

SUBSTITUTE FOR  
SENATE BILL NO. 1087

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2007; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees;

Senate Bill No. 1087 as amended May 24, 2006

and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the  
4 amounts listed in this part are appropriated for the departments of  
5 attorney general, civil rights, civil service, information  
6 technology, management and budget, state, and treasury, the  
7 executive office, the legislative branch, and certain other state  
8 purposes, for the fiscal year ending September 30, 2007, from the  
9 funds indicated in this part. The following is a summary of the  
10 appropriations in this part:

11 **TOTAL GENERAL GOVERNMENT**

12 APPROPRIATION SUMMARY:

13 Full-time equated unclassified positions..... 49.0

14 Full-time equated classified positions..... 7,250.4

15 GROSS APPROPRIATION .....\$<<3,013,476,000>>

16 Interdepartmental grant revenues:

17 Total interdepartmental grants and intradepartmental

18 transfers ..... 591,363,800

19 ADJUSTED GROSS APPROPRIATION .....\$<<2,422,112,200>>

20 Federal revenues:

21 Total federal revenues..... 103,227,200

22 Special revenue funds:

23 Total local revenues..... 2,766,200

## Senate Bill No. 1087 as amended May 24, 2006

1	Total private revenues.....	1,250,100
2	Total other state restricted revenues.....	1,670,243,000
3	State general fund/general purpose.....	\$ <<644,625,700>>
4		
5	<b>Sec. 102. DEPARTMENT OF ATTORNEY GENERAL</b>	
6	<b>(1) APPROPRIATION SUMMARY</b>	
7	Full-time equated unclassified positions.....	6.0
8	Full-time equated classified positions.....	559.0
9	GROSS APPROPRIATION.....	\$ 68,104,000
10	Interdepartmental grant revenues:	
11	Total interdepartmental grants and intradepartmental	
12	transfers .....	13,914,300
13	ADJUSTED GROSS APPROPRIATION.....	\$ 54,189,700
14	Federal revenues:	
15	Total federal revenues.....	10,236,500
16	Special revenue funds:	
17	Total local revenues.....	0
18	Total private revenues.....	0
19	Total other state restricted revenues.....	11,485,500
20	State general fund/general purpose.....	\$ 32,467,700
21	<b>(2) ATTORNEY GENERAL OPERATIONS</b>	
22	Full-time equated unclassified positions.....	6.0
23	Full-time equated classified positions.....	559.0
24	Attorney general.....	\$ 124,900
25	Unclassified positions--5.0 FTE positions.....	476,300
26	Attorney general operations--519.0 FTE positions.....	61,742,300
27	Child support enforcement--25.0 FTE positions.....	2,851,500

1	Prosecuting attorneys coordinating council--15.0 FTE	
2	positions .....	1,844,300
3	PACC, training project.....	<u>325,000</u>
4	GROSS APPROPRIATION.....	\$ 67,364,300
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG from MDCH, health services.....	1,780,300
8	IDG from MDHS.....	3,209,200
9	IDG from MDLEG, financial and insurance services.....	1,068,300
10	IDG from MDLEG, public utility assessments.....	1,965,300
11	IDG from MDMB, risk management revolving fund.....	1,321,300
12	IDG from MDOT, comprehensive transportation fund.....	153,400
13	IDG from MDOT, state aeronautics fund.....	151,400
14	IDG from MDOT, state trunkline fund.....	2,708,300
15	IDG from MDSP, Michigan justice training fund.....	325,000
16	IDG from Michigan gaming control board.....	979,500
17	IDG from treasury, land reutilization fund.....	252,300
18	Federal revenues:	
19	DAG, state administrative match grant/food stamps.....	387,700
20	DED-OPSE, student loan, federal lender allowance.....	320,200
21	DOL-ETA, unemployment insurance.....	1,564,500
22	DOL-OSHA, occupational safety and health.....	274,700
23	EPA, multiple grants.....	280,800
24	Federal funds.....	2,624,200
25	HHS, medical assistance, medigiant.....	628,100
26	HHS-OS, state Medicaid fraud control units.....	4,156,300
27	Special revenue funds:	

1	Antitrust enforcement collections.....	627,200
2	Attorney general's operations fund.....	838,200
3	Auto repair facilities fees.....	225,500
4	Collections revenue.....	683,200
5	Environmental response fund.....	760,400
6	Franchise fees.....	282,600
7	Game and fish protection fund.....	740,800
8	Liquor purchase revolving fund.....	1,025,100
9	Manufactured housing fees.....	219,900
10	Merit award trust fund.....	406,700
11	Michigan state housing development authority fees....	552,300
12	Oil and gas privilege fee revenue.....	198,600
13	Prisoner reimbursement.....	445,800
14	Prosecuting attorneys training fees.....	357,700
15	Real estate enforcement fund.....	226,000
16	Retirement funds.....	730,000
17	Second injury fund.....	999,800
18	Self-insurers security fund.....	168,700
19	Silicosis and dust disease fund.....	516,000
20	State building authority revenue.....	94,700
21	State hospital authority.....	357,500
22	State lottery fund.....	239,700
23	Utility consumers fund.....	539,500
24	Waterways fund.....	96,700
25	Worker's compensation administrative revolving fund..	152,900
26	State general fund/general purpose.....	\$ 31,728,000
27	<b>(3) INFORMATION TECHNOLOGY</b>	

1	Information technology services and projects .....	\$	<u>739,700</u>
2	GROSS APPROPRIATION.....	\$	739,700
3	Appropriated from:		
4	State general fund/general purpose .....	\$	739,700
5			
6	<b>Sec. 103. DEPARTMENT OF CIVIL RIGHTS</b>		
7	<b>(1) APPROPRIATION SUMMARY</b>		
8	Full-time equated unclassified positions.....	5.0	
9	Full-time equated classified positions.....	136.0	
10	GROSS APPROPRIATION.....	\$	13,858,000
11	Interdepartmental grant revenues:		
12	Total interdepartmental grants and intradepartmental		
13	transfers .....		0
14	ADJUSTED GROSS APPROPRIATION.....	\$	13,858,000
15	Federal revenues:		
16	Total federal revenues.....		1,566,200
17	Special revenue funds:		
18	Total local revenues.....		0
19	Total private revenues.....		0
20	Total other state restricted revenues.....		0
21	State general fund/general purpose .....	\$	12,291,800
22	<b>(2) CIVIL RIGHTS OPERATIONS</b>		
23	Full-time equated unclassified positions.....	5.0	
24	Full-time equated classified positions.....	136.0	
25	Unclassified positions--5.0 FTE positions.....	\$	264,100
26	Civil rights operations--136.0 FTE positions .....		12,804,900
27	Human resources optimization user charges .....		<u>8,500</u>

1	GROSS APPROPRIATION.....	\$	13,077,500
2	Appropriated from:		
3	Federal revenues:		
4	EEOC, state and local antidiscrimination agency		
5	contracts .....		1,024,800
6	HUD, grant.....		541,400
7	State general fund/general purpose.....	\$	11,511,300
8	<b>(3) INFORMATION TECHNOLOGY</b>		
9	Information technology services and projects .....	\$	<u>780,500</u>
10	GROSS APPROPRIATION.....	\$	780,500
11	Appropriated from:		
12	State general fund/general purpose.....	\$	780,500
13			
14	<b>Sec. 104. DEPARTMENT OF CIVIL SERVICE</b>		
15	<b>(1) APPROPRIATION SUMMARY</b>		
16	Full-time equated classified positions..... 240.5		
17	GROSS APPROPRIATION.....	\$	36,456,300
18	Interdepartmental grant revenues:		
19	Total interdepartmental grants and intradepartmental		
20	transfers .....		5,788,100
21	ADJUSTED GROSS APPROPRIATION.....	\$	30,668,200
22	Federal revenues:		
23	Total federal revenues.....		4,779,100
24	Special revenue funds:		
25	Total local revenues.....		1,700,000
26	Total private revenues.....		150,000
27	Total other state restricted revenues.....		17,157,500

1	State general fund/general purpose .....	\$	6,881,600
2	<b>(2) CIVIL SERVICE OPERATIONS</b>		
3	Full-time equated classified positions.....	240.5	
4	Agency services--118.5 FTE positions .....	\$	12,840,100
5	Executive direction--45.0 FTE positions .....		8,496,100
6	Employee benefits--31.0 FTE positions .....		5,769,500
7	Audit and compliance--16.0 FTE positions .....		2,114,600
8	Training.....		1,300,000
9	Human resources optimization--30.0 FTE positions .....		<u>2,117,200</u>
10	GROSS APPROPRIATION.....	\$	32,637,500
11	Appropriated from:		
12	Interdepartmental grant revenues:		
13	IDG, training charges.....		1,300,000
14	IDG, 1% special funds.....		1,300,000
15	IDG, human resources optimization user charges .....		2,117,200
16	Federal revenues:		
17	Federal funds 1%.....		3,637,100
18	Special revenue funds:		
19	Local funds 1%.....		1,700,000
20	Private funds 1%.....		150,000
21	Freedom of information fees.....		1,100
22	State restricted funds 1%.....		7,744,300
23	State sponsored group insurance.....		2,650,000
24	State sponsored group insurance, flexible spending		
25	accounts and COBRA .....		5,769,500
26	State general fund/general purpose .....	\$	6,268,300
27	<b>(3) INFORMATION TECHNOLOGY</b>		



1	Information technology services and projects .....	\$	<u>3,818,800</u>
2	GROSS APPROPRIATION .....	\$	3,818,800
3	Appropriated from:		
4	Interdepartmental grant revenues:		
5	IDG, human resources optimization user charges .....		1,070,900
6	Federal revenues:		
7	Federal funds 1% .....		1,142,000
8	Special revenue funds:		
9	State restricted funds 1% .....		852,300
10	State sponsored group insurance, flexible spending		
11	accounts and COBRA .....		140,300
12	State general fund/general purpose .....	\$	613,300
13			
14	<b>Sec. 105. EXECUTIVE OFFICE</b>		
15	<b>(1) APPROPRIATION SUMMARY</b>		
16	Full-time equated unclassified positions .....	10.0	
17	Full-time equated classified positions .....	74.2	
18	GROSS APPROPRIATION .....	\$	5,466,800
19	Interdepartmental grant revenues:		
20	Total interdepartmental grants and intradepartmental		
21	transfers .....		0
22	ADJUSTED GROSS APPROPRIATION .....	\$	5,466,800
23	Federal revenues:		
24	Total federal revenues .....		0
25	Special revenue funds:		
26	Total local revenues .....		0
27	Total private revenues .....		0

1	Total other state restricted revenues .....		0
2	State general fund/general purpose .....	\$	5,466,800
3	<b>(2) EXECUTIVE OFFICE OPERATIONS</b>		
4	Full-time equated unclassified positions .....	10.0	
5	Full-time equated classified positions .....	74.2	
6	Governor .....	\$	177,000
7	Lieutenant governor .....		123,900
8	Executive office--74.2 FTE positions .....		4,316,100
9	Unclassified positions--8.0 FTE positions .....		<u>849,800</u>
10	GROSS APPROPRIATION .....	\$	5,466,800
11	Appropriated from:		
12	State general fund/general purpose .....	\$	5,466,800
13			
14	<b>Sec. 106. DEPARTMENT OF INFORMATION TECHNOLOGY</b>		
15	<b>(1) APPROPRIATION SUMMARY</b>		
16	Full-time equated unclassified positions .....	6.0	
17	Full-time equated classified positions .....	1,785.4	
18	GROSS APPROPRIATION .....	\$	380,639,600
19	Interdepartmental grant revenues:		
20	Total interdepartmental grants and intradepartmental		
21	transfers .....		380,639,600
22	ADJUSTED GROSS APPROPRIATION .....	\$	0
23	Federal revenues:		
24	Total federal revenues .....		0
25	Special revenue funds:		
26	Total local revenues .....		0
27	Total private revenues .....		0

1	Total other state restricted revenues .....	0
2	State general fund/general purpose .....	\$ 0
3	<b>(2) ADMINISTRATION</b>	
4	Full-time equated unclassified positions.....	6.0
5	Full-time equated classified positions.....	1,785.4
6	Unclassified positions--6.0 FTE positions .....	\$ 300,000
7	2-1-1 program.....	100
8	Enterprisewide services--75.0 FTE positions .....	23,574,000
9	Health and human services--784.6 FTE positions .....	211,308,100
10	Education services--38.9 FTE positions .....	3,173,500
11	Public protection--302.0 FTE positions .....	39,860,800
12	Resources services--171.1 FTE positions .....	16,769,900
13	Transportation services--107.0 FTE positions .....	27,504,900
14	General services--306.8 FTE positions .....	<u>58,148,300</u>
15	GROSS APPROPRIATION.....	\$ 380,639,600
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDG from user fees.....	100
19	IDG from department of agriculture.....	1,537,800
20	IDG from department of attorney general .....	739,700
21	IDG from department of civil rights.....	780,500
22	IDG from department of civil service.....	3,818,800
23	IDG from department of community health.....	33,544,600
24	IDG from department of corrections.....	16,618,500
25	IDG from department of education.....	2,614,700
26	IDG from department of environmental quality.....	6,810,400
27	IDG from Michigan gaming control board.....	1,286,000

1	IDG from department of history, arts, and libraries ..	953,100
2	IDG from department of human services .....	136,083,900
3	IDG from department of labor and economic growth .....	43,188,500
4	IDG from bureau of state lottery .....	4,497,300
5	IDG from department of management and budget .....	28,433,600
6	IDG from department of military and veterans affairs .	1,161,700
7	IDG from department of natural resources .....	9,002,900
8	IDG from department of state .....	23,629,300
9	IDG from department of state police .....	21,035,700
10	IDG from department of transportation .....	27,876,500
11	IDG from department of treasury .....	17,026,000
12	State general fund/general purpose .....	\$ 0
13		
14	<b>Sec. 107. LEGISLATURE</b>	
15	<b>(1) APPROPRIATION SUMMARY</b>	
16	GROSS APPROPRIATION .....	\$ 131,642,000
17	Interdepartmental grant revenues:	
18	Total interdepartmental grants and intradepartmental	
19	transfers .....	1,801,500
20	ADJUSTED GROSS APPROPRIATION .....	\$ 129,840,500
21	Federal revenues:	
22	Total federal revenues .....	0
23	Special revenue funds:	
24	Total local revenues .....	0
25	Total private revenues .....	400,000
26	Total other state restricted revenues .....	2,649,700
27	State general fund/general purpose .....	\$ 126,790,800

