

HOUSE BILL No. 4943

September 4, 2013, Introduced by Rep. Geiss and referred to the Committee on Energy and Technology.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding sections 62715, 62717, 62719, 62721, 62723, 62725, 62727, 62729, 62731, 62733, 62735, 62737, 62739, 62741, and 62743.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 62715. (1) A SEQUESTRATION PROJECT OWNER SHALL MAINTAIN
2 FINANCIAL ASSURANCE DURING THE SEQUESTRATION OPERATION AND UNTIL
3 THE DEPARTMENT ISSUES A CERTIFICATE OF COMPLETION OF THE
4 SEQUESTRATION OPERATION UNDER SECTION 62729.

5 (2) THE FINANCIAL ASSURANCE REQUIRED UNDER SUBSECTION (1)
6 SHALL MEET ALL OF THE FOLLOWING REQUIREMENTS:

7 (A) APPLY TO ALL SEQUESTRATION OPERATIONS SUBJECT TO THE
8 SEQUESTRATION ORDER.

9 (B) BE IN AN AMOUNT DETERMINED BY THE DEPARTMENT TO BE
10 SUFFICIENT TO COVER THE COST TO ADMINISTER CLOSURE OF THE

1 SEQUESTRATION PROJECT; TO HIRE A THIRD PARTY TO REMOVE SURFACE
2 BUILDINGS AND EQUIPMENT UTILIZED IN GEOLOGIC SEQUESTRATION; TO
3 CONDUCT POSTCLOSURE MONITORING; AND TO IMPLEMENT NECESSARY
4 ENVIRONMENTAL PROTECTION MEASURES, INCLUDING ANY NECESSARY
5 REMEDIATION OF CONTAMINATION OF THE SOIL, SURFACE WATER, OR
6 GROUNDWATER CAUSED BY THE SEQUESTRATION OPERATION THAT VIOLATES THE
7 SEQUESTRATION ORDER.

8 (C) CONSIST OF AN ESCROW ACCOUNT, CASH, A CERTIFICATE OF
9 DEPOSIT, AN IRREVOCABLE LETTER OF CREDIT, A SURETY BOND, OR ANY
10 COMBINATION THEREOF OR OF ANY OTHER METHOD SATISFACTORY TO THE
11 DEPARTMENT.

12 (3) EVERY 3 YEARS, OR AS THE DEPARTMENT CONSIDERS NECESSARY, A
13 SEQUESTRATION PROJECT OWNER SHALL ADJUST THE AMOUNT OF FINANCIAL
14 ASSURANCE AS DETERMINED BY THE DEPARTMENT TO ENSURE THAT IT IS
15 SUFFICIENT FOR THE PURPOSES OF SUBSECTION (2) (B) .

16 (4) IF THE SEQUESTRATION PROJECT OWNER FAILS TO MAINTAIN
17 FINANCIAL ASSURANCE REQUIRED UNDER THIS SECTION, THE DEPARTMENT MAY
18 ORDER IMMEDIATE SUSPENSION OF THE SEQUESTRATION OPERATION.

19 (5) THE DEPARTMENT SHALL WAIVE FINANCIAL ASSURANCE OTHERWISE
20 REQUIRED UNDER THIS PART TO THE EXTENT IT DUPLICATES FINANCIAL
21 ASSURANCE REQUIRED BY ANY FEDERAL AGENCY.

22 SEC. 62717. (1) BEFORE BEGINNING THE SEQUESTRATION OPERATION,
23 A SEQUESTRATION PROJECT OWNER SHALL RECORD A CERTIFIED COPY OF THE
24 SEQUESTRATION ORDER WITH THE REGISTER OF DEEDS OF THE COUNTY OR
25 COUNTIES IN WHICH THE SEQUESTRATION PROJECT IS TO BE LOCATED.

26 (2) THE SEQUESTRATION PROJECT OWNER SHALL NOTIFY THE
27 DEPARTMENT AT LEAST 30 DAYS BEFORE BEGINNING A SEQUESTRATION

1 OPERATION, AND 5 BUSINESS DAYS BEFORE ACTUAL GEOLOGIC SEQUESTRATION
2 BEGINS.

3 SEC. 62719. (1) A PERSON MAY REQUEST THE DEPARTMENT TO AMEND A
4 SEQUESTRATION ORDER TO NAME THE PERSON AS A NEW SEQUESTRATION
5 PROJECT OWNER. THE REQUEST SHALL BE SUBMITTED TO THE DEPARTMENT ON
6 A FORM PROVIDED BY THE DEPARTMENT. THE REQUEST SHALL INCLUDE AN
7 ORGANIZATION REPORT AND OTHER RELEVANT INFORMATION REQUIRED BY THE
8 DEPARTMENT. THE REQUEST SHALL BE VERIFIED IN THE SAME MANNER AS A
9 PLEADING IN A CIVIL ACTION. THE DEPARTMENT SHALL APPROVE OR DENY
10 THE REQUEST. THE DEPARTMENT SHALL APPROVE THE REQUEST AND ISSUE AN
11 AMENDED SEQUESTRATION ORDER IF ALL OF THE FOLLOWING REQUIREMENTS
12 ARE MET:

13 (A) THE PERSON SUBMITTING THE REQUEST PROVIDES FINANCIAL
14 ASSURANCE AS REQUIRED UNDER SECTION 62715.

15 (B) THE PERSON SUBMITTING THE REQUEST ACCEPTS THE CONDITIONS
16 OF THE EXISTING SEQUESTRATION ORDER.

17 (C) IF THE DEPARTMENT DETERMINES THE CURRENT SEQUESTRATION
18 PROJECT OWNER VIOLATED THIS PART OR THE RULES PROMULGATED UNDER
19 THIS PART AT THE SEQUESTRATION PROJECT INVOLVED IN THE TRANSFER,
20 THE CURRENT SEQUESTRATION PROJECT OWNER HAS COMPLETED THE NECESSARY
21 CORRECTIVE ACTIONS OR THE PERSON SUBMITTING THE REQUEST HAS ENTERED
22 INTO A WRITTEN CONSENT AGREEMENT WITH THE DEPARTMENT TO CORRECT THE
23 VIOLATION.

24 (2) THE CURRENT SEQUESTRATION PROJECT OWNER REMAINS
25 RESPONSIBLE FOR THE SEQUESTRATION OPERATION UNTIL AN AMENDED
26 SEQUESTRATION ORDER IS APPROVED UNDER SUBSECTION (1).

27 (3) A SEQUESTRATION ORDER MAY BE AMENDED, FOR PURPOSES OTHER

1 THAN NAMING A NEW SEQUESTRATION PROJECT OWNER, AS FOLLOWS:

2 (A) THE SEQUESTRATION PROJECT OWNER MAY SUBMIT TO THE
3 DEPARTMENT A REQUEST TO AMEND THE SEQUESTRATION ORDER TO ADDRESS
4 ANTICIPATED CHANGES IN THE SEQUESTRATION PROJECT.

5 (B) THE DEPARTMENT MAY PROPOSE AN AMENDMENT TO A SEQUESTRATION
6 ORDER IF THE DEPARTMENT DETERMINES THAT THE FINDINGS MADE UNDER
7 SECTION 62713(1)(C), (D), OR (E) NO LONGER APPLY TO THE
8 SEQUESTRATION PROJECT OR SEQUESTRATION OPERATION OR THAT THE
9 SEQUESTRATION OPERATION IS NOT ADEQUATELY ACHIEVING GEOLOGIC
10 SEQUESTRATION.

