

No. 8
STATE OF MICHIGAN
JOURNAL
OF THE
House of Representatives
102nd Legislature
REGULAR SESSION OF 2023

House Chamber, Lansing, Thursday, January 26, 2023.

12:00 Noon.

The House was called to order by Associate Speaker Pro Tempore Glanville.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Aiyash—present	Dievendorf—present	Markkanen—present	Schriver—present
Alexander—present	Edwards—present	Martin—present	Schuette—present
Andrews—present	Farhat—present	Martus—present	Scott—present
Aragona—present	Filler—present	McFall—present	Shannon—present
Arbit—present	Fink—present	McKinney—present	Skaggs—present
Beeler—present	Fitzgerald—present	Meerman—present	Slagh—present
BeGole—present	Fox—present	Mentzer—present	Smit—present
Beson—present	Friske—present	Miller—present	Snyder—present
Bezotte—present	Glanville—present	Morgan—present	St. Germaine—present
Bierlein—present	Grant—present	Morse—present	Steckloff—present
Bollin—present	Green, P.—present	Mueller—present	Steele—present
Borton—present	Greene, J.—present	Neeley—present	Stone—present
Brabec—present	Haadsma—present	Neyer—present	Tate—present
Breen—present	Hall—present	O’Neal—present	Thompson—present
Brixie—present	Harris—present	Outman—present	Tisdell—present
Bruck—excused	Hill—present	Paiz—present	Tsernoglou—present
Bynes—present	Hoadley—present	Paquette—present	VanderWall—present
Carra—present	Hood—present	Pohutsky—present	VanWoerkom—present
Carter, B.—present	Hope—present	Posthumus—present	Wegela—present
Carter, T.—present	Hoskins—present	Prestin—present	Weiss—present
Cavitt—present	Johnsen—present	Price—present	Wendzel—present
Churches—present	Koleszar—present	Puri—present	Whitsett—present
Coffia—present	Kuhn—present	Rheingans—present	Wilson—present
Coleman—present	Kunse—present	Rigas—present	Witwer—present
Conlin—present	Liberati—present	Rogers—present	Wozniak—present
DeBoer—present	Lightner—excused	Roth—present	Young—present
DeBoyer—present	MacDonell—present	Schmaltz—present	Zorn—present
DeSana—present	Maddock—present		

e/d/s = entered during session

Rep. Brian BeGole, from the 71st District, offered the following invocation:

“In the name of the Father, and of the Son and of the Holy Spirit.

Almighty and Eternal Father –

We come before You today and give humble thanks and adoration for the provision of life and liberty in our great country and in our great state of Michigan.

Come to our aid and guide our hearts and minds in the work of this legislative body. As the author of liberty, may Your spirit move us as You moved the Founding Fathers and work through us, in our deliberations, that we may form a more perfect union in Your image.

Inspired by Your example, grant us wisdom and AN ability to work together beyond our divisions. Through Your mercy form a new spirit of camaraderie in this room that helps to overcome our differences and allows us to accomplish our shared mission.

Be our guiding hand in the decisions we make and bless each and everyone of us.

In Christ our Lord, Amen.”

The Speaker Pro Tempore assumed the Chair.

Rep. Posthumus moved that Reps. Bruck and Lightner be excused from today’s session.

The motion prevailed.

Rep. Aiyash moved that House Committees be given leave to meet during the balance of today’s session.

The motion prevailed.

Motions and Resolutions

The Speaker laid before the House

House Resolution No. 16.

A resolution to declare January 2023 as Finnish-American Heritage Month in the state of Michigan.

(The resolution was introduced and postponed for the day on January 18, see House Journal No. 4, p. 52.)

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Schmaltz, BeGole, Beson, Bezotte, Bollin, Breen, Tyrone Carter, Hood, Liberati and Schuette offered the following resolution:

House Resolution No. 21.

A resolution to declare January 29-February 4, 2023, as Catholic Schools Week in the state of Michigan.

Whereas, There are nearly 50,000 students attending more than 200 Catholic elementary and high schools throughout our great state; and

Whereas, The Constitution of Michigan states that “Religion, morality and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged”; and

Whereas, Catholic school parents pay tuition in addition to supporting their local public schools through their taxes; and

Whereas, Catholic schools comply with the same health, safety, and general welfare regulations required of public schools; and

Whereas, Taking into account Michigan's minimum public school foundation allowance of \$9,150 per pupil, Catholic schools save taxpayers more than \$450 million in state spending annually; and

Whereas, Catholic schools instill a broad, values-based education, emphasizing the lifelong development of moral, intellectual, and social values in young people, making them responsible citizens of our state and nation; and

Whereas, Catholic schools educate many students who are non-Catholic, many students who are economically disadvantaged, and that a good education remains the single best way out of poverty; and

Whereas, With their traditionally high academic standards, high graduation rates, and commitment to community service, Catholic schools and their graduates make a positive contribution to society; and

Whereas, January 29-February 4, 2023, has been designated as Catholic Schools Week, with the theme "Catholic Schools: Faith. Excellence. Service." as denoted by the National Catholic Educational Association and the United States Conference of Catholic Bishops; and

Whereas, The common good of the state of Michigan is strengthened through the continued existence of Catholic schools; and

Whereas, Catholic schools provided nearly uninterrupted instruction to their students during state-mandated pandemic school building closures; and

Whereas, Catholic schools create a supporting partnership with each student's family, encouraging the involvement of parents in the education of their children, so that Catholic schools form productive lives which benefit future generations; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare January 29-February 4, 2023, as Catholic Schools Week in the state of Michigan. We support the continued dedication of Catholic schools across Michigan toward academic excellence and the key role Catholic schools play in promoting and ensuring a brighter, stronger future for students; and be it further

Resolved, That a copy of this resolution be transmitted to the Michigan Catholic Conference with our highest esteem.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Johnsen, Bollin, Bierlein, Fox, Fink, Slagh, Bezotte, Alexander, Meerman, DeBoyer, Jaime Greene, Kunse, Beson, Harris, Neyer, St. Germaine, Rigas, Schriver, Maddock, Zorn, VanderWall, BeGole, Breen, Brixie, Tyrone Carter, Glanville, Hood, Hoskins, Koleszar, Liberati, Martus, Morse, Price, Rheingans, Schuette, Skaggs, Smit, Snyder, Tsernoglou, Wilson and Young offered the following resolution:

House Resolution No. 22.

A resolution to declare January 27, 2023, as Holocaust Remembrance Day in the state of Michigan.

Whereas, The Holocaust and all its victims will never be forgotten. The Holocaust was the state-sponsored systematic persecution, execution, and annihilation of European Jews by the Nazi regime and its allies between 1933 and 1945. This atrocity, of more than six million Jews, reduced the world's Jewish population by one-third; and

Whereas, It is a constant reminder of the dangers of tyranny and authoritarianism in a free society; and

Whereas, Cruel atrocities such as forced sterilization, isolation, torture, ostracization, murder, and unspeakable brutality were carried out by a culture on their fellow human beings; and

Whereas, Millions more suffered grievous oppression and death under Nazi despotism based on their religious beliefs, their national origin, their ethnicity and culture, their political beliefs, including courageous resisters and government dissidents, their physical appearance, and many more; and

Whereas, The history of the Holocaust allows us to remind ourselves of the responsibilities we have as individuals, societies, parents, and governments to remember the atrocities committed in hatred and the guise of bettering a society. It also serves as an important reminder of what can happen when we allow bigotry and hatred to enter and dominate our societies and our public discourse; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare January 27, 2023, as Holocaust Remembrance Day in the state of Michigan; and be it further

Resolved, That in honor of the victims of the Holocaust, the survivors, their liberators, the people of Michigan should reflect upon and never forget this terrible event and strive to overcome hatred through education and remembrance.

The question being on the adoption of the resolution,

The resolution was adopted.

Rep. Aiyash moved that Rule 42 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.

Rep. Aiyash moved that the Committee on Appropriations be discharged from further consideration of **Senate Concurrent Resolution No. 5**.
The motion prevailed, a majority of the members serving voting therefor.

The Speaker laid before the House

Senate Concurrent Resolution No. 5.

A concurrent resolution to waive the legislative notice requirement for increases in rates of compensation for certain employees in the state classified service.

(For text of concurrent resolution, see House Journal No. 5, p. 63.)

(The concurrent resolution was discharged from the Committee on Appropriations on January 26.)

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following Senate bills had been received on Thursday, January 26:

Senate Bill Nos. 3 13

Messages from the Senate

Senate Bill No. 3, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 272 (MCL 206.272), as amended by 2011 PA 38.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Senate Bill No. 13, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 613a (MCL 168.613a), as amended by 2015 PA 1.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Elections.

Introduction of Bills

Reps. Koleszar, Wegela, Stone, Steckloff, Weiss, Tsernoglou, Churches, Morse, Shannon, Price, Brenda Carter, Coleman, Glanville, Breen, Conlin, Snyder, Rogers, O'Neal and Farhat introduced

House Bill No. 4044, entitled

A bill to amend 1947 PA 336, entitled "An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; to require certain provisions in collective bargaining agreements; to prescribe means of enforcement and penalties for the violation of the provisions of this act; and to make appropriations," by repealing section 15b (MCL 423.215b).