1	(2) LEGISLATURE		
2	Senate.....	\$	30,044,700
3	Senate automated data processing.....		2,662,400
4	Senate fiscal agency.....		3,197,800
5	House of representatives.....		46,519,900
6	House automated data processing.....		2,114,500
7	House fiscal agency.....		3,094,300
8	Legislative auditor general.....		<u>15,981,800</u>
9	GROSS APPROPRIATION.....	\$	103,615,400
10	Appropriated from:		
11	Interdepartmental grant revenues:		
12	IDG from MDCS.....		107,900
13	IDG from MDLEG, liquor purchase revolving fund.....		11,300
14	IDG from MDOT, comprehensive transportation fund.....		25,200
15	IDG from MDOT, Michigan transportation fund.....		204,300
16	IDG from MDOT, state aeronautics fund.....		19,600
17	IDG from MDOT, state trunkline fund.....		474,600
18	IDG, single audit act.....		958,600
19	Special revenue funds:		
20	Cadillac local development finance authority.....		12,000
21	Clean Michigan initiative implementation bond fund...		37,500
22	Commercial mobile radio system emergency telephone		
23	fund .....		37,500
24	Construction lien fund.....		7,200
25	Contract audit administration fees.....		52,700
26	Correctional industries revolving fund.....		31,300
27	Fee adequacy, air quality delegated authority.....		9,400

1	Game and fish protection fund.....	21,400
2	Legislative retirement system.....	18,700
3	Marine safety fund.....	1,900
4	Michigan economic development corporation.....	41,200
5	Michigan education trust fund.....	30,000
6	Michigan justice training commission fund.....	28,100
7	Michigan state fair revolving fund.....	33,000
8	Michigan state housing development authority fees....	22,100
9	Michigan strategic fund.....	87,500
10	Michigan tobacco settlement authority.....	75,000
11	Michigan veterans' trust fund.....	24,400
12	Motor transport revolving fund.....	4,700
13	Office services revolving fund.....	6,800
14	State disbursement unit, office of child support.....	25,000
15	State services fee fund.....	926,900
16	Waterways fund.....	5,600
17	State general fund/general purpose.....	\$ 100,274,000
18	<b>(3) LEGISLATIVE COUNCIL</b>	
19	Legislative council.....	\$ 10,439,600
20	Legislative service bureau automated data processing.	1,435,700
21	Worker's compensation.....	138,800
22	National association dues.....	<u>102,200</u>
23	GROSS APPROPRIATION.....	\$ 12,116,300
24	Appropriated from:	
25	Special revenue funds:	
26	Private - gifts and bequests revenues.....	400,000
27	State general fund/general purpose.....	\$ 11,716,300

1       **(4) LEGISLATIVE RETIREMENT SYSTEM**

2       General nonretirement expenses..... \$       4,506,600

3       GROSS APPROPRIATION..... \$       4,506,600

4       Appropriated from:

5       Special revenue funds:

6       Court fees..... 1,109,800

7       State general fund/general purpose..... \$       3,396,800

8       **(5) PROPERTY MANAGEMENT**

9       Capitol building..... \$       2,344,900

10      Cora Anderson building..... 8,098,600

11      Farnum building and other properties..... 960,200

12      GROSS APPROPRIATION..... \$       11,403,700

13      Appropriated from:

14      State general fund/general purpose..... \$       11,403,700

15

16      **Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET**

17      **(1) APPROPRIATION SUMMARY**

18      Full-time equated unclassified positions..... 7.0

19      Full-time equated classified positions..... 752.0

20      GROSS APPROPRIATION..... \$       496,877,100

21      Interdepartmental grant revenues:

22      Total interdepartmental grants and intradepartmental

23      transfers ..... 155,293,500

24      ADJUSTED GROSS APPROPRIATION..... \$       341,583,600

25      Federal revenues:

26      Total federal revenues..... 0

27      Special revenue funds:

1	Total local revenues.....	0
2	Total private revenues.....	0
3	Total other state restricted revenues.....	67,438,900
4	State general fund/general purpose.....	\$ 274,144,700
5	<b>(2) MANAGEMENT AND BUDGET SERVICES</b>	
6	Full-time equated unclassified positions..... 6.0	
7	Full-time equated classified positions..... 588.5	
8	Unclassified positions--6.0 FTE positions.....	\$ 570,800
9	Executive operations--21.0 FTE positions.....	2,429,700
10	Administrative services--61.5 FTE positions.....	6,319,500
11	Budget and financial management--113.5 FTE positions .	10,196,100
12	Office of the state employer--23.0 FTE positions.....	2,706,900
13	Design and construction services--40.0 FTE positions .	5,162,600
14	Business support services--88.5 FTE positions.....	7,831,800
15	Building operation services--241.0 FTE positions.....	87,546,000
16	Building occupancy charges, rent, and utilities.....	4,179,600
17	Human resources optimization user charges.....	64,200
18	Motor vehicle fleet.....	56,724,200
19	Gubernatorial transition fund.....	<u>1,200,000</u>
20	GROSS APPROPRIATION.....	\$ 184,931,400
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDG from MDOT, state aeronautics fund.....	37,500
24	IDG from MDOT, comprehensive transportation fund.....	60,300
25	IDG from MDOT, state trunkline fund.....	1,319,000
26	IDG from building occupancy and parking charges.....	90,280,400
27	IDG from department of labor and economic growth.....	100,000



1	IDG from motor transport fund.....	56,724,200
2	IDG from MDCH.....	425,800
3	IDG from MDHS.....	102,400
4	IDG from user fees.....	5,175,700
5	Special revenue funds:	
6	Game and fish protection fund.....	249,300
7	Health management funds.....	1,684,400
8	Marine safety fund.....	22,400
9	Special revenue, internal service, and pension trust	
10	funds .....	9,002,100
11	State building authority revenue.....	587,200
12	State lottery fund.....	108,600
13	State services fee fund.....	75,300
14	Waterways fund.....	56,700
15	State general fund/general purpose.....	\$ 18,920,100
16	<b>(3) STATEWIDE APPROPRIATIONS</b>	
17	Professional development fund - MPES.....	\$ 125,000
18	Professional development fund - AFSCME.....	<u>50,000</u>
19	GROSS APPROPRIATION.....	\$ 175,000
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG from employer contributions.....	175,000
23	State general fund/general purpose.....	\$ 0
24	<b>(4) SPECIAL PROGRAMS</b>	
25	Full-time equated classified positions.....	154.5
26	Building occupancy charges - property management	
27	services for executive/legislative building	

1	occupancy .....	\$	1,878,200
2	Retirement services--140.5 FTE positions .....		16,044,800
3	Office of children's ombudsman--14.0 FTE positions ...		<u>1,384,800</u>
4	GROSS APPROPRIATION.....	\$	19,307,800
5	Appropriated from:		
6	Special revenue funds:		
7	Deferred compensation.....		1,542,400
8	Pension trust funds.....		14,502,400
9	State general fund/general purpose .....	\$	3,263,000
10	<b>(5) STATE FAIR</b>		
11	Full-time equated unclassified positions.....	1.0	
12	Full-time equated classified positions.....	9.0	
13	Unclassified positions--1.0 FTE position.....	\$	101,000
14	Michigan state fair operations--9.0 FTE positions ....		6,360,400
15	Michigan state fair information technology.....		<u>88,800</u>
16	GROSS APPROPRIATION.....	\$	6,550,200
17	Appropriated from:		
18	Special revenue funds:		
19	State exposition and fairgrounds fund.....		6,550,200
20	State general fund/general purpose .....	\$	0
21	<b>(6) INFORMATION TECHNOLOGY</b>		
22	Information technology services and projects .....	\$	<u>28,115,600</u>
23	GROSS APPROPRIATION.....	\$	28,115,600
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	IDG from MDOT, state aeronautics fund.....		1,100
27	IDG from MDOT, comprehensive transportation fund .....		2,100

1	IDG from MDOT, state trunkline fund.....	47,500
2	IDG from building occupancy and parking charges .....	655,700
3	IDG from user fees.....	186,800
4	Special revenue funds:	
5	Deferred compensation.....	2,600
6	Game and fish protection fund.....	9,800
7	Health management funds.....	41,700
8	Marine safety fund.....	900
9	MAIN user charges.....	3,773,700
10	Pension trust funds.....	6,563,300
11	Special revenue, internal service, and pension trust	
12	funds .....	2,554,600
13	State building authority revenue.....	9,700
14	State lottery fund.....	4,600
15	Waterways fund.....	2,000
16	State general fund/general purpose.....	\$ 14,259,500
17	<b>(7) STATE BUILDING AUTHORITY RENT</b>	
18	State building authority rent - state agencies .....	\$ 59,943,400
19	State building authority rent - department of	
20	corrections .....	66,830,200
21	State building authority rent - universities .....	115,477,300
22	State building authority rent - community colleges ...	<u>15,546,200</u>
23	GROSS APPROPRIATION.....	\$ 257,797,100
24	Appropriated from:	
25	Special revenue funds:	
26	Commercial mobile radio suppliers fund.....	18,300,000
27	Roosevelt parking facility reimbursement .....	275,000

1	State lottery fund.....	1,520,000
2	State general fund/general purpose.....	\$ 237,702,100
3	<b>Sec. 109. DEPARTMENT OF STATE</b>	
4	<b>(1) APPROPRIATION SUMMARY</b>	
5	Full-time equated unclassified positions.....	6.0
6	Full-time equated classified positions.....	1,853.8
7	GROSS APPROPRIATION.....	\$ 198,544,400
8	Interdepartmental grant revenues:	
9	Total interdepartmental grants and intradepartmental	
10	transfers .....	20,000,000
11	ADJUSTED GROSS APPROPRIATION.....	\$ 178,544,400
12	Federal revenues:	
13	Total federal revenues.....	3,052,100
14	Special revenue funds:	
15	Total local revenues.....	0
16	Total private revenues.....	100
17	Total other state restricted revenues.....	156,608,600
18	State general fund/general purpose.....	\$ 18,883,600
19	<b>(2) EXECUTIVE DIRECTION</b>	
20	Full-time equated unclassified positions.....	6.0
21	Full-time equated classified positions.....	30.2
22	Secretary of state.....	\$ 124,900
23	Unclassified positions--5.0 FTE positions.....	459,200
24	Operations--30.2 FTE positions.....	<u>2,710,200</u>
25	GROSS APPROPRIATION.....	\$ 3,294,300
26	Appropriated from:	

1	Special revenue funds:		
2	Auto repair facilities fees.....		60,500
3	Driver fees.....		116,900
4	Expedient service fees.....		51,800
5	Parking ticket court fines.....		8,300
6	Personal identification card fees.....		12,200
7	Reinstatement fees - operator licenses.....		131,400
8	Transportation administration collection fund.....		2,179,700
9	Vehicle theft prevention fees.....		35,600
10	State general fund/general purpose.....	\$	697,900
11	<b>(3) DEPARTMENT SERVICES</b>		
12	Full-time equated classified positions.....	172.3	
13	Operations--163.8 FTE positions.....	\$	23,733,500
14	Assigned claims assessments--6.5 FTE positions.....		743,200
15	Motorcycle safety education administration--2.0 FTE		
16	positions .....		382,100
17	Motorcycle safety grants.....		<u>1,400,000</u>
18	GROSS APPROPRIATION.....	\$	26,258,800
19	Appropriated from:		
20	Federal revenues:		
21	Federal funds.....		55,700
22	Special revenue funds:		
23	Abandoned vehicle fees.....		666,200
24	Assigned claims assessments.....		743,200
25	Auto repair facilities fees.....		415,000
26	Child support clearance fees.....		34,300
27	Driver fees.....		394,300

1	Expedient service fees.....		248,100
2	Marine safety fund.....		74,500
3	Motorcycle safety fund.....		1,782,100
4	Off-road vehicle title fees.....		7,700
5	Parking ticket court fines.....		52,700
6	Personal identification card fees.....		83,000
7	Reinstatement fees - operator licenses.....		536,600
8	Scrap tire fund.....		68,500
9	Snowmobile registration fee revenue.....		17,700
10	Transportation administration collection fund.....		20,356,400
11	Vehicle theft prevention fees.....		243,400
12	State general fund/general purpose.....	\$	479,400
13	<b>(4) REGULATORY SERVICES</b>		
14	Full-time equated classified positions.....	245.1	
15	Operations--245.1 FTE positions.....	\$	22,567,100
16	County clerk education and training fund.....		<u>100,000</u>
17	GROSS APPROPRIATION.....	\$	22,667,100
18	Appropriated from:		
19	Federal revenues:		
20	Federal funds.....		102,500
21	Special revenue funds:		
22	Auto repair facilities fees.....		4,644,800
23	Commercial driver training school fees.....		70,500
24	Driver fees.....		1,693,200
25	Expedient service fees.....		33,300
26	Notary education and training fund.....		100,000
27	Notary fee fund.....		311,900

1	Parking ticket court fines.....		20,700
2	Personal identification card fees.....		47,700
3	Reinstatement fees - operator licenses.....		1,704,700
4	Transportation administration collection fund.....		11,779,400
5	Vehicle theft prevention fees.....		1,580,900
6	State general fund/general purpose.....	\$	577,500
7	<b>(5) CUSTOMER DELIVERY SERVICES</b>		
8	Full-time equated classified positions.....	1,377.7	
9	Branch operations--957.4 FTE positions.....	\$	73,337,800
10	Central operations--404.1 FTE positions.....		36,170,800
11	Commemorative license plates--16.2 FTE positions.....		2,147,300
12	Specialty license plates.....		1,922,000
13	Olympic center plate.....		75,700
14	Organ donor program.....		<u>104,100</u>
15	GROSS APPROPRIATION.....	\$	113,757,700
16	Appropriated from:		
17	Interdepartmental grant revenues:		
18	IDG from MDOT, Michigan transportation fund.....		20,000,000
19	Federal revenues:		
20	Federal funds.....		2,893,900
21	Special revenue funds:		
22	Private funds.....		100
23	Auto repair facilities fees.....		93,100
24	Child support clearance fees.....		395,500
25	Driver fees.....		13,733,000
26	Expedient service fees.....		2,853,800
27	Marine safety fund.....		1,144,000

1	Michigan state police auto theft fund.....		115,600
2	Mobile home commission fees.....		476,000
3	Off-road vehicle title fees.....		122,700
4	Parking ticket court fines.....		1,590,500
5	Personal identification card fees.....		1,527,100
6	Reinstatement fees - operator licenses.....		1,152,500
7	Snowmobile registration fee revenue.....		335,200
8	Transportation administration collection fund.....		60,581,200
9	Vehicle theft prevention fees.....		209,500
10	State general fund/general purpose.....	\$	6,534,000
11	<b>(6) ELECTION REGULATION</b>		
12	Full-time equated classified positions.....	28.5	
13	Election administration and services--25.5 FTE		
14	positions .....	\$	2,821,600
15	Fees to local units.....		69,800
16	Qualified voter file--3.0 FTE positions.....		<u>1,833,900</u>
17	GROSS APPROPRIATION.....	\$	4,725,300
18	Appropriated from:		
19	State general fund/general purpose.....	\$	4,725,300
20	<b>(7) DEPARTMENTWIDE APPROPRIATIONS</b>		
21	Building occupancy charges/rent.....	\$	9,752,300
22	Worker's compensation.....		<u>465,000</u>
23	GROSS APPROPRIATION.....	\$	10,217,300
24	Appropriated from:		
25	Special revenue funds:		
26	Auto repair facilities fees.....		142,000
27	Driver fees.....		436,800



