

**SUBSTITUTE FOR
SENATE BILL NO. 7**

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:

1
2
3
4
5
6
7

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:



1	APPROPRIATION SUMMARY	
2	GROSS APPROPRIATION	\$ 946,170,000
3	Interdepartmental grant revenues:	
4	Total interdepartmental grants and	
5	intradepartmental transfers	0
6	ADJUSTED GROSS APPROPRIATION	\$ 946,170,000
7	Federal revenues:	
8	Total federal revenues	240,000,000
9	Special revenue funds:	
10	Total local revenues	0
11	Total private revenues	0
12	Total other state restricted revenues	0
13	State general fund/general purpose	\$ 706,170,000
14	Sec. 102. DEPARTMENT OF LABOR AND ECONOMIC	
15	OPPORTUNITY	
16	(1) APPROPRIATION SUMMARY	
17	GROSS APPROPRIATION	\$ 873,000,000
18	Interdepartmental grant revenues:	
19	Total interdepartmental grants and	
20	intradepartmental transfers	0
21	ADJUSTED GROSS APPROPRIATION	\$ 873,000,000
22	Federal revenues:	
23	Total federal revenues	240,000,000
24	Special revenue funds:	
25	Total local revenues	0
26	Total private revenues	0
27	Total other state restricted revenues	0
28	State general fund/general purpose	\$ 633,000,000



1	(2) ONE-TIME APPROPRIATIONS	
2	ARP - blight elimination program	\$ 75,000,000
3	ARP - missing middle gap program	50,000,000
4	ARP - removal of workforce barriers	15,000,000
5	ARP - small business smart zones and business	
6	accelerators	75,000,000
7	ARP - statewide apprenticeship expansion	25,000,000
8	Community revitalization and placemaking grants	
9	program	100,000,000
10	Housing gap financing and affordable housing	150,000,000
11	Michigan infrastructure grants	33,000,000
12	Strategic outreach and attraction reserve fund	150,000,000
13	Upper Peninsula economic development project	200,000,000
14	GROSS APPROPRIATION	\$ 873,000,000
15	Appropriated from:	
16	Coronavirus state fiscal recovery fund	240,000,000
17	State general fund/general purpose	\$ 633,000,000
18	Sec. 103. LEGISLATURE	
19	(1) APPROPRIATION SUMMARY	
20	GROSS APPROPRIATION	\$ 3,170,000
21	Interdepartmental grant revenues:	
22	Total interdepartmental grants and	
23	intradepartmental transfers	0
24	ADJUSTED GROSS APPROPRIATION	\$ 3,170,000
25	Federal revenues:	
26	Total federal revenues	0
27	Special revenue funds:	
28	Total local revenues	0



1	Total private revenues		0
2	Total other state restricted revenues		0
3	State general fund/general purpose	\$	3,170,000
4	(2) LEGISLATIVE COUNCIL		
5	Independent citizens redistricting commission	\$	3,170,000
6	GROSS APPROPRIATION	\$	3,170,000
7	Appropriated from:		
8	State general fund/general purpose	\$	3,170,000
9	Sec. 104. DEPARTMENT OF STATE POLICE		
10	(1) APPROPRIATION SUMMARY		
11	GROSS APPROPRIATION	\$	20,000,000
12	Interdepartmental grant revenues:		
13	Total interdepartmental grants and		
14	intradepartmental transfers		0
15	ADJUSTED GROSS APPROPRIATION	\$	20,000,000
16	Federal revenues:		
17	Total federal revenues		0
18	Special revenue funds:		
19	Total local revenues		0
20	Total private revenues		0
21	Total other state restricted revenues		0
22	State general fund/general purpose	\$	20,000,000
23	(2) ONE-TIME APPROPRIATIONS		
24	In-service training	\$	20,000,000
25	GROSS APPROPRIATION	\$	20,000,000
26	Appropriated from:		
27	State general fund/general purpose	\$	20,000,000
28	Sec. 105. DEPARTMENT OF TREASURY		