The bill was read a first time by its title and referred to the Committee on Labor.

Reps. Schmaltz, Roth, Kunse, Meerman, DeSana, Schuette and Harris introduced

House Bill No. 4045, entitled

A bill to create the volunteer employee criminal history system program; to impose a fee for conducting a national and state criminal history record information; and to provide for the powers and duties of certain state and local governmental officers and entities.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Prestin, Roth, Bezotte, Rigas, Outman, Beson, St. Germaine, Neyer, Kunse, Markkanen, DeSana, VanderWall, Aragona, Greene and Meerman introduced

House Bill No. 4046, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 8409 (MCL 600.8409), as amended by 1991 PA 192.

The bill was read a first time by its title and referred to the Committee on Criminal Justice.

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Aiyash moved that Rule 42 be suspended.

The motion prevailed, 3/5 of the members present voting therefor.

Rep. Aiyash moved that the Committee on Tax Policy be discharged from further consideration of **House Bill No. 4001**.

The motion prevailed, a majority of the members serving voting therefor.

The bill was placed on the order of Second Reading of Bills.

Rep. Aiyash moved that Rule 42 be suspended.

The motion prevailed, 3/5 of the members present voting therefor.

Rep. Aiyash moved that the Committee on Tax Policy be discharged from further consideration of **House Bill No. 4002**.

The motion prevailed, a majority of the members serving voting therefor.

The bill was placed on the order of Second Reading of Bills.

Rep. Aiyash moved that Rule 42 be suspended.

The motion prevailed, 3/5 of the members present voting therefor.

Rep. Aiyash moved that the Committee on Appropriations be discharged from further consideration of **Senate Bill No. 8**.

The motion prevailed, a majority of the members serving voting therefor.

The bill was placed on the order of Second Reading of Bills.

Second Reading of Bills

House Bill No. 4001, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending sections 30 and 51 (MCL 206.30 and 206.51), section 30 as amended by 2022 PA 5 and section 51 as amended by 2020 PA 75.

The bill was read a second time.

Rep. Beeler moved to substitute (H-1) the bill.

The motion did not prevail and the substitute (H-1) was not adopted, a majority of the members serving not voting therefor.

Reps. Bezotte, Harris, BeGole and Mueller moved to substitute (H-3) the bill.

The motion did not prevail and the substitute (H-3) was not adopted, a majority of the members serving not voting therefor.

Rep. Beeler moved to amend the bill as follows:

1. Amend page 21, line 28, after "**section**," by inserting "**for tax years beginning on and after January 1, 2023**,".

2. Amend page 21, line 29, after "**apply**" by striking out the balance of the page through "**may**" on line 25 of page 22 and inserting "**the limitations and restrictions in subsection (9) or**".

3. Amend page 22, line 28, by striking out all of subdivision (e).

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Witwer moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Aiyash moved that the bill be placed on its immediate passage.

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4001, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending sections 30 and 51 (MCL 206.30 and 206.51), section 30 as amended by 2022 PA 5 and section 51 as amended by 2020 PA 75.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 5

Yeas—67

Aiyash	Edwards	McKinney	Shannon
Andrews	Farhat	Mentzer	Skaggs
Arbit	Filler	Miller	Snyder
BeGole	Fitzgerald	Morgan	St. Germaine
Bezotte	Glanville	Morse	Steckloff
Brabec	Grant	Mueller	Steele
Breen	Haadsma	Neeley	Stone
Brixie	Hill	O’Neal	Tate
Byrnes	Hood	Paiz	Tisdell
Carter, B.	Hope	Pohutsky	Tsernoglou
Carter, T.	Hoskins	Price	Wegela
Churches	Koleszar	Puri	Weiss
Coffia	Kuhn	Rheingans	Whitsett
Coleman	Liberati	Rogers	Wilson
Conlin	MacDonell	Schmaltz	Witwer
DeBoer	Martus	Schuette	Young
Dievendorf	McFall	Scott	

Nays—41

Alexander	Fink	Maddock	Roth
Aragona	Fox	Markkanen	Schriver
Beeler	Friske	Martin	Slagh
Beson	Green, P.	Meerman	Smit
Bierlein	Greene, J.	Neyer	Thompson
Bollin	Hall	Outman	VanderWall
Borton	Harris	Paquette	VanWoerkom
Carra	Hoadley	Posthumus	Wendzel
Cavitt	Johnsen	Prestin	Wozniak
DeBoyer	Kunse	Rigas	Zorn
DeSana			

In The Chair: Pohutsky

The House agreed to the title of the bill.

Rep. Aiyash moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Reps. Bezotte, Brixie, Brenda Carter, Coleman, Dievendorf, Edwards, Farhat, Hood, McKinney and Weiss were named co-sponsors of the bill.

Rep. Bollin, having reserved the right to explain her protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

I object to the bill only applying to public pensions and not all retirement income. All Michigan seniors are suffering and deserve relief due to the burdens place on them due to inflation and the lack of broader tax relief.”

Rep. Jamie Greene, having reserved the right to explain her protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

While I support tax relief for retirees, I cannot support HB 4001 because it provides tax relief for some, but not all retirees.”

Second Reading of Bills

House Bill No. 4002, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending section 272 (MCL 206.272), as amended by 2011 PA 38.

The bill was read a second time.

Rep. Carra moved to amend the bill as follows:

1. Amend page 1, line 1, after “(1)” by striking out the balance of the line through “2007,” on line 2 and inserting “**Except as otherwise provided under subsection (2),**”

2. Amend page 2, following line 6, by inserting:

“(2) **For tax years beginning on and after January 1, 2023, a taxpayer who is a recipient of benefits under any state or federal assistance program other than Medicaid, Medicare, or federal social security benefits is not eligible for the credit under this section.**” and renumbering the remaining subsection.

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Hood moved to substitute (H-4) the bill.

The motion prevailed and the substitute (H-4) was adopted, a majority of the members serving voting therefor.

Rep. Shannon moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 8, entitled

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 11, 22b, 31f, 39a, 51a, 51c, 53a, 54, and 147c (MCL 388.1611, 388.1622b, 388.1631f, 388.1639a, 388.1651a, 388.1651c, 388.1653a, 388.1654, and 388.1747c), sections 11 and 51a as amended by 2022 PA 212 and sections 22b, 31f, 39a, 51c, 53a, 54, and 147c as amended by 2022 PA 144.

The bill was read a second time.

Rep. DeBoer moved to amend the bill as follows:

1. Amend page 10, line 20, after “**establish**” by striking out the balance of the line through “**levels,**” on line 22 and inserting “**procedures that protect students from harmful, disruptive, and violent behaviors; keep schools safe; and foster a productive learning environment,**”.

2. Amend page 10, line 23, after “**program.**” by inserting “**At least 30% of the funding described in this subdivision must be distributed to rural districts. As used in this subdivision, “rural district” means a district located in a rural territory, as defined by the United States Census Bureau, to which either of the following apply:**

- (i) **It is located, at a minimum, more than 5 miles from an urbanized area.**
- (ii) **It is located, at a minimum, more than 2.5 miles from an urban cluster.”.**

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Aiyash moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

By unanimous consent the House returned to the order of
Third Reading of Bills

Rep. Aiyash moved that **House Bill No. 4002** be placed on its immediate passage.
The motion prevailed, a majority of the members serving voting therefor.

House Bill No. 4002, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending section 272 (MCL 206.272), as amended by 2011 PA 38.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 6

Yeas—100

Aiyash	DeSana	Martus	Schuette
Alexander	Dievendorf	McFall	Scott
Andrews	Edwards	McKinney	Shannon
Aragona	Farhat	Meerman	Skaggs
Arbit	Filler	Mentzer	Slagh
Beeler	Fitzgerald	Miller	Snyder
BeGole	Glanville	Morgan	St. Germaine
Beson	Grant	Morse	Steckloff
Bezotte	Green, P.	Mueller	Steele
Bierlein	Haadsma	Neeley	Stone
Bollin	Hall	Neyer	Tate
Borton	Harris	O’Neal	Thompson
Brabec	Hill	Outman	Tisdell
Breen	Hoadley	Paiz	Tsernoglou
Brixie	Hood	Paquette	VanderWall
Bymes	Hope	Pohutsky	VanWoerkom
Carter, B.	Hoskins	Posthumus	Wegela
Carter, T.	Johnsen	Prestin	Weiss
Cavitt	Koleszar	Price	Wendzel
Churches	Kuhn	Puri	Whitsett
Coffia	Kunse	Rheingans	Wilson
Coleman	Liberati	Rigas	Witwer
Conlin	MacDonell	Rogers	Wozniak
DeBoer	Markkanen	Roth	Young
DeBoyer	Martin	Schmaltz	Zorn

Nays—8

Carra	Fox	Greene, J.	Schriver
Fink	Friske	Maddock	Smit

In The Chair: Pohutsky

The House agreed to the title of the bill.