11 (C) WITHIN 30 DAYS AFTER RECEIVING A REQUEST TO AMEND A
12 SEQUESTRATION ORDER, OR WHEN PROPOSING AN AMENDMENT UNDER
13 SUBDIVISION (B), THE DEPARTMENT SHALL DETERMINE WHETHER THE
14 AMENDMENT WOULD CONSTITUTE A SIGNIFICANT SUBSTANTIVE CHANGE FROM
15 THE CONDITIONS OF THE APPROVED SEQUESTRATION ORDER.

16 (D) IF THE DEPARTMENT DETERMINES THAT AN AMENDMENT WOULD
17 CONSTITUTE A SIGNIFICANT SUBSTANTIVE CHANGE, THE DEPARTMENT SHALL
18 GIVE NOTICE AND CONDUCT AN EVIDENTIARY HEARING ON THE AMENDMENT AS
19 PROVIDED UNDER SECTION 62711.

20 (E) IF THE DEPARTMENT DETERMINES THAT THE AMENDMENT WOULD NOT
21 CONSTITUTE A SIGNIFICANT SUBSTANTIVE CHANGE FROM THE CONDITIONS OF
22 THE APPROVED SEQUESTRATION ORDER, THE DEPARTMENT SHALL GIVE WRITTEN
23 NOTICE OF THE DETERMINATION TO THE CLERK OF EACH COUNTY, CITY,
24 TOWNSHIP, AND VILLAGE IN WHICH ANY PART OF THE SEQUESTRATION
25 PROJECT IS LOCATED. THE DEPARTMENT SHALL ALSO PUBLISH NOTICE OF THE
26 DETERMINATION IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY
27 OR COUNTIES IN WHICH ANY PART OF THE SEQUESTRATION PROJECT IS

1 LOCATED. NOT MORE THAN 14 DAYS AFTER PUBLICATION OF THE NOTICE, THE
2 DEPARTMENT SHALL ISSUE AN ORDER APPROVING OR DENYING A REQUEST FOR
3 AN AMENDMENT AND SHALL NOTIFY THE SEQUESTRATION PROJECT OWNER OF
4 THE DECISION.

5 (F) THE DEPARTMENT SHALL APPROVE AN AMENDMENT TO A
6 SEQUESTRATION ORDER IF THE DEPARTMENT DETERMINES THAT THE AMENDMENT
7 MEETS THE REQUIREMENTS OF SECTION 62713(1) WITH RESPECT TO THE
8 UNDERLYING SEQUESTRATION ORDER.

9 (4) IF THE DEPARTMENT DENIES A REQUEST TO AMEND A
10 SEQUESTRATION ORDER UNDER SUBSECTION (1) OR (3), THE DEPARTMENT
11 ORDER DENYING THE REQUEST SHALL STATE THE REASONS FOR DENIAL TO THE
12 SEQUESTRATION PROJECT OWNER. THE DEPARTMENT SHALL PROVIDE A COPY OF
13 THE ORDER TO THE PERSON REQUESTING THE AMENDMENT AND, IF DIFFERENT,
14 THE SEQUESTRATION PROJECT OWNER.

15 SEC. 62721. (1) A PERSON WHO OWNS OR HAS AN OWNERSHIP INTEREST
16 IN PORE SPACE OR OIL, GAS, OR MINERALS MAY FILE A PETITION
17 ASSERTING THAT CARBON DIOXIDE INJECTED PURSUANT TO A SEQUESTRATION
18 ORDER HAS MIGRATED OUT OF THE PREDICTED CARBON DIOXIDE PLUME AREA
19 TO OCCUPY PORE SPACE IN THE PERSON'S SUBSURFACE PROPERTY AND
20 REQUESTING THAT THE SEQUESTRATION ORDER BE AMENDED TO EXPAND THE
21 LEGAL DESCRIPTION OF THE LANDS COMPRISING THE CARBON DIOXIDE PLUME
22 AREA AND THE BUFFER ZONE ACCORDINGLY.

23 (2) THE DEPARTMENT SHALL DETERMINE WHETHER THE PETITION IS
24 ADMINISTRATIVELY COMPLETE, SUBJECT TO SECTION 62707(6) AND (7). IF
25 THE PETITION IS ADMINISTRATIVELY COMPLETE, NOT MORE THAN 30 DAYS
26 AFTER RECEIPT OF THE PETITION, THE DEPARTMENT SHALL DETERMINE IF
27 THERE IS A REASONABLE BASIS FOR THE PETITION AND SHALL NOTIFY THE

1 PETITIONER IN WRITING OF ITS DETERMINATION. IF THERE IS A
2 REASONABLE BASIS FOR THE PETITION, THE DEPARTMENT SHALL GRANT THE
3 PETITIONER AN EVIDENTIARY HEARING ON THE PETITION. OTHERWISE, THE
4 DEPARTMENT SHALL DENY THE PETITION.

5 (3) AN EVIDENTIARY HEARING SHALL BE HELD NOT MORE THAN 90 DAYS
6 AFTER THE DEPARTMENT NOTIFIES THE PETITIONER UNDER SUBSECTION (2)
7 THAT THERE IS A REASONABLE BASIS FOR THE PETITION. THE DEPARTMENT
8 SHALL PUBLISH NOTICE OF THE EVIDENTIARY HEARING IN A NEWSPAPER OF
9 GENERAL CIRCULATION IN THE COUNTY OR COUNTIES IN WHICH THE
10 SEQUESTRATION PROJECT IS LOCATED, AND IF THERE ARE OPERATIONS FOR
11 THE EXTRACTION OF OIL OR GAS FROM THE PORE SPACE OWNED BY THE
12 PETITIONER INTO WHICH THE CARBON DIOXIDE PLUME IS ALLEGED TO HAVE
13 MIGRATED, IN AN OIL AND GAS INDUSTRY PUBLICATION THAT FOCUSES ON
14 THIS STATE. PUBLICATION SHALL OCCUR NOT LESS THAN 45 DAYS BEFORE
15 THE DATE OF THE HEARING. THE DEPARTMENT SHALL ALSO MAIL COPIES OF
16 THE NOTICE TO THE CLERK OF EACH COUNTY, CITY, TOWNSHIP, AND VILLAGE
17 IN WHICH ANY PART OF THE GEOLOGIC SEQUESTRATION PROJECT IS TO BE
18 LOCATED.

19 (4) IF THE DEPARTMENT DETERMINES, AFTER THE EVIDENTIARY
20 HEARING, THAT CARBON DIOXIDE INJECTED PURSUANT TO A SEQUESTRATION
21 ORDER HAS MIGRATED OUT OF THE APPROVED CARBON DIOXIDE PLUME AREA TO
22 OCCUPY THE PETITIONER'S SUBSURFACE PROPERTY, THE DEPARTMENT SHALL
23 GRANT THE PETITION. OTHERWISE, THE DEPARTMENT SHALL DENY THE
24 PETITION. IF THE DEPARTMENT GRANTS THE PETITION, BOTH OF THE
25 FOLLOWING APPLY:

26 (A) THE PROJECT OWNER SHALL ACQUIRE ALL OF THE NECESSARY
27 RIGHTS TO PORE SPACE OR OIL, GAS, OR MINERALS IN THE PETITIONER'S

1 TRACT BY TITLE CONVEYANCE OR OTHER CONTRACTUAL ARRANGEMENT, BY
2 EMINENT DOMAIN AS PROVIDED UNDER SECTION 62723, OR AS OTHERWISE
3 ALLOWED BY STATUTE.

