

SUBSTITUTE FOR
HOUSE BILL NO. 5270
(As amended November 13, 2003)

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
(MCL 324.101 to 324.90106) by adding section 19608a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 19608a. (1) The department shall create a clean
2 Michigan initiative revolving loan program for the purpose of
3 making loans to local units of government and brownfield
4 redevelopment authorities [created under the brownfield redevelopment
5 financing act, 1996 PA 381, MCL 125.2651 to 125.2672, for response
6 activities at known or suspected facilities with redevelopment
7 potential.]
8 (2) The department shall accept, and consider for approval,
9 applications for loans throughout the year. The department shall
10 develop written instructions for prospective applicants,
11 including the criteria that will be used in application review
and approval.
(3) Final application decisions shall be made by the

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1 department within 90 days of [submittal of a complete loan application].

2 (4) A complete application shall include all of the
3 following:

4 (a) A description of the proposed eligible activities.

5 (b) An itemized budget for the proposed eligible activities.

6 (c) A schedule for the completion of the proposed eligible
7 activities.

8 (d) The location of the property.

9 (e) The current ownership and ownership history of the
10 property.

11 (f) The current use of the property.

12 (g) A detailed history of the use of the property.

13 (h) The existing and proposed future zoning of the property.

14 (i) If the property is not owned by the applicant, a draft of
15 an enforceable agreement between the property owner and the
16 applicant that commits the property owner to cooperate with the
17 applicant, including a commitment to allow access to the property
18 to complete, at a minimum, the proposed eligible activities.

19 (j) A description of the property's economic redevelopment
20 potential.

21 (k) A resolution from the governing body of the applicant
22 committing to repayment of the loan according to the terms of
23 this section.

24 (l) Other information as specified by the department in its
25 written instructions.

26 (5) To receive loan funds, approved applicants must enter
27 into a loan agreement with the department. At a minimum, the

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1 loan agreement shall contain all of the following:

2 (a) The approved eligible activities to be undertaken with
3 loan funds.

4 [

5

6 (b)] An implementation schedule for the approved eligible
7 activities.

8 [(c)] Reporting requirements, including, at a minimum, the
9 following:

10 (i) The loan recipient shall submit a progress status report
11 to the department every 6 months during the implementation
12 schedule.

13 (ii) The loan recipient shall provide a final report within 3
14 months of completion of the loan-funded activities that includes
15 documentation of project costs and expenditures, including
16 invoices and proof of payment.

17 [(d)] If the property is not owned by the loan recipient, an
18 executed agreement that has been approved by the department that
19 meets the requirements of subsection (4)(i).

20 [(e)] Other provisions as considered appropriate by the
21 department.

22 (6) As used in this section:

23 (a) "Baseline environmental assessment" and "response
24 activity" mean those terms as they are defined in section 20101.

25 (b) "Due care activities" means those activities conducted
26 under section 20107a.

27 (c) "Eligible activities" means baseline environmental

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1 assessment activities, due care activities, and any additional
2 response activity. Eligible activities include only those
3 activities necessary to facilitate redevelopment. All eligible
4 activities must be consistent with a work plan [approved pursuant to the
5 loan agreement, or a remedial action plan approved] pursuant to section
15 of the brownfield redevelopment
6 financing act, 1996 PA 381, MCL 125.2665. Unless otherwise
7 approved by the director, only activities carried out and costs
8 incurred after execution of a loan agreement are eligible.

9 Enacting section 1. This amendatory act does not take
10 effect unless House Bill No. 5264 of the 92nd Legislature is
11 enacted into law.