1	(1) APPROPRIATION SUMMARY	
2	GROSS APPROPRIATION	\$ 25,000,000
3	Interdepartmental grant revenues:	
4	Total interdepartmental grants and	
5	intradepartmental transfers	0
6	ADJUSTED GROSS APPROPRIATION	\$ 25,000,000
7	Federal revenues:	
8	Total federal revenues	0
9	Special revenue funds:	
10	Total local revenues	0
11	Total private revenues	0
12	Total other state restricted revenues	0
13	State general fund/general purpose	\$ 25,000,000
14	(2) ONE-TIME APPROPRIATIONS	
15	Water shutoff prevention fund	\$ 25,000,000
16	GROSS APPROPRIATION	\$ 25,000,000
17	Appropriated from:	
18	State general fund/general purpose	\$ 25,000,000
19	Sec. 106. STATE TRANSPORTATION DEPARTMENT	
20	(1) APPROPRIATION SUMMARY	
21	GROSS APPROPRIATION	\$ 25,000,000
22	Interdepartmental grant revenues:	
23	Total interdepartmental grants and	
24	intradepartmental transfers	0
25	ADJUSTED GROSS APPROPRIATION	\$ 25,000,000
26	Federal revenues:	
27	Total federal revenues	0
28	Special revenue funds:	



1	Total local revenues		0
2	Total private revenues		0
3	Total other state restricted revenues		0
4	State general fund/general purpose	\$	25,000,000
5	(2) ONE-TIME ONLY APPROPRIATIONS		
6	Category (b) eligible transportation and		
7	economic development fund projects	\$	25,000,000
8	GROSS APPROPRIATION	\$	25,000,000
9	Appropriated from:		
10	State general fund/general purpose	\$	25,000,000

PART 1A

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

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

18	APPROPRIATION SUMMARY		
19	GROSS APPROPRIATION	\$	146,295,400
20	Interdepartmental grant revenues:		
21	Total interdepartmental grants and		
22	intradepartmental transfers		0
23	ADJUSTED GROSS APPROPRIATION	\$	146,295,400
24	Federal revenues:		
25	Total federal revenues		134,945,400
26	Special revenue funds:		
27	Total local revenues		300,000
28	Total private revenues		0



1	Total other state restricted revenues	11,050,000
2	State general fund/general purpose	\$ 0
3	Sec. 152. DEPARTMENT OF CORRECTIONS	
4	(1) APPROPRIATION SUMMARY	
5	GROSS APPROPRIATION	\$ 300,000
6	Interdepartmental grant revenues:	
7	Total interdepartmental grants and	
8	intradepartmental transfers	0
9	ADJUSTED GROSS APPROPRIATION	\$ 300,000
10	Federal revenues:	
11	Total federal revenues	0
12	Special revenue funds:	
13	Total local revenues	300,000
14	Total private revenues	0
15	Total other state restricted revenues	0
16	State general fund/general purpose	\$ 0
17	(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT	
18	County jail reimbursement program	\$ (1,000,000)
19	New custody staff training	(1,000,000)
20	Prosecutorial and detainer expenses	(1,500,000)
21	GROSS APPROPRIATION	\$ (3,500,000)
22	Appropriated from:	
23	State general fund/general purpose	\$ (3,500,000)
24	(3) OFFENDER SUCCESS ADMINISTRATION	
25	Community corrections comprehensive plans and	
26	services	\$ (1,000,000)
27	Offender success programming	(1,500,000)
28	Public safety initiative	(750,000)



1	Offender success services		(1,000,000)
2	GROSS APPROPRIATION	\$	(4,250,000)
3	Appropriated from:		
4	State general fund/general purpose	\$	(4,250,000)
5	(4) FIELD OPERATIONS ADMINISTRATION		
6	Criminal justice reinvestment	\$	(2,500,000)
7	Field operations		(1,000,000)
8	GROSS APPROPRIATION	\$	(3,500,000)
9	Appropriated from:		
10	State general fund/general purpose	\$	(3,500,000)
11	(5) CORRECTIONAL FACILITIES ADMINISTRATION		
12	Prison food service	\$	(2,000,000)
13	Transportation		920,000
14	GROSS APPROPRIATION	\$	(1,080,000)
15	Appropriated from:		
16	State general fund/general purpose	\$	(1,080,000)
17	(6) HEALTH CARE		
18	Clinical complexes	\$	10,000,000
19	Prisoner health care services		(10,000,000)
20	GROSS APPROPRIATION	\$	0
21	Appropriated from:		
22	State general fund/general purpose	\$	0
23	(7) CORRECTIONAL FACILITIES		
24	Alger Correctional Facility - Munising	\$	(258,900)
25	Baraga Correctional Facility - Baraga		(352,300)
26	Carson City Correctional Facility - Carson City		(408,500)
27	Detroit Detention Center		300,000
28	Gus Harrison Correctional Facility - Adrian		(422,200)