4 (B) THE DEPARTMENT MAY ORDER SEQUESTRATION OPERATIONS MODIFIED
5 OR SUSPENDED UNTIL THE PROJECT OWNER HAS ACQUIRED THE RIGHTS
6 DESCRIBED IN SUBDIVISION (A).

7 (5) THE ADMINISTRATIVE REMEDY PROVIDED BY THIS SECTION IS THE
8 EXCLUSIVE REMEDY AVAILABLE TO A PERSON WHO ASSERTS THAT THE CARBON
9 DIOXIDE PLUME IS OCCUPYING THE PORE SPACE IN THE PERSON'S
10 SUBSURFACE PROPERTY LOCATED OUTSIDE THE BOUNDARY OF AN APPROVED
11 CARBON DIOXIDE PLUME AREA.

12 SEC. 62723. (1) THE LEGISLATURE FINDS THAT GEOLOGIC
13 SEQUESTRATION RESULTS IN LONG-TERM STORAGE OF CO₂, THEREBY REDUCING
14 MAN-MADE CO₂ EMISSIONS TO THE ATMOSPHERE AND THE ATTENDANT ADVERSE
15 ATMOSPHERIC EFFECTS OF THESE EMISSIONS ON NATURAL RESOURCES, THE
16 ENVIRONMENT, AND PUBLIC HEALTH AND SAFETY. CONSEQUENTLY, A
17 SEQUESTRATION PROJECT IS A PUBLIC USE OF PROPERTY. THE PROJECT
18 OWNER UNDER A SEQUESTRATION ORDER MAY ACQUIRE ANY OF THE FOLLOWING
19 BY EXERCISE OF POWER OF EMINENT DOMAIN:

20 (A) NECESSARY RIGHTS TO USE THE PORE SPACE OR TO THE OIL, GAS,
21 OR MINERALS IN THE SEQUESTRATION ZONE.

22 (B) THE RIGHT TO USE PROPERTY AND HIGHWAY RIGHTS-OF-WAY IN
23 THIS STATE, BUT ONLY TO TRANSPORT CARBON DIOXIDE BY A PIPELINE OR
24 PIPELINES, AND TO LOCATE, LAY, CONSTRUCT, MAINTAIN, AND OPERATE
25 THOSE PIPELINES. THE PIPELINE OR PIPELINES SHALL BE USED
26 EXCLUSIVELY FOR THE TRANSMISSION, TRANSPORTATION, AND DISTRIBUTION
27 OF CARBON DIOXIDE WITHIN THIS STATE.

1 (2) EMINENT DOMAIN UNDER THIS SECTION SHALL BE EXERCISED BY
2 CONDEMNATION PURSUANT TO THE UNIFORM CONDEMNATION PROCEDURES ACT,
3 1980 PA 87, MCL 213.51 TO 213.75.

4 (3) RIGHTS OR INTERESTS A PROJECT OWNER ACQUIRES FOR A
5 SEQUESTRATION PROJECT BY TITLE CONVEYANCE OR OTHER CONTRACTUAL
6 ARRANGEMENT ARE NOT SUBJECT TO THE EXERCISE OF THE POWER OF EMINENT
7 DOMAIN UNDER SUBSECTION (1) FOR A DIFFERENT SEQUESTRATION PROJECT.

8 (4) THIS SECTION DOES NOT ALTER ANY POWER OF EMINENT DOMAIN
9 THAT EXISTS UNDER ANY OTHER AUTHORITY.

10 (5) NONE OF THE FOLLOWING MAY BE TAKEN BY THE EXERCISE OF THE
11 POWER OF EMINENT DOMAIN GRANTED IN THIS SECTION:

12 (A) THE RIGHT OF AN OWNER OF OIL, GAS, OR MINERALS OR PORE
13 SPACE LOCATED ABOVE OR BELOW THE SEQUESTRATION ZONE TO DRILL A WELL
14 INTO STRATA ABOVE OR BELOW THE SEQUESTRATION ZONE IF THAT OWNER
15 COMPLIES WITH ALL OF THE APPLICABLE RULES OF THE DEPARTMENT.

16 (B) THE RIGHT OF THE PROPERTY OWNER TO EXERCISE INTERESTS IN
17 PROPERTY NOT ACQUIRED FOR THE SEQUESTRATION PROJECT WITHIN THE
18 BORDERS OF THE SEQUESTRATION PROJECT.

19 (6) ANY ACQUISITION OF PROPERTY RIGHTS PURSUANT TO THIS
20 SECTION IS A TAKING OF PRIVATE PROPERTY FOR WHICH JUST COMPENSATION
21 IS DUE. JUST COMPENSATION FOR PROPERTY DESCRIBED IN SUBSECTION
22 (1) (A) IS AN AMOUNT EQUAL TO THE FAIR MARKET VALUE OF THE PORE
23 SPACE OR OF VALUABLE OIL, GAS, AND MINERALS CONTAINED WITHIN PORE
24 SPACE TAKEN ON THE DATE OF THE EXERCISE OF EMINENT DOMAIN
25 AUTHORITY. IN THE ABSENCE OF A DEMONSTRATION OF AN ACTUAL OR
26 REASONABLY FORESEEABLE ALTERNATE USE, PORE SPACE WITHIN A
27 SEQUESTRATION ZONE HAS NO COMPENSABLE VALUE.

1 (7) AN ACTION UNDER THIS PART, OR UNDER ANY RULE PROMULGATED
2 OR ORDER ISSUED PURSUANT TO THIS PART, DOES NOT CAUSE A
3 SEQUESTRATION PROJECT OWNER TO BE A COMMON CARRIER OR A PUBLIC
4 UTILITY FOR ANY PURPOSE WHATSOEVER, OR TO BE SUBJECT TO ANY DUTIES,
5 OBLIGATIONS, OR LIABILITIES AS A COMMON CARRIER OR PUBLIC UTILITY.

6 (8) THE DEPARTMENT AND ITS EMPLOYEES ARE NOT NECESSARY OR
7 INDISPENSABLE PARTIES TO ANY CONDEMNATION PROCEEDING UNDER THIS
8 SECTION, AND IF NAMED AS A PARTY OR THIRD PARTY, UPON MOTION, SHALL
9 BE DISMISSED FROM THE ACTION AT THE EXPENSE OF THE PARTY WHO NAMES
10 THE DEPARTMENT OR ANY EMPLOYEE. THE DEPARTMENT SHALL BE AWARDED ALL
11 COSTS REASONABLY INCURRED TO BE DISMISSED FROM THE ACTION,
12 INCLUDING ATTORNEY FEES.

13 SEC. 62725. (1) A SEQUESTRATION PROJECT OWNER SHALL DO ALL OF
14 THE FOLLOWING:

15 (A) PROVIDE A COPY OF THE CONTINGENCY PLAN INCLUDED IN THE
16 PETITION FOR THE SEQUESTRATION ORDER TO EACH EMERGENCY MANAGEMENT
17 COORDINATOR HAVING JURISDICTION OVER THE SURFACE OF THE GEOGRAPHIC
18 AREA CONSTITUTING THE SEQUESTRATION PROJECT.

19 (B) CONDUCT THE SEQUESTRATION OPERATION IN ACCORDANCE WITH THE
20 APPROVED SEQUESTRATION ORDER.

21 (C) CONDUCT MONITORING OF THE SEQUESTRATION OPERATION IN
22 ACCORDANCE WITH THE OPERATIONS PLAN.

