

FY 2020-21 SUPPLEMENTAL APPROPRIATIONS
Summary: As Passed by the House
Senate Bill 114 * (H-1)



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Overview

The House Substitute for Senate Bill 114 * (H-1) contains supplemental appropriation adjustments to the Departments of Labor and Economic Opportunity and Treasury budgets for FY 2020-21. The bill appropriates \$555.0 million in general fund revenue primarily to support economic recovery for afflicted businesses hit hardest by the pandemic, including entertainment venues, exercise facilities, food service establishments, recreation facilities, and places of public amusement.

Appropriation and boilerplate priorities included in the bill are identified following this overview.

FY 2020-21 APPROPRIATIONS SUMMARY

Budget Area		FY 2020-21 Year-to-Date Appropriations	FY 2020-21 Supplemental Change	% Change
Labor and Economic Opportunity	Gross	\$1,966,946,000	\$150,000,000	7.6
	GF/GP	\$251,367,600	\$150,000,000	59.7
Treasury – Operations	Gross	\$780,483,500	\$405,000,000	51.9
	GF/GP	\$279,432,200	\$405,000,000	144.9
TOTAL	Gross	\$2,747,429,500	\$555,000,000	20.2
	GF/GP	\$530,799,800	\$555,000,000	104.6

FY 2020-21 Supplemental Appropriation Items

**Appropriation
Change**

LABOR AND ECONOMIC OPPORTUNITY

1. Unemployment Compensation Fund Deposit

Includes \$150.0 million GF/GP to be deposited into the Unemployment Compensation Fund for offsetting expected exposure to state fraud and improper payment during the COVID-19 pandemic.

Gross \$150,000,000
GF/GP \$150,000,000

TREASURY

2. Tax and Fee Relief for Afflicted Businesses

Includes a total of \$405.0 million GF/GP for tax and fee relief for afflicted businesses in the state that have realized a significant financial hardship as a result of the COVID-19 emergency. The funding would be allocated in the following manner and the bill includes boilerplate that would provide specific guidance for each allocation:

Gross \$405,000,000
GF/GP \$405,000,000

- \$300.0 million GF/GP to create and operate a property tax relief program to provide grants for property tax relief to afflicted businesses; property tax relief grant would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders.
- \$55.0 million GF/GP to create and operate an unemployment insurance tax relief program to provide grants for unemployment insurance tax relief to afflicted businesses in an amount equal to 50% of the amount of unemployment insurance taxes paid by the afflicted business in the 4 most recent preceding quarters; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders.
- \$16.5 million GF/GP to create and operate a retail liquor license relief program to provide grants for retail liquor license relief to eligible retail liquor establishments; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders.

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FY 2020-21 Supplemental Appropriation Items

- \$22.0 million GF/GP to create and operate a food service establishment license relief program to provide grants for food service establishment license relief for eligible food service establishments; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders.
- \$11.5 million GF/GP to create and operate a license and inspection fee relief program to provide grants for license and inspection fee relief to eligible licensees; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders.

FY 2020-21 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. State Spending and State Appropriations Paid to Local Units of Government

Estimates total state spending from state sources and payments to be made to local units of government.

Sec. 202. Appropriations Subject to Management and Budget Act

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. State Administrative Board Transfers

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

Sec. 204. State Hiring Freeze

Expresses intent of the legislature that a hiring freeze be imposed on the state classified civil service; prohibits state departments and agencies from hiring any new full-time state classified employees and from filling any vacant state classified civil service positions.

LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. Unemployment Compensation Fund Deposit

Requires the appropriation for Michigan Unemployment Compensations Funds to be deposited into the Unemployment Compensation Fund no later than May 1, 2021 for the purpose of offsetting expected exposure to state fraud and improper payment during the COVID-19 crisis; requires expenditure of federal funds prior to expenditure of general fund appropriations.

TREASURY

Sec. 401. Property Tax Relief Program

Allocates \$300.0 million for the Department of Treasury to create and operate a property tax relief program to provide grants for property tax relief to afflicted businesses; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded; defines terms used in section.

Sec. 402. Unemployment Insurance Tax Relief Program

Allocates \$55.0 million for the Department of Treasury to create and operate an unemployment insurance tax relief program to provide grants for unemployment insurance tax relief to afflicted businesses; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded; defines terms used in section.

Sec. 403. On-Premise Retail Liquor License Relief Program

Allocates \$16.5 million for the Department of Treasury to create and operate a retail liquor license relief program to provide grants for retail liquor license relief to eligible retail liquor establishments; defines eligible retail liquor establishment; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded.

FY 2020-21 Supplemental Boilerplate Items

Sec. 404. Food Service Establishment License Relief Program

Allocates \$22.0 million for the Department of Treasury to create and operate a food service establishment license relief program to provide grants for food service establishment license relief to eligible food service establishments; defines eligible food service establishment; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded.

Sec. 405. License and Inspection Fee Relief Program

Allocates \$11.5 million for the Department of Treasury to create and operate a license and inspection fee relief program to provide grants for license and inspection fee relief to eligible licensees; defines eligible licensee; specifies conditions the grant program would be required to meet; specifies qualifications eligible licensees would be required to meet; requires licensees that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires licensees to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded.

Sec. 406. Combined Application Process for Relief Programs

Requires the department to develop a combined application separated into sections by program for all of the relief programs created under the act.