

No. 8  
STATE OF MICHIGAN  
**Journal of the Senate**  
102nd Legislature  
REGULAR SESSION OF 2023

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

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor Garlin D. Gilchrist II.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Albert—present  
Anthony—present  
Bayer—present  
Bellino—present  
Brinks—present  
Bumstead—present  
Camilleri—present  
Cavanagh—present  
Chang—present  
Cherry—present  
Daley—present  
Damoose—present  
Geiss—present

Hauck—present  
Hertel—present  
Hoitenga—present  
Huizenga—present  
Irwin—present  
Johnson—present  
Klinefelt—present  
Lauwers—present  
Lindsey—present  
McBroom—present  
McCann—present  
McDonald Rivet—present  
McMorrow—present

Moss—present  
Nesbitt—present  
Outman—present  
Polehanki—present  
Runestad—present  
Santana—present  
Shink—present  
Singh—present  
Theis—present  
Victory—present  
Webber—present  
Wojno—present

Senator John Cherry of the 27th District offered the following invocation:

Lord, as we set out to do the business of the people today, give us grace and humility. Let us be generous with each other; fill our hearts with love and affection for each other, our constituents, and all the people of Michigan. Let our minds be renewed, and help us to understand the challenges before us. May our work improve the lives of our residents, especially those who need our help the most. And Lord, if You are willing, give us some joy in our work today. Amen.

The President, Lieutenant Governor Gilchrist, led the members of the Senate in recital of the *Pledge of Allegiance*.

### **Motions and Communications**

The following communication was received:  
Office of Senator Mary Cavanagh

January 18, 2023

I am requesting to be added as a co-sponsor to Senate Bill 12, sponsored by Senator Polehanki. Please do not hesitate to contact my office with any questions or for additional information.

Sincerely,  
Mary Cavanagh  
State Senator  
District 6

The communication was referred to the Secretary for record.

### **Recess**

Senator Singh moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 10:03 a.m.

11:32 a.m.

The Senate was called to order by the President pro tempore, Senator Moss.

Senator Singh moved that rule 2.106 be suspended to allow committees to meet during Senate session. The motion prevailed, a majority of the members serving voting therefor.

Senator Singh moved that the rules be suspended and that the following bill, now on Committee Reports, be placed on the General Orders calendar for consideration today:

**Senate Bill No. 1**

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

By unanimous consent the Senate proceeded to the order of

### **Messages from the House**

**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 House of Representatives has appointed Representatives Witwer, O'Neal and Borton as conferees to join with Senators Anthony, McCann and Bumstead.

The bill was referred to the Conference Committee.

By unanimous consent the Senate proceeded to the order of  
**General Orders**

Senator Singh moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Moss, designated Senator Bayer as Chairperson.

After some time spent therein, the Committee arose; and the President pro tempore, Senator Moss, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

**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 bill was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**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.

Substitute (S-5).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of  
**Motions and Communications**

**Recess**

Senator Singh moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 11:43 a.m.

12:03 p.m.

The Senate was called to order by the President, Lieutenant Governor Gilchrist.

Senator Singh moved that the rules be suspended and that the following bills, now on Third Reading of Bills, be placed on their immediate passage:

**Senate Bill No. 3**

**Senate Bill No. 13**

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

By unanimous consent the Senate proceeded to the order of  
**Third Reading of Bills**

Senator Singh moved that the Senate proceed to consideration of the following bills:

**Senate Bill No. 3**

**Senate Bill No. 13**

The motion prevailed.

The following bill was read a third time:

**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 question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 8**

**Yeas—27**

Anthony	Cherry	Klinefelt	Santana
Bayer	Damoose	McBroom	Shink
Bellino	Geiss	McCann	Singh
Brinks	Hertel	McDonald Rivet	Victory
Camilleri	Huizenga	McMorrow	Webber
Cavanagh	Irwin	Moss	Wojno
Chang	Johnson	Polehanki	

**Nays—11**

Albert	Hauck	Lindsey	Runestad
Bumstead	Hoitenga	Nesbitt	Theis
Daley	Lauwers	Outman	

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

**Protests**

Senators Runestad and Albert, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 3 and moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Runestad’s statement is as follows:

Mr. President, here we go again. The majority is pushing a bill that will help some Michiganders, but not all, as they look to take us back to the policies of the lost decade, an era of Michigan’s history to be emulated don’t you think? Michigan is one of many states that piggyback on the federal earned income tax credit by offering credits against the state’s personal income tax.

The federal earned income tax credit is a magnet for waste, fraud and abuse. The IRS estimates that merely 28 percent of all earned income tax credits, totaling \$19 billion a year, are improperly paid and very close to that same number of abuse has occurred decade after decade. The government accounting office says that one-third of the improper payments were to illegal aliens. With millions upon millions of illegal aliens pouring into the country, with the current President’s blessing I might add, I’m sure we’re going to see an explosion of fraud associated with this program.

On top of the illegal alien payments, a friend of mine, years ago, looked into buying a tax preparation franchise. He worked there for a couple of weeks to decide if he wanted to purchase a couple of these franchises. In his two weeks of working and investigating, he was astonished at the number of individuals coming in and discussing how to fraudulently sell or obtain, illegally, the earned income tax credits. He discovered it was very routine for these individuals, in the thousands, to sell the social security numbers of their kids—at the time the typical price was going for around six to eight hundred dollars per social security

number. The exchange worked fabulously if the seller had exceeded their maximum credit of three—you only get three credits, they could sell the rest. This benefited the individuals selling the social security numbers, but also the person who purchased them to use on their tax returns to get a tax credit for each child's social security number that they purchased. The seller would get the six to eight hundred dollars, the purchaser would benefit to the tune of thousands on these tax credits.

Expanding the state program will put Michigan tax preparers on the hook for tens of millions of fraudulent spending. Overpayments to the earned income tax credit program in 2021 were \$18.9 billion, per the office of Management and Budget. When I was the chair of the Finance Committee, we looked at ways to expand the program, but also to eliminate the immense fraud. I discovered there were some fabulous ideas to do this.

One is the national Taxpayer Advocate, Nina Olson, recommended in 2019 that the definition of a qualifying child be revised and that the families size allotment be separated from the credit. The tax foundation suggested making earned income tax credit a per-worker rather than a per-household tax credit, that would go a long way to fixing the fraud. Congress could have put in place incentives and penalty structures that encourages more recipients to ensure they are not accepting improper payments. So far, none of these solutions have been implemented.

The current level of improper payments would send any private company spiraling into bankruptcy. Fortunately, there are effective ways to make changes to the program where it wouldn't rip off the taxpayers. Unfortunately, none of those fixes are in this bill today. There are also many amendments we could work on that have been proposed to us today and in the last session that would provide much needed tax relief, not just for some but for all Michiganders. Such bills though were vetoed by the Governor, so unfortunately what is best for all Michiganders is apparently not a priority for this new majority either.

Senator Albert's statement is as follows:

The earned income tax credit has two main goals: to lift people out of poverty and to promote work. I agree with these goals. These are good goals, but now we have decades of experience of the EITC behind us. I originally supported the EITC, but then I did more research. While the EITC has great sounding talking points, when you look at the actual performance it falls short compared to other alternatives. There are better ways to achieve the worthy goals of the EITC that it aims to attain. There are ways to help low- and middle-income wage earners in Michigan with tax relief plans that do not have the EITC's flaws.

The federal Internal Revenue Service estimates 21 to 26 percent of EITC claims are paid in error. It is very likely that most of this is due to honest mistakes because the EITC is very complicated. It's hard to follow, with income thresholds that vary based on marital status and the number of kids in their family. Because the program is so complex it also opens the door to fraud, which increases the error rate. The EITC is a federal program. All the state does is match the credit, meaning Michigan does not effectively oversee the program.

The EITC—I admit, it does help some people out of poverty, and I acknowledge and obviously welcome that, but I see little evidence that the EITC truly incentivizes people to get a job or to work more hours. In fact, there are strong arguments to be made that the EITC may actually discourage work, because working more hours would reduce the size of the credit or make someone ineligible for the credit altogether.

I believe that an alternative, such as raising the amount of income that is tax-free for all Michiganders upfront is a better solution than the EITC. The Governor last night said the EITC plan would benefit about 700,000 Michigan families. The median household income in Michigan is about \$63,000. This plan will not help average hardworking Michigan families. I agree, lower wage earners deserve and need tax relief too. The alternative I would favor would help them and the remaining of the roughly 5 million income tax filers in Michigan each year.

Senator McDonald Rivet asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator McDonald Rivet's statement is as follows:

I come today as a proud sponsor of Senate Bill No. 3, the working families tax credit, to increase a tax credit for the hard-working men and women in Michigan in the form of the earned income tax credit. In 2019, before the pandemic, almost 40 percent of us were unable to pay for basic needs like housing, child care, and transportation according to the United Way ALICE data. This is the case in every one of our districts. That number includes one million children who are growing up in households with limited opportunities and often going to bed hungry. It's not an issue of working hard for a solid day's wages. The reality is that Michigan has far too many low-paying jobs with almost 59 percent of them paying less than what it takes for a family of three to reach the middle class. It's limiting our kids' potential and part of the reason we are losing population as families leave our state for better opportunities and higher-paying jobs.