Rep. Aiyash moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Reps. Aragona, Bezotte, Brenda Carter, Coleman, DeBoyer, Kunse, Markkanen, Schuette and Wozniak were named co-sponsors of the bill.

Rep. Aiyash moved that **Senate Bill No. 8** be placed on its immediate passage.

The motion prevailed, a majority of the members serving voting therefor.

Senate Bill No. 8, entitled

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 11, 22b, 31f, 39a, 51a, 51c, 53a, 54, and 147c (MCL 388.1611, 388.1622b, 388.1631f, 388.1639a, 388.1651a, 388.1651c, 388.1653a, 388.1654, and 388.1747c), sections 11 and 51a as amended by 2022 PA 212 and sections 22b, 31f, 39a, 51c, 53a, 54, and 147c as amended by 2022 PA 144.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 7

Yeas—74

Aiyash	Filler	Miller	Skaggs
Andrews	Fitzgerald	Morgan	Slagh
Aragona	Glanville	Morse	Snyder
Arbit	Grant	Mueller	St. Germaine
Bezotte	Haadsma	Neeley	Steckloff
Brabec	Harris	O’Neal	Stone
Breen	Hill	Outman	Tate
Brixie	Hood	Paiz	Thompson
Byrnes	Hope	Pohutsky	Tsernoglou
Carter, B.	Hoskins	Prestin	VanWoerkom
Carter, T.	Koleszar	Price	Wegela
Churches	Kuhn	Puri	Weiss
Coffia	Liberati	Rheingans	Wendzel
Coleman	MacDonell	Rogers	Whitsett
Conlin	Markkanen	Roth	Wilson
DeBoer	Martus	Schmaltz	Witwer
Dievendorf	McFall	Scott	Wozniak
Edwards	McKinney	Shannon	Young
Farhat	Mentzer		

Nays—34

Alexander	DeBoyer	Johnsen	Rigas
Beeler	DeSana	Kunse	Schriver
BeGole	Fink	Maddock	Schuette
Beson	Fox	Martin	Smit
Bierlein	Friske	Meerman	Steele
Bollin	Green, P.	Neyer	Tisdell
Borton	Greene, J.	Paquette	VanderWall
Carra	Hall	Posthumus	Zorn
Cavitt	Hoadley		

In The Chair: Pohutsky

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts.”

The House agreed to the full title.

Rep. Aiyash moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the House returned to the order of

Reports of Select Committees

Senate Bill No. 7, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the legislative branch for the fiscal years ending September 30, 2022 and September 30, 2023; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 7, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the legislative branch for the fiscal years ending September 30, 2022 and September 30, 2023; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the legislative branch for the fiscal years ending September 30, 2022 and September 30, 2023; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

Sec. 101. There is appropriated for various state departments and agencies and the legislative branch to supplement appropriations for the fiscal year ending September 30, 2023, from the following funds:

APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 946,170,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 946,170,000
Federal revenues:	
Total federal revenues	240,000,000
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 706,170,000

For Fiscal Year
Ending Sept. 30,
2023

Sec. 102. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 873,000,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 873,000,000
Federal revenues:	
Total federal revenues	240,000,000
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 633,000,000
(2) ONE-TIME APPROPRIATIONS	
ARP - blight elimination program	\$ 75,000,000
ARP - missing middle gap program	50,000,000
ARP - removal of workforce barriers	15,000,000
ARP - small business smart zones and business accelerators	75,000,000
ARP - statewide apprenticeship expansion	25,000,000
Community revitalization and placemaking grants program	100,000,000
Housing gap financing and affordable housing	150,000,000
Michigan infrastructure grants	33,000,000
Strategic outreach and attraction reserve fund	150,000,000
Upper Peninsula economic development project	200,000,000
GROSS APPROPRIATION	\$ 873,000,000
Appropriated from:	
Coronavirus state fiscal recovery fund	240,000,000
State general fund/general purpose	\$ 633,000,000
Sec. 103. LEGISLATURE	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 3,170,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 3,170,000
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 3,170,000
(2) LEGISLATIVE COUNCIL	
Independent citizens redistricting commission	\$ 3,170,000
GROSS APPROPRIATION	\$ 3,170,000
Appropriated from:	
State general fund/general purpose	\$ 3,170,000
Sec. 104. DEPARTMENT OF STATE POLICE	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 20,000,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 20,000,000

	For Fiscal Year Ending Sept. 30, 2023
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 20,000,000
(2) ONE-TIME APPROPRIATIONS	
In-service training	\$ 20,000,000
GROSS APPROPRIATION	\$ 20,000,000
Appropriated from:	
State general fund/general purpose	\$ 20,000,000
Sec. 105. DEPARTMENT OF TREASURY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 25,000,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 25,000,000
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 25,000,000
(2) ONE-TIME APPROPRIATIONS	
Water shutoff prevention fund	\$ 25,000,000
GROSS APPROPRIATION	\$ 25,000,000
Appropriated from:	
State general fund/general purpose	\$ 25,000,000
Sec. 106. STATE TRANSPORTATION DEPARTMENT	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 25,000,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 25,000,000
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 25,000,000
(2) ONE-TIME ONLY APPROPRIATIONS	
Category (b) eligible transportation and economic development fund projects	\$ 25,000,000
GROSS APPROPRIATION	\$ 25,000,000
Appropriated from:	
State general fund/general purpose	\$ 25,000,000

PART 1A
LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2021-2022

Sec. 151. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2022, from the following funds:

APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 146,295,400

	For Fiscal Year Ending Sept. 30, 2022
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION	\$ 146,295,400
Federal revenues:	
Total federal revenues	134,945,400
Special revenue funds:	
Total local revenues	300,000
Total private revenues	0
Total other state restricted revenues	11,050,000
State general fund/general purpose	\$ 0
Sec. 152. DEPARTMENT OF CORRECTIONS	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 300,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 300,000
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	300,000
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 0
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT	
County jail reimbursement program	\$ (1,000,000)
New custody staff training	(1,000,000)
Prosecutorial and detainer expenses	(1,500,000)
GROSS APPROPRIATION	\$ (3,500,000)
Appropriated from:	
State general fund/general purpose	\$ (3,500,000)
(3) OFFENDER SUCCESS ADMINISTRATION	
Community corrections comprehensive plans and services	\$ (1,000,000)
Offender success programming	(1,500,000)
Public safety initiative	(750,000)
Offender success services	(1,000,000)
GROSS APPROPRIATION	\$ (4,250,000)
Appropriated from:	
State general fund/general purpose	\$ (4,250,000)
(4) FIELD OPERATIONS ADMINISTRATION	
Criminal justice reinvestment	\$ (2,500,000)
Field operations	(1,000,000)
GROSS APPROPRIATION	\$ (3,500,000)
Appropriated from:	
State general fund/general purpose	\$ (3,500,000)
(5) CORRECTIONAL FACILITIES ADMINISTRATION	
Prison food service	\$ (2,000,000)
Transportation	920,000
GROSS APPROPRIATION	\$ (1,080,000)
Appropriated from:	
State general fund/general purpose	\$ (1,080,000)
(6) HEALTH CARE	
Clinical complexes	\$ 10,000,000
Prisoner health care services	(10,000,000)
GROSS APPROPRIATION	\$ 0

	For Fiscal Year Ending Sept. 30, 2022
Appropriated from:	
State general fund/general purpose	\$ 0
(7) CORRECTIONAL FACILITIES	
Alger Correctional Facility - Munising	\$ (258,900)
Baraga Correctional Facility - Baraga	(352,300)
Carson City Correctional Facility - Carson City	(408,500)
Detroit Detention Center	300,000
Gus Harrison Correctional Facility - Adrian	(422,200)
Kinross Correctional Facility - Kincheloe	(350,200)
Macomb Correctional Facility - New Haven	748,000
Michigan Reformatory - Ionia	(333,900)
Special Alternative Incarceration Program - Jackson	(2,670,000)
Thumb Correctional Facility - Lapeer	624,000
Woodland Correctional Facility - Whitmore Lake	754,000
GROSS APPROPRIATION	\$ (2,370,000)
Appropriated from:	
Special revenue funds:	
Local funds	300,000
State general fund/general purpose	\$ (2,670,000)
(8) ONE-TIME APPROPRIATIONS	
Corrections northern training facility	\$ 15,000,000
GROSS APPROPRIATION	\$ 15,000,000
Appropriated from:	
State general fund/general purpose	\$ 15,000,000
Sec. 153. DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 50,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 50,000
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	50,000
State general fund/general purpose	\$ 0
(2) WATER RESOURCES DIVISION	
Bottle act implementation	\$ 50,000
GROSS APPROPRIATION	\$ 50,000
Appropriated from:	
Special revenue funds:	
Natural resources damages	50,000
State general fund/general purpose	\$ 0
Sec. 154. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 139,409,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 139,409,000
Federal revenues:	
Total federal revenues	128,409,000

