

1 to be undertaken, including, but not limited to, the actual site
2 remediation and the resulting economic development.

3 (c) "Corrective action" means that term as defined in section
4 21302.

5 (d) "Department" means the department of environment, Great
6 Lakes, and energy.

7 (e) "Due care activities" means those response activities
8 conducted under sections 20107a and 21304c.

9 (f) "Eligible activities" includes any of the following for
10 projects with funding allocated under the program:

11 (i) Baseline environmental assessment activities.

12 (ii) Investigations.

13 (iii) Due care activities.

14 (iv) Response activities.

15 (v) Removal and closure of underground storage tanks in
16 accordance with parts 211 and 213.

17 (vi) Removal of universal waste, PCB-ballasts, transfers,
18 capacitors, refrigerant gases, batteries, chemical, mercury
19 switches, or other hazardous materials.

20 (vii) Industrial cleaning.

21 (viii) Removal and disposal of lake or river sediments that
22 exceed part 201 cleanup criteria for unrestricted residential use
23 from or related to an economic development project, if the upland
24 property is a facility or would become a facility as the result of
25 disposition of dredged spoils.

26 (ix) The following activities, provided that the total cost of
27 these activities does not exceed the total cost of project-related
28 activities identified in subparagraphs (i) to (viii):

29 (A) Removal of uncontaminated surficial material and debris

1 from the eligible property, provided it was not generated or
2 accumulated by the authority or the developer, including, but not
3 limited to tires, furniture, building debris, appliances, abandoned
4 vehicles, general refuse, and localized buried debris not
5 associated with landfills or dumps.

6 (B) Demolition of lead, asbestos, or mold abatement that is
7 not a response activity.

8 (g) "Eligible property" for projects with funding allocated
9 under the program means property that is known or suspected to be a
10 facility under part 201 or a site or property under part 213 that
11 was used or is currently being used for commercial, industrial,
12 public, or residential purposes.

13 (h) "Facility" means that term as defined in section 20101.

14 (i) "Local unit of government" means a county, city, village,
15 or township, or an agency of a county, city, village, or township;
16 or a brownfield redevelopment authority, an economic development
17 corporation, or an authority or other public body created by or in
18 accordance with state law.

19 (j) "Measurable economic benefit" means the permanent jobs
20 that are created or retained, the capital invested, the increased
21 tax base, or other quantifiable benefits to the applicable county,
22 city, village, and township where the project is located.

23 (k) "Measurable environmental benefit" means the extent that
24 the requirements of part 201 or 213, or both, are advanced at a
25 brownfield project where environmental conditions inhibit the
26 site's redevelopment or reuse.

27 (l) "Program" means the brownfield redevelopment grant and
28 revolving loan program created under section 19205.

29 (m) "Response activity" means that term as defined in section

1 20101, and includes, but is not limited to, corrective actions and
2 activities that are more protective of the public health, safety,
3 and welfare and the environment than required by section 20107a or
4 21304c.

5 Sec. 19203. The department shall expend money from 1 of the
6 following funds, on appropriation, to provide grants and loans
7 under the program:

8 (a) The revitalization revolving loan fund created in section
9 20108a.

10 (b) The state brownfield redevelopment fund created in section
11 8a of the brownfield redevelopment financing act, 1996 PA 381, MCL
12 125.2658a.

13 (c) Other funding sources as necessary and appropriate.

14 Sec. 19205. (1) The department shall create a brownfield
15 redevelopment grant and revolving loan program for the purpose of
16 making grants and loans to local units of government for eligible
17 activities at eligible properties with redevelopment potential.

18 (2) The department shall not issue a grant or loan under the
19 program unless all of the following conditions are met:

20 (a) The applicant is a local unit of government.

21 (b) The applicant demonstrates to the department the
22 capability of administering and managing the grant or loan.

23 (c) The applicant demonstrates to the department that there is
24 an identifiable source of funds for the future maintenance and
25 operation of the activities funded with money from the program, if
26 appropriate.

27 (d) Within the last 24 months, the applicant has successfully
28 undergone an audit conducted in accordance with generally accepted
29 auditing standards or an emergency manager has been appointed for

1 the applicant under the local financial stability and choice act,
2 2012 PA 436, MCL 141.1541 to 141.1575.

3 (e) Within the last 24 months, the department has not revoked
4 or terminated a grant to the applicant and the department has not
5 determined that the applicant demonstrated an inability to manage a
6 grant.

7 (f) The applicant is not responsible for causing a release or
8 threat of release under part 201 or part 213 at the site proposed
9 for grant or loan funding, except as provided in section 19208(1).

10 Sec. 19207. (1) Grants and loans issued under the program must
11 meet the following conditions:

12 (a) Except as provided in subdivision (b), a recipient is not
13 eligible to receive more than the following:

14 (i) One grant per year, not to exceed \$2,000,000.00 per grant.

15 (ii) One loan per year, not to exceed \$2,000,000.00 per loan.

16 (b) Brownfield projects that have significant economic and
17 environmental benefit may be considered for more than 1 grant or
18 loan in separate fiscal years, provided that the loan or grant
19 agreement includes project-specific benchmarks for eligible
20 activities and failure to satisfy a benchmark would terminate the
21 project's eligibility for additional grant or loan funding, as
22 applicable.