This bill would take the EITC from its current 6 percent and increase it to 30 percent of the federal credit. Additionally, it contains a provision that makes the increase retroactive to the calendar year 2022, giving working families the ability to take this credit in this year’s tax filing. In short, this puts money in the pockets of working families now, when they need it the most.

Decades, literally decades of research indicates that families mostly use the EITC to pay for necessities like repairing homes, maintaining vehicles that are needed to commute to work, and in some cases obtaining additional education or training to boost their employability and earning power. According to the CDC, this tax credit has kept more children living above the poverty level than any other program in our history. Most beneficiaries use the credit for less than two years.

It is important to note that over 220 organizations from every region in this state have signed on in support of Senate Bill No. 3. I ask you to join them in their support by voting “yes” on this bill today.

The following bill was read a third time:

**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 question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 9**

**Yeas—20**

Anthony	Chang	Klinefelt	Polehanki
Bayer	Cherry	McCann	Santana
Brinks	Geiss	McDonald Rivet	Shink
Camilleri	Hertel	McMorrow	Singh
Cavanagh	Irwin	Moss	Wojno

**Nays—18**

Albert	Hauck	Lindsey	Runestad
Bellino	Hoitenga	McBroom	Theis
Bumstead	Huizenga	Nesbitt	Victory
Daley	Johnson	Outman	Webber
Damoose	Lauwers		

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

**Protests**

Senators Runestad, McBroom and Nesbitt, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 13 and moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Runestad's statement is as follows:

Mr. President, the committee process exists for a very important reason—namely, to allow considered discussion and debate to replace rash thinking and rushing to implement policy without regard to consequences. And yet, one of the very first bills the chamber deals with that the Democrats bring up for a vote does not go through committee and would absolutely disenfranchise a number of Michigan voters. When some of us voted on a similar bill in December, we did not yet know the impact of moving up our presidential primary from March of next year to February would have on the number of delegates sent to the national convention. Well, it turns out that the Republican Party bylaws already adopted mean that Michigan will lose 85 percent of its delegates to the national convention. Approving this bill means an 85 percent weakening of the voice of Michigan voters in determining their presidential nominee, and this is the very definition of disenfranchisement. A further discussion, I believe, should also occur in committee about what is the subtext, the message, the unspoken yet heard loud and clear with the Democrats' scheme to advance this presidential primary. They claim that the move would raise our profile, but the President is their incumbent.

Why, then, would this change matter? The Democrats have their nominee; there's no real primary of any consequence, no real hoopla. Unless, of course, as many in the media have speculated, that their party apparatus is working feverishly to prevent the President from seeking his own re-election. Well, then, of course then the motivations would be quite obvious. The intention of this bill would be to promote Gretchen Whitmer as a presidential nominee for 2024. But this shuffle raises some important and interesting questions that could have been answered in committee. President Biden initially seemed to thwart this scheme, but with his administration's uncertain and alternating upheavals, his punchy and bewildering actions as he moves from gaffe to gaffe, pivoting this way and that, will he do another pivot and resent this shuffle if he perceives a competitor rising behind him? Michigan currently receives a lot of money from the feds. If this chamber wishes to announce to the world as it may that by passing this bill the Michigan Democratic Party has made its decision that it may want to just thwart the President of the United States from seeking his own re-election, have they considered down the road how the White House might react? Have they considered what potential ramifications this might have on Michigan if the White House contemplates that their President might just get denied a chance at a second term due to a Michigan Governor's ambitions to replace him? Because, Mr. President, if billions are at stake, think what that could mean for the 10 million people of Michigan and effects on them with these federal funds concerning their daily lives.

Given these questions—which are all still outstanding—is it not a gross abuse of the process to deny a bill, one that could disenfranchise voters and could have some potential profound effect on every—especially the needy—citizens of this state from even getting a hearing in committee? Are the people of Michigan so irrelevant and so inconsequential that you would play this political gamesmanship and not even provide an opportunity for a hearing on a bill that could have substantial public policy and public spending impacts? This blatant political ploy is certainly not to raise Michigan's profile nationally as they would have you believe. No, it's about raising the political profile of certain individuals in this very room, revealing true priorities of politics, ambition, and clout benefiting many of the people here but especially in the room across the street in the Romney Building. It's about making them power players or maybe even crafting a political advantage should the President decide not to run.

The considerations of this political brainchild ought to have been done in committee and not on the fly. I urge my colleagues to join me in voting "no" on this Big Gretch 2024 bill.

Senator McBroom's statement is as follows:

Mr. President, those with children may be familiar with the experience that they ask for their allowance in advance, and they say, I need to have this sooner than I normally would get it. For us, we go to the Upper Peninsula state fair and the kids want to run around and buy snow cones, cotton candy, or some other junk or trinket. I'll give them a little bit of money and they're like—well, after a few years they learn that if I ask dad for more money before we get to the fair then I'll have more freedom, because otherwise he's going to ask me while we're there. Why do you want this money right now? And then I might say no.

So there's always this moving up with things, right? There's always the idea that if we could just be a little sooner we'd be a little bit better advantaged. I've been watching this happen for presidential primaries for decades, since I can remember, but particularly in the last 15 to 20 years there's this rush to be earlier than we were before. We want to be first. Then of course Iowa and New Hampshire, they move again too, and everybody just keeps on advancing this stuff, sooner, faster. And there's this whole gimmicky about, Well it's going to be a great economic boon to our state and its going to be a great policy boon to our state and we're going to see reporters here and we're going to see our issues advocated when our candidate wins and they're going to be grateful to our state for putting them over the top. It's just chasing after the wind. There's no real value to it. It's an illusion.

When is the last time Michigan picked the winner in the primary? We pick losers. We've been doing it for a while. So, there's that argument that just says this is a fools errand moving this up again, especially with just a teeny amount of days from where it would normally be. Plus you have the adverse impacts that the earlier speaker referenced to the other party. But, I have a very proud legacy in my time in the Legislature of voting against presidential primaries at all in the first place because they are the business of the parties. Why are we paying for the business of the parties? They have plenty of money. Let them pay for this, let them put this on at their expense and their own time and in their own way, and leave the people alone. Leave the clerks alone, or pay them better.

This is a ridiculous exercise foisted on us by the two party system that we participate in. As we continue to participate in this madness as I referenced earlier of racing to the front end of, what? Next thing we know it'll be the February after the election year. We're fooling ourselves into believing we're getting something out of this, but instead we're contributing to the madness. We are just contributing to the loud, obnoxious, obscene efforts made by the media and the two parties to constantly talk about political and presidential politics in particular, as if that was the thing that mattered when there's actual business to be done, when there are actual problems to be addressed, problems that both parties love to talk about, but always come back to, Well if I could just get my guy in there all those problems will go away, if I could just win then we'll get it. It's an illusion. It's a mirage. It's not true because you're always going to have opposition and we have a republic which means it's a long, slow, arduous process of ever getting anything done.

So we're doing the parties' business, we're chasing after the wind for no good reason. We should vote this down. We should be sending a resolution to the federal government where they need a national primary system, a reform done to it so we don't have South Carolina and Washington state going on the same day and the candidates have to fly from one end to the other. You want green energy? You want to work on the environment? Set up the primaries so they're regionally based, so candidates aren't jetting all around to get one—ten states done that aren't even geographically contiguous. There's a lot we could recommend to the system without buying into it and continuing the madness. I recommend a "no" vote.

Senator Nesbitt's statement is as follows:

I understand the argument that Michigan should play an influential role in the election of the next president of the United States. I don't have to tell all of you why our state, our experiences, and our people are so unique. I can understand wanting to move up the primary to be one of the first.

However, if the Michigan primary takes place before March 1 next year, Republicans would lose about 85 percent of their Republican delegates to the national convention. We had 72 delegates in 2020 and we'd go down to 13 delegates next year. Why? Because Republican National Committee rules cannot be changed within two years of the next convention—unlike the Democratic National Committee rules. This legislation to forcibly move the primary will, I believe, disenfranchise Michigan voters if left how it is. I do appreciate the conversations I've had with the Majority Leader, with the Governor's office, and with the primary sponsor of this bill. I do think we need to ensure Michigan truly counts for both parties, not just the party that's in power.

That's why I ask why this can't just take effect until 2028 rather than 2024? Why not have the primary when the results will fully count for both parties? Whether we hold our primary after New Hampshire or before South Carolina or on the same date as Florida, what is most important is that each party is able to be fully represented at their respective national conventions, elected by voters across the state, to help elect the next leader of the free world.

Senators Irwin and Moss asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Irwin's statement is as follows:

Let's put Michigan first. Every four years we've seen the parade of presidential candidates going to early primary states, and with them they bring a cavalcade of media and consultants and campaigners. This fills hotels, restaurants, and spins the registers at retailers in those states. But also, and I think much more importantly, this also brings attention to those states. Attention to the issues that are important to the people in those states.

So for decades we've watched as presidential candidates trundle through Iowa, extolling the virtues of ethanol. Then we've watched the federal government pump billions and billions of dollars into a subsidy program that was supposed to reduce air pollution, it was supposed to be a solution to our energy crisis, but we now know actually increases air pollution, actually costs more energy than it produced. But nonetheless, we continue.