	For Fiscal Year Ending Sept. 30, 2022
Special revenue funds:	
Total local revenues	\$ 0
Total private revenues	0
Total other state restricted revenues	11,000,000
State general fund/general purpose	\$ 0
(2) CHILDREN'S SERVICES AGENCY - CHILD WELFARE	
Family preservation programs	\$ (2,000,000)
GROSS APPROPRIATION	\$ (2,000,000)
Appropriated from:	
State general fund/general purpose	\$ (2,000,000)
(3) PUBLIC ASSISTANCE	
Family independence program	\$ 3,600,000
Food assistance program benefits	120,000,000
Indigent burial	(800,000)
State supplementation	800,000
GROSS APPROPRIATION	\$ 123,600,000
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	1,600,000
Total other federal revenues	120,000,000
State general fund/general purpose	\$ 2,000,000
(4) FIELD OPERATIONS AND SUPPORT SERVICES	
Contractual services, supplies, and materials	\$ 3,000,000
Electronic benefit transfer (EBT)	(1,500,000)
Public assistance field staff	(3,540,000)
GROSS APPROPRIATION	\$ (2,040,000)
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	(2,040,000)
State general fund/general purpose	\$ 0
(5) BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS	
Family support subsidy	\$ 440,000
GROSS APPROPRIATION	\$ 440,000
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	440,000
State general fund/general purpose	\$ 0
(6) BEHAVIORAL HEALTH SERVICES	
Autism services	\$ (1,100,000)
Certified community behavioral health clinic demonstration	34,000,000
Federal mental health block grant	2,700,000
Health homes	(2,700,000)
Healthy Michigan plan - behavioral health	6,000,000
Medicaid mental health services	(40,000,000)
Medicaid substance use disorder services	1,100,000
GROSS APPROPRIATION	\$ 0
Appropriated from:	
Federal revenues:	
Total other federal revenues	0
State general fund/general purpose	\$ 0

For Fiscal Year
Ending Sept. 30,
2022

(7) STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Caro Regional Mental Health Center - psychiatric hospital - adult	\$	1,500,000
Hawthorn Center - psychiatric hospital - children and adolescents		7,000,000
Kalamazoo Psychiatric Hospital - adult		(1,100,000)
Walter P. Reuther Psychiatric Hospital - adult		2,100,000
GROSS APPROPRIATION	\$	9,500,000
Appropriated from:		
Federal revenues:		
Total other federal revenues		4,000,000
Special revenue funds:		
Total other state restricted revenues		5,500,000
State general fund/general purpose	\$	0

(8) CHILDREN'S SPECIAL HEALTH CARE SERVICES

Medical care and treatment	\$	(17,900,000)
GROSS APPROPRIATION	\$	(17,900,000)
Appropriated from:		
Federal revenues:		
Total other federal revenues		(14,000,000)
Special revenue funds:		
Total private revenues		200,000
State general fund/general purpose	\$	(4,100,000)

(9) MEDICAL SERVICES ADMINISTRATION

Medical services administration	\$	25,000
GROSS APPROPRIATION	\$	25,000
Appropriated from:		
Special revenue funds:		
Total other state restricted revenues		25,000
State general fund/general purpose	\$	0

(10) MEDICAL SERVICES

Adult home help services	\$	3,500,000
Ambulance services		3,731,100
Auxiliary medical services		353,100
Dental services		16,300,000
Federal Medicare pharmaceutical program		(12,000,000)
Health plan services		(160,300,900)
Healthy Michigan plan		(47,644,500)
Home health services		729,700
Hospice services		16,355,900
Hospital disproportionate share payments		353,100
Hospital services and therapy		(9,800,000)
Integrated care organizations		2,000,000
Long-term care services		71,000,000
Medicaid home- and community-based services waiver		3,500,000
Medicare premium payments		12,000,000
Personal care services		706,200
Pharmaceutical services		44,800,000
Physician services		63,262,600
School-based services		30,000,000
Special Medicaid reimbursement		(16,730,600)
Transportation		1,259,300
GROSS APPROPRIATION	\$	23,375,000

	For Fiscal Year Ending Sept. 30, 2022
Appropriated from:	
Federal revenues:	
Total other federal revenues	14,000,000
Special revenue funds:	
Total private revenues	(200,000)
Total other state restricted revenues	5,475,000
State general fund/general purpose	\$ 4,100,000
(1) ONE-TIME APPROPRIATIONS	
Family violence prevention and services	\$ 4,409,000
GROSS APPROPRIATION	\$ 4,409,000
Appropriated from:	
Federal revenues:	
Total other federal revenues	4,409,000
State general fund/general purpose	\$ 0
Sec. 155. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 0
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 0
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 0
(2) ONE-TIME APPROPRIATIONS	
ARP - missing middle gap program	\$ (50,000,000)
ARP - missing middle gap program	50,000,000
GROSS APPROPRIATION	\$ 0
Appropriated from:	
Federal revenues:	
Coronavirus state fiscal recovery fund	0
State general fund/general purpose	\$ 0
Sec. 156. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 150,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 150,000
Federal revenues:	
Total federal revenues	150,000
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 0
(2) MICHIGAN VETERANS AFFAIRS AGENCY	
Michigan veterans affairs agency administration	\$ 62,000
Veterans service grants	(62,000)
GROSS APPROPRIATION	\$ 0

	For Fiscal Year Ending Sept. 30, 2022
Appropriated from:	
State general fund/general purpose	\$ 0
(3) MICHIGAN VETERANS' FACILITY AUTHORITY	
Chesterfield Township home for veterans	\$ 500,000
D.J. Jacobetti home for veterans	(1,700,000)
Grand Rapids home for veterans	1,200,000
GROSS APPROPRIATION	\$ 0
Appropriated from:	
Federal revenues:	
HHS-HCFA, title XIX, Medicaid	1,800,000
USDVA-VHA	(1,800,000)
State general fund/general purpose	\$ 0
(4) ONE-TIME APPROPRIATIONS	
COVID-19 special maintenance veterans homes	\$ 150,000
GROSS APPROPRIATION	\$ 150,000
Appropriated from:	
Federal revenues:	
USDVA-VHA	150,000
State general fund/general purpose	\$ 0
Sec. 157. DEPARTMENT OF STATE POLICE	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 6,386,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 6,386,400
Federal revenues:	
Total federal revenues	6,386,400
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 0
(2) FIELD SERVICES	
Post operations	\$ 0
GROSS APPROPRIATION	\$ 0
Appropriated from:	
Federal revenues:	
Coronavirus relief fund	6,386,400
State general fund/general purpose	\$ (6,386,400)
(3) ONE-TIME APPROPRIATIONS	
Federal ineligible expenses	\$ 6,386,400
GROSS APPROPRIATION	\$ 6,386,400
Appropriated from:	
State general fund/general purpose	\$ 6,386,400
Sec. 158. DEPARTMENT OF TREASURY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 0
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 0
Federal revenues:	
Total federal revenues	0

	For Fiscal Year Ending Sept. 30, 2022	
Special revenue funds:		
Total local revenues	\$	0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0
(2) REVENUE SHARING		
City, village, and township revenue sharing	\$	(102,875)
Financially distressed cities, villages, or townships		102,875
GROSS APPROPRIATION	\$	0
Appropriated from:		
Special revenue funds:		
Sales tax		0
State general fund/general purpose	\$	0

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2022-2023

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2023 is \$706,170,000.00 and total state spending from state sources to be paid to local units of government is \$58,000,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Michigan infrastructure grants	\$	33,000,000
Subtotal	\$	33,000,000

STATE TRANSPORTATION DEPARTMENT

Category (b) eligible transportation and economic development fund projects	\$	25,000,000
Subtotal	\$	25,000,000

TOTAL **\$ 58,000,000**

Sec. 202. The appropriations made and expenditures authorized under this part and part 1 and the departments, commissions, boards, offices, and programs for which appropriations are made under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. Funds appropriated in part 1 must be allocated and expended in a manner consistent with federal rules and regulations.

Sec. 204. Funds appropriated in part 1 are subject to applicable federal audit and reporting requirements. Prompt action shall be taken if instances of noncompliance are identified, including noncompliance identified in an audit finding. If any instance of noncompliance is identified, including noncompliance identified in an audit finding, the state budget director shall take necessary and immediate action to rectify it. The state budget director shall notify the senate and house appropriations committees and the senate and house fiscal agencies when an instance of noncompliance is identified.

Sec. 205. The state budget director shall report on the status of funds appropriated in part 1, and all funds appropriated related to the coronavirus relief effort, to the senate and house appropriations committees and the senate and house fiscal agencies on a monthly basis until all funds are exhausted.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. (1) From the funds appropriated in part 1 for ARP - blight elimination program, \$75,000,000.00 shall be used to address eligible properties in this state. The state land bank authority shall establish grant and distribution criteria that are consistent with the requirements in this section and shall administer the program. Grants issued under the program may be used for the following activities for eligible properties:

(a) Demolition of vacant residential, commercial, or industrial structures, including reasonable and necessary costs directly related to demolition, including, but not limited to, title work, due care demolition plans, acquisition, utility disconnect fees, permit fees, abatement of hazardous materials, air monitoring at demolition sites, the replacement of damaged sidewalk or recurb at the street, and seeding.

