

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 565**

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2022; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2022, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 4,709,989,100
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1	Interdepartmental grant revenues:	
2	Total interdepartmental grants and	
3	intradepartmental transfers	0
4	ADJUSTED GROSS APPROPRIATION	\$ 4,709,989,100
5	Federal revenues:	
6	Total federal revenues	4,133,407,700
7	Special revenue funds:	
8	Total local revenues	4,991,500
9	Total private revenues	0
10	Total other state restricted revenues	0
11	State general fund/general purpose	\$ 571,589,900
12	Sec. 102. DEPARTMENT OF ENVIRONMENT, GREAT	
13	LAKES, AND ENERGY	
14	(1) APPROPRIATION SUMMARY	
15	GROSS APPROPRIATION	\$ 1,944,297,900
16	Interdepartmental grant revenues:	
17	Total interdepartmental grants and	
18	intradepartmental transfers	0
19	ADJUSTED GROSS APPROPRIATION	\$ 1,944,297,900
20	Federal revenues:	
21	Total federal revenues	1,814,728,000
22	Special revenue funds:	
23	Total local revenues	0
24	Total private revenues	0
25	Total other state restricted revenues	0
26	State general fund/general purpose	\$ 129,569,900
27	(2) WATER INFRASTRUCTURE	
28	Water state revolving funds	\$ 506,097,900



1	GROSS APPROPRIATION	\$ 506,097,900
2	Appropriated from:	
3	Federal revenues:	
4	Infrastructure investment and jobs act fund	469,728,000
5	State general fund/general purpose	\$ 36,369,900
6	(3) ONE-TIME APPROPRIATIONS	
7	ARP - healthy hydration	\$ 50,000,000
8	ARP - drinking water asset management	20,000,000
9	ARP - Michigan water use advisory council	10,000,000
10	ARP - water state revolving funds	1,265,000,000
11	Dam risk reduction program	43,200,000
12	Failing septic system loan program	35,000,000
13	PFAS remediation grant program	15,000,000
14	GROSS APPROPRIATION	\$ 1,438,200,000
15	Appropriated from:	
16	Federal revenues:	
17	Coronavirus state fiscal recovery fund	1,345,000,000
18	State general fund/general purpose	\$ 93,200,000
19	Sec. 103. DEPARTMENT OF LABOR AND ECONOMIC	
20	OPPORTUNITY	
21	(1) APPROPRIATION SUMMARY	
22	GROSS APPROPRIATION	\$ 1,040,999,000
23	Interdepartmental grant revenues:	
24	Total interdepartmental grants and	
25	intradepartmental transfers	0
26	ADJUSTED GROSS APPROPRIATION	\$ 1,040,999,000
27	Federal revenues:	
28	Total federal revenues	964,879,000



1	Special revenue funds:		
2	Total local revenues		0
3	Total private revenues		0
4	Total other state restricted revenues		0
5	State general fund/general purpose	\$	76,120,000
6	(2) ONE-TIME APPROPRIATIONS		
7	ARP - homeowner assistance fund	\$	121,406,100
8	ARP - housing and community development fund		50,000,000
9	ARP - Michigan statewide broadband service		
10	grant program		250,630,400
11	ARP - missing middle gap program		50,000,000
12	ARP - residential clean energy improvements		50,000,000
13	Community development block grant - disaster		
14	recovery		59,898,000
15	COVID-19 emergency rental assistance		382,944,500
16	Demolition of former Deerfield Correctional		
17	Facility		1,120,000
18	Michigan one-time grant		50,000,000
19	Mobility futures initiative		25,000,000
20	GROSS APPROPRIATION	\$	1,040,999,000
21	Appropriated from:		
22	Federal revenues:		
23	Coronavirus capital projects fund		250,630,400
24	Coronavirus state fiscal recovery fund		150,000,000
25	Federal funds		121,406,100
26	Federal revenues		382,944,500
27	HUD-CPD, community development block grant		59,898,000
28	State general fund/general purpose	\$	76,120,000



1	Sec. 104. DEPARTMENT OF LICENSING AND REGULATORY	
2	AFFAIRS	
3	(1) APPROPRIATION SUMMARY	
4	GROSS APPROPRIATION	\$ 25,000,000
5	Interdepartmental grant revenues:	
6	Total interdepartmental grants and	
7	intradepartmental transfers	0
8	ADJUSTED GROSS APPROPRIATION	\$ 25,000,000
9	Federal revenues:	
10	Total federal revenues	0
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	\$ 25,000,000
16	(2) ONE-TIME APPROPRIATIONS	
17	Low carbon energy infrastructure enhancement	
18	and development	\$ 25,000,000
19	GROSS APPROPRIATION	\$ 25,000,000
20	Appropriated from:	
21	State general fund/general purpose	\$ 25,000,000
22	Sec. 105. DEPARTMENT OF NATURAL RESOURCES	
23	(1) APPROPRIATION SUMMARY	
24	GROSS APPROPRIATION	\$ 450,000,000
25	Interdepartmental grant revenues:	
26	Total interdepartmental grants and	
27	intradepartmental transfers	0
28	ADJUSTED GROSS APPROPRIATION	\$ 450,000,000



1	Federal revenues:		
2	Total federal revenues		450,000,000
3	Special revenue funds:		
4	Total local revenues		0
5	Total private revenues		0
6	Total other state restricted revenues		0
7	State general fund/general purpose	\$	0
8	(2) ONE-TIME APPROPRIATIONS		
9	ARP - local parks and trail infrastructure		
10	grants	\$	200,000,000
11	ARP - state parks and trail infrastructure		250,000,000
12	GROSS APPROPRIATION	\$	450,000,000
13	Appropriated from:		
14	Federal revenues:		
15	Coronavirus state fiscal recovery fund		450,000,000
16	State general fund/general purpose	\$	0
17	Sec. 106. DEPARTMENT OF TECHNOLOGY, MANAGEMENT,		
18	AND BUDGET		
19	(1) APPROPRIATION SUMMARY		
20	GROSS APPROPRIATION	\$	30,000,000
21	Interdepartmental grant revenues:		
22	Total interdepartmental grants and		
23	intradepartmental transfers		0
24	ADJUSTED GROSS APPROPRIATION	\$	30,000,000
25	Federal revenues:		
26	Total federal revenues		30,000,000
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	\$	0
4	(2) SPECIAL PROGRAMS		
5	ARP - Michigan infrastructure office	\$	5,000,000
6	GROSS APPROPRIATION	\$	5,000,000
7	Appropriated from:		
8	Federal revenues:		
9	Coronavirus state fiscal recovery fund		5,000,000
10	State general fund/general purpose	\$	0
11	(3) ONE-TIME APPROPRIATIONS		
12	ARP - Coronavirus response activities	\$	25,000,000
13	GROSS APPROPRIATION	\$	25,000,000
14	Appropriated from:		
15	Federal revenues:		
16	Coronavirus state fiscal recovery fund		25,000,000
17	State general fund/general purpose	\$	0
18	Sec. 107. STATE DEPARTMENT OF TRANSPORTATION		
19	(1) APPROPRIATION SUMMARY		
20	GROSS APPROPRIATION	\$	644,746,200
21	Interdepartmental grant revenues:		
22	Total interdepartmental grants and		
23	intradepartmental transfers		0
24	ADJUSTED GROSS APPROPRIATION	\$	644,746,200
25	Federal revenues:		
26	Total federal revenues		551,654,700
27	Special revenue funds:		
28	Total local revenues		4,991,500



1	Total private revenues	0
2	Total other state restricted revenues	0
3	State general fund/general purpose	\$ 88,100,000
4	(2) ROAD AND BRIDGE PROGRAMS	
5	Local federal aid and road and bridge	
6	construction	\$ 79,166,700
7	State trunkline federal aid and road and bridge	
8	construction	237,500,000
9	GROSS APPROPRIATION	\$ 316,666,700
10	Appropriated from:	
11	Federal revenues:	
12	Federal aid - transportation programs	316,666,700
13	State general fund/general purpose	\$ 0
14	(3) PUBLIC TRANSPORTATION SERVICES	
15	Passenger transportation services	\$ 227,900
16	GROSS APPROPRIATION	\$ 227,900
17	Appropriated from:	
18	Federal revenues:	
19	Federal aid - transportation programs	227,900
20	State general fund/general purpose	\$ 0
21	(4) LOCAL BUS TRANSIT	
22	Nonurban operating/capital	\$ 9,817,700
23	GROSS APPROPRIATION	\$ 9,817,700
24	Appropriated from:	
25	Federal revenues:	
26	Federal aid - transportation programs	9,817,700
27	State general fund/general purpose	\$ 0
28	(5) INTERCITY PASSENGER	



1	Intercity services	\$	1,558,800
2	Marine passenger service		2,652,000
3	GROSS APPROPRIATION	\$	4,210,800
4	Appropriated from:		
5	Federal revenues:		
6	Federal aid - transportation programs		4,210,800
7	State general fund/general purpose	\$	0
8	(6) PUBLIC TRANSPORTATION DEVELOPMENT		
9	Service initiatives	\$	7,677,200
10	Specialized services		3,227,400
11	Transit capital		41,000,000
12	GROSS APPROPRIATION	\$	51,904,600
13	Appropriated from:		
14	Federal revenues:		
15	Federal aid - transportation programs		51,904,600
16	State general fund/general purpose	\$	0
17	(7) CAPITAL OUTLAY - AIRPORT IMPROVEMENT		
18	PROGRAMS		
19	Airport safety, protection, and improvement		
20	program	\$	4,991,500
21	IIJA airport infrastructure grants		92,827,000
22	GROSS APPROPRIATION	\$	97,818,500
23	Appropriated from:		
24	Federal revenues:		
25	Federal aid - transportation programs		92,827,000
26	Special revenue funds:		
27	Local funds, aero		4,991,500
28	State general fund/general purpose	\$	0