1	Kinross Correctional Facility - Kincheloe	(350,200)
2	Macomb Correctional Facility - New Haven	748,000
3	Michigan Reformatory - Ionia	(333,900)
4	Special Alternative Incarceration Program -	
5	Jackson	(2,670,000)
6	Thumb Correctional Facility - Lapeer	624,000
7	Woodland Correctional Facility - Whitmore Lake	754,000
8	GROSS APPROPRIATION	\$ (2,370,000)
9	Appropriated from:	
10	Special revenue funds:	
11	Local funds	300,000
12	State general fund/general purpose	\$ (2,670,000)
13	(8) ONE-TIME APPROPRIATIONS	
14	Corrections northern training facility	\$ 15,000,000
15	GROSS APPROPRIATION	\$ 15,000,000
16	Appropriated from:	
17	State general fund/general purpose	\$ 15,000,000
18	Sec. 153. DEPARTMENT OF ENVIRONMENT, GREAT	
19	LAKES, AND ENERGY	
20	(1) APPROPRIATION SUMMARY	
21	GROSS APPROPRIATION	\$ 50,000
22	Interdepartmental grant revenues:	
23	Total interdepartmental grants and	
24	intradepartmental transfers	0
25	ADJUSTED GROSS APPROPRIATION	\$ 50,000
26	Federal revenues:	
27	Total federal revenues	0
28	Special revenue funds:	



1	Total local revenues		0
2	Total private revenues		0
3	Total other state restricted revenues		50,000
4	State general fund/general purpose	\$	0
5	(2) WATER RESOURCES DIVISION		
6	Bottle act implementation	\$	50,000
7	GROSS APPROPRIATION	\$	50,000
8	Appropriated from:		
9	Special revenue funds:		
10	Natural resources damages		50,000
11	State general fund/general purpose	\$	0
12	Sec. 154. DEPARTMENT OF HEALTH AND HUMAN		
13	SERVICES		
14	(1) APPROPRIATION SUMMARY		
15	GROSS APPROPRIATION	\$	139,409,000
16	Interdepartmental grant revenues:		
17	Total interdepartmental grants and		
18	intradepartmental transfers		0
19	ADJUSTED GROSS APPROPRIATION	\$	139,409,000
20	Federal revenues:		
21	Total federal revenues		128,409,000
22	Special revenue funds:		
23	Total local revenues		0
24	Total private revenues		0
25	Total other state restricted revenues		11,000,000
26	State general fund/general purpose	\$	0
27	(2) CHILDREN'S SERVICES AGENCY - CHILD WELFARE		
28	Family preservation programs	\$	(2,000,000)



1	GROSS APPROPRIATION	\$	(2,000,000)
2	Appropriated from:		
3	State general fund/general purpose	\$	(2,000,000)
4	(3) PUBLIC ASSISTANCE		
5	Family independence program	\$	3,600,000
6	Food assistance program benefits		120,000,000
7	Indigent burial		(800,000)
8	State supplementation		800,000
9	GROSS APPROPRIATION	\$	123,600,000
10	Appropriated from:		
11	Federal revenues:		
12	Social security act, temporary assistance for		
13	needy families		1,600,000
14	Total other federal revenues		120,000,000
15	State general fund/general purpose	\$	2,000,000
16	(4) FIELD OPERATIONS AND SUPPORT SERVICES		
17	Contractual services, supplies, and materials	\$	3,000,000
18	Electronic benefit transfer (EBT)		(1,500,000)
19	Public assistance field staff		(3,540,000)
20	GROSS APPROPRIATION	\$	(2,040,000)
21	Appropriated from:		
22	Federal revenues:		
23	Social security act, temporary assistance for		
24	needy families		(2,040,000)
25	State general fund/general purpose	\$	0
26	(5) BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND		
27	SPECIAL PROJECTS		
28	Family support subsidy	\$	440,000