I'd like you to ask yourself, Why? Why is that our national policy? I'd also like you to ask yourselves, Why aren't our presidential candidates more focused on issues important to Michigan? Why aren't our presidential candidates more focused on building the cars of the future here? Why aren't they more focused on manufacturing policy and how to keep those jobs onshore? Why aren't they more focused on issues like our Great Lakes, the world's largest assemblage of fresh, surface water; a unique resource, that we have a unique and important responsibility to protect. I'd like to see our presidential candidates addressing those kinds of issues.

So that's why I am hoping that today we do something good for Michigan. I hope we do something today that puts the interests of our state and our people front and center. If you love the Great Lakes State like I do, I hope you'll join me in putting Michigan first.

Senator Moss' statement is as follows:

This bill is not a new concept and finding an agreeable date and method to conduct a presidential primary is not always easy among the parties. One of the first votes I took in the House in 2015 were Republican bills to set the date for the 2016 Republican presidential primary and through the debate, and even amid Democratic objections, I supported it. And Michigan Democrats ended up utilizing it and embracing it as our primary date.

I'm hopeful we can end up with the same bipartisan support for the primary date that we are looking to set in 2024. That's because this bill should be bipartisan. This bill uplifts the voice and vote of Michigan Democrats and Michigan Republicans and gives every Michigander an early, deserving chance to choose the next President of the United States. This is an opportunity for Democrats and Republicans in our state to come together and say, Our electorate has a lot to offer. Michigan is important and it is way more reflective of the mix of urban, suburban, and rural residents around the country and has a more complex economy than other traditional early states.

As this bill moves through the process, I urge a "yes" vote.

By unanimous consent the Senate proceeded to the order of  
**Resolutions**

Senators Bellino, Webber, Damoose, Albert, McDonald Rivet, Daley, Huizenga, Wojno, McMorro, Outman and Theis offered the following resolution:

**Senate Resolution No. 3.**

A resolution to recognize January 29-February 4, 2023, as Catholic Schools Week.

Whereas, There are 49,269 students attending 212 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 will save taxpayers more than \$450 million in state spending during the current school year; 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 both our state and nation; and

Whereas, Catholic schools educate many students who are non-Catholic, many students who are economically disadvantaged, and exemplifies 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 are committed to community service, producing graduates who hold “helping others” among their core values; and

Whereas, A supportive partnership is created within Catholic schools for each student’s family, while also encouraging parental involvement in the education of their children, so that Catholic students form productive lives which benefit future generations; now, therefore, be it

Resolved by the Senate, That the members of this legislative body recognize January 29-February 4, 2023, as Catholic Schools Week. We support the continued dedication of Catholic schools across Michigan toward academic excellence and the key role that 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.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Singh moved that the rule be suspended.

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

The resolution was adopted.

Senator Lauwers was named co-sponsor of the resolution.

Senator Bellino asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Bellino’s statement is as follows:

Senate Resolution No. 3 celebrates the tremendous impact that Catholic schools have on thousands of Michigan children. Our Catholic schools were born to help educate Catholic immigrants when the white Anglo-Saxon Protestants ran the public schools and Catholic children were ridiculed and often punished for their beliefs, their looks, and their accents.

What resulted was the creation of the largest parochial school system in the world. Today there are almost 50,000 students in over 200 Catholic elementary and high schools throughout our great state. 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 our nation.

These schools also educate many students who are non-Catholic or economically disadvantaged. In fact, at my school a few years back, our valedictorian was Jewish. Indeed, Catholic schools educate our kids with the understanding that a good education remains the single best way out of poverty. Taking into account Michigan’s minimum public education foundation allowance of \$9,150, Catholic schools will save the taxpayers over \$450 million a year.

We support the continued dedication of Catholic schools across Michigan and the key role they play in promoting and ensuring a brighter, stronger future for our students and our state. I ask for your support of my resolution to recognize Catholic Schools Week in Michigan.

### **Recess**

Senator Singh moved that the Senate recess until 2:00 p.m.

The motion prevailed, the time being 12:37 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President pro tempore, Senator Moss.

### **Recess**

Senator Singh moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 2:01 p.m.

3:37 p.m.

The Senate was called to order by the President pro tempore, Senator Moss.

By unanimous consent the Senate returned to the order of  
**General Orders**

Senator Singh moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Moss, designated Senator Bayer as Chairperson.

After some time spent therein, the Committee arose; and the President, Lieutenant Governor Gilchrist, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

**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. Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of  
**Motions and Communications**

Senator Singh moved that the rules be suspended and that the following bill, now on Third Reading of Bills, be placed on its immediate passage:

**Senate Bill No. 1**

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

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

The following bill was read a third time:

**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 question being on the passage of the bill,

Senator Webber offered the following amendments:

1. Amend page 22, line 18, after "(b)" by striking out "Except as otherwise provided under subdivision (c), on" and inserting "**On**".
2. Amend page 22, line 19, after "2012" by inserting "**and before January 1, 2023**".
3. Amend page 22, following line 19, by inserting:  
"**(c) Except as otherwise provided under subdivision (d), on and after January 1, 2023, 4.05%.**" and relettering the remaining subdivision.

The amendments were ruled out of order.

Senator Damoose offered the following amendments:

1. Amend page 14, line 4, after "(7)," by striking out the balance of the line through "30a," on line 5 and inserting "**beginning on and after January 1, 2023,**".
2. Amend page 14, line 5, after "of" by striking out "\$3,700.00" and inserting "**\$15,000.00 shall be subtracted in the calculation that determines taxable income. Each taxpayer may claim 1 personal exemption. However, if a joint return is not made by the taxpayer and the taxpayer's spouse, the taxpayer may claim a personal exemption for the spouse if the spouse, for the calendar year in which the taxable year of the taxpayer begins, does not have any gross income and is not the dependent of another taxpayer. Except as otherwise provided in subsection (7), beginning on and after January 1, 2022, a dependency exemption of \$5,000.00**".
3. Amend page 14, line 6, after "of" by striking out "personal and".
4. Amend page 14, line 8, by striking out "personal and".
5. Amend page 14, line 10, by striking out all of subdivision (a) and relettering the remaining subdivisions.
6. Amend page 16, line 7, after "1," by striking out "2013," and inserting "**2024,**".
7. Amend page 16, line 10, by striking out "2012" and inserting "**2023**".

8. Amend page 16, line 14, after the first “the” by striking out “2010-2011” and inserting “2021-2022”.

9. Amend page 16, line 14, after “year.” by striking out the balance of the line through “increment.” on line 18 and inserting “**For the 2023 tax year and each tax year after 2023, the dependency exemptions allowed under subsection (2) shall be adjusted by multiplying the exemption for the tax year beginning in 2022 by a fraction, the numerator of which is the United States Consumer Price Index for the state fiscal year ending in the tax year prior to the tax year for which the adjustment is being made and the denominator of which is the United States Consumer Price Index for the 2020-2021 state fiscal year.**”.

The amendments were ruled out of order.

Senator Bellino offered the following amendment:

1. Amend page 27, following line 1, by inserting:

“**Sec. 277. (1) For tax years that begin on and after January 1, 2023, a taxpayer may claim a credit against the tax imposed by this part equal to \$500.00 for each qualified dependent of the taxpayer for which an exemption was claimed under section 30(2)(b) for that same tax year. If the credit allowed under this section exceeds the tax liability of the taxpayer for the tax year, that portion of the credit that exceeds the tax liability shall not be refunded.**

**(2) As used in this section, “qualified dependent” means a dependent who is less than 19 years of age on the last day of the tax year for which the credit is claimed.**”.

The amendment was ruled out of order.

Senator Huizenga offered the following amendments:

1. Amend page 18, line 20, after “(10)” by inserting “**and subject to the adjustment under subsection (11)**”.

2. Amend page 18, line 29, after “67,” by inserting “**through December 31, 2022,**”.

3. Amend page 19, line 5, after “benefits.” by inserting “**Beginning January 1, 2023, after that person reaches the age of 67, the deductions under subsection (1)(f)(i), (ii), and (iv) do not apply and that person is eligible for a deduction of \$50,000.00 for a single return and \$100,000.00 for a joint return, which deduction is available against all types of income and is not restricted to income from retirement or pension benefits.**”.

4. Amend page 20, line 21, after “67,” by inserting “**through December 31, 2022,**”.

5. Amend page 20, line 24, after “benefits.” by inserting “**Beginning January 1, 2023, when that person reaches the age of 67, that person is eligible for a deduction of \$50,000.00 for a single return and \$100,000.00 for a joint return, which deduction is available against all types of income and is not restricted to income from retirement or pension benefits.**”.

6. Amend page 20, line 25, after “the” by inserting “**unrestricted**”.

7. Amend page 20, line 25, after “deduction” by striking out the balance of the line through “return,” on line 26 and inserting “**under this subdivision,**”.

8. Amend page 20, line 26, after “the” by inserting “**unrestricted**”.

9. Amend page 20, line 29, after “the” by inserting “**unrestricted**”.

10. Amend page 20, line 29, after “deduction” by striking out the balance of the line through “return” on page 21 line 1 and inserting “**under this subdivision**”.

11. Amend page 21, line 5, after “deduction” by striking out the balance of the line through the second “return” on line 6.