1	Expedient service fees.....		14,400
2	Parking ticket court fines.....		470,800
3	Transportation administration collection fund.....		6,364,500
4	State general fund/general purpose.....	\$	2,788,800
5	<b>(8) INFORMATION TECHNOLOGY</b>		
6	Information technology services and projects.....	\$	<u>23,623,900</u>
7	GROSS APPROPRIATION.....	\$	23,623,900
8	Appropriated from:		
9	Special revenue funds:		
10	Administrative order processing fee.....		11,000
11	Auto repair facilities fees.....		180,800
12	Child support clearance fees.....		16,300
13	Driver fees.....		1,332,200
14	Expedient service fees.....		453,900
15	Parking ticket court fines.....		83,300
16	Personal identification card fees.....		876,100
17	Reinstatement fees - operator licenses.....		469,200
18	Transportation administration collection fund.....		16,948,200
19	Vehicle theft prevention fees.....		172,200
20	State general fund/general purpose.....	\$	3,080,700
21	<b>(9) TRANSPORTATION ADMINISTRATION COLLECTION FUND</b>		
22	<b>REVENUE ADJUSTMENT</b>		
23	Revenue adjustment.....	\$	<u>(6,000,000)</u>
24	GROSS APPROPRIATION.....	\$	(6,000,000)
25	Appropriated from:		
26	Special revenue funds:		
27	Transportation administration collection fund.....		(6,000,000)

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1	State general fund/general purpose .....	\$	0
2			
3	<b>Sec. 110. DEPARTMENT OF TREASURY</b>		
4	<b>(1) APPROPRIATION SUMMARY</b>		
5	Full-time equated unclassified positions.....	9.0	
6	Full-time equated classified positions.....	1,849.5	
7	GROSS APPROPRIATION .....	\$	<<1,681,887,800>>
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and intradepartmental		
10	transfers .....		13,926,800
11	ADJUSTED GROSS APPROPRIATION .....	\$	<<1,667,961,000>>
12	Federal revenues:		
13	Total federal revenues.....		83,593,300
14	Special revenue funds:		
15	Total local revenues.....		1,066,200
16	Total private revenues.....		700,000
17	Total other state restricted revenues.....		1,414,902,800
18	State general fund/general purpose .....	\$	<<167,698,700>>
19	<b>(2) EXECUTIVE DIRECTION</b>		
20	Full-time equated unclassified positions.....	9.0	
21	Full-time equated classified positions.....	5.0	
22	Unclassified positions--9.0 FTE positions.....	\$	812,600
23	Office of the director--5.0 FTE positions.....		<u>820,900</u>
24	GROSS APPROPRIATION.....	\$	1,633,500
25	Appropriated from:		
26	Special revenue funds:		
27	State lottery fund.....		158,400

1	State services fee fund.....		198,300
2	State general fund/general purpose.....	\$	1,276,800
3	<b>(3) DEPARTMENTWIDE APPROPRIATIONS</b>		
4	Travel.....	\$	1,415,900
5	Rent and building occupancy charges - property		
6	management services .....		5,715,300
7	Worker's compensation insurance premium.....		<u>216,000</u>
8	GROSS APPROPRIATION.....	\$	7,347,200
9	Appropriated from:		
10	Special revenue funds:		
11	Delinquent tax collection revenue.....		3,580,600
12	State general fund/general purpose.....	\$	3,766,600
13	<b>(4) LOCAL GOVERNMENT PROGRAMS</b>		
14	Full-time equated classified positions.....		106.0
15	Supervision of the general property tax law--		83.0
16	FTE positions .....	\$	13,411,200
17	Property tax assessor training--4.0 FTE positions....		412,300
18	Local finance--19.0 FTE positions.....		<u>2,338,300</u>
19	GROSS APPROPRIATION.....	\$	16,161,800
20	Appropriated from:		
21	Special revenue funds:		
22	Local - assessor training fees.....		412,300
23	Local - audit charges.....		563,900
24	Local - equalization study charge-backs.....		40,000
25	Local - revenue from local government.....		50,000
26	Land reutilization fund.....		6,917,200
27	Municipal finance fees.....		458,200

1	State education tax collections.....		50,000
2	State general fund/general purpose.....	\$	7,670,200
3	<b>(5) TAX PROGRAMS</b>		
4	Full-time equated classified positions.....		766.0
5	Customer contact--186.0 FTE positions.....	\$	13,966,500
6	Tax compliance--338.0 FTE positions.....		30,675,700
7	Tax policy--38.0 FTE positions.....		4,496,200
8	Revenue enhancement program--50.0 FTE positions.....		5,088,400
9	Tax processing--150.0 FTE positions.....		15,141,300
10	Home heating assistance.....		2,101,300
11	Bottle bill implementation.....		250,000
12	New hire reporting.....		1,545,000
13	Tobacco tax collection--4.0 FTE positions.....		<u>332,000</u>
14	GROSS APPROPRIATION.....	\$	73,596,400
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	IDG, data/collection services fees.....		50,900
18	IDG from MDHS.....		1,545,000
19	IDG from MDOT, Michigan transportation fund.....		8,354,900
20	IDG from MDOT, state aeronautics fund.....		64,700
21	Federal revenues:		
22	HHS-SSA, low-income energy assistance.....		2,101,300
23	Special revenue funds:		
24	Bottle deposit fund.....		250,000
25	Delinquent tax collection revenue.....		51,145,300
26	Tobacco tax collection and enforcement.....		332,000
27	Tobacco tax revenue.....		375,600

1	Waterways fund.....		75,900
2	State general fund/general purpose.....	\$	9,300,800
3	<b>(6) BANKING AND MANAGEMENT SERVICES</b>		
4	Full-time equated classified positions.....	328.5	
5	Human resources, program management,		
6	purchasing--30.0 FTE positions.....	\$	3,039,000
7	Mail operations--20.0 FTE positions.....		2,077,900
8	Economic and revenue forecasting--15.5 FTE positions .		1,401,400
9	Unclaimed property--21.0 FTE positions.....		3,438,100
10	Human resources optimization user charges.....		82,900
11	Collections--170.0 FTE positions.....		16,833,500
12	Finance and accounting--32.0 FTE positions.....		1,635,300
13	Receipts processing--40.0 FTE positions.....		<u>2,841,500</u>
14	GROSS APPROPRIATION.....	\$	31,349,600
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	IDG from MDHS, title IV-D.....		599,500
18	IDG, levy/warrant cost assessment fees.....		1,848,800
19	IDG, state agency collection fees.....		565,700
20	IDG, data/collection services fees.....		204,400
21	Special revenue funds:		
22	Delinquent tax collection revenue.....		14,949,200
23	Escheats revenue.....		3,438,100
24	Garnishment fees.....		510,800
25	Justice system fund.....		605,500
26	Treasury fees.....		181,100
27	State general fund/general purpose.....	\$	8,446,500

1	<b>(7) FINANCIAL PROGRAMS</b>		
2	Full-time equated classified positions.....	213.0	
3	Investments--78.0 FTE positions.....	\$	14,426,700
4	Michigan merit award administration--5.0 FTE positions		1,544,200
5	Michigan education savings program.....		1,000,000
6	Common cash and debt management--11.5 FTE positions ..		1,201,500
7	Student financial assistance programs--118.5 FTE		
8	positions .....		<u>35,298,200</u>
9	GROSS APPROPRIATION.....	\$	53,470,600
10	Appropriated from:		
11	Interdepartmental grant revenues:		
12	IDG, fiscal agent service fees.....		167,700
13	Federal revenues:		
14	DED-OPSE, federal lenders allowance.....		10,289,000
15	DED-OPSE, higher education act of 1965, insured loans		22,983,100
16	Special revenue funds:		
17	College work study.....		46,300
18	Michigan merit award trust fund.....		2,954,100
19	Retirement funds.....		13,341,600
20	School bond fees.....		590,900
21	Treasury fees.....		1,241,400
22	State general fund/general purpose.....	\$	1,856,500
23	<b>(8) DEBT SERVICE</b>		
24	Water pollution control bond and interest redemption .	\$	2,458,200
25	Quality of life bond.....		59,300,000
26	Clean Michigan initiative.....		36,900,000
27	Great Lakes water quality bond.....		<u>1,500,000</u>

1	GROSS APPROPRIATION.....	\$	100,158,200
2	Appropriated from:		
3	Special revenue funds:		
4	Refined petroleum fund.....		23,914,500
5	State general fund/general purpose.....	\$	76,243,700
6	<b>(9) GRANTS</b>		
7	Grants to counties in lieu of taxes.....	\$	5,000
8	Convention facility development distribution.....		58,850,000
9	Senior citizen cooperative housing tax exemption		
10	program .....		18,800,000
11	Commercial mobile radio service payments.....		17,900,000
12	Health and safety fund grants.....		25,000,000
13	Huron Clinton metroparks grant.....		100
14	Qualified agricultural loan payments.....		2,500,000
15	Renaissance zone reimbursement.....		<u>2,630,000</u>
16	GROSS APPROPRIATION.....	\$	125,685,100
17	Appropriated from:		
18	Special revenue funds:		
19	Commercial mobile radio service fees.....		17,900,000
20	Convention facility development fund.....		58,850,000
21	Health and safety fund.....		25,000,000
22	State general fund/general purpose.....	\$	23,935,100
23	<b>(10) STATE LOTTERY</b>		
24	Full-time equated classified positions.....		173.0
25	Lottery operations--173.0 FTE positions.....	\$	19,326,100
26	Human resources optimization user charges.....		10,600
27	Promotion and advertising.....		18,622,000

## Senate Bill No. 1087 as amended May 24, 2006

1	Lottery information technology services and projects .	<u>4,497,300</u>
2	GROSS APPROPRIATION.....	\$ 42,456,000
3	Appropriated from:	
4	Special revenue funds:	
5	State lottery fund.....	42,456,000
6	State general fund/general purpose.....	\$ 0
7	<b>(11) CASINO GAMING</b>	
8	Full-time equated classified positions.....	106.0
9	Michigan gaming control board.....	\$ 50,000
10	Casino gaming control administration--106.0 FTE	
11	positions .....	18,376,200
12	Human resources optimization user charges.....	7,000
13	Casino gaming information technology services and	
14	projects .....	<u>1,286,000</u>
15	GROSS APPROPRIATION.....	\$ 19,719,200
16	Appropriated from:	
17	Casino gambling agreements.....	383,500
18	State services fee fund.....	19,335,700
19	State general fund/general purpose.....	\$ 0
20	<b>(12) REVENUE SHARING</b>	
21	Constitutional state general revenue sharing grants ..	\$ 708,080,100
22	Statutory state general revenue sharing grants .....	405,319,900
23	Special census revenue sharing payments.....	<<892,400>>
24	Special grants.....	<u>212,000</u>
25	GROSS APPROPRIATION .....	\$<<1,114,504,400>>
26	Appropriated from:	
27	Sales tax.....	1,113,400,000



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1	State general fund/general purpose .....	\$	<<1,104,400>>
2	<b>(13) INFORMATION TECHNOLOGY</b>		
3	Treasury operations information technology services		
4	and projects .....	\$	<u>16,726,000</u>
5	GROSS APPROPRIATION .....	\$	16,726,000
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG from MDOT, Michigan transportation fund .....		446,600
9	Federal revenues:		
10	DED-OPSE, federal lenders allowance .....		532,900
11	Special revenue funds:		
12	Delinquent tax collection revenue .....		10,183,000
13	Land reutilization fund .....		20,000
14	Michigan merit award trust fund .....		407,500
15	Retirement funds .....		647,100
16	State general fund/general purpose .....	\$	4,488,900
17	<b>(14) MICHIGAN STRATEGIC FUND</b>		
18	Full-time equated classified positions .....	152.0	
19	Administration--22.0 FTE positions .....	\$	2,451,000
20	Job creation services--130.0 FTE positions .....		17,496,000
21	Human resources optimization user charges .....		17,300
22	Michigan promotion program .....		6,017,500
23	Community development block grants .....		45,000,000
24	Economic development job training grants .....		<u>8,098,000</u>
25	GROSS APPROPRIATION .....	\$	79,079,800
26	Appropriated from:		
27	Interdepartmental grant revenues:		

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1	IDG, MEDQ, air quality fees .....	78,600
2	Federal revenues:	
3	DOL-ETA, employment services .....	300,000
4	HUD-CPD, community development block grant .....	47,387,000
5	Special revenue funds:	
6	Private - special project advances .....	700,000
7	Industry support fees .....	5,000
8	Business assessment revenue .....	1,000,000
9	State general fund/general purpose .....	\$ 29,609,200

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is <<\$2,314,868,700.00>> and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is <<\$1,260,336,400.00>>. The itemized statement below identifies appropriations from which spending to local units of government will occur:

## DEPARTMENT OF STATE

22	Fees to local units .....	\$ 69,800
23	Motorcycle safety education grants .....	<u>1,092,000</u>
24	Subtotal .....	\$ 1,161,800

## DEPARTMENT OF TREASURY

## Senate Bill No. 1087 as amended May 24, 2006

1	Senior citizen cooperative housing tax exemption.....	\$	18,800,000
2	Grants to counties in lieu of taxes.....		5,000
3	Health and safety fund grants.....		25,000,000
4	Constitutional state general revenue sharing grants..		708,080,100
5	Statutory state general revenue sharing grants.....		405,319,900
6	Convention facility development fund distribution....		58,850,000
7	Commercial mobile radio service payments.....		15,221,500
8	Renaissance zone reimbursements.....		2,630,000
9	Special grants.....		212,000
10	Special census revenue sharing payments.....		<<892,400>>
11	Economic development job training grants.....		5,263,700
12	Airport parking distribution pursuant to section 909 .		<u>18,900,000</u>
13	Subtotal .....	\$	<<1,259,174,600>>
14	TOTAL GENERAL GOVERNMENT .....	\$	<<1,260,336,400>>

15       (2) Pursuant to section 30 of article IX of the state  
 16 constitution of 1963, total state spending from state sources for  
 17 fiscal year 2006-2007 is estimated at \$27,992,388,000.00 in the  
 18 2006-2007 appropriations acts and total state spending from state  
 19 sources paid to local units of government for fiscal year 2006-2007  
 20 is estimated at \$16,029,076,400.00. The state-local proportion is  
 21 estimated at 57.30% of total state spending from state resources.

22       (3) If payments to local units of government and state  
 23 spending from state sources for fiscal year 2006-2007 are different  
 24 than the amounts estimated in subsection (2), the state budget  
 25 director shall report the payments to local units of government and  
 26 state spending from state sources that were made for fiscal year  
 27 2006-2007 to the senate and house of representatives standing

1 committees on appropriations within 30 days after the final book-  
2 closing for fiscal year 2006-2007.

3 Sec. 202. The appropriations authorized under this act are  
4 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
5 to 18.1594.

6 Sec. 203. As used in this act:

7 (a) "AFSCME" means American federation of state, county, and  
8 municipal employees.