1	(8) ONE-TIME BASIS ONLY	
2	ARP - pump station back-up generators	\$ 66,000,000
3	Detroit new center intermodal facility	10,000,000
4	Michigan infrastructure grants	88,100,000
5	GROSS APPROPRIATION	\$ 164,100,000
6	Appropriated from:	
7	Federal revenues:	
8	Coronavirus state fiscal recovery fund	66,000,000
9	Federal aid - transportation programs	10,000,000
10	State general fund/general purpose	\$ 88,100,000
11	Sec. 108. DEPARTMENT OF TREASURY	
12	(1) APPROPRIATION SUMMARY	
13	GROSS APPROPRIATION	\$ 574,946,000
14	Interdepartmental grant revenues:	
15	Total interdepartmental grants and	
16	intradepartmental transfers	0
17	ADJUSTED GROSS APPROPRIATION	\$ 574,946,000
18	Federal revenues:	
19	Total federal revenues	322,146,000
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	\$ 252,800,000
25	(2) ONE-TIME APPROPRIATIONS	
26	2020 census city, village, and township hold	
27	harmless	\$ 46,000,000
28	Grants for dam projects	206,800,000



1	Nonentitlement Coronavirus local fiscal	
2	recovery fund grants	322,146,000
3	GROSS APPROPRIATION	\$ 574,946,000
4	Appropriated from:	
5	Federal revenues:	
6	Coronavirus local fiscal recovery fund	322,146,000
7	State general fund/general purpose	\$ 252,800,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

13 Sec. 201. Pursuant to section 30 of article IX of the state
 14 constitution of 1963, total state spending from state sources under
 15 part 1 for fiscal year ending September 30, 2022 is \$571,589,900.00
 16 and total state spending from state sources to be paid to local
 17 units of government is \$101,900,000.00. The itemized statement
 18 below identifies appropriations from which spending to local units
 19 of government will occur:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

22	Dam risk reduction program	\$ 3,000,000
23	PFAS remediation grant program	15,000,000
24	Subtotal	\$ 18,000,000

STATE TRANSPORTATION DEPARTMENT

26	Michigan infrastructure grants	\$ 31,100,000
27	Subtotal	\$ 31,100,000

DEPARTMENT OF TREASURY



1	2020 census city, village, and township hold		
2	harmless	\$	46,000,000
3	Grants for dam projects		6,800,000
4		Subtotal \$	52,800,000
5		TOTAL \$	101,900,000

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

11 Sec. 203. If the state administrative board, acting under
12 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
13 appropriated under this act, the legislature may, by a concurrent
14 resolution adopted by a majority of the members elected to and
15 serving in each house, inter-transfer funds within this act for the
16 particular department, board, commission, office, or institution.

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

27 Sec. 205. Funds appropriated in part 1 from the federal
28 government must be allocated and expended in a manner consistent
29 with federal rules and regulations.



1 Sec. 206. The state budget director shall report on the status
 2 of funds appropriated in part 1, and all funds appropriated related
 3 to the coronavirus relief effort, to the senate and house
 4 appropriations committees and the senate and house fiscal agencies
 5 on a monthly basis until all funds are exhausted.

6
 7 **DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY**

8 Sec. 301. From the funds appropriated in part 1 for water
 9 state revolving funds, a total of \$162,416,000.00 must be allocated
 10 to support eligible clean water projects as follows:

11 (a) \$154,316,000.00 to support wastewater systems, including
 12 work at wastewater treatment plants, sewer collection systems, pump
 13 stations, and other projects eligible under the infrastructure
 14 investment and jobs act, Public Law 117-58.

15 (b) \$8,100,000.00 to support addressing emerging contaminants.

16 Sec. 302. (1) From the funds appropriated in part 1 for water
 17 state revolving funds, a total of \$307,312,000.00 must be allocated
 18 to support eligible drinking water infrastructure projects as
 19 follows:

20 (a) \$88,150,000.00 to support drinking water state revolving
 21 fund existing programs.

22 (b) \$138,818,000.00 to support lead service line replacement.

23 (c) \$37,018,000.00 to support addressing emerging
 24 contaminants, which money must be used to the greatest extent
 25 possible for the consolidation and contamination risk reduction
 26 program.

27 (d) \$43,326,000.00 to provide assistance for small and
 28 disadvantaged communities.

29 (2) Funds appropriated in part 1 for water state revolving



1 funds may be used for upgrading or repairing water treatment
2 plants, water mains, service lines, and other related water
3 infrastructure projects.

4 Sec. 303. The unexpended funds appropriated in part 1 for
5 water state revolving funds are designated as a work project
6 appropriation. Any unencumbered or unallotted funds shall not lapse
7 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 clean water and
12 drinking water projects.

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
16 \$506,097,900.00.

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

18 Sec. 304. (1) From the funds appropriated in part 1 for ARP -
19 healthy hydration, the department of environment, Great Lakes, and
20 energy must work with the department of education to implement a
21 program to reimburse school districts, nonpublic schools, and child
22 care centers for filtered drinking water stations, tap-mounted
23 water filters, water filter pitchers, or universal cartridge water
24 filters featuring molded collars for the purpose of filtering
25 organic and manmade materials and chemicals from drinking water in
26 locations of need.

27 (2) To be eligible for funding, school districts and nonpublic
28 schools must provide 50% matching funds to access healthy hydration
29 funding. Child care centers are not required to provide matching



1 funds.

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

9 (a) The purpose of the project is to implement a program to
 10 reimburse school districts, nonpublic schools, and child care
 11 centers for filtered drinking water stations, tap-mounted water
 12 filters, water filter pitchers, or universal cartridge water
 13 filters.

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

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

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

18 Sec. 305. (1) Funds appropriated in part 1 for ARP - drinking
 19 water asset management must be allocated for grants of up to
 20 \$1,000,000.00 for the creation of asset management plans or
 21 distribution system material inventories, or both, for drinking
 22 water systems. Grants must not require a local match and must
 23 follow existing eligibility requirements. Not less than 25% of
 24 funds must be allocated for grants to systems serving a population
 25 of not more than 10,000 according to the most recent federal
 26 decennial census, excluding state correctional facility prisoner
 27 populations.

28 (2) The unexpended funds appropriated in part 1 for ARP -
 29 drinking water asset management are designated as a work project



1 appropriation. Any unencumbered or unallotted funds shall not lapse
 2 at the end of the fiscal year and shall be available for
 3 expenditure for projects under this section until the projects have
 4 been completed. The following is in compliance with section 451a of
 5 the management and budget act, 1984 PA 431, MCL 18.1451a:

6 (a) The purpose of the project is for the creation of asset
 7 management plans or distribution system material inventories, or
 8 both, for drinking water systems.

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

11 (c) The total estimated cost of the project is \$20,000,000.00.

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

13 Sec. 306. (1) From the funds appropriated in part 1 for ARP -
 14 Michigan water use advisory council, the department of environment,
 15 Great Lakes, and energy must work in collaboration with the council
 16 to provide funds to address recommendations included in the
 17 Michigan water use advisory council 2020 report. The department of
 18 environment, Great Lakes, and energy may contract with service
 19 providers, utilize state employees, or provide grants.

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

27 (a) The purpose of the project is to address recommendations
 28 included in the Michigan water use advisory council 2020 report.

29 (b) The project will be accomplished by utilizing state



1 employees or contracts with service providers, or both.

2 (c) The total estimated cost of the project is \$10,000,000.00.

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

4 Sec. 307. (1) From the funds appropriated in part 1 for ARP -
5 water state revolving funds, the department of environment, Great
6 Lakes, and energy must allocate \$515,000,000.00 for clean water
7 infrastructure improvements and public health risk reduction
8 efforts as described in this section.

9 (2) From the funds appropriated in part 1 for ARP - water
10 state revolving funds, the department of environment, Great Lakes,
11 and energy may hire or contract for 2.0 limited-term staff in
12 support of clean water infrastructure improvements.

13 (3) The department of environment, Great Lakes, and energy
14 must maximize the geographic distribution of funds by doing all of
15 the following:

16 (a) Capping the maximum award amount at not more than
17 \$20,000,000.00 per project, unless otherwise provided in this
18 section.

19 (b) Ensuring that a minimum of 25% of the funds allocated
20 under this section are awarded to communities with a population of
21 less than 10,000 according to the most recent federal decennial
22 census, excluding state correctional facility prisoner populations.

23 (4) From the funds allocated in subsection (1), up to
24 \$20,000,000.00 must be allocated to address substantial public
25 health risks. Grants under this subsection must not exceed
26 \$2,000,000.00 per project. Eligible projects include those that
27 meet 1 or more of the following criteria:

28 (a) Have a signed administrative consent order or a consent
29 judgment that exists with the department of environment, Great



1 Lakes, and energy.

2 (b) Have a local health department official determination or
3 equivalent determination in place.

4 (c) For failing wastewater sewage lagoon treatment systems,
5 have a determination based in part by information provided in the
6 most recent national pollutant discharge elimination system permit
7 application.

8 (d) Have a department of environment, Great Lakes, and energy
9 determination that there is an immediate and substantial public
10 health risk under the natural resource and environmental protection
11 act, 1994 PA 451, MCL 324.101 to 324.90106.

12 (5) From the funds allocated in subsection (1), the department
13 of environment, Great Lakes, and energy must allocate all of the
14 following:

15 (a) An amount not to exceed \$72,000,000.00 to be awarded as a
16 grant to a county with a population between 880,000 and 890,000
17 according to the most recent federal decennial census for priority
18 wastewater infrastructure projects to address combined sewer
19 overflows, pumping capacity, and sewer rehabilitation.