12. Amend page 22, following line 1, by inserting:

“**(11) For the 2024 tax year and each tax year after 2024, the maximum deduction amounts allowed under subsection (9) shall be adjusted by multiplying the amount allowed for the 2023 tax year by a fraction, the numerator of which is the United States Consumer Price Index for the state fiscal year ending in the tax year prior to the tax year for which the adjustment is being made and the denominator of which is the United States Consumer Price Index for the 2021-2022 state fiscal year. The department shall annualize the amounts provided in this subsection as necessary.**” and renumbering the remaining subsection.

The amendments were ruled out of order.

Senator Webber offered the following amendments:

1. Amend page 22, line 29, after “(b)” by striking out “Except as otherwise provided under subdivision (c), on” and inserting “**On**”.

2. Amend page 23, line 1, after “2012” by inserting “**and before January 1, 2023**”.

3. Amend page 23, following line 1, by inserting:

“**(c) Except as otherwise provided under subdivision (d), on and after January 1, 2023, 4.05%.**” and relettering the remaining subdivision.

The question being on the adoption of the amendments,

Senator Lauwers requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 10**

**Yeas—18**

Albert	Hauck	Lindsey	Runestad
Bellino	Hoitenga	McBroom	Theis
Bumstead	Huizenga	Nesbitt	Victory
Daley	Johnson	Outman	Webber
Damoose	Lauwers		

**Nays—20**

Anthony	Chang	Klinefelt	Polehanki
Bayer	Cherry	McCann	Santana
Brinks	Geiss	McDonald Rivet	Shink
Camilleri	Hertel	McMorrow	Singh
Cavanagh	Irwin	Moss	Wojno

**Excused—0**

**Not Voting—0**

In The Chair: President

Senator Damoose offered the following amendments:

1. Amend page 14, line 7, after “1,” by striking out “2022” and inserting “2023”.

2. Amend page 14, line 8, after the first “of” by striking out “\$5,000.00” and inserting “\$15,000.00 shall be subtracted in the calculation that determines taxable income. Each taxpayer may claim 1 personal exemption. However, if a joint return is not made by the taxpayer and the taxpayer’s spouse, the taxpayer may claim a personal exemption for the spouse if the spouse, for the calendar year in which the taxable year of the taxpayer begins, does not have any gross income and is not the dependent of another taxpayer. Except as otherwise provided in subsection (7), beginning on and after January 1, 2022, a dependency exemption of \$5,000.00”.

3. Amend page 14, line 9, by striking out “personal and”.

4. Amend page 14, line 10, after “of” by striking out “personal and”.

5. Amend page 14, line 12, by striking out all of subdivision (a) and relettering the remaining subdivisions.

6. Amend page 16, line 9, after “1,” by inserting “2024, the personal exemption allowed under subsection (2) shall be adjusted by multiplying the exemption for the tax year beginning in ~~2012~~ 2023 by a fraction, the numerator of which is the United States Consumer Price Index for the state fiscal year ending in the tax year prior to the tax year for which the adjustment is being made and the denominator of which is the United States Consumer Price Index for the ~~2010-2011~~ 2021-2022 state fiscal year.”.

7. Amend page 16, line 20, by striking out “2023,” and inserting “For each tax year **beginning on and after January 1, 2023,**”.

8. Amend page 16, line 20, after “the” by inserting “**dependency and additional**”.

The question being on the adoption of the amendments,

Senator Lauwers requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 11****Yeas—18**

Albert	Hauck	Lindsey	Runestad
Bellino	Hoitenga	McBroom	Theis
Bumstead	Huizenga	Nesbitt	Victory
Daley	Johnson	Outman	Webber
Damoose	Lauwers		

**Nays—20**

Anthony	Chang	Klinefelt	Polehanki
Bayer	Cherry	McCann	Santana
Brinks	Geiss	McDonald Rivet	Shink
Camilleri	Hertel	McMorrow	Singh
Cavanagh	Irwin	Moss	Wojno

**Excused—0****Not Voting—0**

In The Chair: President

Senator Bellino offered the following amendment:

1. Amend page 27, following line 12, by inserting:

**“Sec. 277. (1) For tax years that begin on and after January 1, 2023, a taxpayer may claim a credit against the tax imposed by this part equal to \$500.00 for each qualified dependent of the taxpayer for which an exemption was claimed under section 30(2)(b) for that same tax year. If the credit allowed under this section exceeds the tax liability of the taxpayer for the tax year, that portion of the credit that exceeds the tax liability shall not be refunded.**

**(2) As used in this section, “qualified dependent” means a dependent who is less than 19 years of age on the last day of the tax year for which the credit is claimed.”**

The question being on the adoption of the amendment,

Senator Lauwers requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 12****Yeas—18**

Albert	Hauck	Lindsey	Runestad
Bellino	Hoitenga	McBroom	Theis
Bumstead	Huizenga	Nesbitt	Victory
Daley	Johnson	Outman	Webber
Damoose	Lauwers		

**Nays—20**

Anthony	Chang	Klinefelt	Polehanki
Bayer	Cherry	McCann	Santana

Brinks  
Camilleri  
Cavanagh

Geiss  
Hertel  
Irwin

McDonald Rivet  
McMorrow  
Moss

Shink  
Singh  
Wojno

Excused—0

Not Voting—0

In The Chair: President

Senator Huizenga offered the following amendments:

1. Amend page 18, line 24, after “(10)” by inserting “and subject to the adjustment under subsection (11)”.
2. Amend page 19, line 4, after “67,” by inserting “through December 31, 2022.”
3. Amend page 19, line 9, after “benefits.” by inserting “Beginning January 1, 2023, after that person reaches the age of 67, the deductions under subsection (1)(f)(i), (ii), and (iv) do not apply and that person is eligible for a deduction of \$50,000.00 for a single return and \$100,000.00 for a joint return, which deduction is available against all types of income and is not restricted to income from retirement or pension benefits.”.
4. Amend page 19, line 10, after “deduction” by striking out the balance of the line through “return” on line 11.
5. Amend page 20, line 25, after “67,” by inserting “through December 31, 2022.”
6. Amend page 20, line 28, after “benefits.” by inserting “Beginning January 1, 2023, when that person reaches the age of 67, that person is eligible for a deduction of \$50,000.00 for a single return and \$100,000.00 for a joint return, which deduction is available against all types of income and is not restricted to income from retirement or pension benefits.”.
7. Amend page 20, line 29, after “the” by inserting “unrestricted”.
8. Amend page 20, line 29, after “deduction” by striking out the balance of the page through “return,” on line 1 of page 21 and inserting “under this subdivision,”.
9. Amend page 21, line 4, after “the” by inserting “unrestricted”.
10. Amend page 21, line 4, after “deduction” by striking out the balance of the line through “return” on line 5 and inserting “under this subdivision”.
11. Amend page 21, line 9, after “deduction” by striking out the balance of the line through the second “return” on line 10.
12. Amend page 22, following line 5, by inserting:  
“(11) For the 2024 tax year and each tax year after 2024, the maximum deduction amounts allowed under subsection (9) shall be adjusted by multiplying the amount allowed for the 2023 tax year by a fraction, the numerator of which is the United States Consumer Price Index for the state fiscal year ending in the tax year prior to the tax year for which the adjustment is being made and the denominator of which is the United States Consumer Price Index for the 2021-2022 state fiscal year. The department shall annualize the amounts provided in this subsection as necessary.” and renumbering the remaining subsection.

The question being on the adoption of the amendments,

Senator Lauwers requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 13

Yeas—18

Albert  
Bellino  
Bumstead  
Daley  
Damoose

Hauck  
Hoitenga  
Huizenga  
Johnson  
Lauwers

Lindsey  
McBroom  
Nesbitt  
Outman

Runestad  
Theis  
Victory  
Webber

**Nays—20**

Anthony	Chang	Klinefelt	Polehanki
Bayer	Cherry	McCann	Santana
Brinks	Geiss	McDonald Rivet	Shink
Camilleri	Hertel	McMorrow	Singh
Cavanagh	Irwin	Moss	Wojno

**Excused—0****Not Voting—0**

In The Chair: President

The question being on the passage of the bill,  
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 14****Yeas—23**

Anthony	Cherry	Klinefelt	Santana
Bayer	Damoose	McCann	Shink
Brinks	Geiss	McDonald Rivet	Singh
Camilleri	Hertel	McMorrow	Webber
Cavanagh	Huizenga	Moss	Wojno
Chang	Irwin	Polehanki	

**Nays—15**

Albert	Hauck	Lindsey	Runestad
Bellino	Hoitenga	McBroom	Theis
Bumstead	Johnson	Nesbitt	Victory
Daley	Lauwers	Outman	

**Excused—0****Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

**Protests**

Senators Albert, Theis, McBroom, Bellino, Daley, Victory and Nesbitt, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 1.



Senators Albert, McBroom and Nesbitt moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Albert’s statement, in which Senator Theis concurred, is as follows:

I agree that we should lower taxes for seniors and everyone in the state of Michigan, and it must be accomplished in a fair, simple, and broad manner. The general theory behind this legislation—lower taxes for seniors—is admirable. The execution outlined in this plan unfortunately falls far short.