9 (b) "COBRA" means the consolidated omnibus budget  
10 reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.

11 (c) "CPI" means consumer price index.

12 (d) "DAG" means the United States department of agriculture.

13 (e) "DED-OPSE" means the United States department of  
14 education, office of postsecondary education.

15 (f) "DOL-ETA" means the United States department of labor,  
16 employment and training administration.

17 (g) "DOL-OSHA" means the United States department of labor,  
18 occupational safety and health administration.

19 (h) "EEOC" means the United States equal employment  
20 opportunity commission.

21 (i) "EPA" means the United States environmental protection  
22 agency.

23 (j) "FTE" means full-time equated.

24 (k) "Fund" means Michigan strategic fund.

25 (l) "GF/GP" means general fund/general purpose.

26 (m) "HHS" means the United States department of health and  
27 human services.

1 (n) "HHS-OS" means the HHS office of the secretary.

2 (o) "HHS-SSA" means the HHS social security administration.

3 (p) "HUD" means the United States department of housing and  
4 urban development.

5 (q) "HUD-CPD" means HUD community planning and development.

6 (r) "IDG" means interdepartmental grant.

7 (s) "JCOS" means the joint capital outlay subcommittee.

8 (t) "MAIN" means the Michigan administrative information  
9 network.

10 (u) "MCL" means the Michigan Compiled Laws.

11 (v) "MDCH" means the Michigan department of community health.

12 (w) "MDCS" means the Michigan department of civil service.

13 (x) "MDEQ" means the Michigan department of environmental  
14 quality.

15 (y) "MDHS" means the Michigan department of human services.

16 (z) "MDLEG" means the Michigan department of labor and  
17 economic growth.

18 (aa) "MDMB" means the Michigan department of management and  
19 budget.

20 (bb) "MDOT" means the Michigan department of transportation.

21 (cc) "MDSP" means the Michigan department of state police.

22 (dd) "MEDC" means the Michigan economic development  
23 corporation, which is the public body corporate created under  
24 section 28 of article VII of the state constitution of 1963 and the  
25 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to  
26 124.512, by contractual interlocal agreement effective April 5,  
27 1999, between local participating economic development corporations

1 formed under the economic development corporations act, 1974 PA  
2 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

3 (ee) "MPES" means the Michigan professional employees society.

4 (ff) "PA" means public act.

5 (gg) "PACC" means the prosecuting attorneys coordinating  
6 council.

7 Sec. 204. The department of civil service shall bill  
8 departments and agencies at the end of the first fiscal quarter for  
9 the 1% charge authorized by section 5 of article XI of the state  
10 constitution of 1963. Payments shall be made for the total amount  
11 of the billing by the end of the second fiscal quarter.

12 Sec. 205. (1) A hiring freeze is imposed on the state  
13 classified civil service. State departments and agencies are  
14 prohibited from hiring any new full-time state classified civil  
15 service employees and prohibited from filling any vacant state  
16 classified civil service positions. This hiring freeze does not  
17 apply to internal transfers of classified employees from 1 position  
18 to another within a department.

19 (2) The attorney general and secretary of state may grant  
20 exceptions to the hiring freeze for their respective departments  
21 pursuant to the same criteria that the state budget director is  
22 able to grant exceptions under this subsection. The state budget  
23 director shall grant exceptions to this hiring freeze when the  
24 state budget director believes that the hiring freeze will result  
25 in rendering a state department or agency unable to deliver basic  
26 services, cause loss of revenue to the state, result in the  
27 inability of the state to receive federal funds, or necessitate

1 additional expenditures that exceed any savings from maintaining a  
2 vacancy. The state budget director shall report quarterly to the  
3 chairpersons of the senate and house of representatives standing  
4 committees on appropriations the number of exceptions to the hiring  
5 freeze approved during the previous quarter and the reasons to  
6 justify the exception.

7       Sec. 208. Unless otherwise specified, departments and agencies  
8 receiving appropriations in part 1 shall use the Internet to  
9 fulfill the reporting requirements of this act. This requirement  
10 may include transmission of reports via electronic mail to the  
11 recipients identified for each reporting requirement, or it may  
12 include placement of reports on an Internet or Intranet site.

13       Sec. 209. Funds appropriated in part 1 shall not be used for  
14 the purchase of foreign goods or services, or both, if  
15 competitively priced and of comparable quality American goods or  
16 services, or both, are available. Preference should be given to  
17 goods or services, or both, manufactured or provided by Michigan  
18 businesses if they are competitively priced and of comparable  
19 quality.

20       Sec. 210. The director of each department receiving  
21 appropriations in part 1 shall take all reasonable steps to ensure  
22 businesses in deprived and depressed communities compete for and  
23 perform contracts to provide services or supplies, or both. Each  
24 director shall strongly encourage firms with which the department  
25 contracts to subcontract with certified businesses in depressed and  
26 deprived communities for services, supplies, or both.

27       Sec. 211. Pursuant to section 352 of the management and budget

act, 1984 PA 431, MCL 18.1352, that provides for a transfer of state general funds into the countercyclical budget and economic stabilization fund, there is appropriated into the countercyclical budget and economic stabilization fund the sum of \$0.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2005	2006
Michigan personal income (millions) .....	\$335,164	\$348,571
less: transfer payments .....	<u>51,756</u>	<u>56,070</u>
Subtotal .....	283,409	292,501
Divided by: Detroit CPI for 12 months		
ending June 30 .....	1.878	1.944
Equals: Real adjusted Michigan personal		
income .....	\$150,910	\$150,438
Percentage change .....		-0.3%
Percentage change in excess of 2% .....		0.0%
Multiplied by: estimated GF/GP revenue in		
FY 2005-2006 (millions) .....		8,281.7
Equals: countercyclical budget and		
economic stabilization fund calculation		
for the fiscal year ending September 30,		
2007 .....		\$0.0

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.



1       Sec. 213. Funds appropriated in part 1 shall not be used by  
2 this state, a department, an agency, or an authority of this state  
3 to purchase an ownership interest in a casino enterprise or a  
4 gambling operation as those terms are defined in the Michigan  
5 gaming control and revenue act, the Initiated Law of 1996, MCL  
6 432.201 to 432.226.

7       Sec. 214. From the funds appropriated in part 1 for  
8 information technology, departments and agencies shall pay user  
9 fees to the department of information technology for technology-  
10 related services and projects. Such user fees shall be subject to  
11 provisions of an interagency agreement between the departments and  
12 agencies and the department of information technology.

13       Sec. 215. A department or state agency shall not take  
14 disciplinary action against an employee for communicating with a  
15 member of the legislature or his or her staff.

16       Sec. 216. (1) Due to the current budgetary problems in this  
17 state, out-of-state travel for the fiscal year ending September 30,  
18 2007 shall be limited to situations in which 1 or more of the  
19 following conditions apply:

20       (a) The travel is required by legal mandate or court order or  
21 for law enforcement purposes.

22       (b) The travel is necessary to protect the health or safety of  
23 Michigan citizens or visitors or to assist other states in similar  
24 circumstances.

25       (c) The travel is necessary to produce budgetary savings or to  
26 increase state revenues, including protecting existing federal  
27 funds or securing additional federal funds.

1 (d) The travel is necessary to comply with federal  
2 requirements.

3 (e) The travel is necessary to secure specialized training for  
4 staff that is not available within this state.

5 (f) The travel is financed entirely by federal or nonstate  
6 funds.

7 (2) If out-of-state travel is necessary but does not meet 1 or  
8 more of the conditions in subsection (1), the state budget director  
9 may grant an exception to allow the travel. Any exceptions granted  
10 by the state budget director shall be reported on a monthly basis  
11 to the senate and house of representatives standing committees on  
12 appropriations.

13 (3) Not later than January 1 of each year, each department  
14 shall prepare a travel report listing all travel by classified and  
15 unclassified employees outside this state in the immediately  
16 preceding fiscal year that was funded in whole or in part with  
17 funds appropriated in the department's budget. The report shall be  
18 submitted to the senate and house of representatives standing  
19 committees on appropriations, the senate and house fiscal agencies,  
20 and the state budget director. The report shall include the  
21 following information:

22 (a) The name of each person receiving reimbursement for travel  
23 outside this state or whose travel costs were paid by this state.

24 (b) The destination of each travel occurrence.

25 (c) The dates of each travel occurrence.

26 (d) A brief statement of the reason for each travel  
27 occurrence.

1 (e) The transportation and related costs of each travel  
2 occurrence, including the proportion funded with state general  
3 fund/general purpose revenues, the proportion funded with state  
4 restricted revenues, the proportion funded with federal revenues,  
5 and the proportion funded with other revenues.

6 (f) A total of all out-of-state travel funded for the  
7 immediately preceding fiscal year.

8 Sec. 217. General fund appropriations in this act shall not be  
9 expended for items in cases where federal funding is available for  
10 the same expenditures.

11 Sec. 220. Funds appropriated in this act shall not be used to  
12 establish, operate, or administer a payroll deduction plan that  
13 enables classified state employees to make contributions to either  
14 a committee, as defined in section 3 of the Michigan campaign  
15 finance act, 1976 PA 388, MCL 169.203, or a political organization,  
16 as defined in section 527 of the internal revenue code.

17 Sec. 221. By October 15, 2006, the departments receiving  
18 appropriations in part 1 shall provide to the senate and house  
19 appropriations subcommittees on general government and the senate  
20 and house fiscal agencies a list of general fund/general purpose  
21 budget cuts sufficient to reduce department general fund/general  
22 purpose spending by 7.93% in fiscal year 2006-2007 if the K-16  
23 ballot initiative is adopted by the voters of the state.

24 **DEPARTMENT OF ATTORNEY GENERAL**

25 Sec. 302. (1) The attorney general shall perform all legal  
26 services, including representation before courts and administrative

1 agencies rendering legal opinions and providing legal advice to a  
2 principal executive department or state agency. A principal  
3 executive department or state agency shall not employ or enter into  
4 a contract with any other person for services described in this  
5 section.

6 (2) The attorney general shall defend judges of all state  
7 courts if a claim is made or a civil action is commenced for  
8 injuries to persons or property caused by the judge through the  
9 performance of the judge's duties while acting within the scope of  
10 his or her authority as a judge.

11 (3) The attorney general shall perform the duties specified in  
12 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to  
13 14.102, and as otherwise provided by law.

14 Sec. 303. The attorney general may sell copies of the biennial  
15 report in excess of the 350 copies that the attorney general may  
16 distribute on a gratis basis. Gratis copies shall not be provided  
17 to members of the legislature. Electronic copies of biennial  
18 reports shall be made available on the department of attorney  
19 general's website. The attorney general shall sell copies of the  
20 report at not less than the actual cost of the report and shall  
21 deposit the money received into the general fund.

22 Sec. 304. The department of attorney general is responsible  
23 for the legal representation for state of Michigan state employee  
24 worker's disability compensation cases. The risk management  
25 revolving fund revenue appropriation in part 1 is to be satisfied  
26 by billings from the department of attorney general for the actual  
27 costs of legal representation, including salaries and support

1 costs.

2       Sec. 305. In addition to the funds appropriated in part 1, not  
3 more than \$400,000.00 shall be reimbursed per fiscal year for food  
4 stamp fraud cases heard by the third circuit court of Wayne County  
5 that were initiated by the department of attorney general pursuant  
6 to the existing contract between the department of human services,  
7 the prosecuting attorneys association of Michigan, and the  
8 department of attorney general. The source of this funding is money  
9 earned by the department of attorney general under the agreement  
10 after the allowance for reimbursement to the department of attorney  
11 general for costs associated with the prosecution of food stamp  
12 fraud cases. It is recognized that the federal funds are earned by  
13 the department of attorney general for its documented progress on  
14 the prosecution of food stamp fraud cases according to the United  
15 States department of agriculture regulations and that once earned  
16 by this state, the funds become state funds.

17       Sec. 306. Any proceeds from a lawsuit initiated by or  
18 settlement agreement entered into on behalf of this state against a  
19 manufacturer of tobacco products by the attorney general are state  
20 funds and are subject to appropriation as provided by law.

21       Sec. 307. In addition to the antitrust revenues in part 1,  
22 antitrust, securities fraud, consumer protection or class action  
23 enforcement revenues, or attorney fees recovered by the department,  
24 not to exceed \$1,000,000.00, are appropriated to the department for  
25 antitrust, securities fraud, and consumer protection or class  
26 action enforcement cases. Any unexpended funds from antitrust,  
27 securities fraud, or consumer protection or class action

1 enforcement revenues at the end of the fiscal year, including  
2 antitrust funds in part 1, shall be carried forward for expenditure  
3 in the following fiscal year up to the maximum authorization of  
4 \$1,000,000.00.

5       Sec. 308. (1) In addition to the funds appropriated in part 1,  
6 there is appropriated up to \$500,000.00 from litigation expense  
7 reimbursements awarded to the state.

8       (2) The funds may be expended for the payment of litigation  
9 expenses, court judgments and settlements, or attorney fees  
10 assessed against the office of the governor, the department of the  
11 attorney general, the governor, or the attorney general when acting  
12 in an official capacity as the named party in litigation against  
13 the state. The funds may also be expended for the payment of state  
14 costs incurred under section 16 of chapter X of the code of  
15 criminal procedure, 1927 PA 175, MCL 770.16.

16       (3) Unexpended funds at the end of the fiscal year shall be  
17 carried forward for expenditure in the following year, up to a  
18 maximum authorization of \$500,000.00.

19       Sec. 309. From the prisoner reimbursement funds appropriated  
20 in part 1, the department may spend up to \$445,800.00 on activities  
21 related to the state correctional facilities reimbursement act,  
22 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds  
23 appropriated in part 1, if the department collects in excess of  
24 \$1,131,000.00 in gross annual prisoner reimbursement receipts  
25 provided to the general fund, the excess, up to a maximum of  
26 \$1,000,000.00, is appropriated to the department of attorney  
27 general and may be spent on the representation of the department of

1 corrections and its officers, employees, and agents, including, but  
2 not limited to, the defense of litigation against the state, its  
3 departments, officers, employees, or agents in civil actions filed  
4 by prisoners. Any unexpended funds at the end of the fiscal year  
5 shall be carried forward for expenditure in the following fiscal  
6 year up to the maximum authorization of \$500,000.00.

7       Sec. 310. (1) For the purposes of providing title IV-D child  
8 support enforcement funding, the department of human services, as  
9 the state IV-D agency, shall maintain a cooperative agreement with  
10 the attorney general for federal IV-D funding to support the child  
11 support enforcement activities within the office of the attorney  
12 general.

13       (2) The attorney general or his or her designee shall, to the  
14 extent allowable under federal law, have access to any information  
15 used by the state to locate parents who fail to pay court ordered  
16 child support.

17       DEPARTMENT OF CIVIL RIGHTS

18       Sec. 402. (1) In addition to the appropriations contained in  
19 part 1, the department of civil rights may receive and expend funds  
20 from local or private sources for all of the following purposes:

21       (a) Developing and presenting training for employers on equal  
22 employment opportunity law and procedures.