23 (2) The department may award a grant only if it determines
24 that all of the following apply:

25 (a) The property is an eligible property.

26 (b) The proposed development of the property is expected to
27 result in measurable economic benefit in excess of the grant amount
28 requested by the applicant.

29 (c) The proposed project is in, or will result in, compliance

1 with all applicable state laws and rules.

2 (3) The department may award a loan only if it determines that
3 all of the following apply:

4 (a) The property is known or suspected to be an eligible
5 property.

6 (b) The property has economic development potential based on
7 the applicant's planned use of the property.

8 (c) The proposed project is in, or will result in, compliance
9 with applicable state laws and rules.

10 Sec. 19208. (1) A grant or loan may be used to fund assessment
11 of due care activities necessary to facilitate redevelopment if the
12 party responsible for an activity causing a release is not the
13 owner or operator of the proposed redevelopment.

14 (2) A loan may be used to fund response activities if both of
15 the following are met, as applicable:

16 (a) The party responsible for an activity causing a release is
17 not the seller and is not, or will not be, the owner or operator of
18 the property to receive funding.

19 (b) The recipient of the funding can show that response
20 activities are appropriate in relation to the redevelopment.

21 (3) A grant may be used to fund response activities if the
22 conditions under subsection (4) are met and the department
23 determines that the project is in the public interest.

24 (4) A loan may be used to fund appropriate response activities
25 related to redevelopment and due care activities necessary to
26 facilitate redevelopment of the property if the party responsible
27 for an activity causing a release at the eligible property meets
28 both of the following:

29 (a) Is a local unit of government.

1 (b) Has a proposed redevelopment plan for the property with
2 measurable economic benefit.

3 Sec. 19209. (1) An application for a grant or loan from the
4 program must be made on a form and in a manner prescribed by the
5 department. The department may require the applicant to provide any
6 information reasonably necessary to allow the department to make a
7 determination required by this part.

8 (2) The department shall accept, and consider for approval,
9 applications for grants and loans throughout the year. The
10 department shall make final application decisions not later than 90
11 days after receipt of a complete application. A complete
12 application must include all of the following:

13 (a) The location of the property.

14 (b) The current use and ownership of the property.

15 (c) The relevant history and the past use and ownership of the
16 property.

17 (d) The environmental condition of the property.

18 (e) A description of the proposed eligible activities and the
19 reasons proposed eligible activities are necessary.

20 (f) An itemized budget for the proposed eligible activities.

21 (g) A schedule for the completion of the proposed eligible
22 activities.

23 (h) A description of the proposed project and measurable
24 economic benefit.

25 (i) If the property is not owned by the applicant, a draft of
26 an enforceable agreement between the property owner and the
27 applicant that commits the property owner to cooperate with the
28 applicant, including a commitment to allow access to the property
29 to complete, at a minimum, the proposed eligible activities.

1 (j) For loans, a resolution from the governing body of the
2 applicant committing to repayment of the loan. If the applicant is
3 a sub-unit of a local unit of government, the resolution required
4 under this subdivision must be from the county, city, village, or
5 township under which the sub-unit was formed.

6 (k) A letter or resolution from the city, township, or village
7 where the project will be developed that demonstrates support for
8 the project and that the project complies with all local zoning and
9 planning ordinances.

10 (l) Any other relevant information required by the department.

11 (3) The department shall review a complete application
12 received under subsection (2) using the following considerations:

13 (a) Whether the proposed project is authorized by this part.

14 (b) Whether the proposed project is consistent with local
15 planning and zoning for the area in which the proposed project is
16 located.

17 (c) Whether the proposed project provides a measurable
18 environmental benefit.

19 (d) Whether the proposed project provides a measurable
20 economic benefit.

21 (e) Whether the proposed project will significantly contribute
22 to the local unit of government's economic and community
23 redevelopment or the revitalization of adjacent neighborhoods.

24 (f) The viability and schedule of the proposed redevelopment.

25 (g) The level of public and private commitment and other
26 resources available for the proposed project.

27 (h) How the proposed project relates to a broader economic and
28 community development plan for the local unit of government.

29 (i) Whether the proposed project is likely to be undertaken

1 without assistance from this state.

2 (j) Other criteria considered relevant by the department.

3 Sec. 19211. (1) To receive grant or loan funds, approved
4 applicants must enter into a grant or loan agreement with the
5 department. At a minimum, the grant or loan agreement must contain
6 all of the following information:

7 (a) The eligible activities to be undertaken with grant or
8 loan funds.

9 (b) The budget for utilizing the grant or loan funds.

10 (c) An implementation schedule for the eligible activities.

11 (d) Reporting requirements, including, at a minimum, the
12 following:

13 (i) The grant or loan recipient shall submit progress status
14 reports to the department on a form and in a manner prescribed by
15 and at a frequency determined by the department.

16 (ii) The grant or loan recipient shall provide a final report
17 after completing the grant- or loan-funded activities within a time
18 frame determined by the department.