First off, Senate Bill No. 1 is confusing and complicated. It asks retirees to become part-time accountants and tax experts. It taxes people differently depending on where their income comes from, their age, and a multitude of other factors that don’t make any sense. It unfairly helps retirees from government jobs far more than those retirees from private-sector jobs. There is absolutely no reason that somebody who happened to be part of a government union should be getting preferential treatment over someone who worked in a factory, a hospital, a grocery store, or started a small business.

There is a much better alternative to provide significant relief, more broadly, to Michigan seniors. It makes more sense to lower the retirement age, and then make more income exempt from taxation right up front and across the board. This would be a simpler and fairer senior relief plan that would provide much needed relief for our seniors.

Senator McBroom’s statement, in which Senators Bellino, Daley and Victory concurred, is as follows:

When I first came to the Legislature in 2011 I was just a dumb farm kid from the Upper Peninsula who was relatively shocked to learn that there was a large contingent of the population that was somehow able to retire and not pay any taxes, while another large contingent, in fact the larger one, was paying taxes. To learn that gentlemen like my father, who have worked themselves to the bone for most of their lives and are going to continue working until they can’t work anymore, will continue to pay taxes.

Yet, there was this huge dynamic on fairness built into the system, one that is clearly borne of political patronage in the past, that says this group here doesn’t have to pay any taxes. Of course, if one studies history at all, one understands that at the time that that patronage was accepted and granted, the amount of income that was generated from the tax across all sectors was incredibly small if you look at average incomes in the 1950’s, the ‘60s, the ‘70s. The amount was very small. The amount that people made in most of the pensions was relatively small, and so the loss and the unfairness and the disparity was not that significant. But by the time we were at 2010 the world was much, much different.

One gentleman came to me, after the fix that we had adopted in 2011 and said, What you guys did is costing me \$6,000 a year. Which, wow, \$6,000, that’s not pocket change, except for the state of Michigan, but for regular people that’s not pocket change. So I’m quickly doing some math and I’m like, So your pension is over \$132,000 a year? He says, That’s right. Well, how old were you when you retired? Forty-Seven years old. Forty-seven years old—still kids in school, and you don’t think you should have to pay any taxes? You don’t think that you should be contributing to this state, meanwhile a friend of mine who is 80-some years old and is a janitor at the school making \$30-some thousand a year is paying taxes? Does that make any sense? No, it clearly doesn’t make sense. It’s wrong. It’s a travesty.

What I discovered—this was a very early on in my time in the Legislature—what I discovered from that experience and from many subsequent ones is that unfairness abounds, for whatever reason, rightly or wrongly was created in some past point when it wasn’t so unfair but now it has become unfair, or perhaps it was flagrantly unfair when it was created. Whatever it is, unfairness and disparities exist in the tax code, in the legal code, and anything else, anytime we undertake creating fairness into that system, anytime we seek to write an unfairness and inequality in the system, those who have benefitted from that inequality get very upset. They have tremendous objections, and why wouldn’t you? Of course you’re going to object to that, but it doesn’t change the fact that to change from what is inherently unfair to something that is fair or closer to being fair is exceptionally desirable. It is the goal that we should be undertaking on so many venues and so many veins of society, and we undertook to do that.

I’ll look back on that experience, where I was basically told by my own party, You can take a pass because you’re one of our vulnerable members. I said, No, I will not take a pass on this; I’m not going to go along and vote the other way just to make it easier to get reelected later when I am undertaking to right an inherent wrong, when I am seeking to make a system work for the people in a better way. I am proud of what we did that day. I am proud of standing for the people of Michigan as a whole and saying we need a fair system that treats all income the same, that doesn’t say while because you’ve been employed here you get the golden parachute while you over here, you slog milking cows or you guy pushing a broom or someone working in a gas station, too bad for you. That was wrong. That’s why I stood against it and that’s why I continue to believe that it was one of the most fundamentally important votes that I have had the opportunity to take in my time in the Legislature.

This is always going to happen, that those who claim some great disparity was done to them and the undoing of the disparity that advantaged them. What I find now to be particularly ironic in the midst of that was that as I would go around my district and point out to people why I voted yes to make this change in the face of very angry and hostile crowds no less. When I'd express what I had found and who I had talked to and the examples of my own father or my friend who is the janitor versus the guy who was celebrating the fact that he had his pension at 47 years old and didn't have to contribute to the state he lived in anymore. They would say, Yeah, well you're right, it is really unfair, but you should have fixed it without changing the game for us because we were planning to retire and we had been told it was going to be tax free and now here we are and it's not the way we had planned for it to be and this is a hardship that we just can't sustain. I thought that was a fair point. I recognize that it's tough to change stride, it's tough to make new plans—plan for this much income, now it's going to be affected.

So the irony is now we are here today and we're not saying, Okay we're going to fix that thing, here's all the people who benefitted and they're all cognitively able to recognize that, yeah, I did have an unfair advantage, yes what you did was probably setting things more fair, but the way you did it was unfair. So rather than celebrate today and say, Hey let's fix the wrong part of what we did that was right overall, instead let's just un-blow the whole thing up. Where are all of those people that agreed with me, that were like, you know what, you should do that for the people going forward, just don't change it for us. Well, they're more than happy to pile back on and say, Let's create this vast, terrible disparity all over again. Meanwhile, the state has this enormous surplus of \$9 billion and rather than say we could cushion the whole blow and fix things as some of the earlier amendments suggested doing for everybody, nope let's just create the same problems we had in the past, and then members get up and celebrate that we're in this situation, not created by them, while they bemoan the situation that we found ourselves in and that they were the ones who created back in 2010 leading into 2011. Isn't that just a ridiculous reinterpretation of history.

Mr. President, money is money. Income is income. Fixed incomes, who isn't on a fixed income? Well, my dairy farming dad isn't, but most everybody else is. We're on a fixed income here. We don't somehow get to say, You know what, I think I'm going to bill the state of Michigan an extra thousand dollars this month. That's not the way it is. We're on a fixed income.

After our vote in 2011, I had a nice lady give me a call who was also very upset about what had happened and she had retired and taken a buyout a few years earlier, if it was even that much earlier. She's like, If I had known this was going to happen I wouldn't have taken the buyout. Once again, fair points that the way it was implemented could have been done better. So we talked through where she was at and what she needed, and she wasn't even aware of the 20 and 40 thousand dollar exemptions that applied to her. Just not even aware of that.

And we've suggested, both last term and now this term again, to raise those up to do more because they cover everyone, and because they cover all forms of income. That's what we could be doing here and providing relief for everybody, instead of just going back to this guy with the \$132,000 pension and saying, Here you keep your \$6,000 too. It just continues to be really frustrating that we would, rather than fix what was unfair in how it was done, just go back to the way it was when we started off. We don't right wrongs by returning to the greater wrong.

I recommend a "no" vote and appreciate your time, Mr. President.

Senator Nesbitt's statement is as follows:

I really wish I could say I was rising to offer my support, as my Republican colleagues and I in the House and Senate have been advocating for immediate relief now for all seniors in Michigan who are struggling in this economy. While the relief provided in this package is a small improvement to the convoluted, four-year staggered phased-in proposed in the original bill, it still will only provide relief to less than one-third of Michigan's seniors. One-third. How is that fair? How is that equitable with the talking points we hear from the other side.

My 75-year-old neighbor, still running the family farm as the sole source of income, will see no relief from this proposal. The 71-year-old working retail at the local hardware store won't see any relief either. The 67-year-old scheduler at your local doctor's office? Zero relief in this package.

Now, your average retired teacher will continue to be exempt from income taxes on their pension, as most are under the current law. In fact, most individuals with public pensions won't see many major changes. A lot of it is because of the phased-in approach from 12 years ago, phasing out the pension exemption and phasing in a senior exemption that all seniors could apply for.

But I can tell you who will be receiving a significant change in their tax relief, who will be seeing significant relief—the former president of the Michigan Education Association, whose pension is \$148,000 per year. They will pay zero taxes with this bill. The former superintendent of the Genesee Intermediate School District, with a pension of \$188,000 per year? Zero taxes. And Michigan's two United States Senators—our good friends Debbie Stabenow and Gary Peters—who currently combined make \$174,000 annually as members of the United States Congress, are collecting pensions of \$78,000 and \$50,000 respectively? With this bill? Zip, zilch, nada in state income taxes, while still collecting a federal paycheck.

Working for the government for 30 years shouldn't entitle you to lower taxes while someone who waited tables for 30 years will be paying full income taxes. We should provide relief to all seniors, not just a select few. My friends, this is not the solution Michigan families and seniors asked for. They didn't send us here to pick winners and losers to create an unfair tax code, more complicated, more convoluted. They sent us here to solve problems. And right now, grocery, energy, and fuel prices are crushing Michigan families and this proposal unnecessarily leaves way too many seniors behind.

Senators Webber, Outman, Cavanagh, Damoose, Bellino, Huizenga, Lauwers, Runestad and Hertel asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Webber's statement is as follows:

Mr. President, this is no time for half-measures. The people of Michigan—all the people of Michigan—are suffering. Record inflation has slogged on for over a year, yet the people of our state have received no relief from their state government. The state government is sitting on a surplus of more than \$9 billion. This amendment is very simple. It will provide relief from inflation for every Michigander, not just a select few. It will ensure we keep our commitment to lower the income tax when state revenues exceed what is necessary to run state government. Mr. President, there is no reason to delay this income tax cut. We know what the state's budget looks like, and we know what the budgets of Michigan families look like. They need the help right now and this amendment will do just that. I ask for a "yes" vote on my amendment to lower the income tax.