(b) Stabilization of vacant residential, commercial, or industrial structures identified for future rehabilitation. Eligible stabilization costs may include acquisition, debris removal, exterior security materials to deter trespassing and vandalism, and interior and exterior repairs needed to protect against further deterioration and meet local exterior property maintenance requirements.

(c) Matching or gap funds for environmental remediation needed to comply with department of environment, Great Lakes, and energy standards and limited site preparation costs to remove other predevelopment hurdles on publicly owned residential, commercial, or industrial parcels.

(d) Rehabilitation of vacant residential, commercial, or industrial publicly owned structures.

(e) Project administration directly related to activities under subdivision (a), (b), (c), or (d) to the extent the project administration costs do not exceed 8% of an applicant's total grant award.

(2) From the funds allocated in subsection (1), each of the 10 largest land banks or state land bank municipal partnerships will receive a grant of \$2,500,000.00 to be used on the activities described in subsection (1). For purposes of this subsection, the calculation to determine the "largest" must use the total number of parcels as the basis for the calculation.

(3) From the funds allocated in subsection (1), each of the remaining land banks will receive a grant of \$500,000.00 to be used on the activities described in subsection (1).

(4) From the funds allocated in subsection (1), \$30,500,000.00 must be used for a competitive grant program to address eligible properties in this state for the purposes described in subsection (1). Grants may be issued to a land bank authority, county, city, village, or township or to a state land bank municipal partnership. In areas served by a county or city land bank, the land bank shall act as the lead applicant for grants within its jurisdiction. In areas not served by a county or city land bank, a county, city, village, or township may apply for a grant directly.

(5) Unexpended funds appropriated in part 1 for ARP - blight elimination program are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide grants to land bank authorities, state land bank municipal partnerships, and local units of government to address blighted properties.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is \$75,000,000.00.

(d) The tentative completion date is September 30, 2027.

(6) As used in this section:

(a) "Authority" means the state land bank authority.

(b) "Eligible properties" means either of the following:

(i) Any property owned or under the control of a land bank fast track authority under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

(ii) Any vacant residential, commercial, or industrial property that is blighted. A property is considered blighted if it meets any of the following criteria:

(A) The property has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.

(B) The property has had utilities, plumbing, heating, or sewerage disconnected, destroyed, removed, or rendered ineffective for a period of 1 year or more, rendering the property unfit for its intended use.

(C) The property is tax-reverted and owned by this state, a county, or a municipality.

(c) "State land bank municipal partnership" means a partnership between the state land bank authority and a municipality that includes a land banking agreement for the given municipality where the state manages a portfolio of parcels for that municipality.

Sec. 302. (1) From the funds appropriated in part 1 for ARP – missing middle gap program, \$50,000,000.00 must be used by the Michigan state housing development authority to create a missing middle housing program to increase the supply of housing stock, in response to the negative economic impacts of the pandemic, for employees by providing cost defrayment to developers investing in, constructing, or substantially rehabilitating properties that are targeted to missing middle households.

(2) As used in this section:

(a) "Agreement" means an agreement between a developer and the authority pursuant to subsection (8).

(b) "Agreement counterparty" means the counterparty to an agreement, including the developer or any transferee or assignee of the developer's rights and obligations under an agreement pursuant to subsection (8).

(c) "Area median income" means the median income for the area as published annually by the United States Department of Housing and Urban Development, another governmental entity as selected by the authority, or another research institution as selected by the authority.

(d) "Attainable" means rent or a sale price resulting in a final mortgage payment no higher than 30% of the gross annual income of a missing middle household.

(e) “Authority” means the Michigan state housing development authority created by the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

(f) “Final mortgage payment” means a mortgage payment calculated by the developer that must include principal, interest, taxes, insurance, private mortgage insurance, association fees or lease payments, or fees related to participation in a community land trust in accordance with financing assumptions consistent with market conditions as determined by the program administrator.

(g) “Housing unit” means a dwelling of less than 2,000 square feet, available for sale or lease on a permanent or year-round basis, that has a permanent foundation, electrical, heating and cooling, plumbing, bathing and restroom facilities, kitchen, and sleeping spaces, all of which meet building code requirements sufficient to achieve a certificate of occupancy.

(h) “Local support” means 1 or a combination of the following forms of support provided by a local unit of government:

(i) Financial contributions or grants in an amount equal to or exceeding \$5,000.00.

(ii) A tax abatement provided to a project in accordance with state law.

(iii) Tax increment revenues captured by a local unit of government and committed to a project in accordance with a tax increment finance and development plan.

(iv) Land transferred from the local unit of government at a cost of not more than \$1,000.00 per housing unit.

(v) Any other form of support provided by a local unit of government determined by the program administrator to constitute local support for purposes of this section.

(i) “Local unit of government” means a city, village, township, county, or any intergovernmental, metropolitan, or local department, agency, or authority, or other local political subdivision.

(j) “Missing middle household” or “missing middle households” means a household or households as defined by the authority. The authority’s definition must be supported by housing data and comply with rules and regulations established by the American rescue plan act of 2021, Public Law 117-2, specifically all regulations and requirements around the use of the coronavirus state fiscal recovery fund.

(k) “Program administrator” means the executive director of the authority.

(l) “Project” means the construction or substantial rehabilitation of 1 or more housing units made available at a price or lease rate that is attainable to a missing middle household.

(m) “Qualified real estate developer” means a landbank, local government, or nonprofit or for-profit developer.

(n) “Rural community” means any geography designated by the United States Department of Agriculture Office of Rural Development as rural for purposes of its single-family housing guaranteed loan program.

(o) “Substantial rehabilitation” means rehabilitation of a housing unit that requires a financial investment of at least \$25,000.00.

(3) All of the following apply regarding the missing middle housing program:

(a) The missing middle housing program is created under the jurisdiction and control of the authority and may be administered by the authority in accordance with the provisions of this section. In developing program guidelines and design, the authority must receive the concurrence of the executive director of the state land bank.

(b) The authority must expend funds under this section only for the purposes of making awards as provided in subsection (4) and paying the costs of administering the program.

(c) The authority must develop and implement the use of forms, applications, agreements, and any other documents necessary or appropriate to implement this section and carry out its duties under this section.

(d) At least 30% of the dollar amount of awards under this section must be allocated to projects in rural communities, including, but not limited to, projects located in the Upper Peninsula.

(e) Not more than 15% of the dollar amount of awards under this section must be allocated to projects in any single city, village, or township.

(4) All of the following apply regarding the approval and award of a grant under this section:

(a) Subject to subdivision (b), upon satisfaction of the conditions set forth in subsection (6), the program administrator is required to set limits on the amount of missing middle funding per unit a project can receive.

(b) The maximum amount that may be awarded to a project for a housing unit under this section is limited to the actual labor and material cost of construction or substantial rehabilitation of the housing unit.

(5) To qualify as a developer under this section, the developer must be a qualified real estate developer as defined in this section and satisfy all of the following conditions:

(a) The developer must pass a criminal and civil background check of key employees satisfactory to the program administrator.

(b) The developer must not be under debarment with the United States government.

(c) The developer must demonstrate to the program administrator that it has the capacity to complete the construction of the project, and that it has the ability to implement rent restrictions and purchaser restrictions for the terms specified in the agreement for the project. The developer may contract with 1 or more entities that will provide materials or services in order to assist in meeting the capacity thresholds described in this subdivision.

(6) All of the following conditions apply to a grant award under this section:

(a) To qualify for a grant under this section, a project must meet all of the following conditions, as determined by the program administrator:

(i) The project must consist of new construction, substantial rehabilitation, or a combination of both.

(ii) The developer must demonstrate site control, identify the project general contractor, and provide a preliminary budget reflecting the ability to complete the project.

(iii) The construction quality, design, and location of the project must be appropriate for the area in which the project will be developed. The program administrator may require preapproval of designs and plans and may condition approval on certain minimum design and quality of construction standards.

(iv) The developer must demonstrate that it has not received and will not receive low-income housing tax credits for the project.

(v) The developer must demonstrate that the project has received or will receive local support.

(vi) The developer must propose a method or methods by which it will ensure to the satisfaction of the program administrator that each housing unit will remain attainable for a period of 10 years for rental deals and 5 years for for-sale deals following the disbursement of funds to the developer. The program administrator shall work with developers to make efforts to keep properties developed under this program attainable for missing middle households beyond these initial timelines.

(b) Application for approval under this subsection must be made in the form and manner prescribed by the program administrator.

(7) To receive a distribution of funds from a grant approved under this section, a project must meet all of the following conditions, as applicable:

(a) A project must secure a certificate of occupancy within 24 months from the date of execution of the agreement for the project.

(b) The developer may seek an extension of the time periods described in this subsection, not to exceed a total development time frame of 36 months, from the program administrator.

(c) The developer must have implemented the method or methods approved to ensure a project is attainable as described in subsection (6)(a)(vi).

(8) The terms and conditions for the distribution of awarded funds must be set forth in an agreement between the agreement counterparty and the program administrator as follows:

(a) The agreement may contain continuing obligations of the agreement counterparty for the term of the agreement to ensure that the project is attainable as described in subsection (6)(a)(vi).

