homeland security.

(d) "DOC" means the United States department of commerce.

(e) "DOC-NOAA" means the DOC national oceanic and atmospheric administration.

(f) "DOD" means the United States department of defense.

(g) "DOI" means the United States department of interior.

(h) "EPA" means the United States environmental protection agency.

(i) "FTE" means full-time equated.



1 (j) "IDG" means interdepartmental grant.

2 (k) "IDT" means intradepartmental transfer.

3 (l) "MDCH" means the Michigan department of community health.

4 (m) "MDSP" means the Michigan department of state police.

5 (n) "MI" means Michigan.

6 (o) "NPDES" means national pollutant discharge elimination  
7 system.

8 Sec. 204. The department of civil service shall bill  
9 departments and agencies at the end of the first fiscal quarter for  
10 the 1% charge authorized by section 5 of article XI of the state  
11 constitution of 1963. Payments shall be made for the total amount  
12 of the billing by the end of the second fiscal quarter.

13 Sec. 205. (1) A hiring freeze is imposed on the state  
14 classified civil service. State departments and agencies are  
15 prohibited from hiring any new full-time state classified civil  
16 service employees and prohibited from filling any vacant state  
17 classified civil service positions. This hiring freeze does not  
18 apply to internal transfers of classified employees from 1 position  
19 to another within a department.

20 (2) The state budget director shall grant exceptions to the  
21 hiring freeze described in subsection (1) when the state budget  
22 director believes that the hiring freeze will result in rendering a  
23 state department or agency unable to deliver basic services, cause  
24 a loss of revenue to the state, result in the inability of the  
25 state to receive federal funds, or would necessitate additional  
26 expenditures that exceed any savings from maintaining a vacancy.  
27 The state budget director shall report quarterly to the

1 chairpersons of the senate and house of representatives standing  
2 committees on appropriations the number of exceptions to the hiring  
3 freeze approved during the previous quarter and the reasons to  
4 justify the exception.

5       Sec. 206. The department shall use the Internet to fulfill the  
6 reporting requirements of this act. This requirement may include  
7 transmission of reports via electronic mail to the recipients  
8 identified for each reporting requirement or it may include  
9 placement of reports on an Internet or Intranet site.

10       Sec. 207. The departments and state agencies receiving  
11 appropriations under this act shall receive and retain copies of  
12 all reports funded from appropriations in part 1. These departments  
13 and state agencies shall follow federal and state guidelines for  
14 short-term and long-term retention of these reports. To the extent  
15 consistent with federal and state guidelines, the requirements of  
16 this section are satisfied if the reports funded from  
17 appropriations in part 1 are retained in electronic format.

18       Sec. 208. By February 15, 2008, the department shall provide  
19 the state budget director, the subcommittees on environmental  
20 quality of the senate and house appropriations committees, and the  
21 senate and house fiscal agencies with an annual report on  
22 restricted fund balances, projected revenues, and expenditures for  
23 the fiscal years ending September 30, 2007, September 30, 2008, and  
24 September 30, 2009.

25       Sec. 209. (1) From funds appropriated under part 1, the  
26 department shall prepare a report that lists all of the following  
27 regarding grant or loan or grant and loan programs administered by

1 the department for the fiscal year ending September 30, 2008:

2 (a) The name of each program.

3 (b) The goals of the program, the criteria, eligibility,  
4 process, filing fees, nominating procedures, and deadlines for each  
5 program.

6 (c) The maximum and minimum grant and loan available and  
7 whether there is a match requirement for each program.

8 (d) The amount of any required match, and whether in-kind  
9 contributions may be used as part or all of a required match.

10 (e) Information pertaining to the application process,  
11 timeline for each program, and the contact people within the  
12 department.

13 (f) The source of funds for each program, including the  
14 citation of pertinent authorizing acts.

15 (g) Information regarding plans for the next fiscal year for  
16 the phaseout, expansion, or changes for each program.

17 (h) A listing of all recipients of grants or loans awarded by  
18 the department by type and amount of grant or loan.

19 (2) The reports required under this section shall be submitted  
20 to the state budget office, the senate and house appropriations  
21 committees, and the senate and house fiscal agencies by January 1,  
22 2007.

23 Sec. 210. (1) In addition to the funds appropriated in part 1,  
24 there is appropriated an amount not to exceed \$30,000,000.00 for  
25 federal contingency funds. These funds are not available for  
26 expenditure until they have been transferred to another line item  
27 in this act under section 393(2) of the management and budget act,

1 1984 PA 431, MCL 18.1393.