20 (b) An amount not to exceed \$25,000,000.00 for the Great Lakes
21 Water Authority.

22 (6) Funds allocated under subsection (5) do not constitute a
23 future guarantee of permitting approval for any project.

24 (7) The unexpended funds appropriated in part 1 for ARP -
25 water state revolving funds and allocated under this section are
26 designated as a work project appropriation. Any unencumbered or
27 unallotted funds shall not lapse at the end of the fiscal year and
28 shall be available for expenditure for projects under this section
29 until the projects have been completed. The following is in



1 compliance with section 451a of the management and budget act, 1984
2 PA 431, MCL 18.1451a:

3 (a) The purpose of the project is to improve clean water
4 infrastructure.

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

7 (c) The total estimated cost of the project is
8 \$515,000,000.00.

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

10 Sec. 308. (1) From the funds appropriated in part 1 for ARP -
11 water state revolving funds, the department of environment, Great
12 Lakes, and energy must allocate \$750,000,000.00 for drinking water
13 improvements as described in this section, including, but not
14 limited to, lead service line replacements, water main
15 improvements, and water treatment plant upgrades.

16 (2) From the funds appropriated in part 1 for ARP - water
17 state revolving funds, the department of environment, Great Lakes,
18 and energy may hire or contract for 2.0 limited-term staff in
19 support of drinking water improvements.

20 (3) The department of environment, Great Lakes, and energy
21 must maximize the geographic distribution of funds by doing both of
22 the following:

23 (a) Capping the maximum award amount at no more than
24 \$20,000,000.00 per project unless otherwise provided for in this
25 section.

26 (b) Ensuring that a minimum of 25% of the funds allocated
27 under this section are awarded to communities with a population of
28 less than 10,000 according to the most recent federal decennial
29 census, excluding state correctional facility prisoner populations.



1 (4) The department of environment, Great Lakes, and energy
2 must ensure that, not including allocations in subsections (5) and
3 (6), not less than 25% of funds appropriated in this section are
4 allocated for projects that include lead service line replacement.

5 (5) From the funds allocated in subsection (1), the department
6 of environment, Great Lakes, and energy must allocate at least
7 \$18,000,000.00 for the consolidation and contamination risk
8 reduction program to provide drinking water assistance to remove or
9 reduce PFAS or other contaminants. Of the amount described in this
10 subsection, \$8,580,800.00 must be allocated to extend the water
11 main to residential properties impacted by contamination in a
12 county with a population of between 25,200 and 25,250 according to
13 the most recent federal decennial census. Funds allocated under
14 this subsection do not constitute a future guarantee of permitting
15 approval for any project.

16 (6) From the funds allocated in subsection (1), the department
17 of environment, Great Lakes, and energy must allocate all of the
18 following:

19 (a) An amount not to exceed \$45,000,000.00 for lead service
20 line replacement, water main improvements, and other necessary
21 infrastructure improvements, restoration, and support in a city
22 with a population of between 9,100 and 9,200 in a county with a
23 population of between 154,300 and 154,350 according to the most
24 recent federal decennial census.

25 (b) An amount not to exceed \$75,000,000.00 for lead service
26 line replacement in a city with a population of between 639,000 and
27 640,000 in a county with a population of between 1,793,500 and
28 1,793,600 according to the most recent federal decennial census.

29 (c) \$5,850,000.00 to be awarded as a grant to a county with a



1 population of between 400,000 and 410,000 according to the most
2 recent federal decennial census for a water tower and back-up
3 system.

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

12 (a) The purpose of the project is to improve drinking water
13 infrastructure.

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

16 (c) The total estimated cost of the project is
17 \$750,000,000.00.

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

19 Sec. 309. (1) From the funds appropriated in part 1 for dam
20 risk reduction program, \$15,000,000.00 must be allocated to the
21 department of environment, Great Lakes, and energy for department
22 resources and expenses related to permitting, inspection, review,
23 and consulting for projects associated with flooding and dam
24 management related to dam failure in May 2020. Of this amount,
25 \$3,000,000.00 must be granted to a county with a population of
26 between 82,000 and 84,000 according to the most recent federal
27 decennial census for the creation of a water management plan
28 related to flooding issues and \$3,000,000.00 must be spent on
29 projects that are in-kind services qualifying as all or a portion



1 of the nonfederal cost sharing contribution of a sponsor that has
 2 been awarded 1 or more technical and financial assistance grants
 3 under the United States Department of Agriculture emergency federal
 4 erosion and watershed protection program for recovery measures in a
 5 county with a population of between 82,000 and 84,000 and a county
 6 with a population of between 25,350 and 25,400 according to the
 7 most recent federal decennial census.

8 (2) Funds allocated under this section do not constitute a
 9 future guarantee of permitting approval for any project.

10 (3) Funds allocated under this section shall be distributed as
 11 reimbursements for approved costs.

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

19 (a) The purpose of the project is to support projects
 20 associated with flooding and dam management.

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 \$43,200,000.00.

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

25 Sec. 310. (1) From the funds appropriated in part 1 for
 26 failing septic system loan program, the department of environment,
 27 Great Lakes, and energy must establish and support a loan program
 28 that provides low or no interest loans to municipalities,
 29 residents, and other entities deemed necessary by the department of



1 environment, Great Lakes, and energy to protect public health and
2 the environment through addressing failing septic systems.

3 (2) The unexpended funds appropriated in part 1 for failing
4 septic system loan program are designated as a work project
5 appropriation. Any unencumbered or unallotted funds shall not lapse
6 at the end of the fiscal year and shall be available for
7 expenditure for projects under this section until the projects have
8 been completed. The following is in compliance with section 451a of
9 the management and budget act, 1984 PA 431, MCL 18.1451a:

10 (a) The purpose of the project is to protect public health by
11 addressing failing septic systems.

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

14 (c) The total estimated cost of the project is \$35,000,000.00.

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

16 Sec. 311. (1) Funds appropriated in part 1 for PFAS
17 remediation grant program must be allocated to a county with a
18 population between 170,000 and 180,000 according to the most recent
19 federal decennial census for PFAS remediation activities at a
20 former industrial site contiguous with Muskegon Lake with no viable
21 ownership entity. Remediation activities must address groundwater,
22 drinking water, surface water, and fishery resources.

23 (2) Funds allocated under this section do not constitute a
24 future guarantee of permitting approval for any project.

25 (3) The unexpended funds appropriated in part 1 for PFAS
26 remediation grant program are designated as a work project
27 appropriation. Any unencumbered or unallotted funds shall not lapse
28 at the end of the fiscal year and shall be available for
29 expenditure for projects under this section until the projects have



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

3 (a) The purpose of the project is for PFAS remediation
 4 activities at a former industrial site contiguous with Muskegon
 5 Lake with no viable ownership entity.

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

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

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

10

11 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

12 Sec. 351. (1) Funds appropriated in part 1 for ARP - homeowner
 13 assistance fund must be administered by the department of labor and
 14 economic opportunity by the terms set forth in section 3206 of the
 15 American rescue plan act of 2021, 15 USC 9058d, authorizing the
 16 United States Department of Treasury to make payments to certain
 17 recipients to be used to mitigate financial hardships associated
 18 with the coronavirus pandemic by providing funds to eligible
 19 entities for the purpose of preventing homeowner mortgage
 20 delinquencies, defaults, foreclosures, loss of utilities or home
 21 energy services, and displacements of homeowners experiencing
 22 financial hardship after January 21, 2020.

23 (2) The department of labor and economic opportunity must
 24 collaborate with the Michigan state housing development authority
 25 (MSHDA) acting as the eligible entity. Further collaboration will
 26 be completed with financial institutions across the state, and
 27 nonprofits approved by MSHDA and the United States Department of
 28 Housing and Urban Development. As used in this section, "eligible
 29 entity" means any of the following:



1 (a) A state.

2 (b) The Department of Hawaiian Home Lands.

3 (c) Each Indian tribe, and any Indian tribe that opted out of
4 receiving a grant allocation under the Native American housing
5 block grants program formula in fiscal year 2019-2020.

6 (3) The homeowner assistance fund program must operate in
7 accordance with rules and guidance published by the United States
8 Department of Treasury to serve mortgage delinquent households with
9 reinstatement funds, funding for delinquent property taxes, and the
10 payment of funds to remedy a utility delinquency to preserve their
11 housing and avoid foreclosure.

12 Sec. 352. (1) Funds appropriated in part 1 for ARP - housing
13 and community development fund must be allocated to the Michigan
14 state housing development authority to expand access to affordable
15 and attainable housing for individuals or communities
16 disproportionately impacted by the COVID-19 pandemic. Funds must be
17 deposited into the restricted Michigan housing and community
18 development fund created in section 58a of the state housing
19 development authority act of 1966, 1966 PA 346, MCL 125.1458a. All
20 funds in the Michigan housing and community development fund are
21 appropriated and available for expenditure for projects as
22 described in sections 58b and 58c of the state housing development
23 authority act of 1966, 1966 PA 346, MCL 125.1458b and 125.1458c.

24 (2) The Michigan state housing development authority must
25 develop program guidelines and eligibility criteria for the program
26 and must post that information on its publicly accessible website.
27 Program guidelines must comply with federal regulations established
28 by the American rescue plan act of 2021, Public Law 117-2,
29 including all regulations and requirements around the use of the



1 state fiscal recovery fund. Efforts must be made to ensure a broad
2 geographic distribution of funds awarded under the program to both
3 urban and rural communities, to the extent allowable under federal
4 regulations. Clear and objective scoring criteria must be
5 established, published, and strictly followed to govern the
6 allocation of the funding with the primary objective of leveraging
7 the funds for maximum total investment and housing production.

