

**PART 201
CITIZEN'S
GUIDE**

What You Need to Know if You Own or Purchase Property with Environmental Contamination

This fact sheet will help you understand how Michigan's environmental cleanup programs affect you as a property owner, operator, or potential purchaser of contaminated property. While general questions about the state cleanup program are addressed in this guide, more specific information can be easily obtained by:

■ Writing or calling us -- the Department of Environmental Quality (DEQ), Remediation Division (RD) -- at the address and phone number provided below. We'll make sure to connect you with the right person to help with your questions and provide you the technical guidance you need to comply with the law.

■ Visiting our Internet Home Page. Our web site has a complete version of the law regulating Michigan's revitalization and cleanup programs, along with other related information: www.michigan.gov/deqrrd.

◀◀ NOTE ▶▶

A thorough review of the statute, administrative rules, and guidelines should be completed before making site-specific decisions.

The Part 201 statute, Administrative Rules, and guidelines are available electronically at this DEQ/RD web site: www.michigan.gov/deqrrd.

PART 201 and 213: THE LAWS GUIDING MICHIGAN'S CLEANUP PROGRAM

Part 201 (Environmental Remediation) and Part 213 (Leaking Underground Storage Tanks) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), regulate most sites of environmental contamination in Michigan. The Part 201 and Part 213 cleanup programs are administered by the RD and are your source for more information on all of the issues

discussed here. However, some contaminated sites are controlled by other parts of the NREPA, such as: treatment, storage and disposal sites (Part 111; NREPA); waste disposal areas (Part 115; NREPA); oil, gas and mineral wells (Parts 615 and 625; NREPA). You can obtain information about these other requirements by calling the DEQ at 1-800-662-9278 or visiting www.michigan.gov/deq.

There are also federal cleanup laws and requirements that may affect you, including liability under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, or Superfund), and the Resource Conservation and Recovery Act (RCRA).

Contact us if you have questions about liability under CERCLA or other laws.

ARE YOU LIABLE FOR A SITE OF CONTAMINATION?

Under Parts 201, 213, 615, and 625 of the NREPA, you are not liable for the cost of cleanup actions if:

1) You are not responsible for causing a release of a hazardous substance; and you became an owner or operator of contaminated property before June 5, 1995 (or March 6, 1996 for sites regulated under Part 213):

A fact sheet on Michigan's environmental cleanup program from...



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Remediation Division

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Rick Snyder, Governor * Dan Wyant, Director

OR

2) You become the owner or operator of a contaminated property on or AFTER June 5, 1995 (or March 6, 1996 for Part 213 sites), and you were not responsible for the release that caused the contamination, and you conduct an adequate Baseline Environmental Assessment (BEA) for your property prior to or within 45 days of becoming the owner or operator, and you submit the BEA to the DEQ within the required timeframe, and you disclose the results of the BEA to subsequent purchasers or transferees. (*see Baseline Environmental Assessments*)

The same liability principles apply to people who control, but do not own, property -- they are designated as "operators." People who lease property will often be operators.

DO YOU HAVE TO CLEAN UP CONTAMINATED PROPERTY?

A "facility" is defined by Part 201 as any area, place, or property where a hazardous substance in excess of the established state cleanup standard for residential property has been released, deposited, disposed of, or otherwise comes to be located. Property is no longer a facility when actions to remove, reduce or treat the contamination are completed, lowering the amount of contamination to a level that is below the state's unrestricted residential cleanup standards (*see Cleanup Standards*).

If you are liable for a facility, you are obligated by law to take appropriate response activities at that property. In particular, if you currently own or operate property that you know is a facility and you caused the contamination or are otherwise liable, your obligations include: immediately stopping a release at its source; controlling or eliminating any fire, explosion and direct contact hazard; removing certain liquid wastes and highly contaminated soils; investigating the nature and extent of the contamination; and taking actions to clean up the contamination and prevent exposure to contamination.

DUE CARE OBLIGATIONS SECTION 20107a

Owners and operators of a facility, even if you are not liable for the contamination, have "due care" obligations.

Section 20107a of the NREPA specifically requires owners and operators of facilities to take due care measures to ensure that existing contamination on a property does not cause unacceptable risks and is not exacerbated. With certain exceptions, an owner or operator of a facility shall do all of the following with respect to contamination existing at the facility:

- ▶ Prevent exacerbation of the existing contamination.
- ▶ Prevent unacceptable human exposure and mitigate fire and explosion hazards to allow for the intended use of the facility in a manner that protects the public health and safety.
- ▶ Take reasonable precautions against the reasonably foreseeable acts or omissions of a third party.
- ▶ Provide notification to the DEQ and others,
- ▶ Provide reasonable cooperation, assistance, and access to the persons that are authorized to conduct response activities at the property.
- ▶ Comply with any land use or resource use restrictions established or relied on in connection with the response activities.
- ▶ Not impede the effectiveness or integrity of any land use or resource use restriction.

Measures may include response actions such as providing alternate water to prevent people from drinking contaminated groundwater or maintaining a barrier over contaminated soil to prevent contact with contaminated soil. What measures are needed is determined by evaluating both the site use and the existing contamination. Due care requirements are not related to the owner or operator's liability for the contaminants; they apply to non-labile parties

and liable parties alike. The due care requirements were designed so contaminated properties could be safely used and redeveloped.