2 (2) In addition to the funds appropriated in part 1, there is  
3 appropriated an amount not to exceed \$5,000,000.00 for state  
4 restricted contingency funds. These funds are not available for  
5 expenditure until they have been transferred to another line item  
6 in this act under section 393(2) of the management and budget act,  
7 1984 PA 431, MCL 18.1393.

8 (3) In addition to the funds appropriated in part 1, there is  
9 appropriated an amount not to exceed \$100,000.00 for local  
10 contingency funds. These funds are not available for expenditure  
11 until they have been transferred to another line item in this act  
12 under section 393(2) of the management and budget act, 1984 PA 431,  
13 MCL 18.1393.

14 (4) In addition to the funds appropriated in part 1, there is  
15 appropriated an amount not to exceed \$100,000.00 for private  
16 contingency funds. These funds are not available for expenditure  
17 until they have been transferred to another line item in this act  
18 under section 393(2) of the management and budget act, 1984 PA 431,  
19 MCL 18.1393.

20 Sec. 211. (1) The department shall report all of the following  
21 information relative to allocations made from appropriations for  
22 the environmental cleanup and redevelopment program, state cleanup,  
23 emergency actions, superfund cleanup, the revitalization revolving  
24 loan program, the brownfield grants and loans program, the leaking  
25 underground storage tank cleanup program, the contaminated lake and  
26 river sediments cleanup program, the refined petroleum product  
27 cleanup program, and the environmental protection bond projects

1 under section 19508(7) of the natural resources and environmental  
2 protection act, 1994 PA 451, MCL 324.19508, to the state budget  
3 director, the senate and house appropriations subcommittees on  
4 environmental quality, and the senate and house fiscal agencies:

5 (a) The name and location of the site for which an allocation  
6 is made.

7 (b) The nature of the problem encountered at the site.

8 (c) A brief description of how the problem will be resolved if  
9 the allocation is made for a response activity.

10 (d) The estimated date that site closure activities will be  
11 completed.

12 (e) The amount of the allocation, or the anticipated financing  
13 for the site.

14 (f) A summary of the sites and the total amount of funds  
15 expended at the sites at the conclusion of the fiscal year.

16 (g) The number of sites that would qualify as brownfields that  
17 were redeveloped.

18 (2) The report prepared under subsection (1) shall also  
19 include all of the following:

20 (a) The status of all state-owned facilities that are on the  
21 list compiled under part 201 of the natural resources and  
22 environmental protection act, 1994 PA 451, MCL 324.20101 to  
23 324.20142.

24 (b) The report shall include the total amount of funds  
25 expended during the fiscal year and the total amount of funds  
26 awaiting expenditure.

27 (c) The total amount of bonds issued for the environmental

1 protection bond program pursuant to part 193 of the natural  
2 resources and environmental protection act, 1994 PA 451, MCL  
3 324.19301 to 324.19306, and bonds issued pursuant to the clean  
4 Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

5 (3) The report shall be made available by March 31 of each  
6 year.

7 Sec. 212. (1) The department of environmental quality is  
8 authorized to expend amounts remaining from the current and prior  
9 fiscal year appropriations to meet funding needs of legislatively  
10 approved sites for the environmental cleanup and redevelopment  
11 program, the leaking underground storage tank cleanup program, and  
12 the refined petroleum product cleanup program.

13 (2) Unexpended and unencumbered amounts remaining from  
14 appropriations from the environmental protection bond fund  
15 contained in 2003 PA 173 and 2006 PA 343 are appropriated for  
16 expenditure for any site listed in this act and any site listed in  
17 the public acts referenced in this section.

18 (3) Unexpended and unencumbered amounts remaining from  
19 appropriations from the cleanup and redevelopment fund and  
20 unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA  
21 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure  
22 for any site listed in this act and any site listed in the public  
23 acts referenced in this section.

24 (4) Unexpended and unencumbered amounts remaining from  
25 appropriations from the clean Michigan initiative fund - response  
26 activities contained in 2000 PA 506, 2001 PA 120, 2003 PA 173, 2003  
27 PA 237, 2004 PA 309, 2004 PA 350, 2005 PA 11, and 2006 PA 343 are

1 appropriated for expenditure for any site listed in this act and  
2 any site listed in the public acts referenced in this section.

