

HOUSE BILL No. 5425

March 3, 2016, Introduced by Reps. Kosowski, Lane, Santana and Schor and referred to the Committee on Appropriations.

A bill to amend 1976 PA 399, entitled
"Safe drinking water act,"
(MCL 325.1001 to 325.1023) by adding section 11e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 11E. (1) THE DRINKING WATER EMERGENCY LOAN FUND IS
2 CREATED WITHIN THE STATE TREASURY.

3 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM
4 ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL
5 DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT
6 TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

7 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
8 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

9 (4) THE DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE FUND FOR
10 AUDITING PURPOSES.

1 (5) THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, UPON
2 APPROPRIATION, ONLY FOR INTEREST-FREE EMERGENCY LOANS TO OWNERS AND
3 OPERATORS OF PUBLIC WATER SUPPLIES FOR THE EMERGENCY REMEDIATION OF
4 CONTAMINATION OR A THREAT OF CONTAMINATION.

5 (6) A LOAN SHALL BE ISSUED UNDER THIS SECTION, UPON
6 APPLICATION FROM THE OWNER OR OPERATOR OF A PUBLIC WATER SUPPLY,
7 ONLY IF BOTH OF THE FOLLOWING CONDITIONS ARE MET:

8 (A) THE PUBLIC WATER SUPPLY HAS NO OTHER SOURCE OF POTABLE
9 DRINKING WATER.

10 (B) THE OWNER OR OPERATOR OF THE PUBLIC WATER SUPPLY HAS NOT
11 BEEN ABLE TO SECURE OTHER SOURCES OF FUNDING TO ADDRESS THE THREAT
12 OF CONTAMINATION.

13 (7) PRIOR TO RELEASING ANY LOAN FUNDS, THE DEPARTMENT SHALL
14 ENTER INTO A LOAN AGREEMENT WITH THE OWNER OR OPERATOR OF THE
15 PUBLIC WATER SUPPLY THAT CONTAINS THE FOLLOWING TERMS:

16 (A) THE PRINCIPAL OF THE LOAN AMOUNT SHALL NOT EXCEED
17 \$25,000.00.

18 (B) THE LOAN SHALL BE REPAID WITHIN 12 MONTHS.

19 (C) THE OWNER OR OPERATOR HAS AGREED TO SUBMIT INFORMATION TO
20 THE DEPARTMENT SUFFICIENT FOR THE DEPARTMENT TO CONDUCT A FINANCIAL
21 BACKGROUND CHECK TO ENSURE THAT THE OWNER OR OPERATOR CAN MEET THE
22 REPAYMENT TERMS OF THE LOAN.

23 (D) OTHER TERMS CONSIDERED NECESSARY BY THE DEPARTMENT.

24 (8) AS USED IN THIS SECTION:

25 (A) "FUND" MEANS THE DRINKING WATER EMERGENCY LOAN FUND
26 CREATED IN SUBSECTION (1).

27 (B) "THREAT OF CONTAMINATION" MEANS A CONDITION THAT PREVENTS

1 A PUBLIC WATER SUPPLY FROM SUPPLYING ADEQUATE QUANTITIES OF POTABLE
2 WATER THAT IS IN COMPLIANCE WITH STATE DRINKING WATER STANDARDS TO
3 ITS WATER USERS.