23 (2) COMPLIANCE WITH THIS PART DOES NOT RELIEVE A SEQUESTRATION
24 PROJECT OWNER OF THE OBLIGATION TO COMPLY WITH ALL OTHER APPLICABLE
25 STATE AND FEDERAL LAW AND, SUBJECT TO SECTION 62743(5) AND (6),
26 LOCAL ORDINANCES.

27 (3) A SEQUESTRATION PROJECT OWNER SHALL MONITOR THE

1 SEQUESTRATION PROJECT FOR 20 YEARS FOLLOWING PERMANENT CESSATION OF
2 SUBSURFACE INJECTION OF CARBON DIOXIDE. THE DEPARTMENT MAY REDUCE
3 THE POSTCLOSURE MONITORING PERIOD UPON REQUEST OF THE SEQUESTRATION
4 PROJECT OWNER IF THE DEPARTMENT DETERMINES THAT THERE IS NOT A
5 SIGNIFICANT RISK THAT THE SEQUESTERED CARBON DIOXIDE WILL ENDANGER
6 NATURAL RESOURCES, THE ENVIRONMENT, OR PUBLIC HEALTH AND SAFETY BY
7 MIGRATING OUTSIDE THE SEQUESTRATION ZONE. THE REQUEST SHALL BE MADE
8 IN WRITING NOT LESS THAN 6 MONTHS BEFORE THE PROPOSED POSTCLOSURE
9 MONITORING TERMINATION DATE AND SHALL PROVIDE THE DEPARTMENT WITH
10 TECHNICAL DATA AND INFORMATION DEMONSTRATING THAT ADDITIONAL
11 MONITORING IS NOT NEEDED TO ENSURE THAT THERE IS NOT A SIGNIFICANT
12 RISK OF ENDANGERING NATURAL RESOURCES, THE ENVIRONMENT, OR PUBLIC
13 HEALTH AND SAFETY. THE DEPARTMENT SHALL GIVE NOTICE AND CONDUCT AN
14 EVIDENTIARY HEARING ON THE REQUEST AS PROVIDED UNDER SECTION 62711.

15 SEC. 62727. (1) A SEQUESTRATION PROJECT OWNER SHALL FILE A
16 BIENNIAL GEOLOGIC SEQUESTRATION REPORT WITH THE DEPARTMENT ON OR
17 BEFORE MARCH 15 AND SEPTEMBER 15 OF EACH YEAR OF THE SEQUESTRATION
18 OPERATION AND POSTCLOSURE MONITORING PERIOD. THE REPORT DUE ON OR
19 BEFORE MARCH 15 SHALL COVER OPERATIONS DURING THE PRECEDING JULY 1
20 TO DECEMBER 31. THE REPORT DUE ON OR BEFORE SEPTEMBER 15 SHALL
21 COVER OPERATIONS DURING THE PRECEDING JANUARY 1 TO JUNE 30. THE
22 GEOLOGIC SEQUESTRATION REPORT SHALL CONTAIN ALL OF THE FOLLOWING:

23 (A) A DESCRIPTION OF THE STATUS OF THE SEQUESTRATION PROJECT.

24 (B) AN UPDATE OF THE CONTINGENCY PLAN. THE SEQUESTRATION
25 PROJECT OWNER SHALL PROVIDE A COPY OF THE UPDATE TO THE EMERGENCY
26 MANAGEMENT COORDINATOR.

27 (C) A REPORT OF MONITORING RESULTS FOR THE PRECEDING 6-MONTH

1 PERIOD.

2 (D) A REPORT OF THE TOTAL TONS OF CARBON DIOXIDE INJECTED INTO
3 THE SEQUESTRATION ZONE FOR EACH MONTH OF THE PRECEDING 6-MONTH
4 PERIOD.

5 (E) A LIST OF ALL SEQUESTRATION WELLS PLUGGED AND ABANDONED
6 DURING THE PRECEDING 6-MONTH PERIOD.

7 (F) A LIST OF ALL SEQUESTRATION WELLS DRILLED DURING THE
8 PRECEDING 6-MONTH PERIOD.

9 (G) A LIST OF ALL SEQUESTRATION WELLS GRANTED TEMPORARY
10 ABANDONED STATUS UNDER PART 625 DURING THE PRECEDING 6-MONTH
11 PERIOD.

12 (H) A LIST OF THE NOTIFICATIONS UNDER SUBSECTION (2) FOR THE
13 PRECEDING CALENDAR YEAR.

14 (2) A SEQUESTRATION PROJECT OWNER SHALL NOTIFY THE DEPARTMENT
15 WITHIN 8 HOURS OF LEARNING OF ANY INCIDENT, ACT OF NATURE, OR
16 VIOLATION OF A PERMIT STANDARD OR CONDITION AT A SEQUESTRATION
17 PROJECT THAT ENDANGERS OR HAS A SIGNIFICANT RISK TO ENDANGER
18 NATURAL RESOURCES, THE ENVIRONMENT, OR PUBLIC HEALTH AND SAFETY.

19 (3) THE SEQUESTRATION PROJECT OWNER SHALL PRESERVE RECORDS
20 UPON WHICH THE GEOLOGIC SEQUESTRATION REPORTS UNDER SUBSECTION (1)
21 ARE BASED FOR 3 YEARS. THE PROJECT OWNER SHALL PRESERVE RECORDS
22 UPON WHICH NOTIFICATIONS UNDER SUBSECTION (2) ARE BASED UNTIL THE
23 END OF THE POSTCLOSURE MONITORING PERIOD. RECORDS DESCRIBED IN THIS
24 SUBSECTION SHALL BE MADE AVAILABLE TO THE DEPARTMENT UPON REQUEST.

25 SEC. 62729. (1) AT THE END OF THE POSTCLOSURE MONITORING
26 PERIOD, THE DEPARTMENT SHALL INSPECT THE SEQUESTRATION PROJECT AND
27 PROVIDE NOTICE AND HOLD A PUBLIC HEARING, IN THE SAME MANNER AS

1 PROVIDED UNDER SECTION 62711, ON THE QUESTION OF ISSUING A
2 CERTIFICATE OF COMPLETION OF THE SEQUESTRATION OPERATION. THE
3 DEPARTMENT SHALL ISSUE A CERTIFICATE OF COMPLETION OF THE
4 SEQUESTRATION OPERATION UPON A SHOWING BY THE SEQUESTRATION PROJECT
5 OWNER OF ALL OF THE FOLLOWING:

6 (A) THERE IS NOT A SIGNIFICANT RISK THAT THE SEQUESTERED
7 SUBSTANCE WILL ENDANGER NATURAL RESOURCES, THE ENVIRONMENT, OR
8 PUBLIC HEALTH AND SAFETY BY MIGRATING OUTSIDE OF THE SEQUESTRATION
9 ZONE.

10 (B) THE SEQUESTRATION OPERATION HAS NOT RESULTED IN ANY
11 ONGOING CONDITIONS REQUIRING CORRECTION OR REMEDIATION.

12 (C) ALL WELLS THAT ARE PART OF THE SEQUESTRATION PROJECT HAVE
13 BEEN PROPERLY PLUGGED AND ABANDONED.

14 (D) ALL SURFACE FACILITIES ASSOCIATED WITH THE SEQUESTRATION
15 PROJECT HAVE BEEN REMOVED, ALL UNDERGROUND PIPELINES HAVE BEEN
16 REMOVED OR CAPPED, AND THE LAND HAS BEEN RESTORED TO AS NEAR ITS
17 ORIGINAL CONTOURS AS IS REASONABLY PRACTICAL, EXCEPT AS OTHERWISE
18 APPROVED BY THE DEPARTMENT IN RESPONSE TO A WRITTEN REQUEST BY THE
19 OPERATOR.