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

16 (a) The purpose of the project is to expand access to
17 affordable and attainable housing for populations or regions
18 disproportionately impacted by COVID-19.

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

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

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

23 Sec. 353. (1) From the funds appropriated in part 1 for ARP -
24 missing middle gap program, \$50,000,000.00 must be used by the
25 Michigan state housing development authority to create a missing
26 middle housing gap program to increase the supply of housing stock
27 supporting the growth and economic mobility of employees by
28 providing cost defrayment to developers investing in, constructing,
29 or substantially rehabilitating properties that are targeted to



1 household incomes between 185% and 300% of the federal poverty
2 level.

3 (2) As used in this section:

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

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

10 (c) "Area median income" means the median income for the area
11 as published annually by the United States Department of Housing
12 and Urban Development.

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

16 (e) "Authority" means the Michigan state housing development
17 authority created by the state housing development authority act of
18 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

19 (f) "Energy efficient housing unit" means a housing unit that
20 receives individually, or as part of a project, either a home
21 energy rating system index score of 60 or below or that has
22 received an energy star rating of 75 or higher.

23 (g) "Federal poverty level" means the federal poverty
24 guideline published annually by the United States Department of
25 Health and Human Services.

26 (h) "Final mortgage payment" means a mortgage payment
27 calculated by the developer that must include principal, interest,
28 taxes, insurance, private mortgage insurance, association fees or
29 lease payments, or fees related to participation in a community



1 land trust in accordance with financing assumptions consistent with
2 market conditions as determined by the program administrator.

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

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

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

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

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

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

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

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

27 (l) "Program administrator" means the executive director of the
28 authority.

29 (m) "Missing middle household" means a household earning



1 between 185% and 300% of the federal poverty level.

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

5 (o) "Rural community" means any geography designated by the
6 United States Department of Agriculture office of rural development
7 as rural for purposes of its single-family housing guaranteed loan
8 program.

9 (p) "Substantial rehabilitation" means rehabilitation of a
10 housing unit that becomes an energy efficient housing unit and that
11 requires a financial investment of at least \$25,000.00.

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

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

20 (b) The authority must expend funds under this section only
21 for the purposes of making awards as provided in subsection (4) and
22 paying the costs of administering the program, which may not exceed
23 4% of the total program amount.

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

28 (d) At least 30% of the dollar amount of awards under this
29 section must be allocated to projects in rural communities.



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

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

6 (a) Subject to subdivisions (b) and (c), upon satisfaction of
 7 the conditions set forth in subsection (6), the program
 8 administrator may approve and make a grant to a developer for a
 9 project consisting of the following amounts for each housing unit
 10 of the following types:

11 (i) A single-family detached home, townhome, or condominium
 12 with 2 or fewer bedrooms may receive up to \$40,000.00.

13 (ii) A single-family detached home, townhome, or condominium
 14 with 3 or more bedrooms may receive up to \$50,000.00.

15 (iii) A multifamily attached home, townhome, condominium, or
 16 apartment building may receive up to \$35,000.00 per housing unit
 17 with no bedrooms or 1 bedroom, and may receive up to \$40,000.00 per
 18 housing unit with 2 or more bedrooms.

19 (b) Subject to subdivision (c), in addition to the amounts
 20 under subdivision (a), the program administrator may approve and
 21 award to a project 1 or more of the following supplemental amounts:

22 (i) In a county where the countywide area median income is
 23 lower than the statewide area median income, an additional
 24 \$10,000.00 to a housing unit serving household incomes at 185% to
 25 225% of the federal poverty level.

26 (ii) In a county where the countywide area median income is 80%
 27 or less than the statewide area median income, an additional amount
 28 of up to 25% of the amount awarded under subdivision (a).

29 (iii) An additional amount of up to \$10,000.00 to a housing unit



1 that the program administrator determines qualifies as an energy
2 efficient housing unit.

3 (c) 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 satisfy all of the following conditions:

9 (a) The developer must be a tax-exempt organization under
10 section 501(c)(3) of the internal revenue code of 1986, 26 USC 501,
11 authorized to do business in this state.

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

14 (c) The developer must not be under debarment with the United
15 States government.

16 (d) The developer must demonstrate to the program
17 administrator that its mission or business model is consistent with
18 the intent of this section, that it has a record of completing
19 multiple projects similar to the proposed project, and that it has
20 the ability to implement rent restrictions and purchaser
21 restrictions for the term of the agreement for the project. The
22 developer may contract with 1 or more entities that will provide
23 materials or services to the developer for the development of the
24 project.

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

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



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

3 (ii) The developer must demonstrate site control, provide
4 architectural drawings, identify the project general contractor,
5 and provide a preliminary budget reflecting the ability to complete
6 the project with funds distributed on a reimbursement basis.

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

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

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

17 (vi) The developer must propose a method or methods by which it
18 will ensure to the satisfaction of the program administrator that
19 each housing unit will remain attainable for a period of 10 years
20 following the disbursement of funds to the developer.

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

24 (i) Estimated total number of total housing units in
25 development within the project.

26 (ii) Estimated number of housing units in the project
27 qualifying for a grant under this section.

28 (iii) Estimated total square footage of the project.

29 (iv) Estimated total project costs.



1 (v) Estimated total project costs not arising from a grant
2 under this section.

3 (c) Applications for awards under this section must be
4 reviewed in the order in which the program administrator receives
5 them, and the program administrator must approve or deny an
6 application for a grant under this section within 30 days of
7 receipt.

8 (7) To receive a distribution of funds from a grant approved
9 under subsection (6), a project must meet all of the following
10 conditions, as applicable:

11 (a) For a project consisting of 1 to 4 housing units, the
12 developer must secure a certificate of occupancy within 24 months
13 from the date of execution of the agreement for the project.

14 (b) For a project consisting of 5 or more housing units, the
15 developer must secure a certificate of occupancy within 36 months
16 from the date of execution of the agreement for the project.

17 (c) The developer may seek an extension of the time periods
18 described in subdivisions (a) and (b) from the program
19 administrator.

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

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

26 (a) The agreement may contain continuing obligations of the
27 agreement counterparty for the term of the agreement, which must be
28 10 years from the date funds are distributed under the agreement.

29 (b) A developer may convey the project and transfer or assign



1 the developer's rights and obligations under the related agreement
 2 to a third party only after the developer has satisfied the
 3 conditions of subsection (7) and received the distribution of grant
 4 funds.

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

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

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

13 (iii) Total square footage of project.

14 (iv) Total project costs.

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

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

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

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

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

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

29 (C) A statement of the occupancy rate of the project during



1 the reporting year.

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

5 (10) The unexpended funds appropriated in part 1 for ARP -
6 missing middle gap program are designated as a work project
7 appropriation. Any unencumbered or unallotted funds shall not lapse
8 at the end of the fiscal year and shall be available for
9 expenditures for projects under this section until the projects
10 have been completed. The following is in compliance with section
11 451a(1) of the management and budget act, 1984 PA 431, MCL
12 18.1451a:

13 (a) The purpose of the project is to expand access to housing
14 stock for households between 185% to 300% of the federal poverty
15 level.

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

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

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

20 Sec. 354. (1) Funds appropriated in part 1 for ARP -
21 residential clean energy improvements must be allocated to the
22 Michigan state housing development authority to incentivize energy
23 efficiency and health improvements that promote health or safety
24 for single-family and multifamily residential properties and to
25 provide energy assistance. Funds shall be available for both owner-
26 occupied and rental properties and must be allocated as follows:

27 (a) From the funds appropriated in part 1 for ARP -
28 residential clean energy improvements, \$10,000,000.00 must be
29 allocated to provide homeowner rehabilitation assistance to address



1 structural or mechanical repairs that enhance livability of homes
2 for existing owner-occupied homeowners and rental property
3 homeowners.

4 (b) From the funds appropriated in part 1 for ARP -
5 residential clean energy improvements, \$20,000,000.00 must be
6 allocated for activities tied to stabilization and enhancement of
7 Michigan neighborhoods by nonprofit 501(c)(3) agencies and local
8 units of government.

9 (c) From the funds appropriated in part 1 for ARP -
10 residential clean energy improvements, \$15,000,000.00 must be
11 allocated to a city with a population between 639,000 and 640,000
12 according to the most recent federal decennial census and must be
13 used to invest in and repair homes which will promote public health
14 and safety and increase property values.

15 (d) From the funds appropriated in part 1 for ARP -
16 residential clean energy improvements, \$5,000,000.00 must be
17 allocated for energy assistance programming administered by a
18 501(c)(3) nonprofit that manages a low-income home energy
19 assistance program in a city with a population between 639,000 and
20 640,000 according to the most recent federal decennial census.

21 (2) The Michigan state housing development authority may work
22 in coordination with other state agencies for the effective and
23 efficient administration of the programs allocated in subsection
24 (1).

25 (3) The Michigan state housing development authority must
26 develop program guidelines and eligibility criteria for the program
27 and must post that information on its publicly accessible website.
28 Program guidelines must be in compliance with federal regulations
29 established by the American rescue plan act of 2021, Public Law



1 117-2, including all regulations and requirements around the use of
2 the state fiscal recovery fund. Efforts must be made to ensure a
3 broad geographic distribution of funds awarded under the program to
4 both urban and rural communities, to the extent allowable under
5 federal regulations.

6 (4) The unexpended funds appropriated in part 1 for ARP -
7 residential clean energy improvements are designated as a work
8 project appropriation. Any unencumbered or unallotted funds shall
9 not lapse at the end of the fiscal year and shall be available for
10 expenditures for projects under this section until the projects
11 have been completed. The following is in compliance with section
12 451a(1) of the management and budget act, 1984 PA 431, MCL
13 18.1451a:

14 (a) The purpose of the project is to support residential clean
15 energy improvements.