3 (5) Unexpended and unencumbered amounts remaining from  
4 appropriations from the environmental protection fund contained in  
5 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are  
6 appropriated for expenditure for any site listed in this act and  
7 any site listed in the public acts referenced in this section.

8 (6) Unexpended and unencumbered amounts remaining from  
9 appropriations from the refined petroleum fund activities contained  
10 in 2005 PA 154 are appropriated for expenditure for any site listed  
11 in this act and any site listed in the public acts referenced in  
12 this section.

13 Sec. 213. Of the money appropriated from the environmental  
14 education fund in part 1, \$5,000.00 shall be allocated to Michigan  
15 State University Extension Service - 4-H Youth Programs to fund the  
16 Michigan Youth Conservation Council.

17 Sec. 214. From the funds appropriated in part 1 for  
18 information technology, departments and agencies shall pay user  
19 fees to the department of information technology for technology-  
20 related services and projects. These user fees shall be subject to  
21 provisions of an interagency agreement between the department and  
22 the department of information technology.

23 Sec. 215. Amounts appropriated in part 1 for information  
24 technology may be designated as work projects and carried forward  
25 to support technology projects under the direction of the  
26 department of information technology. Funds designated in this  
27 manner are not available for expenditure until approved as work

1 projects under section 451a of the management and budget act, 1984  
2 PA 431, MCL 18.1451a.

3 Sec. 216. (1) Due to the current budgetary problems in this  
4 state, out-of-state travel for the fiscal year ending September 30,  
5 2008 shall be limited to situations in which 1 or more of the  
6 following conditions apply:

7 (a) The travel is required by legal mandate or court order or  
8 for law enforcement purposes.

9 (b) The travel is necessary to protect the health or safety of  
10 Michigan citizens or visitors or to assist other states in similar  
11 circumstances.

12 (c) The travel is necessary to produce budgetary savings or to  
13 increase state revenues, including protecting existing federal  
14 funds or securing additional federal funds.

15 (d) The travel is necessary to comply with federal  
16 requirements.

17 (e) The travel is necessary to secure specialized training for  
18 staff that is not available within this state.

19 (f) The travel is financed entirely by federal or nonstate  
20 funds.

21 (2) If out-of-state travel is necessary but does not meet 1 or  
22 more of the conditions in subsection (1), the state budget director  
23 may grant an exception to allow the travel. Any exceptions granted  
24 by the state budget director shall be reported on a monthly basis  
25 to the house and senate appropriations committees.

26 (3) Not later than January 1 of each year, each department  
27 shall prepare a travel report listing all travel by classified and



1 unclassified employees outside this state in the immediately  
2 preceding fiscal year that was funded in whole or in part with  
3 funds appropriated in the department's budget. The report shall be  
4 submitted to the chairs and members of the house and senate  
5 appropriations committees, the house and senate fiscal agencies,  
6 and the state budget director. The report shall include the  
7 following information:

8 (a) The name of each person receiving reimbursement for travel  
9 outside this state or whose travel costs were paid by this state.

10 (b) The destination of each travel occurrence.

11 (c) The dates of each travel occurrence.

12 (d) A brief statement of the reason for each travel  
13 occurrence.

14 (e) The transportation and related costs of each travel  
15 occurrence, including the proportion funded with state general  
16 fund/general purpose revenues, the proportion funded with state-  
17 restricted revenues, the proportion funded with federal revenues,  
18 and the proportion funded with other revenues.

19 (f) A total of all out-of-state travel funded for the  
20 immediately preceding fiscal year.

21 Sec. 217. Funds appropriated in part 1 shall not be used for  
22 the purchase of foreign goods or services, or both, if  
23 competitively priced and comparable quality American goods or  
24 services, or both, are available. Preference should be given to  
25 goods or services, or both, manufactured or provided by Michigan  
26 businesses if they are competitively priced and of comparable  
27 quality.

1       Sec. 218. Unexpended settlement revenues at the end of the  
2       fiscal year may be carried forward into the settlement fund in the  
3       succeeding fiscal year up to a maximum carryforward of  
4       \$2,500,000.00.

5       Sec. 219. The director shall take all reasonable steps to  
6       ensure businesses in deprived and depressed communities compete for  
7       and perform contracts to provide services or supplies, or both. The  
8       director shall strongly encourage firms with which the department  
9       contracts to subcontract with certified businesses in depressed and  
10      deprived communities for services, supplies, or both.