The BEA and Due Care Web Page and Citizen Guides can be found at www.michigan.gov/bea.

BASELINE ENVIRONMENTAL ASSESSMENTS

A properly conducted and submitted Baseline Environmental Assessment (BEA) allows a person to acquire or begin operating at a facility without being held liable for existing contamination. A BEA is only conducted on a property which is a facility. The only sure way to find out if a property is a facility is by evaluating the property and its history. New owners or operators should have an Environmental Professional conduct an All Appropriate Inquiry (AAI) or a Phase I Environmental Assessment which, at a minimum, requires: the review of past activity on the property -- including land and chemical use, review of regulatory agency files on the property, and a visual survey of the property to look for signs of soil staining or other indicators of possible contamination. If there are conditions indicative of a release, soil and groundwater samples are collected to determine if contaminants are present at concentrations above the unrestricted residential cleanup criteria. A BEA includes the AAI or Phase I report and the sampling and analysis that confirm that the property is a facility.

If you want to take advantage of the liability protection provided by a BEA, as a new owner or operator you must:

1) Conduct the AAI and BEA reports prior to or within 45 days after the date of purchase, occupancy or foreclosure, whichever occurs first;

AND

2) Submit the BEA to the DEQ and subsequent purchasers and lessees.

The BEA must be submitted to the DEQ within six months of the date of purchase, occupancy, or foreclosure, whichever comes first. For more information on preparing and submitting a BEA, along with BEA instructions and forms, please visit this DEQ web site: www.michigan.gov/bea.

New residential property owners or operators can be exempt from liability and the need to conduct a BEA *if* hazardous substance use at the property will be consistent with normal residential use. This includes chemical lawn treatments, paints, cleaners, and other household products in quantities found in a typical home. There are also other limited exemptions to the requirement to perform a BEA, including exemptions for commercial lessees. However, it may be necessary in these cases to gather data to determine appropriate "due care" measures and potential limitations on the property use to prevent unacceptable exposures.

Completing a BEA or relying upon an exemption can give you liability protection for existing contamination, which means you won't have to pay for cleaning up contamination you didn't cause. Remember, however, that you still have "due care" obligations.

CLEANUP STANDARDS

Part 201 authorizes the DEQ to set cleanup standards by considering how the contaminated land will be used in the future. Michigan's cleanup standards are risk-based and reflect the potential for human health or ecological risks from exposure to potentially harmful substances at contamination sites. These cleanup standards and other technical guidance to help you make decisions about contaminated property are available electronically at this location: www.michigan.gov/deqrrd.

If you are cleaning up a facility, you can choose an appropriate category of cleanup standard based on proposed site use. There are currently five categories of land use-based cleanup standards: unrestricted residential, unrestricted site-specific, restricted residential, restricted non-residential, and restricted site-specific.

The unrestricted residential cleanup standards are the most restrictive criteria for site remediation, because it is assumed that there is the greatest opportunity for exposure to contamination in residential settings, especially for children. When a facility is cleaned up to residential standards, the property is considered safe for all uses. Institutional settings, such as schools or nursing homes, also need to meet the residential standards to protect those sensitive populations.

If you propose to clean up your property based on non-residential standards, you must demonstrate that the future land use and zoning at the property does not allow residential uses. Restricted (limited) categories exist for circumstances that require restrictions on the use of property, such as not allowing residential or institutional uses, or on the natural resources, such as exposure barriers (i.e., paving) or prohibitions on resource use (i.e., don't drink the groundwater) to keep people from being exposed to contamination now and in the future.

If you propose to clean up your property based on any of the restricted categories, certain restrictions must be placed on the property deed to ensure that the use restrictions and exposure barriers remain in place. Some remedial actions may also require a post closure agreement with the DEQ and a financial assurance mechanism.

Part 201 also allows cleanups based on site-specific land uses. Contact the DEQ for further information on these cleanups.

WE WANT TO WORK WITH YOU!

The most important thing to remember is that environmental solutions in Michigan depend on the nature and extent of the contamination and how you want to use the property: What kinds and quantities of contamination are present? Is there a chance that people will be exposed to the contamination? Has the contamination migrated into groundwater, soil, lakes, streams, or other natural resources? Each piece of property, each contamination scenario, and each proposed new use is different. Contact us directly to discuss your specific situation and your responsibilities under Part 201 or Part 213.

The DEQ is committed to working with owners, operators, and purchasers of contaminated sites to make it easier and safer to redevelop property contaminated with hazardous substances.

Michigan also offers numerous incentives for redeveloping contaminated, blighted, and functionally obsolete properties, including tax increment financing, brownfield site assessments, and grants and loans. For more information on these programs visit this DEQ web site at www.michigan.gov/brownfields.

If you would like to receive prompt, electronic e-mail notices of any new or updated documents we (RD) generate and post to our Internet Web Site, simply subscribe to the DEQ-RRD ListServer at www.michigan.gov/deqrrd (scroll down the right hand side column to Environmental ListServer Subscriptions, then follow instructions to subscribe), and we will keep you posted!

For a statewide listing of DEQ/RD offices, visit our website: www.michigan.gov/deqrrd; scroll down the right hand side column and select Division Office Map.

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