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

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

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

20 Sec. 355. The unexpended funds appropriated in part 1 for
21 community development block grant - disaster recovery are
22 designated as a work project appropriation. Any unencumbered or
23 unallotted funds shall not lapse at the end of the fiscal year and
24 shall be available for expenditures for projects under this section
25 until the projects have been completed. The following is in
26 compliance with section 451a(1) of the management and budget act,
27 1984 PA 431, MCL 18.1451a:

28 (a) The purpose of the project is to support disaster recovery
29 efforts.



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

3 (c) The total estimated cost of the project is \$59,898,000.00.

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

5 Sec. 356. (1) Funds appropriated in part 1 for COVID-19
6 emergency rental assistance must be administered by the department
7 of labor and economic opportunity by the terms set forth in section
8 3201 of the American rescue plan act of 2021, 15 USC 9058c,
9 authorizing the United States Department of Treasury to make
10 payments to or on behalf of eligible households for emergency
11 rental and utility assistance.

12 (2) The department of labor and economic opportunity must
13 collaborate with the department of health and human services,
14 judiciary, local community action agencies, local nonprofit
15 agencies, and legal aid organizations to operate an emergency
16 rental and utility assistance program.

17 (3) The emergency rental and utility assistance program must
18 operate in accordance with federal rules and guidance published by
19 the United States Department of Treasury to serve eligible
20 households with rental and utility assistance to preserve their
21 housing and avoid eviction.

22 (4) Eligible households are limited to those households that
23 meet all of the following requirements:

24 (a) Provide documentation that they were facing back rent
25 before the effective date of this act.

26 (b) Provide a copy of a state ID or passport to provide proof
27 of residency in this state.

28 (c) Provide all available documentation of proof of earned and
29 unearned income for household members that live at the property and



1 that are 18 years of age or older. Self-attestation is not
2 considered proof of earned and unearned income documentation for
3 individuals who are not self-employed, sole proprietors, or
4 independent contractors. For individuals who are self-employed,
5 sole proprietors, or independent contractors, proof of earned and
6 unearned income may include tax returns, paycheck stubs, business
7 licenses or fees, or any other form of proof of employment.

8 (5) Rental assistance must be paid directly to the landlord,
9 unless the landlord is unwilling to complete the application
10 process, in which case the funds may be provided to the tenant. If
11 paid directly to the tenant, the tenant must certify that they will
12 pay their landlord within 5 days of receipt of funding. The
13 department of labor and economic opportunity must establish a
14 process to verify landlords have received payment. Landlords who
15 are unwilling to complete the application process on behalf of
16 their tenants are not obligated to accept payment from tenants who
17 receive funds directly for COVID-19 emergency rental assistance.

18 (6) The funds appropriated in this section must not be used
19 for rent owed for occupancies after September 30, 2022.

20 (7) By September 30, 2022, the department of labor and
21 economic opportunity shall provide a report to the senate and house
22 appropriations committees, the senate and house fiscal agencies,
23 and the state budget office on the number and percentage of
24 individuals reporting earned and unearned income, number and
25 percentage of individuals reporting as self-employed, sole
26 proprietors, or independent contractors, number and percentage of
27 individuals reporting no earned and unearned income, average amount
28 of earned income reported on a monthly basis for those individuals
29 that reported earned income, and average amount of unearned income



1 on a monthly basis for those individuals that reported unearned
2 income.

3 Sec. 357. Funds appropriated in part 1 for demolition of
4 former Deerfield Correctional Facility must be allocated to the
5 land bank fast track authority to be used for demolition and
6 environmental remediation costs of clearing and cleaning the area
7 for future redevelopment. Funds must be used to support demolishing
8 all structures and abating contamination.

9 Sec. 358. From the funds appropriated in part 1 for Michigan
10 one-time grant, \$50,000,000.00 must be awarded to a company for
11 potash extraction infrastructure located in an industrial district
12 in a county with a population of between 22,800 and 22,900 and in a
13 township with a population of between 1,300 and 1,400 according to
14 the most recent federal decennial census.

15 Sec. 359. (1) Funds appropriated in part 1 for ARP - Michigan
16 statewide broadband service grant program must be used to operate a
17 Michigan broadband program, consistent with the Coronavirus capital
18 projects fund, section 604 of the American rescue plan act of 2021,
19 42 USC 804.

20 (2) After receiving funding to implement this section, and
21 after federal approval, the department of labor and economic
22 opportunity must allocate funding for grants under this section.

23 (3) The department of labor and economic opportunity must
24 administer broadband infrastructure grants as provided in this
25 section. Infrastructure grants must only be allocated for projects
26 that support the provision of broadband service in unserved areas
27 and must be issued based on a competitive process. The process must
28 be based on technology neutral and scalable network standards, and
29 result in awards to applicants proposing projects based on



1 objective and efficient procedures.

2 (4) Except as otherwise provided in this subsection, the
3 department of labor and economic opportunity must not directly or
4 indirectly award infrastructure grants to a governmental entity or
5 educational institution, or affiliate, to operate or construct
6 broadband infrastructure. Unless another internet service provider
7 has directly applied for an infrastructure grant in the same
8 unserved area, the department of labor and economic opportunity may
9 award grants to governmental entities for infrastructure grants
10 only for a public-private partnership, with internet service
11 providers who are contracted to either own, operate, or maintain
12 broadband infrastructure or service in unserved areas. An eligible
13 public-private partnership must demonstrate a competitive bidding
14 process and comply with applicable state laws.

15 (5) The department of labor and economic opportunity must not
16 impose an open network architecture requirement, rate regulation,
17 or other term or condition of service as a condition of a broadband
18 infrastructure grant.

19 (6) The department of labor and economic opportunity must
20 establish objective criteria for determining infrastructure grants
21 and publish the criteria on its website within 60 days after funds
22 are released by the federal government. The criteria for
23 determining the award of infrastructure grant funds must include,
24 but not be limited to, all of the following:

- 25 (a) The applicant's experience and financial wherewithal.
26 (b) The readiness to build, operate, and maintain the project.
27 (c) The long-term viability of the project.
28 (d) The scalability of the network.
29 (e) Demonstrated community support, partnerships, or an



1 economic impact that will directly support job creation.

2 (f) The applicant's ability and commitment to provide or
3 participate in discounted broadband service or low-income subsidy
4 programs, if required by the Coronavirus capital projects fund.

5 (7) In addition to criteria in subsection (6), the department
6 of labor and economic opportunity must establish at least the
7 following priorities for the awarding of infrastructure grants:

8 (a) Projects designed upon completion will support the
9 delivery of broadband service of at least 100 megabits per second
10 downstream, 20 megabits per second upstream, and scalable to at
11 least 100 megabits per second upstream. A priority must be given to
12 projects capable of providing service at faster speeds.

13 (b) Projects that will provide broadband connections to the
14 most unserved areas at the highest speeds, and for the lowest grant
15 amount per area.

16 (c) Projects for areas that currently have no internet access.

17 (d) Demonstrated community support, partnerships, or economic
18 impact that will directly support job creation.

19 (e) Technical, managerial, and financial capabilities of the
20 applicant.

21 (f) The applicant's ability and commitment to provide or
22 participate in discounted broadband service or low-income subsidy
23 programs, if required by the Coronavirus capital projects fund.

24 (8) Not more than 60 days after the department of labor and
25 economic opportunity publishes criteria, infrastructure grant
26 applicants must submit applications for eligible projects. If
27 necessary, the department of labor and economic opportunity may
28 establish subsequent application rounds consistent with this
29 section.



1 (9) An applicant for an infrastructure grant under this
2 section must provide at least all of the following:

3 (a) The area of the project in an unserved area, including
4 specific street or address level locations, in a manner approved by
5 the department of labor and economic opportunity.

6 (b) The type of facilities or equipment that will be supported
7 by a grant.

8 (c) Any objective data regarding the lack of broadband service
9 in an unserved area that will be supported by a grant.

10 (d) The number of locations, including households, businesses,
11 or community institutions, in an area approved for an
12 infrastructure grant, that will have access to broadband service.

13 (e) Any objective data that an infrastructure grant has
14 demonstrated community support, economic impact, and economic
15 development efforts that will directly support job creation.

16 (f) The total cost of the project and a detailed budget and
17 schedule for the project.

18 (g) All sources of funding or in-kind contributions for the
19 project in addition to any grant award.

20 (h) The applicant's experience and financial wherewithal.

21 (i) Demonstrated commitment to broadband adoption activities
22 that will support the proposed project.

23 (j) Whether the project proposed in connection with an
24 infrastructure grant is scalable to higher download and upload
25 speeds.

26 (k) As applicable, the useful life of the high-speed broadband
27 service proposed to be deployed.

28 (10) The applicant's trade secrets, financial information, and
29 proprietary information submitted under this section as part of an



1 application or reporting requirements are exempt from disclosure
2 under the freedom of information act, 1976 PA 442, MCL 15.231 to
3 15.246.

4 (11) After scoring and considering infrastructure grant
5 applications, the department of labor and economic opportunity must
6 make grant recommendations and publish summaries, redacted
7 according to section 14 of the freedom of information act, 1976 PA
8 442, MCL 15.244, on its website within 10 days, regarding the
9 proposed geographic broadband service area and the proposed
10 broadband service speeds for each application that receives an
11 award recommendation.

12 (12) Before granting an award of an infrastructure grant to an
13 applicant, the department of labor and economic opportunity must
14 establish a period of at least 45 days after the date the award
15 recommendations are published on the department of labor and
16 economic opportunity's website, during which time the department of
17 labor and economic opportunity must accept comments or objections
18 concerning each application. The department of labor and economic
19 opportunity must consider all reasonable comments or objections
20 received, and investigate them as needed, in deciding whether an
21 applicant is eligible for a grant. If an objection submitted by a
22 provider contains information that requires an investigation and
23 the objection is found to be inaccurate, the provider must
24 reimburse the department of labor and economic opportunity for the
25 cost of verifying the information. The department of labor and
26 economic opportunity must not count any delays due to an objection
27 in processing a valid infrastructure grant against an applicant.