19 (e) Other provisions considered necessary by the department.

20 (2) If the property is not owned by the grant or loan
21 recipient, an enforceable agreement that provides for access and
22 meets the requirements of section 19209(2)(i) must be provided
23 before the department approves a work plan.

24 (3) Unless otherwise approved by the department, only
25 activities carried out and costs incurred after execution of a
26 grant or loan agreement are eligible. All eligible activities must
27 be consistent with an approved work plan.

28 (4) Grant funds must be disbursed on a reimbursement basis on
29 receipt of appropriate documentation. Loan funds must be disbursed

1 in draws based on an approved work plan, and supporting
2 documentation must be submitted after expenses are incurred.

3 (5) The department shall specify documentation requirements
4 for grants and loans on a form prescribed for requesting
5 reimbursement or draws.

6 Sec. 19213. Before making a grant or loan under the program,
7 the department shall consider the extent to which the making of the
8 grant or loan contributes to the achievement of a balanced
9 distribution of grants and loans throughout this state.

10 Sec. 19215. (1) A recipient of a grant or loan issued under
11 the program shall do both of the following:

12 (a) Keep an accounting of the money spent on the project or
13 facility in a generally accepted manner. An accounting under this
14 subdivision is subject to a postaudit.

15 (b) Obtain authorization from the department before
16 implementing a change that significantly alters the proposed
17 project.

18 (2) The department may revoke a grant or loan issued under the
19 program or withhold payment if the proposed project changes, is
20 delayed, or is not implemented, or if the recipient fails to comply
21 with the terms and conditions of the grant or loan agreement or
22 with the requirements of this part or the rules promulgated under
23 this part, or with other applicable law or rules. If a grant or
24 loan is revoked, the department may recover all funds awarded.

25 (3) To ensure timely completion of a project and receipt of
26 project deliverables defined by the work plan and any required
27 documentations and reports, the department may withhold 10% of the
28 grant or loan amount until the project is completed.

29 (4) If an approved applicant fails to sign a grant or loan

1 agreement within 90 days after receipt of a written grant or loan
2 offer by the department, the department may cancel the grant or
3 loan offer. The applicant may not appeal or contest a cancellation
4 under this subsection.

5 (5) The department may terminate a grant or loan agreement and
6 require immediate repayment of the grant or loan if the recipient
7 uses grant or loan funds for any purpose other than for the
8 approved activities specified in the grant or loan agreement. The
9 department shall provide the recipient written notice of the
10 termination 30 days before the termination.

11 Sec. 19216. (1) A loan issued under the program must be made
12 on the following terms:

13 (a) A loan interest rate of not more than 50% of the prime
14 rate as determined by the department as of the date of approval of
15 the loan.

16 (b) A loan repayment schedule that requires a loan recipient
17 to repay the loan in equal annual installments of principal and
18 interest beginning not later than 5 years after the first draw of
19 the loan and concluding not later than 15 years after the first
20 draw of the loan.

21 (2) On request of a loan recipient and a showing of financial
22 hardship related to the project that was financed in whole or in
23 part by the loan, the department may renegotiate the terms of an
24 outstanding loan, including the length of the loan, interest rate,
25 and repayment terms. The department shall not reduce or eliminate
26 the amount of the outstanding loan principal. The department shall
27 report to the legislature the number of loans refinanced under this
28 subsection, the local unit of government or authority responsible
29 for each loan refinanced, and the change in the terms of the loan,

1 as appropriate. This information may be included in the report
2 prepared by the department under section 19220.

3 (3) Repayments of principal and interest must be deposited in
4 1 of the following funds based on programmatic need:

5 (a) The revitalization revolving loan fund created in section
6 20108a.

7 (b) The state brownfield redevelopment fund created in section
8 8a of the brownfield redevelopment financing act, 1996 PA 381, MCL
9 125.2658a.

10 Sec. 19219. The department and the department of attorney
11 general may recover costs expended under this part for corrective
12 actions, response activities, and all other recoverable costs under
13 part 201 or 213 from parties that are responsible for an activity
14 that causes a release under part 201 or 213. Actions to recover
15 costs must be conducted in the manner provided for in part 201 or
16 213, as applicable.

17 Sec. 19220. Annually, the department shall submit a list of
18 the projects financed under this part during the previous fiscal
19 year to the governor, the standing committees of the house of
20 representatives and the senate that primarily address issues
21 pertaining to the protection of natural resources and the
22 environment, and the subcommittees of the house of representatives
23 and the senate on appropriations for natural resources and
24 environmental quality. The list must include the following
25 information:

26 (a) The name and location of the project.

27 (b) The nature of the project.

28 (c) The amount of money allocated to the project.

29 (d) The county in which the project is located.

1 (e) Other information considered relevant by the department.

2 Sec. 19221. The governor shall include in the governor's
3 annual budget recommendations to the legislature a recommended
4 level of funding to provide for the activities necessary to
5 implement this part.

6 Sec. 19223. The department may promulgate rules in accordance
7 with the administrative procedures act of 1969, 1969 PA 306, MCL
8 24.201 to 24.328, to implement this part.