1	GROSS APPROPRIATION	\$	440,000
2	Appropriated from:		
3	Federal revenues:		
4	Social security act, temporary assistance for		
5	needy families		440,000
6	State general fund/general purpose	\$	0
7	(6) BEHAVIORAL HEALTH SERVICES		
8	Autism services	\$	(1,100,000)
9	Certified community behavioral health clinic		
10	demonstration		34,000,000
11	Federal mental health block grant		2,700,000
12	Health homes		(2,700,000)
13	Healthy Michigan plan - behavioral health		6,000,000
14	Medicaid mental health services		(40,000,000)
15	Medicaid substance use disorder services		1,100,000
16	GROSS APPROPRIATION	\$	0
17	Appropriated from:		
18	Federal revenues:		
19	Total other federal revenues		0
20	State general fund/general purpose	\$	0
21	(7) STATE PSYCHIATRIC HOSPITALS AND FORENSIC		
22	MENTAL HEALTH SERVICES		
23	Caro Regional Mental Health Center -		
24	psychiatric hospital - adult	\$	1,500,000
25	Hawthorn Center - psychiatric hospital -		
26	children and adolescents		7,000,000
27	Kalamazoo Psychiatric Hospital - adult		(1,100,000)
28	Walter P. Reuther Psychiatric Hospital - adult		2,100,000



1	GROSS APPROPRIATION	\$	9,500,000
2	Appropriated from:		
3	Federal revenues:		
4	Total other federal revenues		4,000,000
5	Special revenue funds:		
6	Total other state restricted revenues		5,500,000
7	State general fund/general purpose	\$	0
8	(8) CHILDREN'S SPECIAL HEALTH CARE SERVICES		
9	Medical care and treatment	\$	(17,900,000)
10	GROSS APPROPRIATION	\$	(17,900,000)
11	Appropriated from:		
12	Federal revenues:		
13	Total other federal revenues		(14,000,000)
14	Special revenue funds:		
15	Total private revenues		200,000
16	State general fund/general purpose	\$	(4,100,000)
17	(9) MEDICAL SERVICES ADMINISTRATION		
18	Medical services administration	\$	25,000
19	GROSS APPROPRIATION	\$	25,000
20	Appropriated from:		
21	Special revenue funds:		
22	Total other state restricted revenues		25,000
23	State general fund/general purpose	\$	0
24	(10) MEDICAL SERVICES		
25	Adult home help services	\$	3,500,000
26	Ambulance services		3,731,100
27	Auxiliary medical services		353,100
28	Dental services		16,300,000



1	Federal Medicare pharmaceutical program	(12,000,000)
2	Health plan services	(160,300,900)
3	Healthy Michigan plan	(47,644,500)
4	Home health services	729,700
5	Hospice services	16,355,900
6	Hospital disproportionate share payments	353,100
7	Hospital services and therapy	(9,800,000)
8	Integrated care organizations	2,000,000
9	Long-term care services	71,000,000
10	Medicaid home- and community-based services	
11	waiver	3,500,000
12	Medicare premium payments	12,000,000
13	Personal care services	706,200
14	Pharmaceutical services	44,800,000
15	Physician services	63,262,600
16	School-based services	30,000,000
17	Special Medicaid reimbursement	(16,730,600)
18	Transportation	1,259,300
19	GROSS APPROPRIATION	\$ 23,375,000
20	Appropriated from:	
21	Federal revenues:	
22	Total other federal revenues	14,000,000
23	Special revenue funds:	
24	Total private revenues	(200,000)
25	Total other state restricted revenues	5,475,000
26	State general fund/general purpose	\$ 4,100,000
27	(11) ONE-TIME APPROPRIATIONS	
28	Family violence prevention and services	\$ 4,409,000



1	GROSS APPROPRIATION	\$	4,409,000
2	Appropriated from:		
3	Federal revenues:		
4	Total other federal revenues		4,409,000
5	State general fund/general purpose	\$	0
6	Sec. 155. DEPARTMENT OF LABOR AND ECONOMIC		
7	OPPORTUNITY		
8	(1) APPROPRIATION SUMMARY		
9	GROSS APPROPRIATION	\$	0
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and		
12	intradepartmental transfers		0
13	ADJUSTED GROSS APPROPRIATION	\$	0
14	Federal revenues:		
15	Total federal revenues		0
16	Special revenue funds:		
17	Total local revenues		0
18	Total private revenues		0
19	Total other state restricted revenues		0
20	State general fund/general purpose	\$	0
21	(2) ONE-TIME APPROPRIATIONS		
22	ARP - missing middle gap program	\$	(50,000,000)
23	ARP - missing middle gap program		50,000,000
24	GROSS APPROPRIATION	\$	0
25	Appropriated from:		
26	Federal revenues:		
27	Coronavirus state fiscal recovery fund		0
28	State general fund/general purpose	\$	0