23       (b) The publication and sale of civil rights related  
24 informational material.

25       (c) The provision of copy material made available under  
26 freedom of information requests.

1 (d) Other copy fees, subpoena fees, and witness fees.

2 (e) Developing, presenting, and participating in mediation  
3 processes for certain civil rights cases.

4 (f) Workshops, seminars, and recognition or award programs  
5 consistent with the programmatic mission of the individual unit  
6 sponsoring or coordinating the programs.

7 (2) The department of civil rights shall annually report to  
8 the state budget director, the senate and house of representatives  
9 standing committees on appropriations, and the senate and house  
10 fiscal agencies the amount of funds received and expended for  
11 purposes authorized under this section.

12 Sec. 403. The department of civil rights may contract with  
13 local units of government to review equal employment opportunity  
14 compliance of potential contractors and may charge for and expend  
15 amounts received from local units of government for the purpose of  
16 developing and providing these contractual services.

17 **DEPARTMENT OF CIVIL SERVICE**

18 Sec. 502. (1) All restricted funds shall be assessed a sum not  
19 less than 1% of the total aggregate payroll paid from those funds  
20 for financing the department of civil service on the basis of  
21 actual 1% restricted sources total aggregate payroll of the  
22 classified service for fiscal year 2006 in accordance with section  
23 5 of article XI of the state constitution of 1963. This includes,  
24 but is not limited to, restricted funds appropriated in part 1 of  
25 any appropriations act. Unexpended 1% appropriated funds shall be  
26 returned to each 1% fund source at the end of the fiscal year.



1           (2) The 1% appropriations in part 1 are estimates of actual 1%  
2 charges based on payroll appropriations. With the approval of the  
3 state budget director, the department is authorized to adjust  
4 financing sources for civil service 1% charges based on actual  
5 payroll expenditures, provided that such adjustments do not  
6 increase the total appropriation for the department of civil  
7 service.

8           (3) The 1% financing from restricted sources shall be credited  
9 to the department of civil service by the end of the second fiscal  
10 quarter.

11          Sec. 503. Except where specifically appropriated for this  
12 purpose, 1% of the financing from restricted sources shall be  
13 credited to the department of civil service. For restricted sources  
14 of funding within the general fund that have the legislative  
15 authority for carryover, if current spending authorization or  
16 revenues are insufficient to accept the charge, the shortage shall  
17 be taken from carryforward balances of that funding source.  
18 Restricted revenue sources that do not have carryforward authority  
19 shall be utilized to satisfy departmental operating deducts first  
20 and civil service obligations second. General fund dollars are  
21 appropriated for any shortfall, pursuant to approval by the state  
22 budget director.

23          Sec. 504. The appropriation in part 1 to the department of  
24 civil service, for state-sponsored group insurance, flexible  
25 spending accounts, and COBRA, represents amounts, in part, included  
26 within the various appropriations throughout state government for  
27 the current fiscal year to fund the flexible spending account

1 program included within the department of civil service. Deposits  
2 against state-sponsored group insurance, flexible spending  
3 accounts, and COBRA for the flexible spending account program shall  
4 be made from assessments levied during the current fiscal year in a  
5 manner prescribed by the department of civil service. Unspent  
6 employee contributions to the flexible spending accounts may be  
7 used to offset administrative costs for the flexible spending  
8 account program, with any remaining balance of unspent employee  
9 contributions to be lapsed to the general fund.

#### 10 **INFORMATION TECHNOLOGY**

11 Sec. 573. (1) The department of information technology may  
12 sell and accept paid advertising for placement on any state website  
13 under its jurisdiction. The department shall review and approve the  
14 content of each advertisement. The department may refuse to accept  
15 advertising from any person or organization or require modification  
16 to advertisements based upon criteria determined by the department.  
17 Revenue received under this subsection shall be used for operating  
18 costs of the department and for future technology enhancements to  
19 state of Michigan e-government initiatives. Funds received under  
20 this subsection shall be limited to \$250,000.00. Any funds in  
21 excess of \$250,000.00 shall be deposited in the state general fund.

22 (2) Funds accepted by the department of information technology  
23 under subsection (1) are appropriated and allotted when received  
24 and may be expended upon approval of the state budget director. The  
25 state budget office shall notify the senate and house of  
26 representatives standing committees on appropriations subcommittees

1 on general government and the senate and house fiscal agencies  
2 within 10 days after the approval is given.

3 (3) By April 1, the department of information technology shall  
4 report to the senate and house of representatives standing  
5 committees on appropriations and the senate and house fiscal  
6 agencies that a statement of the total revenue received from the  
7 sale of paid advertising accepted under this section and a  
8 statement of the total number of advertising transactions are  
9 available on the department's website.

10 Sec. 574. The department of information technology may enter  
11 into agreements to supply spatial information and technical  
12 services to other principal executive departments, state agencies,  
13 local units of government, and other organizations. The department  
14 of information technology may receive and expend funds in addition  
15 to those authorized in part 1 for providing information and  
16 technical services, publications, maps, and other products. The  
17 department of information technology may expend amounts received  
18 for salaries, supplies, and equipment necessary to provide  
19 informational products and technical services. Prior to December 1  
20 of each year, the department shall provide a report to the senate  
21 and house of representatives standing committees on appropriations  
22 subcommittees on general government, detailing the sources of  
23 funding and expenditures made under this section.

24 Sec. 575. The legislature shall have access to all historical  
25 and current data contained within MAIN pertaining to state  
26 departments. State departments shall have access to all historical  
27 and current data contained within MAIN.

1       Sec. 576. When used in this act, "information technology  
2 services" means services involving all aspects of managing and  
3 processing information including, but not limited to, all of the  
4 following:

5       (a) Application development and maintenance.

6       (b) Desktop computer support and management.

7       (c) Mainframe computer support and management.

8       (d) Server support and management.

9       (e) Local area network support and management.

10       (f) Information technology contract, project, and procurement  
11 management.

12       (g) Information technology planning and budget management.

13       (h) Telecommunication services, security, infrastructure, and  
14 support.

15       (i) Software and software licensing.

16       Sec. 577. (1) Funds appropriated in part 1 for the Michigan  
17 public safety communications system shall be expended upon approval  
18 of an expenditure plan by the state budget director.

19       (2) The department of information technology shall assess all  
20 subscribers of the Michigan public safety communications system  
21 reasonable access and maintenance fees.

22       (3) All money received by the department of information  
23 technology under this section shall be expended for the support and  
24 maintenance of the Michigan public safety communications system.

25       (4) The department of information technology shall provide a  
26 report to the senate and house of representatives standing  
27 committees on appropriations, the senate and house fiscal agencies,

1 and the state budget director on April 15 and on October 15,  
2 indicating the amount of revenue collected under this section and  
3 expended for support and maintenance of the Michigan public safety  
4 communications system for the immediately preceding 6-month period.  
5 Any deposits made under this section and unencumbered funds are  
6 restricted revenues and may be carried forward into succeeding  
7 fiscal years.

8       Sec. 578. The department of information technology shall  
9 submit a report for the immediately preceding fiscal year ending  
10 September 30 to the senate and house of representatives standing  
11 committees on appropriations subcommittees on general government  
12 and the senate and house fiscal agencies by March 1. The report  
13 shall include the following:

14       (a) The total amount of funding appropriated for information  
15 technology services and projects, by funding source, for all  
16 principal executive departments and agencies.

17       (b) A listing of the expenditures made from the amounts  
18 received by the department of information technology, as reported  
19 in subdivision (a).

20       Sec. 580. (1) From the funds appropriated in part 1 to general  
21 services, for the department of state, there is appropriated  
22 \$4,550,000.00 for the business application modernization project.  
23 Funds shall only be used for the development, implementation, and  
24 maintenance of the business application modernization project.

25       (2) The unexpended funds appropriated in part 1 for the  
26 business application modernization project are designated as work  
27 project appropriations and shall not lapse at the end of the fiscal

1 year. Any unencumbered or unallotted funds shall be carried over  
2 into the succeeding fiscal year and shall continue to be available  
3 for expenditure until the project has been completed. The total  
4 cost is estimated at \$30,000,000.00, and the tentative completion  
5 date is September 30, 2010.

## 6 LEGISLATURE

7 Sec. 600. The senate, the house of representatives, or an  
8 agency within the legislative branch may receive, expend, and  
9 transfer funds in addition to those authorized in part 1.

10 Sec. 601. (1) Funds appropriated in part 1 to an entity within  
11 the legislative branch shall not be expended or transferred to  
12 another account without written approval of the authorized agent of  
13 the legislative entity. If the authorized agent of the legislative  
14 entity notifies the state budget director of its approval of an  
15 expenditure or transfer before the year-end book-closing date for  
16 that legislative entity, the state budget director shall  
17 immediately make the expenditure or transfer. The authorized  
18 legislative entity agency shall be designated by the speaker of the  
19 house of representatives for house entities, the senate majority  
20 leader for senate entities, and the legislative council for  
21 legislative council entities.

22 (2) Funds appropriated within the legislative branch, to a  
23 legislative council component, shall not be expended by any agency  
24 or other subgroup included in that component without the approval  
25 of the legislative council.

26 Sec. 602. The senate may charge rent and assess charges for

1 utility costs. The amounts received for rent charges and utility  
2 assessments are appropriated to the senate for the renovation,  
3 operation, and maintenance of the Farnum building and other  
4 properties.

5       Sec. 603. The appropriation contained in part 1 for national  
6 association dues is to be distributed by the legislative council.

7       Sec. 604. (1) The appropriation in part 1 to the legislative  
8 council includes funds to operate the legislative parking  
9 facilities in the capitol area. The legislative council shall  
10 establish rules regarding the operation of the legislative parking  
11 facilities.

12       (2) The legislative council shall collect a fee from state  
13 employees and the general public using certain legislative parking  
14 facilities. The revenues received from the parking fees shall be  
15 allocated by the legislative council.

16       Sec. 605. The appropriation in part 1 to the legislative  
17 council for publication of the Michigan manual is a work project  
18 account. The unexpended portion remaining on September 30 shall not  
19 lapse and shall be carried forward into the subsequent fiscal year  
20 for use in paying the associated biennial costs of publication of  
21 the Michigan manual.

22       Sec. 606. The appropriations in part 1 to the legislative  
23 branch, for property management, shall be used to purchase  
24 equipment and services for building maintenance in order to ensure  
25 a safe and productive work environment. These funds, along with  
26 funds previously appropriated for property management, are  
27 designated as work project appropriations and shall not lapse at

1 the end of the fiscal year, and shall continue to be available for  
2 expenditure until the project has been completed. The total cost is  
3 estimated at \$500,000.00, and the tentative completion date is  
4 September 30, 2007.

5 Sec. 607. The appropriations in part 1 to the legislative  
6 branch, for automated data processing, shall be used to purchase  
7 equipment, software, and services in order to support and implement  
8 data processing requirements and technology improvements. These  
9 funds, along with funds previously appropriated for automated data  
10 processing, are designated as work project appropriations and shall  
11 not lapse at the end of the fiscal year, and shall continue to be  
12 available for expenditure until the project has been completed. The  
13 total cost is estimated at \$500,000.00, and the tentative  
14 completion date is September 30, 2007.

15 Sec. 608. In addition to funds appropriated in part 1, the  
16 Michigan capitol committee publications save the flags fund account  
17 may accept contributions, gifts, bequests, devises, grants, and  
18 donations. Those funds that are not expended in the fiscal year  
19 ending September 30 shall not lapse at the close of the fiscal  
20 year, and shall be carried forward for expenditure in the following  
21 fiscal years.

22 Sec. 610. The funds appropriated in part 1 shall not be used  
23 to pay for health insurance benefits for unmarried domestic  
24 partners of legislators or legislative employees.

25 **OFFICE OF THE AUDITOR GENERAL**

26 Sec. 620. Pursuant to section 53 of article IV of the state



1 constitution of 1963, the auditor general shall conduct audits of  
2 the judicial branch. The audits may include the supreme court and  
3 its administrative units, the court of appeals, and trial courts.

4       Sec. 621. (1) The auditor general shall take all reasonable  
5 steps to ensure that certified minority- and women-owned and  
6 operated accounting firms, and accounting firms owned and operated  
7 by persons with disabilities participate in the audits of the  
8 books, accounts, and financial affairs of each principal executive  
9 department, branch, institution, agency, and office of this state.

10       (2) The auditor general shall strongly encourage firms with  
11 which the auditor general contracts to perform audits of the  
12 principal executive departments and state agencies to subcontract  
13 with certified minority- and women-owned and operated accounting  
14 firms, and accounting firms owned and operated by persons with  
15 disabilities.

16       (3) The auditor general shall compile an annual report  
17 regarding the number of contracts entered into with certified  
18 minority- and women-owned and operated accounting firms, and  
19 accounting firms owned and operated by persons with disabilities.  
20 The auditor general shall deliver the report to the state budget  
21 director and the senate and house of representatives standing  
22 committees on appropriations subcommittees on general government by  
23 November 1 of each year.

24       Sec. 622. From the funds appropriated in part 1 to the office  
25 of the auditor general, the auditor general's salary and the  
26 salaries of the remaining 2.0 FTE unclassified positions shall be  
27 set by the speaker of the house of representatives, the senate

1 majority leader, the house of representatives minority leader, and  
2 the senate minority leader.

3 Sec. 623. Any audits, reviews, or investigations requested of  
4 the auditor general by the legislature or by legislative  
5 leadership, legislative committees, or individual legislators shall  
6 include an estimate of the additional costs involved and, when  
7 those costs exceed \$50,000.00, should provide supplemental funding.  
8 The auditor general shall determine whether to perform those  
9 activities in keeping with Audit Directive No. 29, which describes  
10 the office of the auditor general's policy on responding to  
11 legislative requests.

#### 12 DEPARTMENT OF MANAGEMENT AND BUDGET

13 Sec. 702. Proceeds in excess of necessary costs incurred in  
14 the conduct of transfers or auctions of state surplus, salvage, or  
15 scrap property made pursuant to section 267 of the management and  
16 budget act, 1984 PA 431, MCL 18.1267, are appropriated to the  
17 department of management and budget to offset costs incurred in the  
18 acquisition and distribution of federal surplus property.

19 Sec. 704. (1) The department of management and budget may  
20 receive and expend funds in addition to those authorized by part 1  
21 for maintenance and operation services provided specifically to  
22 other principal executive departments or state agencies, the  
23 legislative branch, the judicial branch, or private tenants, or  
24 provided in connection with facilities transferred to the  
25 operational jurisdiction of the department of management and  
26 budget.

1           (2) The department of management and budget may receive and  
2     expend funds in addition to those authorized by part 1 for real  
3     estate, architectural, design, and engineering services provided  
4     specifically to other principal executive departments or state  
5     agencies, the legislative branch, or the judicial branch.

6           (3) The department of management and budget may receive and  
7     expend funds in addition to those authorized in part 1 for mail  
8     pickup and delivery services provided specifically to other  
9     principal executive departments and state agencies, the legislative  
10    branch, or the judicial branch.