11      Sec. 220. (1) The appropriation in section 102 includes  
12      \$11,165,800.00 from restricted funds. This funding source shall  
13      support the restricted fund requirements, pursuant to subsection  
14      (3), for selected line items in the executive operations and  
15      administrative support appropriation unit.

16      (2) The appropriation in section 112 includes \$4,214,000.00  
17      from restricted funds. This funding source shall support the  
18      restricted fund requirements, pursuant to subsection (3), for the  
19      information technology appropriation.

20      (3) The department shall adopt a cost allocation plan for  
21      revenue sources supporting line items listed in sections 102 and  
22      112. This cost allocation plan may be phased in over 2 fiscal  
23      years, beginning with the fiscal year ending September 30, 2008.

24      (4) The department shall provide a report on or before October  
25      31, 2007 to the house and senate appropriations subcommittees on  
26      environmental quality and the house and senate fiscal agencies of  
27      the line item amounts and detailed revenue sources which support

1 the restricted fund appropriations in sections 102 and 112.

2       Sec. 221. The department shall not take disciplinary action  
3 against an employee who communicates truthfully and factually with  
4 a member of the legislature or his or her staff.

#### 5 **AIR QUALITY**

6       Sec. 301. The department shall report quarterly, via the  
7 department's Internet website, on air quality program expenditures  
8 and revenues. The report shall include expenditures and revenues by  
9 fund source and by program function.

#### 10 **ENVIRONMENTAL SCIENCE AND SERVICES**

11       Sec. 401. Revenues remaining in the interdepartmental  
12 transfers, laboratory services at the end of the fiscal year shall  
13 carry forward into the succeeding fiscal year.

#### 14 **LAND AND WATER MANAGEMENT**

15       Sec. 501. The department may waive permit fees for nonprofit  
16 organizations conducting approved stream habitat improvement  
17 projects.

#### 18 **REMEDIATION AND REDEVELOPMENT**

19       Sec. 601. The unexpended funds appropriated in part 1 for  
20 emergency cleanup actions, the refined petroleum product cleanup  
21 program, and the environmental cleanup and redevelopment program  
22 are considered work project appropriations and any unencumbered or  
23 unallotted funds are carried forward into the succeeding fiscal

1 year. The following is in compliance with section 451a(1) of the  
2 management and budget act, 1984 PA 431, MCL 18.1451a:

3 (a) The purpose of the projects to be carried forward is to  
4 provide contaminated site cleanup.

5 (b) The projects will be accomplished by contract.

6 (c) The total estimated cost of all projects is identified in  
7 each line-item appropriation.

8 (d) The tentative completion date is September 30, 2012.

9 Sec. 602. The department shall submit a listing of cleanup  
10 sites funded from the appropriation in part 1 for the refined  
11 petroleum product cleanup program to the senate and house  
12 appropriations subcommittees on environmental quality, the senate  
13 and house fiscal agencies, and the state budget director.

14 Sec. 603. From the funds appropriated in part 1 for the  
15 refined petroleum product cleanup program, the department shall  
16 prepare a report by February 1, 2008 that documents the use of the  
17 refined petroleum fund and the percentage used for remediation,  
18 cleanup administration, central administration, debt service, or  
19 other purposes since fiscal year 2004-2005.

## 20 WASTE AND HAZARDOUS MATERIALS

21 Sec. 701. It is the intent of the legislature that the  
22 recommendations of the site review board, as established in section  
23 11117 of the natural resources and environmental protection act,  
24 1994 PA 451, MCL 324.11117, are the final approval for each site  
25 construction permit application that is referred to the board by  
26 the department.

1     **WATER**

2           Sec. 801. By February 1, 2008, the department shall submit a  
3     report on the department's use of the national pollutant discharge  
4     elimination system fund created in MCL 324.3121 for the previous  
5     fiscal year, to the senate and house appropriations subcommittees  
6     on environmental quality, the standing committees of the  
7     legislature with jurisdiction over issues primarily related to  
8     natural resources and the environment, and the senate and house  
9     fiscal agencies. The report shall include a summary of how the  
10    appropriations in part 1 for NPDES nonstormwater program were used  
11    for the various permissible uses of the fund and shall include  
12    specific information on all of the following:

13           (a) The number of compliance and complaint inspections  
14    completed, by category, the number of on-site compliance  
15    inspections conducted, and the number of compliance inspections  
16    that were not announced in advance to the permittee or licensee.

