

SUBSTITUTE FOR
SENATE BILL NO. 330

A bill to amend 1976 PA 390, entitled
"Emergency management act,"
by amending sections 18 and 19 (MCL 30.418 and 30.419), as amended
by 1990 PA 50.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 18. (1) A disaster **AND EMERGENCY** contingency fund is
2 created and shall be administered by the director. An annual
3 accounting of expenditures under this act shall be made to the
4 legislature and the legislature shall annually appropriate
5 sufficient funds to maintain the fund at a level not to exceed
6 ~~\$750,000.00~~ **\$4,500,000.00** and not less than
7 ~~\$30,000.00~~ **\$2,000,000.00. UNEXPENDED AND UNENCUMBERED FUNDS**
8 **REMAINING IN THE DISASTER AND EMERGENCY CONTINGENCY FUND AT THE END**
9 **OF THE FISCAL YEAR SHALL NOT LAPSE TO THE GENERAL FUND AND SHALL BE**

1 CARRIED FORWARD AND BE AVAILABLE FOR EXPENDITURE IN SUBSEQUENT
2 FISCAL YEARS.

3 (2) The director may expend money from the disaster **AND**
4 **EMERGENCY** contingency fund upon appropriation for the purpose of
5 paying necessary and reasonable overtime, travel, and subsistence
6 expenses incurred by an employee of an agency of the state acting
7 at the direction of the director in a disaster or emergency related
8 operation, and, with the concurrence of the governor or the
9 governor's designated representative, for other needs required for
10 the mitigation of the effects of, or in response to, a disaster or
11 emergency.

12 (3) The director may place directly in the disaster **AND**
13 **EMERGENCY** contingency fund a reimbursement for expenditures out of
14 the fund received from the federal government, or another source.

15 (4) If a state of major disaster or emergency is declared by
16 the president of the United States, and when authorized by the
17 governor, an expenditure from the fund may be made by the director
18 upon appropriation to pay the state's matching share of grants as
19 provided by the disaster relief act of 1974, Public Law 93-288, 88
20 Stat. 143.

21 (5) **THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE**
22 **DISASTER AND EMERGENCY CONTINGENCY FUND. THE STATE TREASURER SHALL**
23 **CREDIT TO THE DISASTER AND EMERGENCY CONTINGENCY FUND INTEREST AND**
24 **EARNINGS FROM FUND INVESTMENTS.**

25 Sec. 19. (1) Under extraordinary circumstances, upon the
26 declaration of a state of disaster or a state of emergency by the
27 governor and subject to the requirements of this subsection, the

1 governor may authorize an expenditure from the disaster **AND**
2 **EMERGENCY** contingency fund to provide state assistance to counties
3 and municipalities when federal assistance is not available. If the
4 governor proclaims a state of disaster or a state of emergency, the
5 first recourse for disaster related expenses shall be to funds of
6 the county or municipality. If the demands placed upon the funds of
7 a county or municipality in coping with a particular disaster or
8 emergency are unreasonably great, the governing body of the county
9 or municipality may apply, by resolution of the local governing
10 body, for a grant from the disaster **AND EMERGENCY** contingency fund.
11 The resolution shall certify that the affected county or
12 municipality emergency operations plan was implemented in a timely
13 manner. The resolution shall set forth the purpose for which the
14 assistance is sought, the extent of damages sustained, and certify
15 an exhaustion of local efforts. Assistance grants under this
16 section shall not exceed ~~\$30,000.00~~ **\$100,000.00** or 10% of the total
17 annual operating budget for the preceding fiscal year of the county
18 or municipality, whichever is less. The assistance under this
19 subsection is to provide grants, excluding reimbursement for
20 capital outlay expenditures, in mitigation of the extraordinary
21 burden of a county or municipality in relation to its available
22 resources.

23 (2) The director shall promulgate rules governing the
24 application and eligibility for the use of the state disaster **AND**
25 **EMERGENCY** contingency fund. Rules that have been promulgated prior
26 to December 31, 1988 to implement this section shall remain in
27 effect until revised or replaced. The rules shall include, but not

1 be limited to, all of the following:

2 (a) Demonstration of exhaustion of local effort.

3 (b) Evidence that the applicant is a county that actively
4 maintains an emergency management program, reviewed by and
5 determined to be current and adequate by the emergency management
6 division of the department, before the disaster or emergency for
7 which assistance is being requested occurs. If the applicant is a
8 municipality with a population of 10,000 or more, evidence that the
9 municipality either maintains a separate emergency management
10 program, reviewed by and determined to be current and adequate by
11 the emergency management division of the department, before the
12 disaster or emergency for which assistance is being requested or
13 occurs, or the municipality is incorporated in the county emergency
14 management program.

15 (c) Evidence that the applicable county or municipal emergency
16 operations plan was implemented in a timely manner at the beginning
17 of the disaster or emergency.

18 (d) Reimbursement for expenditures shall be limited to public
19 damage and direct loss as a result of the disaster or emergency, or
20 expenses incurred by the applicant for reimbursing employees for
21 disaster or emergency related activities which were not performed
22 as a part of their normal duties, or for other needs required
23 specifically for the mitigation of the effects, or in response to
24 the disaster or emergency.

25 (e) A disaster assessment team established by the emergency
26 management division of the department has substantiated the damages
27 claimed by the applicant. Damage estimates submitted by the

1 applicant shall be based upon a disaster assessment carried out by
2 the applicant according to standard procedures recommended by the
3 emergency management division.