

**SUBSTITUTE FOR  
SENATE BILL NO. 26**

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
(MCL 324.101 to 324.90106) by adding section 5534.

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

1           **Sec. 5534. (1) As used in this section:**

2           **(a) "Air quality facility supplemental environmental project"**  
3 **means an environmentally beneficial project for air pollution**  
4 **prevention, air pollution reduction, or air monitoring or**  
5 **evaluation that an alleged violator agrees to undertake at the**  
6 **facility where an air quality violation occurred as part of a**  
7 **settlement of an enforcement action, but that the alleged violator**  
8 **is not otherwise legally required to perform.**

9           **(b) "AQEM fund" means the air quality enforcement and**

1 mitigation fund created in subsection (2).

2 (c) "Environmental justice community" means a geographic area  
3 that the department, using the department's MiEJScreen or the  
4 United States Environmental Protection Agency's EJSCREEN, has  
5 identified as a community facing a disproportionate environmental  
6 burden.

7 (2) The air quality enforcement and mitigation fund is created  
8 within the state treasury. All civil and administrative fines  
9 collected under this part shall be deposited into the AQEM fund. If  
10 the person responsible for an alleged violation agrees to a  
11 settlement of an enforcement action under section 5528 or 5530,  
12 money that the person spends on an air quality facility  
13 supplemental environmental project is not a fine for the purposes  
14 of this subsection. The state treasurer may receive money or other  
15 assets from any source for deposit into the AQEM fund. The state  
16 treasurer shall direct the investment of the AQEM fund. The state  
17 treasurer shall credit to the AQEM fund interest and earnings from  
18 fund investments. Money in the AQEM fund at the close of the fiscal  
19 year shall remain in the AQEM fund and shall not lapse to the  
20 general fund. The department shall be the administrator of the AQEM  
21 fund for auditing purposes.

22 (3) The department shall expend money from the AQEM fund, upon  
23 appropriation, only as follows:

24 (a) Thirty percent of the money shall be expended for staffing  
25 and other functions of the department that benefit environmental  
26 justice communities and are related to 1 or more of the following:

27 (i) Increased air monitoring.

28 (ii) Additional compliance assistance and training at the  
29 location of a source to support source owner and operator

1 compliance efforts and prevent future violations.

2 (iii) Increased inspections under this part.

3 (iv) Administration of the air quality community impact grant  
4 program under subdivision (b).

5 (b) Seventy percent of the money shall be expended for air  
6 quality community impacts grants under subsection (4) for 1 or more  
7 of the following in the communities where the violations occurred  
8 or nearby communities, giving priority to environmental justice  
9 communities:

10 (i) Mitigation of air pollution such as by buffers of  
11 vegetation, air filtration systems in homes or schools, and diesel  
12 engine retrofit or diesel equipment replacement programs.

13 (ii) Assessments of the health impacts of air pollution.

14 (iii) Education and training programs for community residents  
15 and local environmental regulators to increase effectiveness of  
16 enforcement programs in deterring violations of this part and rules  
17 promulgated or orders issued under this part.

18 (4) The department shall establish an air quality community  
19 impact grant program. The program shall provide grants to nonprofit  
20 entities, school districts, institutions of higher education, and  
21 local units of government, including, but not limited to, local  
22 health or environmental departments, for the purposes of subsection  
23 (3) (b).

24 (5) The department shall develop guidelines to implement  
25 subsection (4). At a minimum, the guidelines shall describe how  
26 grants are to be allocated, the procedures for applying for grants,  
27 the criteria for awarding grants, and administrative and fiscal  
28 requirements governing the receipt and expenditure of grants. The  
29 department shall develop the guidelines in consultation with an

1 advisory committee that includes, but is not limited to, at least 1  
2 of each of the following:

3 (a) A public health expert.

4 (b) A representative of an environmental justice organization.

5 (c) A representative of the department of health and human  
6 services.

7 (d) A representative of a local health department or local  
8 environmental department.

9 (e) Two residents of environmental justice communities.

10 (6) The department, in collaboration with environmental  
11 justice and environmental interest groups, shall develop a process  
12 to identify environmental justice communities, including  
13 researching best practices in the United States. The identification  
14 process shall include community engagement to obtain information  
15 and feedback. The department's considerations for a community to be  
16 identified as an environmental justice community shall include, but  
17 not be limited to, all of the following:

18 (a) The percent of the population that is low-income.

19 (b) The percent of the population that identifies as a race or  
20 ethnicity other than white/non-Hispanic.

21 (c) The percent of limited English-speaking households.

22 (7) The department shall post on its website and otherwise  
23 make publicly available an annual report on the purposes for which  
24 grants were awarded under subsection (3) (b), including the  
25 communities affected.

26 Enacting section 1. This amendatory act takes effect 90 days  
27 after the date it is enacted into law.