28 (13) The department of labor and economic opportunity must not
29 award an infrastructure grant to an applicant if verifiable



1 information is made available that shows 1 or more of the
2 following:

3 (a) At least 1 internet service provider has deployed internet
4 service capable of providing service at a speed of at least 100
5 megabits per second downstream and 20 megabits per second upstream
6 to a street address or addresses within the proposed project area.
7 For middle mile infrastructure grants, at least 1 internet service
8 provider has deployed the middle mile infrastructure and is in
9 operation for the same area as the grant applicant.

10 (b) The department of labor and economic opportunity received
11 a sworn statement from an officer of an internet service provider
12 that the proposed project includes an area where construction of a
13 network to provide internet service of at least 100 megabits per
14 second downstream and 20 megabits per second upstream is underway
15 and the construction is scheduled to be completed within 1 year
16 after the date of the application.

17 (c) The department of labor and economic opportunity received
18 a sworn statement from an officer of an internet service provider
19 that the proposed project includes, provisionally or otherwise,
20 funding for the expansion of internet services of at least 100
21 megabits per second downstream and 20 megabits per second upstream
22 from a state or federal program, for an area where an internet
23 service provider has been selected. This subdivision does not apply
24 to an area once either of the following has occurred:

25 (i) The internet service provider does not complete the
26 requirements for obtaining the funding described in this
27 subdivision.

28 (ii) The time period for the internet service provider to meet
29 its obligation described in this subdivision has expired and the



1 area remains unserved.

2 (14) At the time an infrastructure grant is awarded to an
3 applicant, the department of labor and economic opportunity must
4 immediately provide notice on its website of each grant, including
5 the name of the entity, the grant amount, and the area impacted.

6 (15) The department of labor and economic opportunity must
7 require an applicant awarded an infrastructure grant to demonstrate
8 compliance with grant criteria and federal reporting or auditing
9 rules. Applicants must submit a semiannual report from the time the
10 applicant receives the grant through 1 year after completion of the
11 project funded, subject to the following:

12 (a) Reports must be made available on the department of labor
13 and economic opportunity's website with any proprietary information
14 redacted.

15 (b) Reports must be in a format specified by the department of
16 labor and economic opportunity and give an accounting by the
17 applicant of the use of the money received and the progress toward
18 fulfilling the objectives for the grant funds.

19 (16) Notwithstanding the requirements of this section, the
20 department of labor and economic opportunity may utilize up to 35%
21 of funds appropriated in part 1 for grants to applicants for middle
22 mile facilities infrastructure that will support the provision of
23 broadband service of at least 100 megabits per second downstream,
24 20 megabits per second upstream, and scalable to at least 100
25 megabits per second upstream exclusively to unserved areas. In
26 addition to applicable grant criteria in this section, the
27 department of labor and economic opportunity may award grants for
28 middle mile facilities that allow utilization by multiple internet
29 service providers.



1 (17) The department of labor and economic opportunity must
2 utilize multiple forms of objective data to evaluate the existence
3 of broadband service throughout the state and implement this
4 section, including, but not limited to, any granular state or
5 federal broadband maps, community input, speed tests, or surveys.

6 (18) The department of labor and economic opportunity must
7 utilize the same criteria and process in this section for awarding
8 grants for middle mile and last mile infrastructure.

9 (19) From the funds appropriated in part 1, up to 5% must be
10 used to operate a broadband office, as provided in Executive
11 Directive No. 2021-02. This funding is intended to support
12 operations of the office for the duration of the availability of
13 the federal grants, with no additional state resources required.
14 The department of labor and economic opportunity must do all of the
15 following:

16 (a) Administer funds in part 1 and any other funding for
17 activities that expand access to broadband service or address
18 broadband needs.

19 (b) Establish budgeting procedures, employ personnel, and
20 contract with consultants, according to the management and budget
21 act, 1984 PA 431, MCL 18.1101 to 18.1594.

22 (c) Serve as the state point of contact for broadband, develop
23 broadband plans, and execute agreements.

24 (d) Provide technical assistance, conduct outreach, and
25 coordinate broadband efforts among state agencies.

26 (e) Adopt compliance, reporting, and auditing policies.

27 (f) Collect data and measure results to inform funding
28 allocations and the public on the status of broadband in this
29 state.



1 (20) Funds appropriated in part 1 for ARP - Michigan statewide
2 broadband service grant program may be used by the department of
3 labor and economic opportunity to hire up to 8.0 employees to
4 support the efforts of the broadband office. A report must be
5 submitted no later than September 30, 2022, detailing the
6 consolidation of broadband functions into this office, including
7 recommendations for corresponding staffing reductions from all
8 other departments.

9 (21) As used in this section:

10 (a) "Applicant" means an internet service provider or eligible
11 subrecipient of the Coronavirus capital projects fund, consistent
12 with subsection (4).

13 (b) "Area" means a collection of street-level locations or
14 addresses identified by a subrecipient or the state and utilized in
15 this section.

16 (c) "Department" means the office created in Executive Order
17 No. 2021-02.

18 (d) "Broadband service" means the facilities infrastructure or
19 services that directly support the transport of data across a
20 network that enables continuous end-user internet connection at a
21 symmetrical rate of at least 100 megabits per second downstream and
22 upstream. For purposes of determining unserved areas or census
23 blocks in this section, the department of labor and economic
24 opportunity must utilize a standard of 100 megabits per second
25 downstream and 20 megabits per second upstream. For areas or census
26 blocks determined that have unique geographic or topographic
27 barriers, the department of labor and economic opportunity must
28 award grants for projects that upon completion support the
29 provision of broadband service of at least 100 megabits per second



1 downstream and 20 megabits per second upstream, provided the
2 facilities will be scaled to symmetrical speeds.

3 (e) "Infrastructure" means the facilities and eligible project
4 costs that directly support the provision of broadband service
5 consistent with the Coronavirus capital projects fund. Facilities
6 include, but may not be limited to, fiber, coaxial cable, conduit,
7 backhaul, middle mile, transport, internet exchanges, routers,
8 microwave capacity, and attaching structures.

9 (f) "Internet service provider" means any of the following:

10 (i) An entity holding a license under the Michigan
11 telecommunications act, 1991 PA 179, MCL 484.2101 to 484.2603.

12 (ii) An entity holding a franchise under the uniform video
13 services local franchise act, 2006 PA 480, MCL 484.3301 to
14 484.3315.

15 (iii) An entity currently providing broadband service in this
16 state.

17 (g) "Middle mile infrastructure" means high-capacity broadband
18 infrastructure that traverses long distances to connect communities
19 to the internet backbone, does not connect directly to end-user
20 locations, and enables interconnecting internet service providers
21 to provide last-mile broadband service of at least 100 megabits per
22 second download and 20 megabits per second upload and scalable to
23 faster speeds.

24 (h) "Person" includes an individual, community organization,
25 cooperative association, corporation, federally recognized Indian
26 tribe, limited liability company, nonprofit corporation,
27 partnership, or political subdivision of this state.

28 (i) "Unserved area" means 1 or more of the following:

29 (i) A census block or area defined in this section lacking



1 access to internet service of at least 100 megabits per second
2 downstream and 20 megabits per second upstream from at least 1
3 internet service provider.

4 (ii) An area lacking access to internet service of at least 100
5 megabits per second downstream and 20 megabits per second upstream
6 from at least 1 internet service provider according to the Federal
7 Communications Commission's broadband data collection program, upon
8 its completion, or state-level granular maps completed by the
9 department of labor and economic opportunity after the effective
10 date of this act.

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

19 (a) The purpose of the project is to operate a Michigan
20 broadband program, consistent with the Coronavirus capital projects
21 fund, section 604 of the American rescue plan act of 2021, 42 USC
22 804.

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

25 (c) The total estimated cost of the project is
26 \$250,630,400.00.

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

28 Sec. 360. (1) Funds appropriated in part 1 for mobility
29 futures initiative must be used to invest in rapidly evolving



1 industries, infrastructure, and workforce opportunities available
2 in the mobility sphere in order to position Michigan as a global
3 leader in mobility and electrification. The department of labor and
4 economic opportunity's office of future mobility and
5 electrification, created through Executive Directive No. 2020-1,
6 must coordinate these initiatives.

7 (2) Funds appropriated in part 1 must be allocated in the
8 following manner:

9 (a) A total of \$15,000,000.00 for transitioning and growing
10 this state's mobility workforce and industry. Funds may be used to
11 support a statewide platform and development of new training
12 curriculum to grow the next generation electric vehicle workforce,
13 for addressing shortages in the mobility industry's talent
14 pipeline, and providing planning services for communities at risk
15 of losing an anchor employer tied to the internal combustion engine
16 auto manufacturing industry.

17 (b) A total of \$7,000,000.00 for providing safer, greener, and
18 more accessible mobility services. These funds may be used for a
19 grant program that addresses mobility and safety challenges across
20 this state, and for a partnership with the state transportation
21 department to pilot a mobility wallet program that removes transit
22 barriers and drives equity across the transportation sector.

23 (c) A total of \$3,000,000.00 to lead the nation in mobility
24 innovation by developing and commercializing mobility technologies
25 through a new network of mobility innovation hubs that will support
26 mobility companies on their next stage of growth.

27 (3) The department of labor and economic opportunity shall
28 report to the senate and house appropriations subcommittees, the
29 senate and house fiscal agencies, and the state budget office by



1 September 30, 2022 on the status of the initiatives and objectives
2 achieved.

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

10 (a) The purpose of the project is to provide support for the
11 mobility futures initiative.