1	Sec. 156. DEPARTMENT OF MILITARY AND VETERANS		
2	AFFAIRS		
3	(1) APPROPRIATION SUMMARY		
4	GROSS APPROPRIATION	\$	150,000
5	Interdepartmental grant revenues:		
6	Total interdepartmental grants and		
7	intradepartmental transfers		0
8	ADJUSTED GROSS APPROPRIATION	\$	150,000
9	Federal revenues:		
10	Total federal revenues		150,000
11	Special revenue funds:		
12	Total local revenues		0
13	Total private revenues		0
14	Total other state restricted revenues		0
15	State general fund/general purpose	\$	0
16	(2) MICHIGAN VETERANS AFFAIRS AGENCY		
17	Michigan veterans affairs agency administration	\$	62,000
18	Veterans service grants		(62,000)
19	GROSS APPROPRIATION	\$	0
20	Appropriated from:		
21	State general fund/general purpose	\$	0
22	(3) MICHIGAN VETERANS' FACILITY AUTHORITY		
23	Chesterfield Township home for veterans	\$	500,000
24	D.J. Jacobetti home for veterans		(1,700,000)
25	Grand Rapids home for veterans		1,200,000
26	GROSS APPROPRIATION	\$	0
27	Appropriated from:		
28	Federal revenues:		



1	HHS-HCFA, title XIX, Medicaid		1,800,000
2	USDVA-VHA		(1,800,000)
3	State general fund/general purpose	\$	0
4	(4) ONE-TIME APPROPRIATIONS		
5	COVID-19 special maintenance veterans homes	\$	150,000
6	GROSS APPROPRIATION	\$	150,000
7	Appropriated from:		
8	Federal revenues:		
9	USDVA-VHA		150,000
10	State general fund/general purpose	\$	0
11	Sec. 157. DEPARTMENT OF STATE POLICE		
12	(1) APPROPRIATION SUMMARY		
13	GROSS APPROPRIATION	\$	6,386,400
14	Interdepartmental grant revenues:		
15	Total interdepartmental grants and		
16	intradepartmental transfers		0
17	ADJUSTED GROSS APPROPRIATION	\$	6,386,400
18	Federal revenues:		
19	Total federal revenues		6,386,400
20	Special revenue funds:		
21	Total local revenues		0
22	Total private revenues		0
23	Total other state restricted revenues		0
24	State general fund/general purpose	\$	0
25	(2) FIELD SERVICES		
26	Post operations	\$	0
27	GROSS APPROPRIATION	\$	0
28	Appropriated from:		



1	Federal revenues:		
2	Coronavirus relief fund		6,386,400
3	State general fund/general purpose	\$	(6,386,400)
4	(3) ONE-TIME APPROPRIATIONS		
5	Federal ineligible expenses	\$	6,386,400
6	GROSS APPROPRIATION	\$	6,386,400
7	Appropriated from:		
8	State general fund/general purpose	\$	6,386,400
9	Sec. 158. DEPARTMENT OF TREASURY		
10	(1) APPROPRIATION SUMMARY		
11	GROSS APPROPRIATION	\$	0
12	Interdepartmental grant revenues:		
13	Total interdepartmental grants and		
14	intradepartmental transfers		0
15	ADJUSTED GROSS APPROPRIATION	\$	0
16	Federal revenues:		
17	Total federal revenues		0
18	Special revenue funds:		
19	Total local revenues		0
20	Total private revenues		0
21	Total other state restricted revenues		0
22	State general fund/general purpose	\$	0
23	(2) REVENUE SHARING		
24	City, village, and township revenue sharing	\$	(102,875)
25	Financially distressed cities, villages, or		
26	townships		102,875
27	GROSS APPROPRIATION	\$	0
28	Appropriated from:		