Senator Outman's statement is as follows:

You know, when many of us took office in 2011 we knew we had a problem with our roads and with the funding that came with it. As I started researching the history of road funding, what I saw was an antiquated and woefully-inadequate system of funding our roads. We were continually playing catch-up because we waited until there was a problem and then we would be forced to raise taxes in order to solve the problem instead of being proactive and everybody knows it costs a lot more to catch up than it ever does to keep up. Well, we tried a legislative ballot proposal and unfortunately it was so overly laden with pork that had nothing to do with fixing roads that the voters soundly rejected it as they should have—in fact, I believe it went down as the worst legislative initiated ballot proposal in the history of the state. 80/20, it went down.

As I went around the district trying to figure out what we should do, how we should fund them, as I talked to people—because I thought, well, the takeaway is, what you're asking is, fix the roads but don't raise my taxes. I said that at quite a few of the meetings I was at, and they said that wasn't the message we were trying to give you. The message was, we want a simple fix to it, not overly complicated, and we want to make sure any taxes that are raised are going directly to the roads and to nothing else. I said, Ok, message received.

So we went to work and crafted legislation, but it's always precarious for politicians to really vote for a tax increase—it's kind of the kiss of death for politicians. We wanted to be careful as we did it, we wanted to make sure we were responsible. One of the major concerns as we went through the process, though, was what if after we implemented this legislation we had a sudden influx of revenue that made it so we didn't really need this tax increase? That was the concern of a lot of people in my district. The way we solved that was we put a safeguard in place if revenue exceeded inflation by a certain amount, it automatically triggered an income tax rollback. This was one of the most crucial pieces of the legislation that assured many of us who were hesitant to pass it that we wouldn't just frivolously waste the money.

Now as we seem to have reached the trigger point for the income tax rollback, it's imperative that we honor the commitment we made to the taxpayers of this great state. For this reason, I am in favor of this amendment.

Senator Cavanagh's statement is as follows:

While I do appreciate my colleagues' interest in the pressing needs of Michigan kids, parents, retirees, and roads this amendment is not germane to today's legislation or end goal. Today is about restoring the promise to retirees. Today is about undoing a decade-long tax that upended seniors' financial plans and put vulnerable seniors in jeopardy. Some of these are good ideas, but they cannot be continued in a vacuum or be made. On their own, these issues merit further discussion. The amendment offered today could cost the state nearly \$4 billion. The way our majority is going to operate may be new to some. We are taking a more deliberate approach. We are being pragmatic and targeted with our policies. We are being fiscally responsible and thoughtful about the revenue impact of our policy proposals, and yours. We will not put ourselves in the same position we were in 2011 when we ripped the carpet from underneath our hard-working seniors. We urge you to join us in passing this retirement tax relief to fulfill the promises we made, and help our seniors.

Senator Damoose's statement is as follows:

I rise in support of this amendment. Mr. President, every Michigan resident is being hit hard by record high inflation that has now dragged on for over a year. We all need help and nobody should be left behind when it comes to relief from these record high prices, but leaving people behind is exactly what Senate Bill No. 1 does as it is currently written. It helps a select few, not even all seniors, and mostly former government employees, while leaving millions of struggling families behind.

Let's be clear, right now in our state there are working seniors skipping meals to keep their heat on. As the Governor said so eloquently last night, there are moms and dads picking up items on the grocery store shelves, looking at the price, and putting them back. There are families right now reconsidering whether or not they can afford to send their sons or daughters to college. There are veterans struggling to pay their rent. None of them would be helped by Senate Bill No. 1.

My amendment would increase the personal exemption that all Michigan residents can claim on their taxes. Every struggling family. Every hardworking person. This would provide real, immediate relief; not just to retired state employees, but to every Michigan resident. Mr. President, I find it shameful that the state government is sitting on a historic budget surplus while the budgets of Michigan families have been crushed by inflation. It's shameful to be looking at a nearly \$9 billion surplus while families are struggling to buy eggs. Senate Bill No.1 as currently written provides a relative pittance to a very few. With my amendment we will provide meaningful full relief to all. I ask for a "yes" vote.

Senator Bellino's statement is as follows:

I rise in support of my amendment. Mr. President, if we're honest the time to provide relief for our people was a year ago with record inflation going on. But of course the Governor vetoed a plan that would have lowered taxes for every resident of Michigan, and then she vetoed a plan to lower our gas prices. So here we are with millions of Michiganders still struggling to make ends meet. We have high prices and a barn-load full of cash. But there's some good news. A year after the crisis began, my Democratic colleagues seem like they're finally ready to consider relief from inflation. And that's progress, correct? I want to thank the fine Senator from the 12th District for bringing this forward. But relief for who? A family of four living on \$71,600? I think not. A retired bureaucrat? Yes. Mr. President, this isn't our money. It's the people's money and they desperately need some of it. My amendment would create a \$500 per child tax credit to provide millions of families across the state. This is the same credit that received strong bipartisan support last year before being vetoed by our Governor. I hope my colleagues across the aisle will support my desperately-needed measure and encourage the Governor to do the same this time. I ask for a "yes" vote on my amendment.

Senator Huizenga's statement is as follows:

I rise in support of this amendment and in support of providing all Michigan seniors with relief from record high inflation. Mr. President, we have a great opportunity with the amendment before us to expand much needed tax relief across the board to nearly all Michigan seniors. Senate Bill No. 1 as written will provide tax relief to half a million Michiganders, a laudable achievement, but there are more than 1.7 million Michiganders over the age of 65 that are also in need of relief. Given the estimated \$3.1 billion in ongoing surplus funding available, it begs the question, Why not take this outstanding opportunity to provide tax relief across the board to all forms of retirement income, not just those listed in the current bill? Aren't all retirees paying the same record high prices at the grocery store and striving to deal with inflation?

Mr. President, I intend to support Senate Bill No. 1 regardless of the passage of my amendment, and I believe it's a step in the right direction as the Legislature works to reduce the overall tax burden upon the citizens of this great state. That being said, our constituents expect bold strokes from us to address the very real problems they are facing every day. Let us capitalize on this opportunity to provide the needed relief to all retirees. The amendment before us will ensure every Michigan senior is treated equally, and it will provide every Michigan senior with much needed relief from their inflation by putting more of the money back into their pockets. I ask for a "yes" vote on my amendment.

Senator Lauwers' statement is as follows:

I rise in support of the Huizenga amendment. I really think that this is the kind of tax relief that I have been advocating for, for a long time, and I'm sure if most of my colleagues are like me you get at least a dozen letters a week on this very subject. My response has always been consistent. I agree, I just agree that we should treat all seniors the same regardless of the source of their income. The fact that we are not doing that brings to mind some certain words that I've heard many times in this chamber, and elsewhere. Terms like tax relief for the rich. It seems like we're headed that way without this amendment. Terms like equity. I don't see much equity if we don't adopt this amendment.

If we believe in those things, I think we should support this amendment and make this a tax reduction for all seniors regardless of where their money comes from. I really struggle with the fact that we are going to reduce the taxes on someone who has the great privilege of having a pension that's paying them over—if they're married—\$40,000 per year. Yet, we're going to tax 100 percent of the income from someone who doesn't have a pension and is still working, working as a greeter in a store or even like my father, still working on the farm. I urge support for this amendment.

Senator Runestad's statement is as follows:

I was just thinking if I was to put together a bill and the bill was to eliminate all corporate income tax in the state of Michigan, which a small percentage of corporations out there—the total number of businesses, very, very small percentage compared to small business. Yet, I was going to call it the business reduction tax, although it's just a tiny little bit of the business all the rest of them get screwed. Would the media pick up and say we love Runestad's business reduction tax, let's go across to all the businesses and message Runestad is going to cut the business tax—

When the Democrats, despite what the Lieutenant Governor doesn't want to hear, when the Democrats say this is a senior tax, obviously this is applying to all seniors. When this is a retirement tax, obviously this is applying to all seniors. That is not the case. This should be properly called the "Big Bonanza Public Pension Relief Act" because if you're an average pensioner, and the average pensioner runs about \$24,000, you get an exemption of \$20,000 already. So you get what, \$4,000, a little bit of exemption off of this tax. If you are a big \$100,000 bonanza pension out there, you pay \$0? And the Democrats say for the little working guy—well I'll tell what that little working guy gets, if you don't have a 401K, you don't have an IRA, you don't have a public or private pension, you're just out there working, you don't get anything. The little working guy out there that doesn't have that money saved gets nothing in this program. I know the Lieutenant Governor doesn't want to hear that.

If you have a 401K or an IRA you get this crazy matrix. We've been working like crazy trying to figure this out. All these people out there—this senior relief, this retirement relief—are going to have to hire CPA's and hope that they can get one nickel out of this thing because it's so complex if you are not part of the pensioners—the big pensioners out there that are going to get 0 tax rate. So no, this isn't a retirement for the seniors relief or a retirees tax, no, it's for the big bonanza guy out there. So your working poor gets nothing.