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

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

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

16 Sec. 361. From the funds appropriated in part 1, the
17 department of labor and economic opportunity may hire or contract
18 for 10.0 limited-term staff for MSHDA to administer programs funded
19 under this act.

20

21 **DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

22 Sec. 401. (1) From the funds appropriated in part 1 for low
23 carbon energy infrastructure enhancement and development, funding
24 must be expended only for grants to businesses, nonprofit
25 organizations, and units of local government for the purposes of
26 planning, developing, designing, acquiring, or constructing low
27 carbon energy facilities, which may include, but are not limited
28 to, natural gas facilities, combined heat and power facilities,
29 renewable natural gas facilities, and electrification programs.



1 (2) The Michigan public service commission must develop
2 program guidelines and implement an application process for the
3 grant program within 6 months after the effective date of this act
4 and must first prioritize and approve grants that do all of the
5 following:

6 (a) Are supported by a cost-benefit analysis.

7 (b) Facilitate the largest number of end-use customers
8 achieving access to low carbon energy facilities at the lowest
9 total cost.

10 (c) Reduce customer energy cost burdens.

11 (d) Support the reduction of emissions.

12 (3) Grant applicants must do all of the following:

13 (a) Perform an impact study that includes an analysis of
14 potential cost savings, environmental impacts, and local economic
15 benefits of the proposed low carbon energy facilities. A utility,
16 at its sole discretion, may prepare a single impact study covering
17 the utility's service territory that accounts for likely proposals,
18 evaluates regional opportunities, and minimizes or eliminates the
19 need for repetitive studies. Sufficient detail must be provided in
20 the study to allow the Michigan public service commission to
21 evaluate each low carbon energy facility proposed.

22 (b) Submit a proposal that details the associated costs and
23 benefits of the proposal, including all of the following:

24 (i) The cost impact to potential new customers, including a
25 cost-benefit analysis demonstrating the impact and cost savings to
26 customers that are directly part of the infrastructure development
27 proposal. The cost-benefit analysis must include all of the
28 following:

29 (A) A summary of the project, including detailed cost



1 estimates for completion, project timing, and locations impacted.

2 (B) A prospective list outlining the volume of potential
3 customers that would be impacted by the project development.

4 (C) A comprehensive analysis of prospective customers' energy
5 costs using those customers' current energy supply versus the
6 proposed new energy supply source and other alternative energy
7 sources that may be available, including all of the following:

8 (I) The forecasted annual energy costs of a customer's current
9 energy supply in direct comparison with the proposed new energy
10 supply source and other alternative energy sources that may be
11 available.

12 (II) Any installation or project costs that are the customer's
13 responsibility.

14 (III) A detailed comparison of the scope 1, scope 2, and scope
15 3 emissions, as defined by the Environmental Protection Agency,
16 associated with the energy supply within the proposal versus the
17 current energy supply being used by prospective customers and other
18 alternative energy sources that may be available, including all of
19 the following:

20 (1) The calculated emissions savings for an average customer
21 under the different energy supply options.

22 (2) Any supporting details for the emissions calculation,
23 including any models and detail on assumptions.

24 (ii) An analysis to demonstrate impact on the local economy and
25 this state's economy, including all of the following:

26 (A) The number of jobs created during the project.

27 (B) The potential impact to the small business community
28 within the local area where the grant or loan is proposed to be
29 spent.



1 (C) The cost savings to other customers due to the grant being
2 used to supplement spending and revenue in other areas.

3 (iii) A detailed summary indicating any support from customers
4 and communities associated with the project plans for the
5 infrastructure development, including all of the following:

6 (A) Any outreach campaigns or events conducted, including
7 dates, times, and number of households reached.

8 (B) A list of any customers or businesses that have expressed
9 or signaled interest in supporting the project development.

10 (iv) An analysis of the anticipated community health impacts
11 related to the proposed low carbon energy facility.

12 (4) In addition to the requirements of subsection (3), an
13 applicant applying for a grant to be used to develop RNG
14 infrastructure shall include all of the following:

15 (a) The project details, including the location of biogas and
16 the proposed interconnection.

17 (b) The cost estimates for the interconnection, metering, and
18 gas conditioning equipment needed to connect to an existing
19 pipeline system.

20 (c) A summary of the environmental and health impacts of the
21 project, including the forecasted emission reductions.

22 (d) Any local economic impact from the RNG infrastructure
23 development.

24 (e) The end-use application for the RNG infrastructure with a
25 focus on projects being used for opportunities in this state.

26 (5) After receiving an application under this section, the
27 Michigan public service commission must allow local units of
28 government, environmental groups, and business interests directly
29 affected by the proposal 45 days to review the application and



1 provide comments. The Michigan public service commission must give
2 the applicant 15 days after the comments have been received from
3 interested parties, at the applicant's discretion, to modify or
4 maintain their initial proposal.

5 (6) The Michigan public service commission must review all
6 proposals and award grants to applicants it determines have met the
7 criteria in this section. All grants must include full and timely
8 cost recovery from the fund for the infrastructure requirements of
9 the affected utility made necessary by the grant.

10 (7) Grant recipients under this section must submit a report
11 to the Michigan public service commission detailing how the grant
12 money was used within 30 days after the completion of the relevant
13 project.

14 (8) As used in this section, "renewable natural gas" or "RNG"
15 means methane derived from organic waste material and degradable
16 carbon sources including, but not limited to, agricultural waste,
17 manure, municipal waste, plant materials, sewage, green waste, or
18 food waste.

19 (9) The unexpended funds appropriated in part 1 for low carbon
20 energy infrastructure enhancement and development are designated as
21 a work project appropriation. Any unencumbered or unallotted funds
22 shall not lapse at the end of the fiscal year and shall be
23 available for expenditures for projects under this section until
24 the projects have been completed. The following is in compliance
25 with section 451a(1) of the management and budget act, 1984 PA 431,
26 MCL 18.1451a:

27 (a) The purpose of the project is to support improvements to
28 low carbon energy infrastructure projects.

29 (b) The project will be accomplished by utilizing state



1 employees or contracts with service providers, or both.

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

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

4
5 **DEPARTMENT OF NATURAL RESOURCES**

6 Sec. 451. (1) From the funds in part 1 for ARP - local parks
7 and trail infrastructure grants, a total of \$135,000,000.00 must be
8 allocated as designated in the following subdivisions for catalytic
9 park and recreation projects and facilities that provide and
10 promote outdoor recreation opportunities for the public, promote
11 the tourism industry and its recovery, and spur economic
12 development and recovery in local communities across the state that
13 have been adversely impacted by the COVID-19 pandemic:

14 (a) \$60,000,000.00 must be allocated to a city with a
15 population between 639,000 and 640,000 according to the most recent
16 federal decennial census for a 29-mile recreational greenway
17 project connecting multiple neighborhoods and municipalities that
18 promotes and enhances public recreation, equity, tourism, and
19 economic development and recovery.

20 (b) \$55,000,000.00 must be allocated to a nonprofit
21 organization that is responsible for building and place-management
22 in the urban core of a city with a population between 198,000 and
23 199,000 according to the most recent federal decennial census for a
24 28-mile recreational greenway project connecting multiple regional,
25 city, and community trail and park systems that promotes and
26 enhances public recreation, equity, tourism, and economic
27 development and recovery.

28 (c) \$20,000,000.00 must be awarded to a 501(c)(3) nonprofit
29 entity in a county with a population of between 14,300 and 14,400



1 according to the most recent federal decennial census dedicated to
2 promoting recreation, sports, and tourism in the western Upper
3 Peninsula of Michigan for the development or improvement of
4 facilities, specifically strategic capital investments that would
5 modernize ski-jumping/flying facilities for summer- and winter-
6 based sporting events and other year-round outdoor recreational
7 activities pursuant to a grant agreement. Funds may be expended for
8 planning and engineering, infrastructure, construction, or costs
9 associated with renovation and improvements to ensure year-round
10 national and international competitive sports and tourism use.

11 (2) These funds must be expended in compliance with federal
12 regulations established by the American rescue plan act of 2021,
13 Public Law 117-2, including all regulations and requirements around
14 the use of the state fiscal recovery fund.

15 Sec. 452. (1) From the funds in part 1 for the ARP - local
16 parks and trail infrastructure grants, a total of \$65,000,000.00
17 must be allocated for the department of natural resources to
18 establish a competitive grant program to modernize local parks and
19 develop new local public recreation opportunities. Projects may
20 include the development, renovation, or redevelopment of public
21 recreation facilities, and the provision of recreation-focused
22 equipment and programs at public recreation spaces. The program
23 must help to support and enhance tourism and related economic
24 sectors in local communities across the state that have been
25 adversely impacted by the COVID-19 pandemic.

26 (2) The department of natural resources must develop program
27 guidelines and eligibility criteria in consultation with public
28 recreation stakeholders to award grants for the benefit of local
29 park and recreation systems. Once developed, program guidelines and



1 eligibility criteria for the program must be posted on the
2 department of natural resources' publicly accessible website at
3 least 30 days prior to the application deadline.

4 (3) Eligible applicants shall include a local unit of
5 government or public authority legally constituted to provide
6 public recreation. A regional or statewide organization or
7 consortium of local units of government or public authorities
8 legally constituted to provide public recreation may be considered
9 an eligible applicant.

10 (4) Funds may be expended for activities such as, but not
11 limited to, project review, planning, architecture and engineering
12 services, construction, oversight, and compliance activities
13 associated with state and federal requirements, as applicable.

14 (5) These funds must be expended in compliance with federal
15 regulations established by the American rescue plan act of 2021,
16 Public Law 117-2, including all regulations and requirements around
17 the use of the state fiscal recovery fund.