1	Special revenue funds:	
2	Sales tax	0
3	State general fund/general purpose	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

GENERAL SECTIONS

9 Sec. 201. Pursuant to section 30 of article IX of the state
10 constitution of 1963, total state spending from state sources under
11 part 1 for the fiscal year ending September 30, 2023 is
12 \$706,170,000.00 and total state spending from state sources to be
13 paid to local units of government is \$58,000,000.00. The itemized
14 statement below identifies appropriations from which spending to
15 local units of government will occur:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

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

STATE TRANSPORTATION DEPARTMENT

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

23	TOTAL	\$	58,000,000
----	--------------	-----------	-------------------

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

29 Sec. 203. Funds appropriated in part 1 must be allocated and



1 expended in a manner consistent with federal rules and regulations.

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

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

17
18 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

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

26 (a) Demolition of vacant residential, commercial, or
27 industrial structures, including reasonable and necessary costs
28 directly related to demolition, including, but not limited to,
29 title work, due care demolition plans, acquisition, utility



1 disconnect fees, permit fees, abatement of hazardous materials, air
2 monitoring at demolition sites, the replacement of damaged sidewalk
3 or recurfing at the street, and seeding.

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

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

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

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

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

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



1 on the activities described in subsection (1).

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

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

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

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

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

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

25 (6) As used in this section:

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

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

28 (i) Any property owned or under the control of a land bank fast
 29 track authority under the land bank fast track act, 2003 PA 258,



1 MCL 124.751 to 124.774.

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

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

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

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

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

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

27 (2) As used in this section:

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



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

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

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

13 (e) "Authority" means the Michigan state housing development
14 authority created by the state housing development authority act of
15 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

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

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

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



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

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

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

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

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

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

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

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

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

29 (m) "Qualified real estate developer" means a landbank, local



1 government, or nonprofit or for-profit developer.

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

6 (o) "Substantial rehabilitation" means rehabilitation of a
7 housing unit that requires a financial investment of at least
8 \$25,000.00.

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

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

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

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

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

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



1 village, or township.

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

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

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

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

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

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

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

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

29 (a) To qualify for a grant under this section, a project must



1 meet all of the following conditions, as determined by the program
2 administrator:

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

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

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

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

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

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

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

29 (7) To receive a distribution of funds from a grant approved



1 under this section, a project must meet all of the following
2 conditions, as applicable:

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

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

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

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

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

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

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

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

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



1 (iii) Total square footage of project.

2 (iv) Total project costs.

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

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

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

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

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

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

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

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

22 (10) The unexpended funds appropriated in part 1 for ARP -
23 missing middle gap program are designated as a work project
24 appropriation. Any unencumbered or unallotted funds shall not lapse
25 at the end of the fiscal year and shall be available for
26 expenditures for projects under this section until the projects
27 have been completed. The following is in compliance with section
28 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

29 (a) The purpose of the project is to expand access to housing



1 stock for missing middle households.

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

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

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

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

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

26 (3) The department shall provide a status report summarizing
27 intended program outcomes, including, but not limited to, the
28 number of individuals to be served and the types of barrier removal
29 activities funded. The report shall be posted online and



1 distributed to the senate and house appropriations subcommittees on
2 labor and economic opportunity, the senate and house fiscal
3 agencies, and the state budget office by September 30, 2023.

4 (4) Unexpended funds appropriated in part 1 for ARP - removal
5 of workforce barriers are designated as a work project
6 appropriation. Any unencumbered or unallocated funds shall not
7 lapse at the end of the fiscal year and shall be available for
8 expenditures for projects under this section until the projects
9 have been completed. The following is in compliance with section
10 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

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

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

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

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

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

25 (2) The Michigan strategic fund shall develop program
26 guidelines and eligibility criteria for the program and shall post
27 that information on its publicly accessible website not less than
28 60 days prior to the due date of the application. Program
29 guidelines must be in compliance with federal regulations



1 established by the American rescue plan act of 2021, Public Law
2 117-2, including all regulations and requirements around the use of
3 the coronavirus state fiscal recovery fund. Efforts shall be made
4 to ensure a broad geographic distribution of funds awarded under
5 the program to both urban and rural communities, to the extent
6 allowable under federal regulations.