(b) A developer may convey the project and transfer or assign the developer's rights and obligations under the related agreement to a third party only after the developer has satisfied the conditions of subsection (7) and received the distribution of grant funds.

(c) The agreement must require that the agreement counterparty provide all of the following information to the program administrator as of the date of the certificate of occupancy for the project:

(i) Total number of total housing units developed within the project.

(ii) Number of housing units in the project qualifying for the grant.

(iii) Total square footage of project.

(iv) Total project costs.

(v) Total project costs not arising from a grant under this section.

(d) The agreement must require that the agreement counterparty provide the following information annually during the term of the agreement:

(i) For a project consisting of housing units for sale, the price of each housing unit within the project sold during the reporting year.

(ii) For a project consisting of housing units for rent, each of the following:

(A) A statement of the rental rate of each housing unit for rent within the project during the reporting year.

(B) A statement of the income stated on tenant applications for the project during the reporting year.

(C) A statement of the occupancy rate of the project during the reporting year.

(9) The program administrator may in any year adjust any dollar amount provided in this section by a percentage equal to or less than the Consumer Price Index for that year.

(10) The unexpended funds appropriated in part 1 for ARP – missing middle gap program are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to expand access to housing stock for missing middle households.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is \$50,000,000.00.

(d) The tentative completion date is September 30, 2027.

Sec. 303. (1) From the funds appropriated in part 1 for ARP - removal of workforce barriers, \$15,000,000.00 shall be used by the department for employment, reemployment, and removal of barriers for at-risk individuals, including the asset limited income constrained employed population, as defined by the United Way. Employment supports and barrier removal may include, but are not limited to, services focused on transportation, child care, clothing needs, tools for work, and other barriers that prevent individuals from entering and staying in the workforce.

(2) The department shall develop program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website not less than 60 days prior to the due date of the application. Program guidelines must comply with federal regulations established by the American rescue plan act of 2021, Public Law 117-2, including all regulations and requirements around the use of the coronavirus state fiscal recovery fund. Efforts shall be made to ensure a broad geographic distribution of funds awarded under the program to both urban and rural communities, to the extent allowable under federal regulations.

(3) The department shall provide a status report summarizing intended program outcomes, including, but not limited to, the number of individuals to be served and the types of barrier removal activities funded. The report shall be posted online and distributed to the senate and house appropriations subcommittees on labor and economic opportunity, the senate and house fiscal agencies, and the state budget office by September 30, 2023.

(4) Unexpended funds appropriated in part 1 for ARP - removal of workforce barriers are designated as a work project appropriation. Any unencumbered or unallocated funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support barrier removal efforts to help workers enter and stay in the workforce.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is \$15,000,000.00.

(d) The tentative completion date is September 30, 2027.

Sec. 304. (1) Funds appropriated in part 1 for ARP - small business smart zones and business accelerators shall be used by the Michigan strategic fund to create and operate programs to support small businesses disproportionately impacted by the COVID-19 pandemic. Funds may be used for grants for small business smart zones, business accelerators, and other small business entrepreneurial initiatives, as determined by the Michigan strategic fund.

(2) The Michigan strategic fund shall develop program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website not less than 60 days prior to the due date of the application. Program guidelines must be in compliance with federal regulations established by the American rescue plan act of 2021, Public Law 117-2, including all regulations and requirements around the use of the coronavirus state fiscal recovery fund. Efforts shall be made to ensure a broad geographic distribution of funds awarded under the program to both urban and rural communities, to the extent allowable under federal regulations.

(3) The Michigan strategic fund may make awards to local and nonprofit economic development organizations and other investment vehicles or entities, as determined by the Michigan strategic fund, in the creation and administration of the program. Not less than 20% of awards must be awarded to minority-owned businesses or minority-owned developers, and the Michigan strategic fund shall consider the extent to which a community is depressed and deprived in awarding grants under this section.

(4) Not later than September 30, 2023, the Michigan strategic fund shall provide a report on the implementation status of the program. The report shall be submitted to the senate and house appropriations subcommittees on labor and economic opportunity, the senate and house fiscal agencies, and the state budget office. If program awards have been made by the report date, the report shall include the name of each awardee and, for each awardee, a brief description of the project funded by the award, the county where the awardee is located, and the amount of the award.

(5) The Michigan strategic fund may use up to 2.5% of the appropriation for administration of the program.

(6) Unexpended funds appropriated in part 1 for ARP - small business smart zones and business accelerators are designated as a work project appropriation. Any unencumbered or unallocated funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section

until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support small businesses disproportionately impacted by the COVID-19 pandemic.

(b) The projects will be accomplished by utilizing state employees, the Michigan economic development corporation, or contracts.

(c) The total estimated cost of the work project is \$75,000,000.00

(d) The tentative completion date is September 30, 2027.

Sec. 305. (1) Funds appropriated in part 1 for ARP – statewide apprenticeship expansion shall be used for state apprenticeship expansion to support occupations critical to Michigan’s economic recovery, assist citizens in obtaining industry credentials recognized by the United States Department of Labor, and support registered apprenticeship program expansion efforts across this state. The program will serve those citizens and industries most severely impacted by COVID-19, and those citizens who least often benefit from registered apprenticeship programs. Emphasis will be on underrepresented populations, specifically women, people of color, veterans, individuals with disabilities, individuals without high school equivalency credentials, and justice-involved individuals.

(2) The department shall develop program guidelines and eligibility criteria for the program and must post that information on its publicly accessible website not less than 60 days prior to the due date of the application. Program guidelines must comply with federal regulations established by the American rescue plan act of 2021, Public Law 117-2, including all regulations and requirements around the use of the coronavirus state fiscal recovery fund. Efforts shall be made to ensure a broad geographic distribution of funds awarded under the program to both urban and rural communities, to the extent allowable under federal regulations.

(3) The department shall provide a report on the estimated aggregate number of new apprenticeship programs, active apprentices, new apprentices, and project totals to be created under the program. The report shall be posted online and distributed to the chairpersons of the senate and house appropriations committees, the chairpersons of the relevant senate and house appropriations subcommittees, the senate and house fiscal agencies, and the state budget office by September 30, 2023.

(4) Unexpended funds appropriated in part 1 for ARP - statewide apprenticeship expansion are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support state apprenticeship expansion.

(b) The project will be accomplished by utilizing state employees or contracts, or both.

(c) The total estimated cost of the project is \$25,000,000.00.

(d) The tentative completion date is September 30, 2027.

Sec. 306. (1) From the funds appropriated in part 1 for community revitalization and placemaking grants program, \$100,000,000.00 shall be used by the Michigan strategic fund to create and operate the community revitalization and placemaking grants program to invest in projects that enable population and tax revenue growth through rehabilitation of vacant and blighted buildings and historic structures, rehabilitation and development of vacant properties, and development of permanent place-based infrastructure associated with social zones and traditional downtowns, outdoor dining, and place-based public spaces. If grant funds are used to support residential projects, those projects must comply with other program guidelines and eligibility as determined by the Michigan strategic fund.

(2) The Michigan strategic fund shall work with local economic development organizations to develop program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website. The Michigan strategic fund may award 1 or more grants consistent with program guidelines. Efforts shall be made to ensure a broad geographic distribution of funds awarded under the program to both urban and rural communities.

(3) The Michigan strategic fund shall consult or collaborate with local units of government and local economic development agencies to implement the community revitalization and placemaking grants program.

(4) The Michigan strategic fund may make awards to local and nonprofit economic development organizations and other investment vehicles or entities, as determined by the Michigan strategic fund, in the creation and administration of the community revitalization and placemaking grants program.

(5) As a condition of receiving funds appropriated in part 1 for the community revitalization and placemaking grants program, not later than March 15, the Michigan strategic fund shall provide a report for the immediately preceding fiscal year to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office. The report shall include all of the following:

(a) The name of each awardee.

(b) For each awardee identified under subdivision (a), all of the following:

(i) A description and estimated completion date of the project funded by the award.

(ii) The county where the awardee is located.

(iii) The amount of the award.

(c) A list of awards that were amended.

(d) A list of any awards that were returned or otherwise forfeited by the awardee.

(6) Unexpended funds appropriated in part 1 for community revitalization and placemaking grants program are designated as a work project appropriation. Any unencumbered or unallocated funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is rehabilitation of vacant and blighted buildings and historic structures, rehabilitation and development of vacant properties, and development of permanent place-based infrastructure associated with social zones, outdoor dining, and place-based public spaces.

(b) The projects will be accomplished by utilizing state employees, the Michigan economic development corporation, or contracts.

(c) The total estimated cost of the work project is \$100,000,000.00.

(d) The tentative completion date is September 30, 2027.

Sec. 307. It is the intent of the legislature that the funds appropriated in part 1 for housing gap financing and affordable housing shall be unappropriated and reappropriated in another supplemental bill within 45 days to create an affordable housing tax credit gap financing program for the purpose of reducing the housing cost burden of residents and increasing the supply of and preserving existing affordable housing.

