

Act No. 161  
Public Act of 1989  
September 20, 1989  
Filed by the Secretary of State  
September 20, 1989

**STATE OF MICHIGAN  
85TH LEGISLATURE  
REGULAR SESSION OF 1989**

Introduced by Rep. Brown

# **ENROLLED HOUSE BILL No. 4528**

AN ACT to amend sections 6, 7, and 12 of Act No. 518 of the Public Acts of 1988, entitled as amended "An act to assist certain owners and operators of certain underground storage tank systems in meeting their financial responsibility requirements; to create certain funds to address certain problems associated with releases from certain underground storage tank systems; to promote compliance with certain regulatory programs; to provide for the use of these funds; to create a Michigan underground storage tank financial assurance policy board; to prescribe the powers and duties of certain state agencies and officials; to provide for certain regulatory fees; and to repeal certain parts of this act on a specific date," as amended by Act No. 152 of the Public Acts of 1989, being sections 299.806, 299.807, and 299.812 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Sections 6, 7, and 12 of Act No. 518 of the Public Acts of 1988, as amended by Act No. 152 of the Public Acts of 1989, being sections 299.806, 299.807, and 299.812 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 6. (1) The Michigan underground storage tank financial assurance fund is created.

(2) The state treasurer shall direct the investment of the fund. Interest and earnings from fund investments shall be credited to the fund.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not revert to the general fund.

(4) Money in the fund shall be expended only as follows and in the following order of priority:

(a) For the reasonable administrative cost of implementing this act by the department, the department of natural resources, the department of state police, the department of treasury, and the department of attorney general as annually appropriated by the legislature. Administrative costs shall include the actual and necessary expenses incurred by the board and its members in carrying out the duties imposed by this act. Total administrative costs expended under this subdivision shall not exceed 7% of the fund's projected revenues in any year. Within 2 years of the effective date of this 1989 amendatory act, the department shall conduct an audit of the actual administrative costs of implementing this act and shall report the results of this audit to the legislature.

(b) For the interest subsidy program established in section 19. The money expended under this subdivision shall not exceed 10% of the fund's projected revenues in any year. However, 10% of the revenue of the fund during the first year of the fund's operation shall be expended on the interest subsidy program. If this money is not expended during the first year, this money shall be carried over for expenditure in the succeeding years of the fund's operation. No additional fund revenue shall be set aside for the interest subsidy program until all of the first year revenue is expended.

(c) For corrective action and indemnification including both of the following:

(i) Payments for approved work invoices pursuant to this act.

(ii) Payments for approved requests for indemnification pursuant to this act.

(5) The board shall make recommendations to the appropriations committees in the senate and house of representatives on the distribution and amount of administrative costs under subsection (4). The board shall provide a copy of these recommendations to each affected department.

Sec. 7. (1) The emergency response fund is created.

(2) The state treasurer shall direct the investment of the emergency response fund. Interest and earnings of the emergency response fund shall remain in the emergency response fund.

(3) Money in the emergency response fund at the close of the fiscal year shall remain in the emergency response fund and shall not revert to the general fund.

(4) Except as provided in section 27, money in the emergency response fund shall not exceed \$1,000,000.00.

(5) Except as provided in section 26, money in the emergency response fund shall be expended by the director of the department of natural resources to undertake corrective actions pursuant to the leaking underground storage tank act, Act No. 478 of the Public Acts of 1988, being sections 299.831 to 299.850 of the Michigan Compiled Laws.

(6) Not more than \$1,000,000.00 shall be expended from the emergency response fund in any year.

(7) If money in the emergency response fund is expended under subsection (5), the person or persons responsible for the corrective action shall be liable to the state for all such expenditures.

Sec. 12. The department shall employ a person to serve as the fund administrator. The administrator shall be responsible for processing requests for payments from the fund and approving those requests as provided in this act. Beginning 6 months after the effective date of this 1989 amendatory act, the fund shall begin operating and the administrator shall begin to accept work invoices, bids, and requests for indemnification. However, if the state treasurer determines that there is sufficient money in the fund, the state treasurer may establish an earlier date in which the fund may begin operating.

This act is ordered to take immediate effect.

.....  
Clerk of the House of Representatives.

.....  
Secretary of the Senate.

Approved.....

.....  
Governor.