7 (3) The Michigan strategic fund may make awards to local and
8 nonprofit economic development organizations and other investment
9 vehicles or entities, as determined by the Michigan strategic fund,
10 in the creation and administration of the program. Not less than
11 20% of awards must be awarded to minority-owned businesses or
12 minority-owned developers, and the Michigan strategic fund shall
13 consider the extent to which a community is depressed and deprived
14 in awarding grants under this section.

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

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

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



1 available for expenditures for projects under this section until
 2 the projects have been completed. The following is in compliance
 3 with section 451a of the management and budget act, 1984 PA 431,
 4 MCL 18.1451a:

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

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

10 (c) The total estimated cost of the work project is
 11 \$75,000,000.00

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

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

26 (2) The department shall develop program guidelines and
 27 eligibility criteria for the program and must post that information
 28 on its publicly accessible website not less than 60 days prior to
 29 the due date of the application. Program guidelines must comply



1 with federal regulations established by the American rescue plan
2 act of 2021, Public Law 117-2, including all regulations and
3 requirements around the use of the coronavirus state fiscal
4 recovery fund. Efforts shall be made to ensure a broad geographic
5 distribution of funds awarded under the program to both urban and
6 rural communities, to the extent allowable under federal
7 regulations.

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

16 (4) Unexpended funds appropriated in part 1 for ARP -
17 statewide apprenticeship expansion are designated as a work project
18 appropriation. Any unencumbered or unallotted funds shall not lapse
19 at the end of the fiscal year and shall be available for
20 expenditures for projects under this section until the projects
21 have been completed. The following is in compliance with section
22 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

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

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

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

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

29 Sec. 306. (1) From the funds appropriated in part 1 for



1 community revitalization and placemaking grants program,
2 \$100,000,000.00 shall be used by the Michigan strategic fund to
3 create and operate the community revitalization and placemaking
4 grants program to invest in projects that enable population and tax
5 revenue growth through rehabilitation of vacant and blighted
6 buildings and historic structures, rehabilitation and development
7 of vacant properties, and development of permanent place-based
8 infrastructure associated with social zones and traditional
9 downtowns, outdoor dining, and place-based public spaces. If grant
10 funds are used to support residential projects, those projects must
11 comply with other program guidelines and eligibility as determined
12 by the Michigan strategic fund.

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

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

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



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

8 (a) The name of each awardee.

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

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

13 (ii) The county where the awardee is located.

14 (iii) The amount of the award.

15 (c) A list of awards that were amended.

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

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

26 (a) The purpose of the project is rehabilitation of vacant and
 27 blighted buildings and historic structures, rehabilitation and
 28 development of vacant properties, and development of permanent
 29 place-based infrastructure associated with social zones, outdoor



1 dining, and place-based public spaces.

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

5 (c) The total estimated cost of the work project is
6 \$100,000,000.00.

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

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

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

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

27 Sec. 309. (1) From the funds appropriated in part 1 for
28 Michigan infrastructure grants, the department shall execute a
29 grant agreement with each recipient, pursuant to subsection (2).



1 All grant funds are considered direct appropriations and, subject
2 to receipt of all information under subsections (2) and (3), shall
3 be disbursed by the department, as determined by the grant
4 agreement. Any funds that are granted to a state department are
5 appropriated in that department for the purpose of the intended
6 grant. An initial disbursement of 50% shall be provided to the
7 grantee upon execution of the grant agreement.

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

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

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

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

28 (d) A requirement for quarterly reports from the recipient to
29 the department that provide the status of the project and an



1 accounting of all funds expended by the recipient.

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

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

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

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

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

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



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

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

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

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

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

21 Sec. 313. If not already allowed under a specific section,
22 from the funds appropriated in part 1, the department may hire a
23 sufficient number of limited-term employees and may expend up to
24 2.5% of each of the appropriations funded with coronavirus state
25 fiscal recovery fund revenue for administrative implementation and
26 oversight of the programs.

27

28 **LEGISLATURE**

29 Sec. 401. It is the intent of the legislature that the



1 appropriation in part 1 for independent citizens redistricting
 2 commission complies with the legislature's obligation under section
 3 6(6) of article IV of the state constitution of 1963 and is to be
 4 used to fulfill the independent citizens redistricting commission's
 5 request to cover additional legal costs in a manner that is
 6 consistent with the current dormancy plan of the independent
 7 citizens redistricting commission.