Sec. 308. (1) From the funds appropriated in part 1 for Michigan infrastructure grants, \$25,000,000.00 shall be allocated to a city with a population between 24,000 and 26,000 in a county with a population of between 600,000 and 700,000 according to the most recent federal decennial census for improvements to the Fruit Ridge Avenue bridge.

(2) From the funds appropriated in part 1 for Michigan infrastructure grants, \$8,000,000.00 shall be allocated to a village with a population of between 925 and 950 located in a county with a population of between 40,000 and 41,000 according to the most recent federal decennial census for the redevelopment of the Lexington Harbor.

Sec. 309. (1) From the funds appropriated in part 1 for Michigan infrastructure grants, the department shall execute a grant agreement with each recipient, pursuant to subsection (2). All grant funds are considered direct appropriations and, subject to receipt of all information under subsections (2) and (3), shall be disbursed by the department, as determined by the grant agreement. Any funds that are granted to a state department are appropriated in that department for the purpose of the intended grant. An initial disbursement of 50% shall be provided to the grantee upon execution of the grant agreement.

(2) The department shall execute a grant agreement with each recipient in order to receive funding. The grant agreement shall include, but is not limited to, all of the following:

(a) All necessary identifying information for the recipient, including any necessary tax identification information.

(b) A description of the project for which the grant funds will be expended, including tentative timelines and the estimated budget. No expenditures outside of the project purpose, as stated in the executed grant agreement, shall be reimbursed from appropriations in part 1. Funds appropriated in part 1 may be used only for expenditures that occur on or after the effective date of this act, unless specifically authorized in section 308.

(c) A requirement that after the initial 50% disbursement, additional funds shall be disbursed only after verification that the initial payment has been fully expended, in accordance with the project purpose. The remaining funds shall be disbursed in a manner specified in the grant agreement. The grantee must provide sufficient documentation, as determined by the department, to verify that all expenditures were made in accordance with the project purpose.

(d) A requirement for quarterly reports from the recipient to the department that provide the status of the project and an accounting of all funds expended by the recipient.

(e) A claw-back provision that allows this state to recoup or otherwise collect any funds that are declined, unspent, or otherwise misused.

(3) The grantee shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for a period of not less than 3 years, and the grant may be subject to audit and site visits as determined by the department. The grant agreement required under subsection (2) shall include signed assurance by the chief executive officer or other executive officer of the grant recipient that this requirement will be met.

(4) All funds awarded shall be expended by the recipient, and projects completed, by September 30, 2026. If at that time, as evidenced by the quarterly reports, any unexpended funds remain, those funds shall be returned by the grantee to the state treasury. The state budget director may, on a case-by-case basis, extend this deadline, upon request by a grant recipient.

(5) If a grantee does not provide information sufficient to execute a grant agreement by May 1, 2023, funds associated with that grant shall be returned to the state treasury.

(6) The department shall provide quarterly updates on the accounting and status of each project to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office.

Sec. 310. Funds appropriated in part 1 for strategic outreach and attraction reserve fund must be deposited into the strategic outreach and attraction reserve fund established in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254.

Sec. 311. In addition to funds appropriated in part 1, there is appropriated an amount not to exceed \$150,000,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 312. (1) Funds appropriated in part 1 for Upper Peninsula economic development project shall be awarded to a business entity located in a county with a population of between 36,900 and 36,950 according to the most recent federal decennial census. Prior to receiving any disbursement, the grant recipient shall certify that it will meet both of the following conditions:

(a) The business shall employ not fewer than the number of individuals employed as of October 1, 2022 for the next 10 years.

(b) The business shall invest not less than \$1,060,000,000.00 at the location specified in this section.

(2) Any grant awarded under this section shall be performance based and include rules, regulations, and guidelines established by the Michigan strategic fund or Michigan economic development corporation.

Sec. 313. If not already allowed under a specific section, from the funds appropriated in part 1, the department may hire a sufficient number of limited-term employees and may expend up to 2.5% of each of the appropriations funded with coronavirus state fiscal recovery fund revenue for administrative implementation and oversight of the programs.

LEGISLATURE

Sec. 401. It is the intent of the legislature that the appropriation in part 1 for independent citizens redistricting commission complies with the legislature's obligation under section 6(6) of article IV of the state constitution of 1963 and is to be used to fulfill the independent citizens redistricting commission's request to cover additional legal costs in a manner that is consistent with the current dormancy plan of the independent citizens redistricting commission.

DEPARTMENT OF STATE POLICE

Sec. 501. (1) Funds appropriated in part 1 for in-service training shall be deposited into the law enforcement officers training fund created in section 11(7) of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.611. All funds in the law enforcement officers training fund are appropriated and available for expenditure to support the implementation of required annual in-service training standards for all licensed law enforcement officers in accordance with rules promulgated under section 11(2) of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.611.

(2) By September 1, the commission shall provide a report to the chairs of the senate and house appropriations committees and the senate and house fiscal agencies on the type and amount of required in-service training standards adopted by the commission, the use of funds appropriated in part 1 for in-service training, and any recommendations to improve licensed law enforcement officer standards in this state.

Sec. 502. From the funds appropriated in part 1 for in-service training, the Michigan commission on law enforcement standards may increase capacity by a total of 7.0 full-time equated positions to support development and implementation of in-service training standards and requirements.

TREASURY

Sec. 601. (1) The water shutoff prevention fund is created within the department of treasury.

(2) From the funds appropriated in part 1 for the water shutoff prevention fund, \$25,000,000.00 shall be deposited into the water shutoff prevention fund.

(3) Funds may be spent from the water shutoff prevention fund only upon appropriation or legislative transfer pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) Interest and earnings from the investment of funds deposited in the water shutoff prevention fund shall be deposited in the general fund.

(5) Funds in the water shutoff prevention fund at the close of a fiscal year shall remain in the water shutoff prevention fund and shall not lapse to the general fund.

(6) As used in this section, "water shutoff prevention fund" means the water shutoff prevention fund created in subsection (1).

PART 2A
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2021-2022

GENERAL SECTIONS

Sec. 1201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1A for the fiscal year ending September 30, 2022 is \$11,050,000.00 and total state spending from state sources to be paid to local units of government is (\$4,250,000.00). The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS	
Community corrections comprehensive plans and services	\$ (1,000,000)
County jail reimbursement program	(1,000,000)
Public safety initiative	(750,000)
Prosecutorial and detainer expenses	(1,500,000)
Subtotal	\$ (4,250,000)
DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Autism services	\$ (300,000)
Certified community behavioral health clinic demonstration	12,000,000
Medicaid mental health services	(12,000,000)
Medicaid substance use disorder services	300,000
Subtotal	\$ 0
TOTAL	\$ (4,250,000)

Sec. 1202. The appropriations made and expenditures authorized under this part and part 1A and the departments, commissions, boards, offices, and programs for which appropriations are made under this part and part 1A are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 1203. Funds appropriated in part 1A must be allocated and expended in a manner consistent with federal rules and regulations.

Sec. 1204. Funds appropriated in part 1A are subject to applicable federal audit and reporting requirements. Prompt action shall be taken if instances of noncompliance are identified, including noncompliance identified in an audit finding. If any instance of noncompliance is identified, including noncompliance identified in an audit finding, the state budget director shall take necessary and immediate action to rectify it. The state budget director shall notify the senate and house appropriations committees and the senate and house fiscal agencies when an instance of noncompliance is identified.

Sec. 1205. The state budget director shall report on the status of funds appropriated in part 1A, and all funds appropriated related to the coronavirus relief effort, to the senate and house appropriations committees and the senate and house fiscal agencies on a monthly basis until all funds are exhausted.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 1301. (1) From the funds appropriated in part 1A for ARP – missing middle gap program, \$50,000,000.00 must be used by the Michigan state housing development authority to create a missing middle housing program to increase the supply of housing stock, in response to the negative economic impacts of the pandemic, for employees by providing cost defrayment to developers investing in, constructing, or substantially rehabilitating properties that are targeted to missing middle households.

(2) As used in this section:

(a) “Agreement” means an agreement between a developer and the authority pursuant to subsection (8).

(b) “Agreement counterparty” means the counterparty to an agreement, including the developer or any transferee or assignee of the developer’s rights and obligations under an agreement pursuant to subsection (8).

(c) “Area median income” means the median income for the area as published annually by the United States Department of Housing and Urban Development, another governmental entity as selected by the authority, or another research institution as selected by the authority.

(d) “Attainable” means rent or a sale price resulting in a final mortgage payment no higher than 30% of the gross annual income of a missing middle household.

(e) “Authority” means the Michigan state housing development authority created by the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

(f) “Final mortgage payment” means a mortgage payment calculated by the developer that must include principal, interest, taxes, insurance, private mortgage insurance, association fees or lease payments, or fees related to participation in a community land trust in accordance with financing assumptions consistent with market conditions as determined by the program administrator.

(g) "Housing unit" means a dwelling of less than 2,000 square feet, available for sale or lease on a permanent or year-round basis, that has a permanent foundation, electrical, heating and cooling, plumbing, bathing and restroom facilities, kitchen, and sleeping spaces, all of which meet building code requirements sufficient to achieve a certificate of occupancy.