11          (4) The department of management and budget may receive and  
12    expend funds in addition to those authorized in part 1 for  
13    purchasing services provided specifically to other principal  
14    executive departments and state agencies, the legislative branch,  
15    or the judicial branch.

16          Sec. 705. (1) The source of financing in part 1 for statewide  
17    appropriations shall be funded by assessments against longevity and  
18    insurance appropriations throughout state government in a manner  
19    prescribed by the department of management and budget. Funds shall  
20    be used as specified in joint labor/management agreements or  
21    through the coordinated compensation hearings process. Any deposits  
22    made under this subsection and any unencumbered funds are  
23    restricted revenues, may be carried over into the succeeding fiscal  
24    years, and are appropriated.

25          (2) In addition to the funds appropriated in part 1 for  
26    statewide appropriations, the department of management and budget  
27    may receive and expend funds in such additional amounts as may be

1 specified in joint labor/management agreements or through the  
2 coordinated compensation hearings process in the same manner and  
3 subject to the same conditions as prescribed in subsection (1).

4       Sec. 706. To the extent a specific appropriation is required  
5 for a detail source of financing included in part 1 for the  
6 department of management and budget appropriations financed from  
7 special revenue and internal service and pension trust funds, or  
8 MAIN user charges, the specific amounts are appropriated within the  
9 special revenue internal service and pension trust funds in  
10 portions not to exceed the aggregate amount appropriated in part 1.

11       Sec. 707. In addition to the funds appropriated in part 1 to  
12 the department of management and budget, the department may receive  
13 and expend funds from other principal executive departments and  
14 state agencies to implement donated annual leave and administrative  
15 leave bank transfer provisions as may be specified in joint  
16 labor/management agreements. The amounts may also be transferred to  
17 other principal executive departments and state agencies under the  
18 joint agreement and any amounts transferred under the joint  
19 agreement are authorized for receipt and expenditure by the  
20 receiving principal executive department or state agency. Any  
21 amounts received by the department of management and budget under  
22 this section and intended, under the joint labor/management  
23 agreements, to be available for use beyond the close of the fiscal  
24 year and any unencumbered funds may be carried over into the  
25 succeeding fiscal year.

26       Sec. 708. The source of financing in part 1 for the Michigan  
27 administrative information network shall be funded by proportionate

1 charges assessed against the respective state funds benefiting from  
2 this project in the amounts determined by the department.

3 Sec. 709. (1) Deposits against the interdepartmental grant  
4 from building occupancy and parking charges appropriated in part 1  
5 shall be collected, in part, from state agencies, the legislative  
6 branch, and the judicial branch based on estimated costs associated  
7 with maintenance and operation of buildings managed by the  
8 department of management and budget. To the extent excess revenues  
9 are collected due to estimates of building occupancy charges  
10 exceeding actual costs, the excess revenues may be carried forward  
11 into succeeding fiscal years for the purpose of returning funds to  
12 state agencies.

13 (2) Appropriations in part 1 to the department of management  
14 and budget, for management and budget services from building  
15 occupancy charges and parking charges, may be increased to return  
16 excess revenue collected to state agencies.

17 Sec. 710. The department of management and budget shall notify  
18 the chairpersons of the senate and house of representatives  
19 standing committees on appropriations and the chairpersons of the  
20 senate and house of representatives standing committees on  
21 appropriations subcommittees on general government on any revisions  
22 that increase or decrease current contracts by more than  
23 \$500,000.00 for computer software development, hardware  
24 acquisition, or quality assurance at least 14 days before the  
25 department of management and budget finalizes the revisions.

26 Sec. 711. The department of management and budget shall  
27 maintain an Internet website that contains notice of all

1 invitations for bids and requests for proposals over \$50,000.00  
2 issued by the department or by any state agency operating under  
3 delegated authority. The department shall not accept an invitation  
4 for bid or request for proposal in less than 14 days after the  
5 notice is made available on the Internet website, except in  
6 situations where it would be in the best interest of the state and  
7 documented by the department. In addition to the requirements of  
8 this section, the department may advertise the invitations for bids  
9 and requests for proposals in any manner the department determines  
10 appropriate, in order to give the greatest number of individuals  
11 and businesses the opportunity to make bids or requests for  
12 proposals.

13       Sec. 712. The department of management and budget may receive  
14 and expend funds from the Vietnam veterans memorial monument fund  
15 as provided in the Michigan Vietnam veterans memorial act, 1988 PA  
16 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated  
17 when received and may be expended upon receipt.

18       Sec. 713. The Michigan veterans' memorial park commission may  
19 receive and expend money from any source, public or private,  
20 including, but not limited to, gifts, grants, donations of money,  
21 and government appropriations, for the purposes described in  
22 Executive Order No. 2001-10. Funds are appropriated and allocated  
23 when received and may be expended upon receipt. Any deposits made  
24 under this section and unencumbered funds are restricted revenues  
25 and may be carried over into succeeding fiscal years.

26       Sec. 715. (1) Funds in part 1 for motor vehicle fleet are  
27 appropriated to the department of management and budget for

1 administration and for the acquisition, lease, operation,  
2 maintenance, repair, replacement, and disposal of state motor  
3 vehicles.

4 (2) The appropriation in part 1 for motor vehicle fleet shall  
5 be funded by revenue from rates charged to principal executive  
6 departments and agencies for utilizing vehicle travel services  
7 provided by the department. Revenue in excess of the amount  
8 appropriated in part 1 from the motor transport fund and any  
9 unencumbered funds are restricted revenues and may be carried over  
10 into the succeeding fiscal year.

11 (3) It is the intent of the legislature that the department of  
12 management and budget have the authority to determine the  
13 appropriateness of vehicle assignment, to include year, make,  
14 model, size, and price of vehicle. The department may assign motor  
15 vehicles, permanently or temporarily, to state agencies and to  
16 institutions of higher education.

17 (4) Pursuant to the department of management and budget's  
18 authority under sections 213 and 215 of the management and budget  
19 act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall  
20 maintain a plan regarding the operation of the motor vehicle fleet.  
21 The plan shall include the number of vehicles assigned to, or  
22 authorized for use by, state departments and agencies, efforts to  
23 reduce vehicle expenditures, the number of cars in the motor  
24 vehicle fleet, the number of miles driven by fleet vehicles, and  
25 the number of gallons of fuel consumed by fleet vehicles. The plan  
26 shall include a calculation of the amount of state motor vehicle  
27 fuel taxes that would have been incurred by fleet vehicles if fleet

1 vehicles were required by law to pay motor fuel taxes. The plan  
2 shall include a description of fleet garage operations, the goods  
3 sold and services provided by the fleet garage, the cost to operate  
4 the fleet garage, the number of fleet garage locations, and the  
5 number of employees assigned to each fleet garage. The plan may be  
6 adjusted during the fiscal year based on needs and cost savings to  
7 achieve the maximum value and efficiency from the state motor  
8 fleet. Within 60 days after the close of the fiscal year, the  
9 department shall provide a report to the senate and house of  
10 representatives standing committees on appropriations and the  
11 senate and house fiscal agencies detailing the current plan and  
12 changes made to the plan during the fiscal year.

13 (5) The department of management and budget may charge state  
14 agencies for fuel cost increases that exceed \$2.27 per gallon of  
15 unleaded gasoline. Revenues received from these charges are  
16 appropriated upon receipt.

17 Sec. 716. The department of management and budget shall adopt  
18 policies and procedures necessary for compliance by the department,  
19 other state departments and agencies, and state vendors and  
20 subcontractors, with the requirement under subsection (1) of  
21 section 261 of the management and budget act, 1984 PA 431, MCL  
22 181.261, to provide a purchasing preference for products  
23 manufactured or services offered by Michigan-based firms.

24 Sec. 717. In determining whether the purchase, contracting  
25 for, providing of supplies, materials, services, insurance,  
26 utilities, third-party financing, equipment, printing, and other  
27 items needed by state departments or agencies is in the best



1 interests of this state, and in making all discretionary decisions  
2 concerning the solicitation, award, amendment, cancellation, or  
3 appeal of state contracts, the department of management and budget  
4 shall consider all of the following:

5 (a) Whether a proposal by a vendor to provide services to this  
6 state using employees, contractors, subcontractors, or other  
7 individuals who are not citizens of the United States, legal  
8 resident aliens, or individuals with a valid visa would be  
9 detrimental to the state of Michigan, its residents, or the state's  
10 economy.

11 (b) Whether a proposal by a vendor to provide services to this  
12 state from a location outside of this state or the United States  
13 would be detrimental to the state of Michigan, its residents, or  
14 the state's economy.

15 (c) Whether a proposal by a vendor to provide goods to this  
16 state produced outside of this state or the United States would be  
17 detrimental to the state of Michigan, its residents, or the state's  
18 economy.

19 (d) Whether the acquisition of goods or services from a vendor  
20 that is an expatriated business entity located in a tax haven  
21 country or an affiliate of an expatriated business entity located  
22 in a tax haven country would be detrimental to the state of  
23 Michigan, its residents, or the state's economy. As used in this  
24 section, "expatriated business entity" means a corporation or an  
25 affiliate of the corporation incorporated in a tax haven country  
26 after September 11, 2001, but with the United States as the  
27 principal market for the public trading of the corporation's stock,

1 as determined by the director of the department of management and  
2 budget. "Tax haven country" means each of the following: Barbados,  
3 Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of  
4 the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of  
5 Liechtenstein, the Principality of Monaco, and the Republic of the  
6 Seychelles.

7 (e) Whether the provision of services to this state at a  
8 location outside of this state or the United States would be  
9 detrimental to the privacy interests of Michigan residents, or risk  
10 the disclosure of personal information of Michigan residents, such  
11 as social security, financial, or medical data.

12 (f) Whether a proposal by a vendor to provide services to this  
13 state from a location outside of this state or the United States  
14 would constitute undue risk under a risk management policy,  
15 practice, or procedure adopted by the department of management and  
16 budget under section 204 of the management and budget act, 1984 PA  
17 431, MCL 18.1204.

18 (g) Whether a proposal by a vendor to provide goods to this  
19 state produced outside of this state or the United States would  
20 constitute undue risk under a risk management policy, practice, or  
21 procedure adopted by the department of management and budget under  
22 section 204 of the management and budget act, 1984 PA 431, MCL  
23 18.1204.

24 Sec. 718. The department of management and budget shall  
25 collect from vendors information necessary to comply with the  
26 requirements of this act, as determined by the department. The  
27 department of management and budget may require vendors to provide

1 any of the following:

2 (a) Information relating to the location of work performed  
3 under a state contract by the vendor and any subcontractors,  
4 employees, or other persons performing a state contract.

5 (b) Information regarding the corporate structure and location  
6 of corporate employees and activities of the vendor, its  
7 affiliates, or any subcontractors.

8 (c) Notice of the relocation of the vendor, employees of the  
9 vendor, subcontractors of the vendor, or other persons performing  
10 services under a state contract outside of the state of Michigan.

11 Sec. 719. The department of management and budget may require  
12 that any vendor or subcontractor providing call or contact center  
13 services to the state of Michigan disclose to inbound callers the  
14 location from which the call or contact center services are being  
15 provided.

16 Sec. 721. In addition to the funds appropriated in part 1, the  
17 department of management and budget may receive and expend money  
18 from the Michigan law enforcement officers memorial monument fund  
19 as provided in the Michigan law enforcement officers memorial act,  
20 2004 PA 177, MCL 28.781 to 28.787.

21 Sec. 722. In addition to the funds appropriated in part 1, the  
22 department of management and budget may receive and expend money  
23 from the Ronald Wilson Reagan memorial monument fund as provided in  
24 the Ronald Wilson Reagan memorial monument fund commission act,  
25 2004 PA 489, MCL 399.261 to 399.266.

26 Sec. 723. The department shall make available to the public a  
27 list of all parcels of real property owned by the state that are

1 available for purchase. The list shall be posted on the Internet  
2 through the department's website.

3 Sec. 724. The appropriation in part 1 for the gubernatorial  
4 transition fund shall be expended for costs associated with a  
5 gubernatorial transition process. If the incumbent is reelected,  
6 the appropriation shall lapse to the state general fund.

#### 7 **STATE BUILDING AUTHORITY**

8 Sec. 725. (1) Subject to section 242 of the management and  
9 budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the  
10 state building authority, the department may expend from the  
11 general fund of the state during the fiscal year ending September  
12 30, 2007 an amount to meet the cash flow requirements of those  
13 state building authority projects solely for lease to a state  
14 agency identified in both part 1 and this section, and for which  
15 state building authority bonds or notes have not been issued, and  
16 for the sole acquisition by the state building authority of  
17 equipment and furnishings for lease to a state agency as permitted  
18 by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of  
19 bonds or notes is authorized by a legislative concurrent resolution  
20 that is effective for the fiscal year ending September 30, 2007.  
21 Any general fund advances for which state building authority bonds  
22 have not been issued shall bear an interest cost to the state  
23 building authority at a rate not to exceed that earned by the state  
24 treasurer's common cash fund during the period in which the  
25 advances are outstanding and are repaid to the general fund of the  
26 state.

1           (2) Upon sale of bonds or notes for the projects identified in  
2 part 1 or for equipment as authorized by legislative concurrent  
3 resolution and in this section, the state building authority shall  
4 credit the general fund of the state an amount equal to that  
5 expended from the general fund plus interest, if any, as defined in  
6 this section.

7           (3) For state building authority projects for which bonds or  
8 notes have been issued and upon the request of the state building  
9 authority, the state treasurer shall make advances without interest  
10 from the general fund as necessary to meet cash flow requirements  
11 for the projects, which advances shall be reimbursed by the state  
12 building authority when the investments earmarked for the financing  
13 of the projects mature.

14           (4) In the event that a project identified in part 1 is  
15 terminated after final design is complete, advances made on behalf  
16 of the state building authority for the costs of final design shall  
17 be repaid to the general fund in a manner recommended by the  
18 director and approved by the JCOS.

19           Sec. 726. (1) State building authority funding to finance  
20 construction or renovation of a facility that collects revenue in  
21 excess of money required for the operation of that facility shall  
22 not be released to a university or community college unless the  
23 institution agrees to reimburse that excess revenue to the state  
24 building authority. The excess revenue shall be credited to the  
25 general fund to offset rent obligations associated with the  
26 retirement of bonds issued for that facility. The auditor general  
27 shall annually identify and present an audit of those facilities

1 that are subject to this section. Costs associated with the  
2 administration of the audit shall be charged against money  
3 recovered pursuant to this section.

4 (2) As used in this section, "revenue" includes state  
5 appropriations, facility opening money, other state aid, indirect  
6 cost reimbursement, and other revenue generated by the activities  
7 of the facility.

8 Sec. 727. (1) The state building authority rent appropriations  
9 in part 1 may also be expended for the payment of required premiums  
10 for insurance on facilities owned by the state building authority  
11 or payment of costs that may be incurred as the result of any  
12 deductible provisions in such insurance policies.