20 (2) THE DEPARTMENT SHALL PUBLISH A COPY OF THE ENTIRE
21 CERTIFICATE OF COMPLETION IN A NEWSPAPER OF GENERAL CIRCULATION IN
22 THE COUNTY OR COUNTIES WHERE THE SEQUESTRATION PROJECT IS LOCATED.

23 SEC. 62731. (1) AFTER A CERTIFICATE OF COMPLETION OF THE
24 SEQUESTRATION OPERATION IS ISSUED, ALL OF THE FOLLOWING APPLY:

25 (A) SUBJECT TO SUBSECTION (2), THE SEQUESTRATION PROJECT OWNER
26 IS IMMUNE FROM LIABILITY IN ANY CIVIL OR ADMINISTRATIVE ACTION FOR
27 ANY DAMAGE CAUSED BY THE SEQUESTRATION OPERATION TO PERSONS,

1 PROPERTY, NATURAL RESOURCES, THE ENVIRONMENT, OR PUBLIC HEALTH AND
2 SAFETY OCCURRING AFTER THE DATE OF ISSUANCE OF THE CERTIFICATE OF
3 COMPLETION.

4 (B) ANY REMAINING FINANCIAL ASSURANCE SHALL BE RELEASED.

5 (C) THE SEQUESTRATION REMEDIATION FUND CREATED IN SECTION
6 62735 IS INTENDED TO BE THE SOLE SOURCE OF PUBLIC FUNDING FOR
7 CORRECTION OR REMEDIATION OF CONDITIONS CAUSED BY THE SEQUESTRATION
8 OPERATION.

9 (2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART, A
10 SEQUESTRATION PROJECT OWNER IS LIABLE FOR ANY DAMAGE FROM THE
11 SEQUESTRATION OPERATION THAT IS PROXIMATELY CAUSED BY EITHER OF THE
12 FOLLOWING COMMITTED BY OR ON BEHALF OF THE SEQUESTRATION PROJECT
13 OWNER:

14 (A) GROSS NEGLIGENCE.

15 (B) INTENTIONAL CONCEALMENT OR MISREPRESENTATION OF MATERIAL
16 FACTS.

17 (3) DAMAGES OR INJUNCTIVE RELIEF SHALL NOT BE AWARDED TO A
18 PRIVATE CLAIMANT FOR A CLAIM OF NUISANCE OR TRESPASS RELATED TO THE
19 INJECTION INTO OR PRESENCE IN THE SEQUESTRATION ZONE OF CARBON
20 DIOXIDE, OR FROM THE RELEASE OF CARBON DIOXIDE FROM THE
21 SEQUESTRATION ZONE, UNLESS, SUBJECT TO SUBSECTION (1), THE
22 PLAINTIFF HAS INCURRED HARM IN ADDITION TO MERE OCCUPATION OF
23 SUBSURFACE PROPERTY, THE SURFACE, OR AIRSPACE ABOVE THE SURFACE.

24 SEC. 62733. (1) AFTER A SEQUESTRATION ORDER BECOMES EFFECTIVE,
25 THE DEPARTMENT SHALL ASSESS A SEQUESTRATION PROJECT OWNER A
26 SEQUESTRATION SURVEILLANCE FEE OF NOT MORE THAN 15 CENTS PER TON OF
27 CARBON DIOXIDE INJECTED INTO THE SEQUESTRATION ZONE, BUT NOT LESS

1 THAN \$50,000.00, FOR EACH CALENDAR YEAR IN WHICH CARBON DIOXIDE IS
2 INJECTED INTO THE SEQUESTRATION ZONE. THE SURVEILLANCE FEE RATE
3 SHALL BE CALCULATED EACH YEAR AS FOLLOWS:

4 (A) THE DEPARTMENT SHALL CALCULATE AN ADJUSTED APPROPRIATION
5 BY DEDUCTING ANY UNEXPENDED MONEY IN THE FUND AT THE CLOSE OF THE
6 PRIOR FISCAL YEAR FROM THE AMOUNT APPROPRIATED FOR THE CURRENT
7 FISCAL YEAR FOR SURVEILLANCE, MONITORING, ADMINISTRATION, AND
8 ENFORCEMENT OF THIS PART.

9 (B) THE DEPARTMENT SHALL DETERMINE THE TOTAL TONS OF CARBON
10 DIOXIDE INJECTED BY ALL SEQUESTRATION OPERATIONS IN THIS STATE IN
11 THE PRIOR CALENDAR YEAR.

12 (C) THE FEE RATE SHALL BE THE RATIO, TO THE NEAREST 1/100 OF
13 1%, OF THE ADJUSTED APPROPRIATION AS DETERMINED UNDER SUBDIVISION
14 (A) TO THE TOTAL TONS OF SEQUESTERED SUBSTANCE AS DETERMINED UNDER
15 SUBDIVISION (B).

16 (2) THE SEQUESTRATION SURVEILLANCE FEE DESCRIBED IN SUBSECTION
17 (1) IS DUE BY 30 DAYS AFTER THE DEPARTMENT SENDS WRITTEN NOTICE TO
18 THE SEQUESTRATION PROJECT OWNER OF THE AMOUNT DUE.

19 (3) A FINE EQUAL TO 2% OF THE AMOUNT DUE, OR \$1,000.00,
20 WHICHEVER IS GREATER, SHALL BE ASSESSED AGAINST THE SEQUESTRATION
21 PROJECT OWNER FOR A SEQUESTRATION SURVEILLANCE FEE THAT IS NOT PAID
22 WHEN DUE, FOR EACH FULL MONTH THE PAYMENT IS OVERDUE. THE
23 DEPARTMENT MAY FILE AN ACTION IN THE CIRCUIT COURT FOR INGHAM
24 COUNTY TO COLLECT THE UNPAID FEE AND FINE.

25 (4) IF PAYMENT OF THE SEQUESTRATION SURVEILLANCE FEE FOR A
26 SEQUESTRATION PROJECT IS OVERDUE BY MORE THAN 6 MONTHS, THE
27 DEPARTMENT MAY ORDER THE SUSPENSION OF THE SEQUESTRATION OPERATION

1 UNTIL THE FEE AND ALL FINES ARE PAID.

2 (5) SURVEILLANCE FEES AND FINES PAID PURSUANT TO THIS SECTION
3 SHALL BE FORWARDED TO THE STATE TREASURER FOR DEPOSIT IN THE
4 SEQUESTRATION ADMINISTRATION FUND CREATED IN SUBSECTION (6).

5 (6) THE SEQUESTRATION ADMINISTRATION FUND IS CREATED WITHIN
6 THE STATE TREASURY. THE STATE TREASURER MAY RECEIVE MONEY OR OTHER
7 ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE SEQUESTRATION
8 ADMINISTRATION FUND. THE STATE TREASURER SHALL DIRECT THE
9 INVESTMENT OF THE SEQUESTRATION ADMINISTRATION FUND. THE STATE
10 TREASURER SHALL CREDIT TO THE SEQUESTRATION ADMINISTRATION FUND
11 INTEREST AND EARNINGS FROM SEQUESTRATION ADMINISTRATION FUND
12 INVESTMENTS. MONEY IN THE SEQUESTRATION ADMINISTRATION FUND AT THE
13 CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE SEQUESTRATION
14 ADMINISTRATION FUND AND SHALL NOT LAPSE TO THE GENERAL FUND. THE
15 DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE SEQUESTRATION
16 ADMINISTRATION FUND FOR AUDITING PURPOSES.