Your 401K and IRA—and I hope the media tells them and is truthful and says no you're going to get some crazy matrix or you're probably not going to get anything; but who we are taking care of is the big pension, even your private pensions that get \$24,000, I'll give you a little bit on that \$4,000. Your big guy getting \$100-150,000, many of those guys out there; if you're a superintendent you're getting \$400,000 retirement package—those guys, those guys are the ones who are going to be making the money. So I hope the media will be honest and stop calling it what the Democrat message is and tell the truth.

Senator Hertel's statement is as follows:

I rise today in support of Senate Bill No. 1. This bill has been called many things over the last few weeks. It's been called the pension tax repeal, it's been called the retirement tax bill, but I prefer to call this what it is, and that is tax relief for our seniors. You know, for years politicians have been campaigning on this very tax relief. We have all gone out and said, We need to repeal the pension tax. I heard it across my district while campaigning this past year. For years, our constituents have been waiting for the repeal of this tax. The refrain from retirees in 2011 was that taxing pensions broke a promise.

Since then we have heard again and again from our seniors that their costs are too high and their incomes are too low. When you are living with a set amount of dollars each month, any decrease is too much. We've heard stories in committee of people having to make hard choices, choices to downsize their homes, to receive medical equipment at lower standards than they had received when they were working. A choice without viable options is not a true choice, and that is the position we have put seniors across this state in.

My colleagues on the other side of the aisle have said that this bill would pick losers and winners, but this bill only creates more winners. No one's taxes will go up as a result of this legislation. Let's be clear, winners and losers were picked in 2011 when corporations won and retirees across our state lost. This bill does not discriminate between sources of income. In fact, it includes public pensions, private pensions, 401Ks, IRAs, and annuities.

Look, this bill will enable seniors to live, work, and retire with dignity in our state. It will put an average of \$1,000 back into the pockets of seniors in our communities. I am happy to address the concern I've heard from my colleagues, that this bill just didn't take effect immediately enough. With the substitute that we adopted on General Orders today, we did just that. We made sure that this will take place in this tax year. The time is now to provide our seniors with the extra money they need. The time is now to restore the promise that we have made to seniors across this state.

By unanimous consent the Senate proceeded to the order of  
**Introduction and Referral of Bills**

Senators Cherry, Geiss, Bellino, Chang, Damoose, Wojno, Klinefelt, Santana and Bayer introduced  
**Senate Bill No. 43, entitled**

A bill to amend 1917 PA 165, entitled “An act to authorize highway officials to close roads under construction, improvement or repair, or any portion of a highway whereon a bridge is being constructed or repaired; to require such officials to place in good repair and to mark by proper signs suitable detours around roads, or portions of roads, which are closed hereunder; to provide suitable barriers, and lights shall be maintained at the end of such roads or portions of roads which are thus closed and at the intersections thereof with other roads; to require the removal of signs and barriers located and placed hereunder; and to provide a penalty for a violation of the provisions hereof,” by amending section 1 (MCL 247.291) and by adding sections 1a and 1b.

The bill was read a first and second time by title and referred to the Committee on Transportation and Infrastructure.

Senators Wojno, Santana, McCann, Chang, Shink, McMorrow, Cavanagh, Moss, Cherry, Klinefelt, Geiss and Bayer introduced

**Senate Bill No. 44, entitled**

A bill to amend 1978 PA 368, entitled “Public health code,” (MCL 333.1101 to 333.25211) by adding section 16279.

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

Senators Santana, Wojno, McCann, Chang, Shink, McMorrow, Cavanagh, Moss, Cherry, Geiss and Bayer introduced

**Senate Bill No. 45, entitled**

A bill to amend 1978 PA 368, entitled “Public health code,” by amending sections 16105 and 16106 (MCL 333.16105 and 333.16106), section 16105 as amended by 2002 PA 643 and section 16106 as amended by 2022 PA 80.

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

**Recess**

Senator Singh moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 4:33 p.m.

6:43 p.m.

The Senate was called to order by the President, Lieutenant Governor Gilchrist.

By unanimous consent the Senate returned to the order of  
**Conference Reports**

Senator Singh moved that Joint Rule 9 be suspended to permit immediate consideration of the conference report relative to the following bill:

**Senate Bill No. 7**

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

Senator Anthony submitted the following:

**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**

<b>GROSS APPROPRIATION</b>	<b>\$ 946,170,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 946,170,000</b>
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
<b>State general fund/general purpose</b>	<b>\$ 706,170,000</b>

**Sec. 102. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b>	<b>\$ 873,000,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 873,000,000</b>
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
<b>State general fund/general purpose</b>	<b>\$ 633,000,000</b>

**(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
<b>GROSS APPROPRIATION</b>	<b>\$ 873,000,000</b>
Appropriated from:	
Coronavirus state fiscal recovery fund	240,000,000
<b>State general fund/general purpose</b>	<b>\$ 633,000,000</b>

For Fiscal Year  
Ending Sept. 30,  
2023

<b>Sec. 103. LEGISLATURE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 3,170,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 3,170,000</b>
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
<b>State general fund/general purpose</b>	<b>\$ 3,170,000</b>
<b>(2) LEGISLATIVE COUNCIL</b>	
Independent citizens redistricting commission	\$ 3,170,000
<b>GROSS APPROPRIATION</b>	<b>\$ 3,170,000</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ 3,170,000</b>
<b>Sec. 104. DEPARTMENT OF STATE POLICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 20,000,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 20,000,000</b>
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
<b>State general fund/general purpose</b>	<b>\$ 20,000,000</b>
<b>(2) ONE-TIME APPROPRIATIONS</b>	
In-service training	\$ 20,000,000
<b>GROSS APPROPRIATION</b>	<b>\$ 20,000,000</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ 20,000,000</b>
<b>Sec. 105. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 25,000,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 25,000,000</b>
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
<b>State general fund/general purpose</b>	<b>\$ 25,000,000</b>
<b>(2) ONE-TIME APPROPRIATIONS</b>	
Water shutoff prevention fund	\$ 25,000,000
<b>GROSS APPROPRIATION</b>	<b>\$ 25,000,000</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ 25,000,000</b>



For Fiscal Year  
Ending Sept. 30,  
2023

<b>Sec. 106. STATE TRANSPORTATION DEPARTMENT</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 25,000,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 25,000,000</b>
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
<b>State general fund/general purpose</b>	<b>\$ 25,000,000</b>
<b>(2) ONE-TIME ONLY APPROPRIATIONS</b>	
Category (b) eligible transportation and economic development fund projects	
	\$ 25,000,000
<b>GROSS APPROPRIATION</b>	<b>\$ 25,000,000</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ 25,000,000</b>

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:

<b>APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 146,295,400</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 146,295,400</b>
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
<b>State general fund/general purpose</b>	<b>\$ 0</b>

<b>Sec. 152. DEPARTMENT OF CORRECTIONS</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 300,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 300,000</b>
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	300,000
Total private revenues	0
Total other state restricted revenues	0
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT</b>	
County jail reimbursement program	\$ (1,000,000)
New custody staff training	(1,000,000)
Prosecutorial and detainer expenses	(1,500,000)

	For Fiscal Year Ending Sept. 30, 2022
<b>GROSS APPROPRIATION</b>	<b>\$ (3,500,000)</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ (3,500,000)</b>
<b>(3) OFFENDER SUCCESS ADMINISTRATION</b>	
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)
<b>GROSS APPROPRIATION</b>	<b>\$ (4,250,000)</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ (4,250,000)</b>
<b>(4) FIELD OPERATIONS ADMINISTRATION</b>	
Criminal justice reinvestment	\$ (2,500,000)
Field operations	(1,000,000)
<b>GROSS APPROPRIATION</b>	<b>\$ (3,500,000)</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ (3,500,000)</b>
<b>(5) CORRECTIONAL FACILITIES ADMINISTRATION</b>	
Prison food service	\$ (2,000,000)
Transportation	920,000
<b>GROSS APPROPRIATION</b>	<b>\$ (1,080,000)</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ (1,080,000)</b>
<b>(6) HEALTH CARE</b>	
Clinical complexes	\$ 10,000,000
Prisoner health care services	(10,000,000)
<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(7) CORRECTIONAL FACILITIES</b>	
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
<b>GROSS APPROPRIATION</b>	<b>\$ (2,370,000)</b>
Appropriated from:	
Special revenue funds:	
Local funds	300,000
<b>State general fund/general purpose</b>	<b>\$ (2,670,000)</b>
<b>(8) ONE-TIME APPROPRIATIONS</b>	
Corrections northern training facility	\$ 15,000,000
<b>GROSS APPROPRIATION</b>	<b>\$ 15,000,000</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ 15,000,000</b>

For Fiscal Year  
Ending Sept. 30,  
2022

**Sec. 153. DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b>	<b>\$ 50,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 50,000</b>
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	50,000
<b>State general fund/general purpose</b>	<b>\$ 0</b>

**(2) WATER RESOURCES DIVISION**

Bottle act implementation	\$ 50,000
<b>GROSS APPROPRIATION</b>	<b>\$ 50,000</b>
Appropriated from:	
Special revenue funds:	
Natural resources damages	50,000
<b>State general fund/general purpose</b>	<b>\$ 0</b>