13 (2) If the amount appropriated in part 1 for state building  
14 authority rent is not sufficient to pay the rent obligations and  
15 insurance premiums and deductibles identified in subsection (1) for  
16 state building authority projects, there is appropriated from the  
17 general fund of the state the amount necessary to pay such  
18 obligations.

19 Sec. 728. The department of management and budget shall  
20 provide the JCOS and the senate and house fiscal agencies a report  
21 relative to the status of construction projects associated with  
22 state building authority bonds as of September 30 of each year, on  
23 or before October 15, or not more than 30 days after a refinancing  
24 or restructuring bond issue is sold. The report shall include, but  
25 is not limited to, the following:

26 (a) A list of all completed construction projects for which  
27 state building authority bonds have been sold, and which bonds are

1 currently active.

2 (b) A list of all projects under construction for which sale  
3 of state building authority bonds is pending.

4 (c) A list of all projects authorized for construction or  
5 identified in an appropriations act for which approval of  
6 schematic/preliminary plans or total authorized cost is pending  
7 that have state building authority bonds identified as a source of  
8 financing.

9 **DEPARTMENT OF STATE**

10 Sec. 802. All funds made available by section 3171 of the  
11 insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated  
12 and made available to the department of state to be expended only  
13 for the uses and purposes for which the funds are received as  
14 provided by sections 3171 to 3177 of the insurance code of 1956,  
15 1956 PA 218, MCL 500.3171 to 500.3177.

16 Sec. 803. From the funds appropriated in part 1, the  
17 department of state shall sell copies of records including, but not  
18 limited to, records of motor vehicles, off-road vehicles,  
19 snowmobiles, watercraft, mobile homes, personal identification  
20 cardholders, drivers, and boat operators and shall charge \$7.00 per  
21 record sold only as authorized in section 208b of the Michigan  
22 vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222,  
23 MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the  
24 natural resources and environmental protection act, 1994 PA 451,  
25 MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue  
26 received from the sale of records shall be credited to the

1 transportation administration collection fund created under section  
2 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

3 Sec. 804. From the funds appropriated in part 1, the secretary  
4 of state may enter into agreements with the department of  
5 corrections for the manufacture of vehicle registration plates 15  
6 months before the registration year in which the registration  
7 plates will be used.

8 Sec. 805. (1) The department of state may accept gifts,  
9 donations, contributions, and grants of money and other property  
10 from any private or public source to underwrite, in whole or in  
11 part, the cost of a departmental publication that is prepared and  
12 disseminated under the Michigan vehicle code, 1949 PA 300, MCL  
13 257.1 to 257.923. A private or public funding source may receive  
14 written recognition in the publication and may furnish a traffic  
15 safety message, subject to departmental approval, for inclusion in  
16 the publication. The department may reject a gift, donation,  
17 contribution, or grant. The department may furnish copies of a  
18 publication underwritten, in whole or in part, by a private source  
19 to the underwriter at no charge.

20 (2) The department of state may sell and accept paid  
21 advertising for placement in a departmental publication that is  
22 prepared and disseminated under the Michigan vehicle code, 1949 PA  
23 300, MCL 257.1 to 257.923. The department may charge and receive a  
24 fee for any advertisement appearing in a departmental publication  
25 and shall review and approve the content of each advertisement. The  
26 department may refuse to accept advertising from any person or  
27 organization. The department may furnish a reasonable number of



1 copies of a publication to an advertiser at no charge.

2 (3) Pending expenditure, the funds received under this section  
3 shall be deposited in the Michigan department of state publications  
4 fund created by section 211 of the Michigan vehicle code, 1949 PA  
5 300, MCL 257.211. Funds given, donated, or contributed to the  
6 department from a private source are appropriated and allocated for  
7 the purpose for which the revenue is furnished. Funds granted to  
8 the department from a public source are allocated and may be  
9 expended upon receipt. The department shall not accept a gift,  
10 donation, contribution, or grant if receipt is conditioned upon a  
11 commitment of state funding at a future date. Revenue received from  
12 the sale of advertising is appropriated and may be expended upon  
13 receipt.

14 (4) Any unexpended revenues received under this section shall  
15 be carried over into subsequent fiscal years and shall be available  
16 for appropriation for the purposes described in this section.

17 (5) On March 1 of each year, the department of state shall  
18 file a report with the senate and house of representatives standing  
19 committees on appropriations, the senate and house fiscal agencies,  
20 and the state budget director. The report shall include all of the  
21 following information:

22 (a) The amount of gifts, contributions, donations, and grants  
23 of money received by the department under this section for the  
24 prior fiscal year.

25 (b) A listing of the expenditures made from the amounts  
26 received by the department as reported in subdivision (a).

27 (c) A listing of any gift, donation, contribution, or grant of

1 property other than funding received by the department under this  
2 section for the prior year.

3 (d) The total revenue received from the sale of paid  
4 advertising accepted under this section and a statement of the  
5 total number of advertising transactions.

6 (6) In addition to copies delivered without charge as the  
7 secretary of state considers necessary, the department of state may  
8 sell copies of manuals and other publications regarding the sale,  
9 ownership, or operation or regulation of motor vehicles, with  
10 amendments, at prices to be established by the secretary of state.  
11 As used in this subsection, the term "manuals and other  
12 publications" includes videos and proprietary electronic  
13 publications. All funds received from sales of these manuals and  
14 other publications shall be credited to the Michigan department of  
15 state publications fund.

16 Sec. 806. Funds collected by the department of state under  
17 section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211,  
18 are appropriated for all expenses necessary to provide for the  
19 costs of the publication. Funds are allotted for expenditure when  
20 they are received by the department of treasury and shall not lapse  
21 to the general fund at the end of the fiscal year.

22 Sec. 807. From the funds appropriated in part 1, the  
23 department of state shall use available balances at the end of the  
24 state fiscal year to provide payment to the department of state  
25 police in the amount of \$321,900.00 for the services provided by  
26 the traffic accident records program as first appropriated in 1990  
27 PA 196 and 1990 PA 208.

1       Sec. 808. From the funds appropriated in part 1, the  
2 department of state may restrict funds from miscellaneous revenue  
3 to cover cash shortages created from normal branch office  
4 operations. This amount shall not exceed \$50,000.00 of the total  
5 funds available in miscellaneous revenue.

6       Sec. 809. (1) Commemorative and specialty license plate fee  
7 revenue collected by the department of state and deposited into the  
8 transportation administration collection fund is authorized for  
9 expenditure up to the amount of revenue collected but not to exceed  
10 the amount appropriated to the department of state in part 1 to  
11 administer commemorative and specialty license plate programs.

12       (2) Commemorative and specialty license plate fee revenue  
13 collected by the department of state and deposited in the  
14 transportation administration collection fund, in addition to the  
15 amount appropriated in part 1 to the department of state, shall  
16 remain in the transportation administration collection fund and be  
17 available for future appropriation.

18       Sec. 810. (1) Collector plate and fund-raising registration  
19 plate revenues collected by the department of state are  
20 appropriated and allotted for distribution to the recipient  
21 university or public or private agency overseeing a state-sponsored  
22 goal when received. Distributions shall occur on a quarterly basis  
23 or as otherwise authorized by law. Any revenues remaining at the  
24 end of the fiscal year shall not lapse to the general fund but  
25 shall remain available for distribution to the university or agency  
26 in the next fiscal year.

27       (2) Funds or revenues in the Olympic education training center

1 fund are appropriated for distribution to the Olympic education  
2 training center at Northern Michigan University. Distributions  
3 shall occur on a quarterly basis. Any undistributed revenue  
4 remaining at the end of the fiscal year shall be carried over into  
5 the next fiscal year.

6       Sec. 811. The department of state may produce and sell copies  
7 of a training video designed to inform registered automotive repair  
8 facilities of their obligations under Michigan law. The price shall  
9 not exceed the cost of production and distribution. The money  
10 received from the sale of training videos shall revert to the  
11 department of state and be placed in the auto repair facility  
12 account.

13       Sec. 812. (1) The department of state, in collaboration with  
14 the gift of life transplantation society or its successor federally  
15 designated organ procurement organization, may develop and  
16 administer a public information campaign concerning the Michigan  
17 organ donor program.

18       (2) The department may solicit funds from any private or  
19 public source to underwrite, in whole or in part, the public  
20 information campaign authorized by this section. The department may  
21 accept gifts, donations, contributions, and grants of money and  
22 other property from private and public sources for this purpose. A  
23 private or public funding source underwriting the public  
24 information campaign, in whole or in substantial part, shall  
25 receive sponsorship credit for its financial backing.

26       (3) Funds received under this section, including grants from  
27 state and federal agencies, shall not lapse to the general fund at

1 the end of the fiscal year but shall remain available for  
2 expenditure for the purposes described in this section.

3 (4) Funding appropriated in part 1 for the organ donor program  
4 shall be used for producing a pamphlet to be distributed with  
5 driver licenses and personal identification cards regarding organ  
6 donations. The funds shall be used to update and print a pamphlet  
7 that will explain the organ donor program and encourage people to  
8 become donors by marking a checkoff on driver license and personal  
9 identification card applications.

10 (5) The pamphlet shall include a return reply form addressed  
11 to the gift of life organization. Funding appropriated in part 1  
12 for the organ donor program shall be used to pay for return postage  
13 costs.

14 (6) In addition to the appropriations in part 1, the  
15 department of state may receive and expend funds from the organ and  
16 tissue donation education fund for administrative expenses.

17 Sec. 815. (1) At least 60 days prior to the announcement of  
18 secretary of state branch office closings, consolidations, or  
19 relocations, the department of state shall inform members of the  
20 senate and house of representatives standing committees on  
21 appropriations and legislators who represent affected areas  
22 regarding the details of the proposal. The information provided  
23 shall be in written form and include all analysis done regarding  
24 criteria for changes in the location of branch offices, including,  
25 but not limited to, branch transactions, revenue, and the impact on  
26 citizens of the affected area. The impact on citizens shall include  
27 information regarding additional distance to branch office

1 locations resulting from the plan. The written notice provided by  
2 the department of state shall also include detailed estimates of  
3 costs and savings that will result from the overall changes made to  
4 the branch office structure.

5 (2) Prior to October 4, 2006, the department of state shall  
6 provide a report to the senate and house of representatives  
7 standing committees on appropriations subcommittees on general  
8 government regarding the department's branch optimization plan that  
9 was announced on April 26, 2004. The report shall include a listing  
10 of all closed offices detailing savings by office, including lease,  
11 utilities, and all other savings associated with the closed office.  
12 The department shall provide the same level of detail regarding  
13 costs for new leased facilities and expansions of current leased  
14 space.

15 Sec. 815a. By December 15, the department of state shall  
16 report to the senate and house of representatives standing  
17 committees on appropriations subcommittees on general government  
18 and the senate and house fiscal agencies the number of branch  
19 office transactions completed online by Michigan residents in the  
20 immediately preceding fiscal year.

21 Sec. 816. (1) Any service assessment collected by the  
22 department of state from the user of a credit or debit card under  
23 section 3 of 1995 PA 144, MCL 11.23, is appropriated to the  
24 department for necessary expenses related to that service and may  
25 be remitted to a credit or debit card company, bank, or other  
26 financial institution. Funds are allocated for expenditure when  
27 they are received by the department of treasury.

1           (2) The service assessment imposed by the department of state  
2 for credit and debit card services may be based either on a  
3 percentage of each individual credit or debit card transaction, or  
4 on a flat rate per transaction, or both scaled to the amount of the  
5 transaction. However, the department shall not charge any amount  
6 for a service assessment which exceeds the costs billable to the  
7 department for service assessments.

8           (3) If there is a balance of service assessments received from  
9 credit and debit card services remaining on September 30, the  
10 balance may be carried forward to the following fiscal year and  
11 appropriated for the same purpose.

12           (4) As used in this section, "service assessment" means and  
13 includes costs associated with service fees imposed by credit and  
14 debit card companies and processing fees imposed by banks and other  
15 financial institutions.

16           Sec. 818. (1) Funds in part 1 for motorcycle safety education  
17 grants and administration are appropriated to the department of  
18 state for operation of the motorcycle safety education program  
19 previously operated by the department of education under section  
20 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

21           (2) Funds in part 1 for motorcycle safety education grants and  
22 administration shall be derived from original and renewal  
23 motorcycle license endorsements, annual motorcycle registration  
24 fees, and motorcycle operator driving test fees.

25           (3) Funds in part 1 for motorcycle safety education grants and  
26 administration shall be used to provide grants to colleges,  
27 universities, intermediate school districts, local school

1 districts, law enforcement agencies, or other governmental agencies  
2 located in the state, to help subsidize safety training courses for  
3 individuals interested in operating motorcycles.

4 (4) Funds in part 1 for motorcycle safety education grants and  
5 administration may be used by the department of state for  
6 administration costs of the motorcycle safety education program, to  
7 include, but not be limited to, review and approval or disapproval  
8 of grant applications, monitoring eligibility of motorcycle safety  
9 instructors, conducting program evaluation, certifying third-party  
10 testers, and inspecting training sites.

11 Sec. 819. (1) From the funds appropriated in part 1 to the  
12 department of state for information technology services and  
13 projects, there is appropriated \$4,550,000.00 for the business  
14 application modernization project. Funds shall only be used for the  
15 development, implementation, and maintenance of the business  
16 application modernization project.

17 (2) The unexpended funds appropriated in part 1 for the  
18 business application modernization project are designated as work  
19 project appropriations and shall not lapse at the end of the fiscal  
20 year. Any unencumbered or unallotted funds shall be carried over  
21 into the succeeding fiscal year and shall continue to be available  
22 for expenditure until the project has been completed. The total  
23 cost is estimated at \$30,000,000.00, and the tentative completion  
24 date is September 30, 2010.

25 Sec. 820. (1) The negative appropriation in section 109(9) is  
26 based on continuing shortfalls in transportation administration  
27 collection fund revenue. The reductions shall be satisfied through



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1 eliminating vacancies and other program adjustments made by the  
2 department of state in previous fiscal years to bring expenditures  
3 within available revenue. The department of state shall submit a  
4 transfer request to the state budget director prior to October 5,  
5 2006 to implement the \$6,000,000.00 appropriation reduction to the  
6 transportation administration collection fund. Appropriation  
7 authorization adjustments required due to section 109(9) shall be  
8 made only after approval of transfers by the legislature under  
9 section 393(2) of the management and budget act, 1984 PA 431, MCL  
10 18.1393.

11 (2) Prior to October 5, 2006, the department of state shall  
12 update its revenue projection for the transportation administration  
13 collection fund. If projections are below appropriations, the  
14 department shall provide a report to the senate and house of  
15 representatives standing appropriation committees subcommittees on  
16 general government and the senate and house fiscal agencies,  
17 detailing the revenue shortfall and proposed reductions to bring  
18 expenditures within appropriations. The report shall be submitted  
19 prior to October 12, 2006.