17 (7) THE DEPARTMENT SHALL EXPEND MONEY FROM THE SEQUESTRATION
18 ADMINISTRATION FUND, UPON APPROPRIATION, ONLY FOR SURVEILLANCE,
19 MONITORING, ADMINISTRATION, AND ENFORCEMENT OF THIS PART.

20 SEC. 62735. (1) THE SEQUESTRATION REMEDIATION FUND IS CREATED
21 WITHIN THE STATE TREASURY.

22 (2) FEES COLLECTED UNDER SUBSECTION (5) SHALL BE DEPOSITED IN
23 THE SEQUESTRATION REMEDIATION FUND. THE STATE TREASURER MAY RECEIVE
24 MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE
25 SEQUESTRATION REMEDIATION FUND. THE STATE TREASURER SHALL DIRECT
26 THE INVESTMENT OF THE SEQUESTRATION REMEDIATION FUND. THE STATE
27 TREASURER SHALL CREDIT TO THE SEQUESTRATION REMEDIATION FUND

1 INTEREST AND EARNINGS FROM SEQUESTRATION REMEDIATION FUND
2 INVESTMENTS. MONEY IN THE SEQUESTRATION REMEDIATION FUND AT THE
3 CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE SEQUESTRATION
4 REMEDIATION FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

5 (3) THE DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE
6 SEQUESTRATION REMEDIATION FUND FOR AUDITING PURPOSES.

7 (4) THE DEPARTMENT SHALL EXPEND MONEY FROM THE SEQUESTRATION
8 REMEDIATION FUND, UPON APPROPRIATION, ONLY FOR CORRECTION OR
9 REMEDIATION OF PHYSICAL CONDITIONS CAUSED BY A SEQUESTRATION
10 OPERATION THAT OCCUR AFTER ISSUANCE OF THE CERTIFICATE OF
11 COMPLETION UNDER SECTION 62729. AN APPROPRIATION UNDER THIS
12 SUBSECTION IS AN APPROPRIATION FOR A PUBLIC PURPOSE.

13 (5) A SEQUESTRATION PROJECT OWNER SHALL PAY A FEE FOR EACH TON
14 OF A SEQUESTERED SUBSTANCE INJECTED AFTER A SEQUESTRATION ORDER
15 BECOMES EFFECTIVE. FEES COLLECTED UNDER THIS SUBSECTION SHALL BE
16 DEPOSITED IN THE SEQUESTRATION REMEDIATION FUND.

17 (6) AS SOON AS PRACTICABLE, THE DEPARTMENT SHALL ESTABLISH BY
18 RULE THE MINIMUM AND MAXIMUM BALANCE FOR THE SEQUESTRATION
19 REMEDIATION FUND, AND THE AMOUNT OF THE FEE REQUIRED UNDER
20 SUBSECTION (5) TO MAINTAIN A SEQUESTRATION REMEDIATION FUND BALANCE
21 IN THAT RANGE, AFTER TAKING INTO ACCOUNT THE FOLLOWING CRITERIA:

22 (A) THE ESTIMATED QUANTITY OF CARBON DIOXIDE TO BE INJECTED
23 ANNUALLY BY ALL SEQUESTRATION OPERATIONS IN THE STATE.

24 (B) THE LIKELIHOOD OF AN INCIDENT RESULTING IN LIABILITY.

25 (C) THE LIKELY DOLLAR VALUE OF ANY DAMAGES RELATING TO AN
26 INCIDENT.

27 (D) OTHER FACTORS RELATING TO THE RISK OF SEQUESTRATION

1 PROJECTS.

2 (E) THE EFFECT OF THE FEE ON COMMERCIAL AND ECONOMIC VIABILITY
3 OF SEQUESTRATION OF CARBON DIOXIDE.

4 (7) AT LEAST EVERY 5 YEARS, THE DEPARTMENT SHALL REVIEW AND IF
5 APPROPRIATE ADJUST THE MINIMUM AND MAXIMUM SEQUESTRATION
6 REMEDIATION FUND BALANCE TO ENSURE THAT THE BALANCE IS SUFFICIENT
7 TO MEET THE POTENTIAL NEED FOR PAYMENTS FROM THE REMEDIATION FUND.

8 (8) THE GEOLOGIC SEQUESTRATION ADVISORY BOARD IS CREATED
9 WITHIN THE DEPARTMENT. THE BOARD SHALL CONSIST OF THE FOLLOWING
10 MEMBERS:

11 (A) THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:

12 (i) A REPRESENTATIVE OF AN ORGANIZATION OF INTRASTATE GAS
13 PIPELINE OPERATORS.

14 (ii) A CARBON SEQUESTRATION RESEARCHER OR GEOLOGIST.

15 (iii) A REPRESENTATIVE OF AN ENVIRONMENTAL PROTECTION
16 ORGANIZATION.

17 (B) THE FOLLOWING MEMBERS APPOINTED BY THE SENATE MAJORITY
18 LEADER:

19 (i) A REPRESENTATIVE OF THE MICHIGAN OIL AND GAS INDUSTRY.

20 (ii) AN ENGINEER SPECIALIZING IN CARBON SEQUESTRATION.

21 (C) THE FOLLOWING MEMBERS APPOINTED BY THE SPEAKER OF THE
22 HOUSE OF REPRESENTATIVES:

23 (i) A REPRESENTATIVE OF THE NATURAL GAS STORAGE INDUSTRY.

24 (ii) AN ACTUARY.

25 (D) THE FOLLOWING EX OFFICIO MEMBERS:

26 (i) THE DIRECTOR OF THE DEPARTMENT OR HIS OR HER DESIGNEE.

27 (ii) THE MANAGER OF THE OPERATIONS AND WHOLESALE MARKET

1 DIVISION, OR A SUCCESSOR DIVISION, OF THE MICHIGAN PUBLIC SERVICE
2 COMMISSION.

3 (iii) THE STATE TREASURER OR HIS OR HER DESIGNEE, AS A NONVOTING
4 MEMBER.

5 (9) THE MEMBERS FIRST APPOINTED TO THE GEOLOGIC SEQUESTRATION
6 ADVISORY BOARD SHALL BE APPOINTED WITHIN 30 DAYS AFTER THE
7 EFFECTIVE DATE OF THIS SECTION. MEMBERS OF THE BOARD SHALL SERVE
8 FOR TERMS OF 4 YEARS OR UNTIL A SUCCESSOR IS APPOINTED, WHICHEVER
9 IS LATER, EXCEPT THAT THE MEMBER FIRST APPOINTED UNDER SUBSECTION
10 (8) (A) (ii) SHALL SERVE FOR 1 YEAR, THE MEMBERS FIRST APPOINTED UNDER
11 SUBSECTION (8) (B) (i) AND (C) (i) SHALL SERVE FOR 2 YEARS, AND THE
12 MEMBERS FIRST APPOINTED UNDER SUBSECTION (8) (B) (ii) AND (C) (ii) SHALL
13 SERVE FOR 3 YEARS. IF A VACANCY OCCURS ON THE BOARD, THE VACANCY
14 SHALL BE FILLED BY APPOINTMENT FOR THE UNEXPIRED TERM IN THE SAME
15 MANNER AS THE ORIGINAL APPOINTMENT. THE OFFICER APPOINTING A MEMBER
16 OF THE BOARD MAY REMOVE THE MEMBER FOR INCOMPETENCY, DERELICTION OF
17 DUTY, MALFEASANCE, MISFEASANCE, OR NONFEASANCE IN OFFICE, OR ANY
18 OTHER GOOD CAUSE.