18 Sec. 453. (1) From the funds appropriated in part 1 for ARP -
19 state parks and trail infrastructure, the department of natural
20 resources must develop, improve, repair, and maintain state parks,
21 state recreation areas, and state-designated trails. Improvements
22 to the state's recreation areas will help to support and enhance
23 tourism and related economic sectors in communities across the
24 state that have been adversely impacted by the COVID-19 pandemic.

25 (2) Funds may be expended for activities such as, but not
26 limited to, project review, planning, architecture and engineering
27 services, construction, oversight, and compliance activities
28 associated with state and federal requirements, as applicable.
29 Funding not to exceed \$30,200,000.00 may be expended to develop a



1 new state park in a county with a population of between 406,000 and
 2 407,000 and in a city with a population between 81,000 and 82,000
 3 according to the most recent federal decennial census.

4 (3) These funds must be expended in compliance with federal
 5 regulations established by the American rescue plan act of 2021,
 6 Public Law 117-2, including all regulations and requirements around
 7 the use of the state fiscal recovery fund.

8

9 **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

10 Sec. 501. (1) Funds appropriated in part 1 for ARP - Michigan
 11 infrastructure office must be allocated by the department of
 12 technology, management, and budget for Michigan infrastructure
 13 office activities that assist with the interagency coordination of
 14 infrastructure investments across state government agencies and
 15 with other federal, state, and local partners. Funds may be used to
 16 support the Michigan infrastructure office in its effort to
 17 maximize investments and infrastructure programs that support long-
 18 term growth, opportunity, and equity across the state of Michigan
 19 from both directly secured resources and from resources that are
 20 otherwise made available for the state under the federal
 21 infrastructure investment and jobs act, Public Law 117-58.

22 (2) The Michigan infrastructure office may include 5.0 term-
 23 limited employees to perform the functions of this office for a
 24 term that ends when the funds appropriated in part 1 are exhausted.

25 (3) The unexpended funds appropriated in part 1 for ARP -
 26 Michigan infrastructure office are designated as a work project
 27 appropriation. Any unencumbered or unallotted funds shall not lapse
 28 at the end of the fiscal year and shall be made available for
 29 expenditures for the Michigan infrastructure office. The following



1 is in compliance with section 451a of the management and budget
2 act, 1984 PA 431, MCL 18.1451a:

3 (a) The purpose of the project is to provide temporary support
4 for the Michigan infrastructure office to ensure that resources the
5 state has access to under the infrastructure investment and jobs
6 act, Public Law 117-58, and other sources are used effectively and
7 efficiently to fix the state's infrastructure.

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

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

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

12 Sec. 502. (1) Funds appropriated in part 1 for ARP -
13 Coronavirus response activities must be allocated by the department
14 of technology, management, and budget for coronavirus response
15 activities. Funds may be used to support the COVID-19 office of
16 accountability created in Executive Directive No. 2020-5.

17 (2) The unexpended funds appropriated in part 1 for ARP -
18 Coronavirus response activities 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 made available for
21 expenditures for the COVID-19 office of accountability in
22 accordance with Executive Directive No. 2020-5. The following is in
23 compliance with section 451a of the management and budget act, 1984
24 PA 431, MCL 18.1451a:

25 (a) The purpose of the project is to provide temporary support
26 for the COVID-19 office of accountability to ensure that resources
27 are secured, monitored, and spent in response to the pandemic in
28 accordance with all applicable state and federal requirements.

29 (b) The project will be accomplished by utilizing state



1 employees or contracts with service providers, or both.

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

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

4
5 **STATE DEPARTMENT OF TRANSPORTATION**

6 Sec. 551. Funds appropriated in part 1 for ARP - pump station
7 back-up generators must be used to support a statewide program for
8 the implementation of redundant electrical service for stormwater
9 pumping stations serving state trunkline highways. Expenditures are
10 for the purpose of stormwater management and are in accordance with
11 section 9901 of the American rescue plan act of 2021, 42 USC 802,
12 and eligibility criteria specified in section 603(c) of the federal
13 water pollution control act, 33 USC 1383.

14 Sec. 552. Funds appropriated in part 1 for Michigan
15 infrastructure grants must be allocated as follows:

16 (a) \$3,000,000.00 must be awarded for a local road project
17 aimed at reducing congestion on Secor Road located in a county with
18 a population of between 154,800 and 154,900 according to the most
19 recent federal decennial census.

20 (b) \$25,000,000.00 must be allocated to the Wayne County
21 Airport Authority.

22 (c) \$8,000,000.00 must be allocated to support a freeway sound
23 mitigation project in a county with a population of between 406,000
24 and 406,500 according to the most recent federal decennial census.

25 (d) \$4,000,000.00 must be allocated to support a freeway sound
26 mitigation project in a county with a population of between
27 1,274,000 and 1,274,500 according to the most recent federal
28 decennial census.

29 (e) \$2,150,000.00 must be allocated to support a road project



1 located in a county with a population of between 1,793,500 and
 2 1,794,000 according to the most recent federal decennial census.

3 (f) \$2,000,000.00 must be allocated to the Capital Region
 4 Airport Authority.

5 (g) \$1,000,000.00 must be allocated to support a freeway sound
 6 mitigation study in a county with a population of between 1,793,500
 7 and 1,794,000 according to the most recent federal decennial
 8 census.

9 (h) \$1,000,000.00 must be allocated to support a road project
 10 located in a county with a population of between 406,000 and
 11 406,500 according to the most recent federal decennial census.

12 (i) \$500,000.00 must be allocated to the Michigan
 13 International Technology Center.

14 (j) \$350,000.00 must be allocated to support a sidewalk
 15 project in a county with a population of between 1,274,000 and
 16 1,274,500 according to the most recent federal decennial census.

17 (k) \$1,100,000.00 must be allocated for a local bridge project
 18 to replace the Main Street bridge over rail lines located in a
 19 village with a population of between 2,525 and 2,575 in a county
 20 with a population of between 75,500 and 75,600 according to the
 21 most recent federal decennial census.

22 (l) \$40,000,000.00 must be allocated to support the
 23 reconstruction and widening into a boulevard alignment of M-37
 24 between 76th Street and 92nd Street in a county with a population
 25 of between 650,000 and 660,000 according to the most recent federal
 26 decennial census.

27

28 **DEPARTMENT OF TREASURY**

29 Sec. 601. (1) Each city, village, or township in which the



1 2020 revenue sharing population, as defined in section 3 of the
2 Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL
3 141.903, per the 2020 federal decennial statewide census, was lower
4 than the city's, village's, or township's 2010 revenue sharing
5 population, as defined in section 3 of the Glenn Steil state
6 revenue sharing act of 1971, 1971 PA 140, MCL 141.903, per the 2010
7 federal decennial statewide census, qualifies to receive a 2020
8 census city, village, and township hold harmless payment from the
9 funds appropriated in part 1 for the 2020 census city, village, and
10 township hold harmless payments.

11 (2) Each city, village, or township that qualifies for a 2020
12 census city, village, and township hold harmless payment shall
13 receive an amount equal to the overpayment as described in section
14 3 of the Glenn Steil state revenue sharing act of 1971, 1971 PA
15 140, MCL 141.903. Overpayment amounts must be calculated based on
16 the revenue sharing distributions issued on or after October 1,
17 2020 through March 1, 2022.

18 (3) The amounts distributed to each city, village, or township
19 under this section shall be prorated, as necessary, based on the
20 total amount appropriated in part 1 for the 2020 census city,
21 village, and township hold harmless payments.

22 Sec. 602. (1) From the funds appropriated in part 1 for grants
23 for dam projects, \$200,000,000.00 must be allocated to a task force
24 that is a 501(c)(3) nonprofit and is delegated authority for a
25 county with a population between 82,000 and 84,000 and a county
26 with a population between 25,350 and 25,400 according to the most
27 recent federal decennial census for the four lakes special
28 assessment district under part 307, inland lake levels, and part
29 315, dam safety, of the natural resources and environmental



1 protection act, 1994 PA 451, MCL 324.30701 to 324.30723 and
2 324.31501 to 324.31529.

3 (2) Fund recipients for funds allocated under subsection (1)
4 must be able to demonstrate a 20% local match, which may include,
5 but is not limited to, the existence of a special assessment
6 district established under part 307 of the natural resources and
7 environmental protection act, 1994 PA 451, MCL 324.30701 to
8 324.30723; funds committed or expended for the stated project from
9 federal or private grant funds; or costs expended for engineering,
10 design, remediation, or construction using local resources, or in-
11 kind support; or other applicable resources. This demonstration is
12 not required before funds are transferred to a fund recipient but
13 must be made before all funds allocated under this section to that
14 recipient are expended.

15 (3) From the funds appropriated in part 1 for grants for dam
16 projects, \$6,800,000.00 must be allocated for the lake dredging and
17 dam emergency spillway project in a county with a population of
18 between 30,800 and 30,900 according to the most recent federal
19 decennial census. Funding may be used for dredging equipment, dam
20 replacement, dam walkway, piers, and control structures.

21 (4) Funds allocated under this section do not constitute a
22 future guarantee of permitting approval for any project.

23 (5) Funds allocated under this section shall be distributed as
24 reimbursements for approved costs.

25 (6) Fund recipients for funds allocated under subsection (3)
26 must be able to demonstrate a 20% local match.

27 (7) The unexpended funds appropriated in part 1 for grants for
28 dam projects are designated as a work project appropriation. Any
29 unencumbered or unallotted funds shall not lapse at the end of the



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

5 (a) The purpose of the project is to support projects
6 associated with flooding and dam management.

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

9 (c) The total estimated cost of the project is
10 \$206,800,000.00.

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