(h) "Local support" means 1 or a combination of the following forms of support provided by a local unit of government:

(i) Financial contributions or grants in an amount equal to or exceeding \$5,000.00.

(ii) A tax abatement provided to a project in accordance with state law.

(iii) Tax increment revenues captured by a local unit of government and committed to a project in accordance with a tax increment finance and development plan.

(iv) Land transferred from the local unit of government at a cost of not more than \$1,000.00 per housing unit.

(v) Any other form of support provided by a local unit of government determined by the program administrator to constitute local support for purposes of this section.

(i) "Local unit of government" means a city, village, township, county, or any intergovernmental, metropolitan, or local department, agency, or authority, or other local political subdivision.

(j) "Missing middle household" or "missing middle households" means a household or households as defined by the authority. The authority's definition must be supported by housing data and comply with rules and regulations established by the American rescue plan act of 2021, Public Law 117-2, specifically all regulations and requirements around the use of the coronavirus state fiscal recovery fund.

(k) "Program administrator" means the executive director of the authority.

(l) "Project" means the construction or substantial rehabilitation of 1 or more housing units made available at a price or lease rate that is attainable to a missing middle household.

(m) "Qualified real estate developer" means a landbank, local unit of government, or nonprofit or for-profit developer.

(n) "Rural community" means any geography designated by the United States Department of Agriculture Office of Rural Development as rural for purposes of its single-family housing guaranteed loan program.

(o) "Substantial rehabilitation" means rehabilitation of a housing unit that requires a financial investment of at least \$25,000.00.

(3) All of the following apply regarding the missing middle housing program:

(a) The missing middle housing program is created under the jurisdiction and control of the authority and may be administered by the authority in accordance with the provisions of this section. In developing program guidelines and design, the authority must receive the concurrence of the executive director of the state land bank.

(b) The authority must expend funds under this section only for the purposes of making awards as provided in subsection (4) and paying the costs of administering the program.

(c) The authority must develop and implement the use of forms, applications, agreements, and any other documents necessary or appropriate to implement this section and carry out its duties under this section.

(d) At least 30% of the dollar amount of awards under this section must be allocated to projects in rural communities, including, but not limited to, projects located in the Upper Peninsula.

(e) Not more than 15% of the dollar amount of awards under this section must be allocated to projects in any single city, village, or township.

(4) All of the following apply regarding the approval and award of a grant under this section:

(a) Subject to subdivision (b), upon satisfaction of the conditions set forth in subsection (6), the program administrator is required to set limits on the amount of missing middle funding per unit a project can receive.

(b) The maximum amount that may be awarded to a project for a housing unit under this section is limited to the actual labor and material cost of construction or substantial rehabilitation of the housing unit.

(5) To qualify as a developer under this section, the developer must be a qualified real estate developer as defined in this section and satisfy all of the following conditions:

(a) The developer must pass a criminal and civil background check of key employees satisfactory to the program administrator.

(b) The developer must not be under debarment with the United States government.

(c) The developer must demonstrate to the program administrator that it has the capacity to complete the construction of the project, and that it has the ability to implement rent restrictions and purchaser restrictions for the terms specified in the agreement for the project. The developer may contract with 1 or more entities that will provide materials or services in order to assist in meeting the capacity thresholds described in this subdivision.

(6) All of the following conditions apply to a grant award under this section:

(a) To qualify for a grant under this section, a project must meet all of the following conditions, as determined by the program administrator:

(i) The project must consist of new construction, substantial rehabilitation, or a combination of both.

(ii) The developer must demonstrate site control, identify the project general contractor, and provide a preliminary budget reflecting the ability to complete the project.

(iii) The construction quality, design, and location of the project must be appropriate for the area in which the project will be developed. The program administrator may require preapproval of designs and plans and may condition approval on certain minimum design and quality of construction standards.

(iv) The developer must demonstrate that it has not received and will not receive low-income housing tax credits for the project.

(v) The developer must demonstrate that the project has received or will receive local support.

(vi) The developer must propose a method or methods by which it will ensure to the satisfaction of the program administrator that each housing unit will remain attainable for a period of 10 years for rental deals and 5 years for for-sale deals following the disbursement of funds to the developer. The program administrator shall work with developers to make efforts to keep properties developed under this program attainable for missing middle households beyond these initial timelines.

(b) Application for approval under this subsection must be made in the form and manner prescribed by the program administrator.

(7) To receive a distribution of funds from a grant approved under this section, a project must meet all of the following conditions, as applicable:

(a) A project must secure a certificate of occupancy within 24 months from the date of execution of the agreement for the project.

(b) The developer may seek an extension of the time periods described in this subsection, not to exceed a total development time frame of 36 months, from the program administrator.

(c) The developer must have implemented the method or methods approved to ensure a project is attainable as described in subsection (6)(a)(vi).

(8) The terms and conditions for the distribution of awarded funds must be set forth in an agreement between the agreement counterparty and the program administrator as follows:

(a) The agreement may contain continuing obligations of the agreement counterparty for the term of the agreement to ensure that the project is attainable as described in subsection (6)(a)(vi).

(b) A developer may convey the project and transfer or assign the developer's rights and obligations under the related agreement to a third party only after the developer has satisfied the conditions of subsection (7) and received the distribution of grant funds.

(c) The agreement must require that the agreement counterparty provide all of the following information to the program administrator as of the date of the certificate of occupancy for the project:

(i) Total number of total housing units developed within the project.

(ii) Number of housing units in the project qualifying for the grant.

(iii) Total square footage of project.

(iv) Total project costs.

(v) Total project costs not arising from a grant under this section.

(d) The agreement must require that the agreement counterparty provide the following information annually during the term of the agreement:

(i) For a project consisting of housing units for sale, the price of each housing unit within the project sold during the reporting year.

(ii) For a project consisting of housing units for rent, each of the following:

(A) A statement of the rental rate of each housing unit for rent within the project during the reporting year.

(B) A statement of the income stated on tenant applications for the project during the reporting year.

(C) A statement of the occupancy rate of the project during the reporting year.

(9) The program administrator may in any year adjust any dollar amount provided in this section by a percentage equal to or less than the Consumer Price Index for that year.

(10) The unexpended funds appropriated in part 1A for ARP – missing middle gap program are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to expand access to housing stock for missing middle households.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is \$50,000,000.00.

(d) The tentative completion date is September 30, 2026.

DEPARTMENT OF STATE POLICE

Sec. 1401. The unexpended funds appropriated in part 1A for federal ineligible expenses are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support expenses that are determined to be ineligible for federal reimbursement.
- (b) The project will be accomplished by utilizing state employees, contracts with vendors, or local partners.
- (c) The estimated cost of the project is \$6,386,400.00.
- (d) The tentative completion date is September 30, 2026.

REPEALERS

Sec. 1501. Section 353 of 2022 PA 53 is repealed.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the legislative branch for the fiscal years ending September 30, 2022 and September 30, 2023; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Sarah Anthony
Sean McCann
Conferees for the Senate

Angela Witwer
Amos O’Neal
Conferees for the House

Rep. Aiyash moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 8

Yeas—60

Aiyash	Edwards	McFall	Rogers
Andrews	Farhat	McKinney	Scott
Arbit	Fitzgerald	Mentzer	Shannon
Brabec	Glanville	Miller	Skaggs
Breen	Grant	Morgan	Snyder
Brixie	Haadsma	Morse	Steckloff
Byrnes	Hill	Mueller	Stone
Carter, B.	Hood	Neeley	Tate
Carter, T.	Hope	O’Neal	Tsernoglou
Cavitt	Hoskins	Paiz	VanderWall
Churches	Koleszar	Pohutsky	Weiss
Coffia	Liberati	Prestin	Whitsett
Coleman	MacDonell	Price	Wilson
Conlin	Markkanen	Puri	Witwer
Dievendorf	Martus	Rheingans	Young

Nays—48

Alexander	DeSana	Kunse	Schuette
Aragona	Filler	Maddock	Slagh

Beeler	Fink	Martin	Smit
BeGole	Fox	Meerman	St. Germaine
Beson	Friske	Neyer	Steele
Bezotte	Green, P.	Outman	Thompson
Bierlein	Greene, J.	Paquette	Tisdell
Bollin	Hall	Posthumus	VanWoerkom
Borton	Harris	Rigas	Wegela
Carra	Hoadley	Roth	Wendzel
DeBoer	Johnsen	Schmaltz	Wozniak
DeBoyer	Kuhn	Schrivver	Zorn

In The Chair: Pohutsky

Rep. Aiyash moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the House returned to the order of
Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following Senate bill had been received on Thursday, January 26:
Senate Bill No. 1

Messages from the Senate

Senate Bill No. 1, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending sections 30 and 51 (MCL 206.30 and 206.51), section 30 as amended by 2022 PA 5 and section 51 as amended by 2020 PA 75.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Tax Policy.



Rep. Wendzel moved that the House adjourn.
The motion prevailed, the time being 8:50 p.m.

The Speaker Pro Tempore declared the House adjourned until Tuesday, January 31, at 1:30 p.m.

RICHARD J. BROWN
Clerk of the House of Representatives