19 (10) THE FIRST MEETING OF THE GEOLOGIC SEQUESTRATION ADVISORY
20 BOARD SHALL BE CALLED BY THE DIRECTOR OF THE DEPARTMENT. AT THE
21 FIRST MEETING, THE BOARD SHALL ELECT FROM AMONG ITS MEMBERS A
22 CHAIRPERSON AND OTHER OFFICERS AS IT CONSIDERS NECESSARY OR
23 APPROPRIATE. AFTER THE FIRST MEETING, THE BOARD SHALL MEET AT LEAST
24 ANNUALLY, OR MORE FREQUENTLY AT THE CALL OF THE CHAIRPERSON OR IF
25 REQUESTED BY 2 OR MORE MEMBERS. A MAJORITY OF THE MEMBERS OF THE
26 BOARD CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT A
27 MEETING OF THE BOARD. A MAJORITY OF THE MEMBERS PRESENT AND SERVING

1 ARE REQUIRED FOR OFFICIAL ACTION OF THE BOARD.

2 (11) THE BUSINESS THAT THE GEOLOGIC SEQUESTRATION ADVISORY
3 BOARD PERFORMS SHALL BE CONDUCTED AT A PUBLIC MEETING OF THE BOARD
4 HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976 PA 267, MCL
5 15.261 TO 15.275. A WRITING PREPARED, OWNED, USED, IN THE
6 POSSESSION OF, OR RETAINED BY THE BOARD IN THE PERFORMANCE OF AN
7 OFFICIAL FUNCTION IS SUBJECT TO THE FREEDOM OF INFORMATION ACT,
8 1976 PA 442, MCL 15.231 TO 15.246.

9 (12) MEMBERS OF THE GEOLOGIC SEQUESTRATION ADVISORY BOARD
10 SHALL SERVE WITHOUT COMPENSATION. HOWEVER, MEMBERS OF THE BOARD MAY
11 BE REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN
12 THE PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE BOARD.

13 (13) THE GEOLOGIC SEQUESTRATION ADVISORY BOARD SHALL MAKE
14 RECOMMENDATIONS TO THE DEPARTMENT ON ALL OF THE FOLLOWING:

15 (A) THE FEES TO BE ESTABLISHED UNDER THIS SECTION.

16 (B) THE MINIMUM AND MAXIMUM SEQUESTRATION REMEDIATION FUND
17 BALANCE.

18 (C) MANAGEMENT OF THE SEQUESTRATION REMEDIATION FUND.

19 (14) THE DEPARTMENT SHALL CONSIDER THE RECOMMENDATIONS OF THE
20 GEOLOGIC SEQUESTRATION ADVISORY BOARD AND SHALL EXPLAIN THE REASONS
21 IN WRITING IF RECOMMENDATIONS OF THE BOARD ARE NOT ADOPTED.

22 SEC. 62737. (1) THIS PART DOES NOT APPLY TO THE USE OF CARBON
23 DIOXIDE AS A PART OF OR IN CONJUNCTION WITH ANY SECONDARY RECOVERY
24 PROJECT APPROVED BY THE DEPARTMENT UNDER PART 615 OR PART 617, OR
25 BOTH, AND ANY CONSEQUENTIAL GEOLOGIC SEQUESTRATION, IF THE PRIMARY
26 PURPOSE OF THE PROJECT IS SECONDARY OIL OR GAS RECOVERY.

27 (2) THE DEPARTMENT MAY PROMULGATE RULES TO ALLOW CONVERSION OR

1 EXPANSION OF AN EXISTING SECONDARY RECOVERY PROJECT APPROVED UNDER
2 PART 615 OR PART 617, OR BOTH, INTO A SEQUESTRATION PROJECT. UPON
3 APPROVAL OF A CONVERSION OR EXPANSION OF A SECONDARY RECOVERY
4 PROJECT, THIS PART APPLIES TO THE PROJECT.

5 SEC. 62739. (1) IF THE DEPARTMENT DETERMINES THAT A
6 SEQUESTRATION PROJECT OWNER HAS VIOLATED THIS PART, A RULE
7 PROMULGATED UNDER THIS PART, OR A SEQUESTRATION ORDER ISSUED UNDER
8 THIS PART, THE DEPARTMENT SHALL ORDER THE SEQUESTRATION PROJECT
9 OWNER TO CORRECT THE VIOLATION.

10 (2) IF THE DEPARTMENT DETERMINES THAT THE SEQUESTRATION
11 PROJECT OWNER HAS VIOLATED THIS PART, A RULE PROMULGATED UNDER THIS
12 PART, OR AN ORDER ISSUED UNDER THIS PART, AND THAT THE VIOLATION
13 ENDANGERS OR CREATES A SIGNIFICANT RISK OF ENDANGERING NATURAL
14 RESOURCES, THE ENVIRONMENT, OR PUBLIC HEALTH AND SAFETY, THE
15 DEPARTMENT SHALL NOTIFY IN WRITING THE PROJECT OWNER AND ANY SURETY
16 FOR A BOND THE PROJECT OWNER FILED WITH THE DEPARTMENT. THE NOTICE
17 SHALL BE SERVED BY REGISTERED MAIL OR PERSONAL SERVICE. THE NOTICE
18 SHALL SPECIFY ACTIONS NECESSARY TO REMEDIATE THE VIOLATION. IF THE
19 PROJECT OWNER AND SURETY FAIL TO TAKE THE ACTIONS DESCRIBED IN THE
20 NOTICE AS SOON AS PRACTICABLE BUT NOT LATER THAN 30 DAYS AFTER THE
21 DATE OF SERVICE, THE DEPARTMENT MAY ENTER INTO AND UPON ANY PRIVATE
22 OR PUBLIC PROPERTY NECESSARY TO REACH THE SITE OF THE SEQUESTRATION
23 PROJECT, AND TAKE ACTIONS NECESSARY TO REMEDIATE THE VIOLATION. THE
24 PROJECT OWNER AND SURETY ARE JOINTLY AND SEVERALLY LIABLE FOR ALL
25 EXPENSES INCURRED BY THE DEPARTMENT FOR REMEDIATION UNDER THIS
26 SECTION. THE PROJECT OWNER OR SURETY SHALL PAY WITHIN 30 DAYS ANY
27 CLAIM SUBMITTED BY THE DEPARTMENT LISTING THE EXPENSES INCURRED TO

1 REMEDIATE THE VIOLATION. IF A CLAIM IS NOT PAID WITHIN THAT TIME,
2 THE DEPARTMENT MAY BRING A SUIT TO COLLECT THE CLAIM AGAINST THE
3 PROJECT OWNER OR SURETY, JOINTLY OR SEVERALLY, IN ANY COURT OF
4 COMPETENT JURISDICTION. A PERSON CHALLENGING THE RECOVERY OF COSTS
5 UNDER THIS SUBSECTION HAS THE BURDEN OF ESTABLISHING THAT THE COSTS
6 WERE NOT REASONABLY INCURRED UNDER THE CIRCUMSTANCES.

7 (3) THIS SECTION DOES NOT REQUIRE A SURETY TO PAY MORE THAN
8 ITS OBLIGATIONS UNDER THE APPLICABLE SURETY INSTRUMENT.

9 (4) A FINDING OF SIGNIFICANT ENDANGERMENT UNDER THIS SECTION
10 IS NOT A BASIS FOR FINDING AN IMMINENT AND SUBSTANTIAL ENDANGERMENT
11 OR A SIMILAR FINDING UNDER ANY OTHER LAW.