**Sec. 154. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b>	<b>\$ 139,409,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 139,409,000</b>
Federal revenues:	
Total federal revenues	128,409,000
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	11,000,000
<b>State general fund/general purpose</b>	<b>\$ 0</b>

**(2) CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

Family preservation programs	\$ (2,000,000)
<b>GROSS APPROPRIATION</b>	<b>\$ (2,000,000)</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ (2,000,000)</b>

**(3) PUBLIC ASSISTANCE**

Family independence program	\$ 3,600,000
Food assistance program benefits	120,000,000
Indigent burial	(800,000)
State supplementation	800,000
<b>GROSS APPROPRIATION</b>	<b>\$ 123,600,000</b>

Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	1,600,000
Total other federal revenues	120,000,000
<b>State general fund/general purpose</b>	<b>\$ 2,000,000</b>

**(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)

	For Fiscal Year Ending Sept. 30, 2022
<b>GROSS APPROPRIATION</b>	<b>\$ (2,040,000)</b>
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	(2,040,000)
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(5) BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS</b>	
Family support subsidy	\$ 440,000
<b>GROSS APPROPRIATION</b>	<b>\$ 440,000</b>
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	440,000
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(6) BEHAVIORAL HEALTH SERVICES</b>	
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
<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
Appropriated from:	
Federal revenues:	
Total other federal revenues	0
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(7) STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES</b>	
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
<b>GROSS APPROPRIATION</b>	<b>\$ 9,500,000</b>
Appropriated from:	
Federal revenues:	
Total other federal revenues	4,000,000
Special revenue funds:	
Total other state restricted revenues	5,500,000
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(8) CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
Medical care and treatment	\$ (17,900,000)
<b>GROSS APPROPRIATION</b>	<b>\$ (17,900,000)</b>
Appropriated from:	
Federal revenues:	
Total other federal revenues	(14,000,000)
Special revenue funds:	
Total private revenues	200,000
<b>State general fund/general purpose</b>	<b>\$ (4,100,000)</b>
<b>(9) MEDICAL SERVICES ADMINISTRATION</b>	
Medical services administration	\$ 25,000
<b>GROSS APPROPRIATION</b>	<b>\$ 25,000</b>
Appropriated from:	
Special revenue funds:	
Total other state restricted revenues	25,000
<b>State general fund/general purpose</b>	<b>\$ 0</b>

	For Fiscal Year Ending Sept. 30, 2022
<b>(10) MEDICAL SERVICES</b>	
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
<b>GROSS APPROPRIATION</b>	<b>\$ 23,375,000</b>
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
<b>State general fund/general purpose</b>	<b>\$ 4,100,000</b>
<b>(11) ONE-TIME APPROPRIATIONS</b>	
Family violence prevention and services	\$ 4,409,000
<b>GROSS APPROPRIATION</b>	<b>\$ 4,409,000</b>
Appropriated from:	
Federal revenues:	
Total other federal revenues	4,409,000
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>Sec. 155. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 0</b>
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(2) ONE-TIME APPROPRIATIONS</b>	
ARP - missing middle gap program	\$ (50,000,000)
ARP - missing middle gap program	50,000,000

	For Fiscal Year Ending Sept. 30, 2022
<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
Appropriated from:	
Federal revenues:	
Coronavirus state fiscal recovery fund	0
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>Sec. 156. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 150,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 150,000</b>
Federal revenues:	
Total federal revenues	150,000
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(2) MICHIGAN VETERANS AFFAIRS AGENCY</b>	
Michigan veterans affairs agency administration	\$ 62,000
Veterans service grants	(62,000)
<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(3) MICHIGAN VETERANS' FACILITY AUTHORITY</b>	
Chesterfield Township home for veterans	\$ 500,000
D.J. Jacobetti home for veterans	(1,700,000)
Grand Rapids home for veterans	1,200,000
<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
Appropriated from:	
Federal revenues:	
HHS-HCFA, title XIX, Medicaid	1,800,000
USDVA-VHA	(1,800,000)
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(4) ONE-TIME APPROPRIATIONS</b>	
COVID-19 special maintenance veterans homes	\$ 150,000
<b>GROSS APPROPRIATION</b>	<b>\$ 150,000</b>
Appropriated from:	
Federal revenues:	
USDVA-VHA	150,000
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>Sec. 157. DEPARTMENT OF STATE POLICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 6,386,400</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 6,386,400</b>
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
<b>State general fund/general purpose</b>	<b>\$ 0</b>

	For Fiscal Year Ending Sept. 30, 2022
<b>(2) FIELD SERVICES</b>	
Post operations	\$ 0
<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
Appropriated from:	
Federal revenues:	
Coronavirus relief fund	6,386,400
<b>State general fund/general purpose</b>	<b>\$ (6,386,400)</b>
<b>(3) ONE-TIME APPROPRIATIONS</b>	
Federal ineligible expenses	\$ 6,386,400
<b>GROSS APPROPRIATION</b>	<b>\$ 6,386,400</b>
Appropriated from:	
<b>State general fund/general purpose</b>	<b>\$ 6,386,400</b>
<b>Sec. 158. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 0</b>
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
<b>State general fund/general purpose</b>	<b>\$ 0</b>
<b>(2) REVENUE SHARING</b>	
City, village, and township revenue sharing	\$ (102,875)
Financially distressed cities, villages, or townships	102,875
<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
Appropriated from:	
Special revenue funds:	
Sales tax	0
<b>State general fund/general purpose</b>	<b>\$ 0</b>

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:

<b>DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY</b>	
Michigan infrastructure grants	\$ 33,000,000
Subtotal	\$ 33,000,000
<b>STATE TRANSPORTATION DEPARTMENT</b>	
Category (b) eligible transportation and economic development fund projects	\$ 25,000,000
Subtotal	\$ 25,000,000
<b>TOTAL</b>	<b>\$ 58,000,000</b>

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 recurring 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 redevelopment 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

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 15**

**Yeas—24**

Anthony  
Bayer  
Brinks  
Camilleri  
Cavanagh  
Chang

Cherry  
Damoose  
Geiss  
Hertel  
Huizenga  
Irwin

Klinefelt  
Lauwers  
McBroom  
McCann  
McDonald Rivet  
McMorrow

Moss  
Polehanki  
Santana  
Shink  
Singh  
Wojno

**Nays—14**

Albert	Hauck	Nesbitt	Theis
Bellino	Hoitenga	Outman	Victory
Bumstead	Johnson	Runestad	Webber
Daley	Lindsey		

**Excused—0****Not Voting—0**

In The Chair: President

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

**Protest**

Senator Albert, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 7 and moved that the statement he made during the discussion of the conference report be printed as his reasons for voting “no.”

The motion prevailed.

Senator Albert’s statement is as follows:

This has not been a transparent process and I feel it has been a disservice to Michigan taxpayers who have been unable to find out what this bill contains until the very last minute. It has been a rushed process for reasons that still have not been explained. Another point of contention is that this was originally positioned as a book-closing supplemental, but the measure before us tonight goes well beyond a book-closing. Senate Bill No. 7 contained \$148 million in spending last week; today it is seven and a half times higher at nearly \$1.1 billion. It includes new commitments to SOAR and other programs that the state should not expend without more careful examination at a minimum. Again, I am hesitant to spend money at a time when we are facing an economic downturn. We should not take careless steps today that could potentially result in cutting services later this year.

**Announcements of Printing and Enrollment**

The Secretary announced that the following bills were printed and filed on Wednesday, January 25, and are available on the Michigan Legislature website:

**Senate Bill Nos. 41 42**

**Committee Reports**

The Committee on Finance, Insurance, and Consumer Protection reported

**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.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Mary Cavanagh  
Chairperson

**To Report Out:**

Yeas: Senators Cavanagh, Moss, McCann, Bayer, Irwin and Huizenga

Nays: None

The bill was referred to the Committee of the Whole.

**COMMITTEE ATTENDANCE REPORT**

The Committee on Finance, Insurance, and Consumer Protection submitted the following:

Meeting held on Wednesday, January 25, 2023, at 12:30 p.m., Room 1200, Binsfeld Office Building

Present: Senators Cavanagh (C), Moss, McCann, Bayer, Irwin, Huizenga, Theis and Daley

**COMMITTEE ATTENDANCE REPORT**

The Conference Committee on Senate Bill No. 7 submitted the following:

Meeting held on Thursday, January 26, 2023, at 9:30 a.m., Harry T. Gast Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Anthony (C), McCann, Bumstead

**Scheduled Meetings**

**Local Government** – Tuesday, January 31, 1:30 p.m., Room 1200, Binsfeld Office Building (517) 373-5312

**Natural Resources and Agriculture** – Tuesday, January 31, 3:00 p.m., Room 1300, Binsfeld Office Building (517) 373-1721

**Transportation and Infrastructure** – Tuesday, January 31, 3:30 p.m., Senate Hearing Room, Ground Floor, Boji Tower (517) 373-5323

**Veterans and Emergency Services** – Wednesday, February 1, 8:30 a.m., Room 1300, Binsfeld Office Building (517) 373-5312

Senator Singh moved that the Senate adjourn.

The motion prevailed, the time being 6:49 p.m.

The President, Lieutenant Governor Gilchrist, declared the Senate adjourned until Tuesday, January 31, 2023, at 10:00 a.m.

DANIEL OBERLIN  
Secretary of the Senate