17           (b) The number and percent of permit and license inspections  
18    that were found to be in significant noncompliance, by category.

19           (c) The number of administrative enforcement actions taken for  
20    permit or license violations and the results of the enforcement  
21    actions, including the amount of fines and penalties collected.

22           (d) The number of judicial enforcement actions taken for  
23    permit or license violations and the results of the enforcement  
24    actions, including the amount of fines and penalties collected.

25           (e) A listing of the supplemental environmental projects  
26    agreed to as a result of a consent agreement including all of the

1 following: the case name, the monetary value of the supplemental  
2 environmental project, and a description of the project.

3 Sec. 802. From the funds appropriated in part 1 for the  
4 surface water program, the department shall prepare a plan by  
5 September 30, 2008 for the virtual elimination of sewage discharges  
6 into waters of the state by 2015. The plan shall include all of the  
7 following information:

8 (a) A discussion of the major infrastructure projects  
9 undertaken and planned over the next 5 to 10 years to increase the  
10 capacity of public wastewater treatment facilities to better handle  
11 sewage waste and stormwater runoff.

12 (b) Trends over the last 5 years on the amount of untreated or  
13 undertreated sewage that was discharged into waters of the state  
14 from wastewater treatment facilities or their connected systems,  
15 and estimates on the amount of discharge that the department  
16 expects will occur in the next 5 to 10 years, assuming  
17 infrastructure upgrades.

18 (c) A discussion of the role of nonpoint discharges of sewage  
19 waste either through failing on-site septic systems or the land  
20 application of sewage and the impact on waters of the state.

21 (d) A discussion of the regulatory program designed to limit  
22 adverse impacts on waters of the state from sewage discharges and  
23 the sufficiency of funding allocated to those programs.

24 (e) A discussion of the funding available to local units of  
25 government to upgrade public wastewater treatment facilities or on-  
26 site systems.

27 (f) Recommendations for program changes or funding that would

1 be required to achieve the virtual elimination of sewage discharges  
2 into the waters of the state by 2015.

3 Sec. 803. From the funds appropriated in part 1 for the  
4 surface water program, the department in conjunction with the  
5 department of agriculture shall prepare a report by September 30,  
6 2008 that documents all of the following information:

7 (a) The number of concentrated animal feeding operations  
8 (CAFOs) in the state, and the number of those which have permits  
9 under the national pollution discharge elimination system (NPDES).

10 (b) The number and nature of inspections of CAFOs undertaken  
11 by the department and the department of agriculture, including  
12 whether the inspections included testing of the water, soil, or  
13 air, and a summary of the results of those inspections.

14 (c) An estimate of the number of CAFOs that utilize sewage  
15 lagoons, the capacity of those lagoons, and whether those lagoons  
16 are lined.

17 (d) An estimate of the funding dedicated toward permitting,  
18 inspection, and enforcement of current laws regulating CAFOs.

## 19 GRANTS

20 Sec. 901. If a certified health department does not exist in a  
21 city, county, or district or does not fulfill its responsibilities  
22 under part 117 of the natural resources and environmental  
23 protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the  
24 department may spend funds appropriated in part 1 under the septage  
25 waste compliance program in accordance with section 11716 of the  
26 natural resources and environmental protection act, 1994 PA 451,

House Bill No. 4358 (H-1) as amended July 25, 2007

1 MCL 324.11716.

2       Sec. 902. Of the funds appropriated in part 1 for scrap tire  
3 grants, \$100,000.00 shall be available for grants to communities to  
4 cover scrap tire fire suppression costs, provided owner liability  
5 bonds and other available funding sources have been exhausted.

[Sec. 903. The appropriation in part 1 for real-time water quality monitoring is a grant to Macomb County and St. Clair County to support a real-time water quality monitoring program in the St. Clair watershed. By September 30, 2008, grant recipients shall report to the department on plan's implementation, and status of the project. The department shall forward the report to the state budget director, the house and senate appropriations subcommittees on environmental quality, the house and senate standing committees on natural resources and environmental issues, and the house and senate fiscal agencies. Funding is contingent upon development of a department approved plan for long term funding of operation and maintenance of the real-time monitoring system for the Huron-Erie corridor.]