12 (5) IF THE DEPARTMENT FINDS THAT EMERGENCY ACTION IS REQUIRED
13 TO PROTECT NATURAL RESOURCES, THE ENVIRONMENT, OR PUBLIC HEALTH AND
14 SAFETY, THE DEPARTMENT MAY ISSUE AN EMERGENCY ORDER WITHOUT A
15 HEARING TO REQUIRE A SEQUESTRATION PROJECT OWNER TO SUSPEND THE
16 SEQUESTRATION OPERATION OR TO TAKE OTHER CORRECTIVE ACTIONS. AN
17 EMERGENCY ORDER SHALL REMAIN IN FORCE AND EFFECT FOR NOT MORE THAN
18 21 DAYS.

19 (6) IF A SEQUESTRATION PROJECT OWNER FAILS TO COMPLY WITH AN
20 ORDER UNDER SUBSECTION (1), THE DEPARTMENT MAY REQUEST THE ATTORNEY
21 GENERAL TO BRING A CIVIL ACTION FOR APPROPRIATE RELIEF, INCLUDING A
22 PERMANENT OR TEMPORARY INJUNCTION, FOR A VIOLATION OF THIS PART, A
23 RULE PROMULGATED UNDER THIS PART, OR AN ORDER ISSUED UNDER THIS
24 PART. AN ACTION UNDER THIS SUBSECTION MAY BE BROUGHT IN THE CIRCUIT
25 COURT FOR THE COUNTY OF INGHAM OR FOR THE COUNTY IN WHICH THE
26 DEFENDANT IS LOCATED, RESIDES, OR IS DOING BUSINESS. THE COURT HAS
27 JURISDICTION TO RESTRAIN THE VIOLATION AND TO REQUIRE COMPLIANCE.

1 IN ADDITION TO ANY OTHER RELIEF GRANTED UNDER THIS SECTION, THE
2 COURT MAY IMPOSE A CIVIL FINE OF NOT LESS THAN \$2,500.00, AND THE
3 COURT MAY AWARD REASONABLE ATTORNEY FEES AND COSTS TO THE
4 PREVAILING PARTY. THE MAXIMUM FINE IMPOSED BY THE COURT SHALL BE
5 NOT MORE THAN \$25,000.00 PER DAY OF VIOLATION.

6 (7) THE ATTORNEY GENERAL MAY FILE A CIVIL SUIT IN A COURT OF
7 COMPETENT JURISDICTION TO RECOVER, IN ADDITION TO A FINE UNDER
8 SUBSECTION (6), THE FULL VALUE OF THE INJURIES DONE TO THE NATURAL
9 RESOURCES OF THIS STATE AND THE COSTS OF SURVEILLANCE AND
10 ENFORCEMENT BY THIS STATE RESULTING FROM THE VIOLATION.

11 (8) A CIVIL FINE OR OTHER CIVIL AWARD IMPOSED UNDER THIS
12 SECTION IS PAYABLE TO THIS STATE AND SHALL BE CREDITED TO THE
13 GENERAL FUND. THE FINE CONSTITUTES A LIEN ON ANY PROPERTY, OF ANY
14 NATURE OR KIND, OWNED BY THE DEFENDANT.

15 SEC. 62741. A PERSON WHO INTENTIONALLY MAKES A FALSE
16 STATEMENT, REPRESENTATION, OR CERTIFICATION IN A PETITION FOR A
17 SEQUESTRATION PROJECT UNDER THIS PART OR IN A NOTICE OR REPORT
18 REQUIRED UNDER THIS PART OR UNDER A SEQUESTRATION ORDER IS GUILTY
19 OF A FELONY AND MAY BE IMPRISONED FOR NOT MORE THAN 2 YEARS AND
20 SHALL BE FINED NOT LESS THAN \$2,500.00 OR MORE THAN \$25,000.00 FOR
21 EACH VIOLATION.

22 SEC. 62743. (1) THE DEPARTMENT HAS JURISDICTION AND AUTHORITY
23 OVER ALL PERSONS AND PROPERTY NECESSARY TO ADMINISTER AND ENFORCE
24 THIS PART.

25 (2) THE DEPARTMENT MAY PROMULGATE RULES AND ISSUE ORDERS
26 NECESSARY TO CARRY OUT THE PURPOSES OF THIS PART.

27 (3) THE DEPARTMENT MAY ENTER AT ALL REASONABLE TIMES IN OR

1 UPON A SEQUESTRATION PROJECT SUBJECT TO THIS PART FOR THE PURPOSE
2 OF INSPECTING AND INVESTIGATING OPERATING RECORDS, SEQUESTRATION
3 WELLS, AND FACILITIES OF A SEQUESTRATION PROJECT. THE DEPARTMENT
4 SHALL CONDUCT AN INSPECTION AND INVESTIGATION AT LEAST ANNUALLY.

5 (4) THE DEPARTMENT MAY ENTER INTO COOPERATIVE AGREEMENTS WITH
6 THE FEDERAL GOVERNMENT OR OTHER STATE GOVERNMENTS OR STATE
7 GOVERNMENT ENTITIES TO REGULATE SEQUESTRATION PROJECTS THAT EXTEND
8 BEYOND STATE REGULATORY AUTHORITY UNDER THIS PART.

9 (5) A LOCAL UNIT OF GOVERNMENT SHALL NOT ADOPT, MAINTAIN, OR
10 ENFORCE AN ORDINANCE, REGULATION, OR RESOLUTION THAT DUPLICATES,
11 CONTRADICTS, EXCEEDS, OR CONFLICTS WITH A PROVISION OF THIS PART,
12 EXCEPT THAT AN ORDINANCE MAY REGULATE ABOVEGROUND ELEMENTS OF THE
13 SEQUESTRATION OPERATION OR SEQUESTRATION PROJECT TO PROTECT PUBLIC
14 HEALTH AND SAFETY.

15 (6) A SEQUESTRATION OPERATION OR SEQUESTRATION PROJECT THAT
16 HAS BEEN APPROVED BY A SEQUESTRATION PROJECT ORDER IS NOT SUBJECT
17 TO AN ORDINANCE ADOPTED UNDER THE MICHIGAN ZONING ENABLING ACT,
18 2006 PA 110, MCL 125.3101 TO 125.3702.

19 (7) A CARBON DIOXIDE INJECTION PROJECT DESIGNED TO GATHER DATA
20 OR AS A PILOT OR FEASIBILITY STUDY OF GEOLOGIC SEQUESTRATION THAT
21 INJECTS NOT MORE THAN 2,000,000 TONS OF CARBON DIOXIDE IS NOT
22 SUBJECT TO THIS PART, IF THE OWNER OR OPERATOR OF THE PROJECT
23 COMPLIES WITH ALL APPLICABLE PROVISIONS OF PART 615 AND PART 625,
24 AS APPROPRIATE, AND PURSUANT TO THOSE PARTS, OBTAINS THE APPROVAL
25 OF THE DEPARTMENT FOR CONSTRUCTION AND OPERATION OF THE PROJECT.
26 THE PROJECT MAY AT ANY TIME BE CONSIDERED FOR CONVERSION INTO A
27 SEQUESTRATION PROJECT SUBJECT TO THIS PART, ON A PROSPECTIVE BASIS,

1 **UPON FILING A PETITION PURSUANT TO SECTION 62707.**

2 Enacting section 1. This amendatory act does not take effect
3 unless Senate Bill No. _____ or House Bill No. 4942 (request no.
4 02744'13) of the 97th Legislature is enacted into law.