

**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 has identified as a community facing a  
4 disproportionate environmental burden, using the department's  
5 MiEJScreen or the United States Environmental Protection Agency's  
6 EJSCREEN and indicators such as sensitive populations,  
7 socioeconomic factors, exposures, and environmental effects.

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

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

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

26 (i) Increased air monitoring.

27 (ii) Additional compliance assistance and training at the  
28 location of a source to support source owner and operator  
29 compliance efforts and prevent future violations.

1           (iii) Increased inspections under this part.

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

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

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

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

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

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

23           (5) The department shall develop guidelines to implement  
24 subsection (4). At a minimum, the guidelines shall describe how  
25 grants are to be allocated, the procedures for applying for grants,  
26 the criteria for awarding grants, and administrative and fiscal  
27 requirements governing the receipt and expenditure of grants. The  
28 department shall develop the guidelines in consultation with an  
29 advisory committee that includes, but is not limited to, at least 1

1 of each of the following:

2 (a) A public health expert.

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

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

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

8 (e) Two residents of environmental justice communities.

9 (6) The department, in collaboration with environmental  
10 justice and environmental interest groups, shall develop a process  
11 to identify environmental justice communities, including  
12 researching best practices in the United States. The identification  
13 process shall include community engagement to obtain information  
14 and feedback.

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

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