8

9 **DEPARTMENT OF STATE POLICE**

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

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

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



1 support development and implementation of in-service training
2 standards and requirements.

3
4 **TREASURY**

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

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

10 (3) Funds may be spent from the water shutoff prevention fund
11 only upon appropriation or legislative transfer pursuant to section
12 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

19 (6) As used in this section, "water shutoff prevention fund"
20 means the water shutoff prevention fund created in subsection (1).
21

22 PART 2A

23 PROVISIONS CONCERNING APPROPRIATIONS

24 FOR FISCAL YEAR 2021-2022

25 **GENERAL SECTIONS**

26 Sec. 1201. Pursuant to section 30 of article IX of the state
27 constitution of 1963, total state spending from state sources under
28 part 1A for the fiscal year ending September 30, 2022 is
29 \$11,050,000.00 and total state spending from state sources to be



1 paid to local units of government is (\$4,250,000.00). The itemized
 2 statement below identifies appropriations from which spending to
 3 local units of government will occur:

4 DEPARTMENT OF CORRECTIONS		
5	Community corrections comprehensive plans and	\$
6	services	(1,000,000)
7	County jail reimbursement program	(1,000,000)
8	Public safety initiative	(750,000)
9	Prosecutorial and detainer expenses	(1,500,000)
10	Subtotal	\$ (4,250,000)
11 DEPARTMENT OF HEALTH AND HUMAN SERVICES		
12	Autism services	\$ (300,000)
13	Certified community behavioral health clinic	12,000,000
14	demonstration	
15	Medicaid mental health services	(12,000,000)
16	Medicaid substance use disorder services	300,000
17	Subtotal	\$ 0
18	TOTAL	\$ (4,250,000)

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

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

26 Sec. 1204. Funds appropriated in part 1A are subject to
 27 applicable federal audit and reporting requirements. Prompt action
 28 shall be taken if instances of noncompliance are identified,
 29 including noncompliance identified in an audit finding. If any



1 instance of noncompliance is identified, including noncompliance
 2 identified in an audit finding, the state budget director shall
 3 take necessary and immediate action to rectify it. The state budget
 4 director shall notify the senate and house appropriations
 5 committees and the senate and house fiscal agencies when an
 6 instance of noncompliance is identified.

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

12

13 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

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

22 (2) As used in this section:

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

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

29 (c) "Area median income" means the median income for the area



1 as published annually by the United States Department of Housing
2 and Urban Development, another governmental entity as selected by
3 the authority, or another research institution as selected by the
4 authority.

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

8 (e) "Authority" means the Michigan state housing development
9 authority created by the state housing development authority act of
10 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

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

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

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

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

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

29 (iii) Tax increment revenues captured by a local unit of



1 government and committed to a project in accordance with a tax
2 increment finance and development plan.

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

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

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

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

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

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

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

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



1 (o) "Substantial rehabilitation" means rehabilitation of a
2 housing unit that requires a financial investment of at least
3 \$25,000.00.

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

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

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

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

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

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

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

28 (a) Subject to subdivision (b), upon satisfaction of the
29 conditions set forth in subsection (6), the program administrator



1 is required to set limits on the amount of missing middle funding
2 per unit a project can receive.

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

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

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

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

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

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

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

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

29 (ii) The developer must demonstrate site control, identify the



1 project general contractor, and provide a preliminary budget
2 reflecting the ability to complete the project.

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

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

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

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

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

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

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

29 (b) The developer may seek an extension of the time periods



1 described in this subsection, not to exceed a total development
2 time frame of 36 months, from the program administrator.

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

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

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

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

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

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

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

25 (iii) Total square footage of project.

26 (iv) Total project costs.

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

29 (d) The agreement must require that the agreement counterparty



1 provide the following information annually during the term of the
2 agreement:

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

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

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

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

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

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

17 (10) The unexpended funds appropriated in part 1A for ARP -
18 missing middle gap program are designated as a work project
19 appropriation. Any unencumbered or unallotted funds shall not lapse
20 at the end of the fiscal year and shall be available for
21 expenditures for projects under this section until the projects
22 have been completed. The following is in compliance with section
23 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

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

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

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

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



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

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.