<<Sec. 821. From the funds appropriated in part 1, the department  
of state shall complete a cost/benefit analysis regarding the feasibility  
of locating the Keweenaw County secretary of state branch office with the  
Keweenaw County department of human services office. The analysis shall  
include, but not be limited to, lease costs, building occupancy costs,  
property management costs, utilities, parking, distance between branch  
offices and issues related to the overall convenience for the citizens of  
Michigan. No later than December 1, 2006, the analysis shall be delivered  
to the members of the senate and house standing committees on  
appropriations subcommittees on general government and the house and  
senate fiscal agencies.>>

## 20 DEPARTMENT OF TREASURY

### 21 OPERATIONS

22 Sec. 902. (1) Amounts needed to pay for interest, fees,  
23 principal, arbitrage rebates as required by federal law, and costs  
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24 associated with the payment, registration, trustee services, credit  
25 enhancements, and issuing costs in excess of the amount  
26 appropriated to the department of treasury in part 1 for debt

1 service on notes and bonds that are issued by the state under  
2 sections 14, 15, and 16 of article IX of the state constitution of  
3 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are  
4 appropriated.

5 (2) In addition to the amount appropriated to the department  
6 of treasury for debt service in part 1, there is appropriated an  
7 amount for fiscal year cash-flow borrowing costs to pay for  
8 interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to  
9 12.53.

10 Sec. 903. (1) From the funds appropriated in part 1, the  
11 department of treasury may contract with private collection  
12 agencies and law firms to collect taxes and other accounts due this  
13 state. In addition to the amounts appropriated in part 1 to the  
14 department of treasury, there are appropriated amounts necessary to  
15 fund collection costs and fees not to exceed 25% of the collections  
16 or 2.5% plus operating costs, whichever amount is prescribed by the  
17 contract. The appropriation to fund collection costs and fees for  
18 the collection of taxes or other accounts due this state are from  
19 the fund or account to which the revenues being collected are  
20 recorded or dedicated. However, if the taxes collected are  
21 constitutionally dedicated for a specific purpose, the  
22 appropriation of collection costs and fees are from the general  
23 purpose account of the general fund.

24 (2) From the funds appropriated in part 1, the department of  
25 treasury may contract with private collections agencies and law  
26 firms to collect defaulted student loans and other accounts due the  
27 Michigan guaranty agency. In addition to the amounts appropriated

1 in part 1 to the department of treasury, there are appropriated  
2 amounts necessary to fund collection costs and fees not to exceed  
3 22% of the collection or a lesser amount as prescribed by the  
4 contract. The appropriation to fund collection costs and fees for  
5 the auditing and collection of defaulted student loans due the  
6 Michigan guaranty agency is from the fund or account to which the  
7 revenues being collected are recorded or dedicated.

8 (3) The department of treasury shall submit a report for the  
9 immediately preceding fiscal year ending September 30 to the state  
10 budget director and the senate and house of representatives  
11 standing committees on appropriations not later than November 30  
12 stating the agencies or law firms employed, the amount of  
13 collections for each, the costs of collection, and other pertinent  
14 information relating to determining whether this authority should  
15 be continued.

16 Sec. 904. (1) The department of treasury, through its bureau  
17 of investments, may charge an investment service fee against the  
18 applicable retirement funds. The fees may be expended for necessary  
19 salaries, wages, contractual services, supplies, materials,  
20 equipment, travel, worker's compensation insurance premiums, and  
21 grants to the civil service commission and state employees'  
22 retirement funds. Service fees shall not exceed the aggregate  
23 amount appropriated in part 1. The department of treasury shall  
24 maintain accounting records in sufficient detail to enable the  
25 retirement funds to be reimbursed periodically for fee revenue that  
26 is determined by the department of treasury to be surplus.

27 (2) In addition to the funds appropriated in part 1 from the

1 retirement funds to the department of treasury, there is  
2 appropriated from retirement funds an amount sufficient to pay for  
3 the services of money managers, investment advisors, investment  
4 consultants, custodians, and other outside professionals, the state  
5 treasurer considers necessary to prudently manage the retirement  
6 funds' investment portfolios. The state treasurer shall report  
7 annually to the senate and house of representatives standing  
8 committees on appropriations and the state budget office concerning  
9 the performance of each portfolio by investment advisor.

10       Sec. 904a. (1) There is appropriated an amount sufficient to  
11 recognize and pay expenditures for financial services provided by  
12 financial institutions as provided under section 1 of 1861 PA 111,  
13 MCL 21.181.

14       (2) The appropriations under subsection (1) shall be funded by  
15 restricting revenues from common cash interest earnings and  
16 investment earnings in an amount sufficient to record these  
17 expenditures.

18       Sec. 905. (1) The department of treasury shall sell copies of  
19 the state tax manual, uniform accounting procedures manual, general  
20 property tax law manual, and other local government assistance  
21 manuals with amendments, at a price not to exceed the cost of  
22 production. The revenue received from the sale of preparation and  
23 local government assistance manuals shall revert to the department  
24 of treasury and be placed in the local government assistance manual  
25 revolving fund.

26       (2) In addition to the funds appropriated in part 1, revenue  
27 received from the sale of those manuals is appropriated.

1       Sec. 906. (1) The department of treasury shall charge for  
2       audits as permitted by state or federal law or under contractual  
3       arrangements with local units of government, other principal  
4       executive departments, or state agencies. A report detailing audits  
5       performed and audit charges for the immediately preceding fiscal  
6       year shall be submitted to the state budget director and the senate  
7       and house fiscal agencies not later than November 30.

8       (2) The appropriation in part 1 to the department of treasury,  
9       for state compliance audits, shall be used to cover the cost of the  
10      state audits performed by independent certified public accountants  
11      or department of treasury auditors. The scope of the state audit  
12      shall be defined by the state treasurer. The state audits shall be  
13      performed by independent certified public accountants contracted  
14      with by the state treasurer or by department of treasury auditors,  
15      if the county has agreed to contract with and pay the department  
16      for their financial single audit.

17      (3) The state audits shall be performed for the most current  
18      county fiscal year in conjunction with the financial single audit.  
19      The state audit may be performed either by certified public  
20      accountants contracted by the state treasurer or department of  
21      treasury staff, independent of the financial single audit, if a  
22      state audit has not been performed within the last 3 years.

23      Sec. 907. A revolving fund known as the assessor certification  
24      and training fund is created in the department of treasury. The  
25      assessor certification and training fund shall be used to organize  
26      and operate a property assessor certification and training program.  
27      Each participant certified and trained shall pay to the department

1 of treasury an examination fee of \$50.00, an initial certification  
2 fee of \$50.00, an annual renewal fee of \$75.00 for levels 1 and 2,  
3 and \$125.00 for levels 3 and 4 to offset the cost of administering  
4 the certification and training program. Training courses shall be  
5 offered in assessment administration. Each participant shall pay a  
6 fee to cover the expenses incurred in offering the optional  
7 programs to certified assessing personnel and other individuals  
8 interested in an assessment career opportunity. The fees collected  
9 shall be credited to the assessor certification and training fund.

10 Sec. 908. The amount appropriated in part 1 to the department  
11 of treasury, home heating assistance program, is to cover the  
12 costs, including data processing, of administering federal home  
13 heating credits to eligible claimants and to administer the  
14 supplemental fuel cost payment program for eligible tax credit and  
15 welfare recipients.

16 Sec. 909. Revenue from the airport parking tax act, 1987 PA  
17 248, MCL 207.371 to 207.383, is appropriated and shall be  
18 distributed under section 7a of the airport parking tax act, 1987  
19 PA 248, MCL 207.377a.

20 Sec. 910. The disbursement by the department of treasury from  
21 the bottle deposit fund to dealers as required by section 3c(2) of  
22 the Initiated Law of 1976, MCL 445.573c, is appropriated.

23 Sec. 911. (1) There is appropriated an amount sufficient to  
24 recognize and pay refundable income tax credits as provided by the  
25 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

26 (2) The appropriations under subsection (1) shall be funded by  
27 restricting income tax revenue in an amount sufficient to record

1 these expenditures.

2 Sec. 912. A plaintiff in a garnishment action involving this  
3 state shall pay to the state treasurer 1 of the following:

4 (a) A fee of \$6.00 at the time a writ of garnishment of  
5 periodic payments is served upon the state treasurer, as provided  
6 in section 4012 of the revised judicature act of 1961, 1961 PA 236,  
7 MCL 600.4012.

8 (b) A fee of \$6.00 at the time any other writ of garnishment  
9 is served upon the state treasurer, except that the fee shall be  
10 reduced to \$5.00 for each writ of garnishment for individual income  
11 tax refunds or credits filed by magnetic media.

12 Sec. 913. (1) The department of treasury may contract with  
13 private firms to appraise and, if necessary, appeal the assessments  
14 of senior citizen cooperative housing units. Payment for this  
15 service shall be from savings resulting from the appraisal or  
16 appeal process.

17 (2) Of the funds appropriated in part 1 to the department of  
18 treasury for the senior citizens' cooperative housing tax exemption  
19 program, a portion is to be utilized for a program audit of the  
20 program. The department of treasury shall forward copies of the  
21 audit report to the senate and house of representatives standing  
22 committees on appropriations subcommittees on general government  
23 and to the state budget office. The department of treasury may  
24 utilize up to 1% of the funds for program administration and  
25 auditing.

26 Sec. 914. The department of treasury may provide a \$200.00  
27 annual prize from the Ehlers internship award account in the gifts,



1 bequests, and deposit fund to the runner-up of the Rosenthal prize  
2 for interns. The Ehlers internship award account is interest  
3 bearing.

4       Sec. 915. Pursuant to section 61 of the Michigan campaign  
5 finance act, 1976 PA 388, MCL 169.261, there is appropriated from  
6 the general fund to the state campaign fund an amount equal to the  
7 amounts designated for tax year 2006. Except as otherwise provided  
8 in this section, the amount appropriated shall not revert to the  
9 general fund and shall remain in the state campaign fund. Any  
10 amounts remaining in the state campaign fund in excess of  
11 \$10,000,000.00 on December 31, 2006 shall revert to the general  
12 fund.

13       Sec. 916. The department of treasury may make available to  
14 interested entities otherwise unavailable customized unclaimed  
15 property listings of nonconfidential information in its possession.  
16 The charge for this information is as follows: 1 to 100,000 records  
17 at 2.5 cents per record and 100,001 or more records at .5 cents per  
18 record. The revenue received from this service shall be deposited  
19 to the appropriate revenue account or fund. The department shall  
20 submit an annual report on or before June 1 to the state budget  
21 director and the senate and house of representatives standing  
22 committees on appropriations that states the amount of revenue  
23 received from the sale of information.

24       Sec. 917. (1) There is appropriated for write-offs and  
25 advances an amount equal to total write-offs and advances for  
26 departmental programs, but not to exceed current year  
27 authorizations that would otherwise lapse to the general fund.

1           (2) The department of treasury shall submit a report for the  
2 immediately preceding fiscal year to the state budget director and  
3 the senate and house fiscal agencies not later than November 30,  
4 stating the amounts appropriated for write-offs and advances under  
5 subsection (1).

6           Sec. 918. In addition to funds appropriated in part 1, the  
7 department of treasury may receive and expend funds for conducting  
8 tax orientation workshops and seminars. Funds received may not  
9 exceed costs incurred in conducting the workshops and seminars.

10          Sec. 919. (1) From funds appropriated in part 1, the  
11 department of treasury may contract with private auditing firms to  
12 audit for and collect unclaimed property due this state in  
13 accordance with the Michigan uniform unclaimed property act. In  
14 addition to the amounts appropriated in part 1 to the department of  
15 treasury, there are appropriated amounts necessary to fund auditing  
16 and collection costs and fees not to exceed 12% of the collections,  
17 or a lesser amount as prescribed by the contract. The appropriation  
18 to fund collection costs and fees for the auditing and collection  
19 of unclaimed property due this state is from the fund or account to  
20 which the revenues being collected are recorded or dedicated.

21          (2) The department of treasury shall submit a report for the  
22 immediately preceding fiscal year ending September 30 to the state  
23 budget director and the senate and house of representatives  
24 standing committees on appropriations not later than November 30  
25 stating the auditing firms employed, the amount of collections for  
26 each, the costs of collection, and other pertinent information  
27 relating to determining whether this authority should be continued.

1       Sec. 920. Payments from the appropriation in part 1 to the  
2 department of treasury for grants to counties in lieu of taxes for  
3 lands transferred to the federal government include a payment for  
4 Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901  
5 to 3.910.

6       Sec. 921. The state general fund/general purpose appropriation  
7 in part 1 for renaissance zone reimbursement is allocated to  
8 reimburse public libraries as provided by section 12 of the  
9 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for  
10 property taxes levied in 2006. Reimbursements shall be made in  
11 amounts to each eligible recipient not later than 60 days after the  
12 department of treasury has received all necessary information to  
13 properly determine the amounts due each eligible recipient under  
14 section 12(4) of the Michigan renaissance zone act, 1996 PA 376,  
15 MCL 125.2692. Any excess allocations shall lapse to the general  
16 fund.

17       Sec. 922. The department of treasury shall submit a report for  
18 the immediately preceding fiscal year ending September 30 to the  
19 senate and house of representatives standing committees on  
20 appropriations subcommittees on general government, the senate and  
21 house fiscal agencies, and the state budget director by November 30  
22 stating the amount of Michigan transportation fund revenue  
23 collected and the cost of collection.

24       Sec. 924. (1) In addition to the funds appropriated in part 1,  
25 the department of treasury may receive and expend principal  
26 residence audit fund revenue for administration of principal  
27 residence audits under the general property tax act, 1893 PA 206,

1 MCL 211.1 to 211.157.

2 (2) The department of treasury shall submit a report for the  
3 immediately preceding fiscal year to the state budget director and  
4 the senate and house fiscal agencies not later than December 31,  
5 stating the amount of revenue appropriated for principal residence  
6 audits under subsection (1).

7 Sec. 928. The department of treasury may provide receipt,  
8 warrant and cash processing, data, collection, investment, fiscal  
9 agent, levy and warrant cost assessment, writ of garnishment, and  
10 other user services on a contractual basis for other principal  
11 executive departments and state agencies. Funds for the services  
12 provided are appropriated and shall be expended for salaries and  
13 wages, fees, supplies, and equipment necessary to provide the  
14 services. Any unobligated balance of the funds received shall  
15 revert to the general fund of this state as of September 30.

16 Sec. 929. The department of treasury may enter into agreements  
17 to supply data or collection services to other executive principal  
18 departments or state agencies, the United States department of  
19 treasury, or local units of government within this state. The  
20 department of treasury shall charge for this tax data service and  
21 amounts received are appropriated and shall be expended for  
22 salaries and wages, fees, supplies, and equipment necessary to  
23 provide the service. Any unobligated balance of the fund shall  
24 revert to the general fund of this state as of September 30.

25 Sec. 930. (1) The department of treasury shall provide  
26 accounts receivable collections services to other principal  
27 executive departments and state agencies under 1927 PA 375, MCL

1 14.131 to 14.134. The department of treasury shall deduct a fee  
2 equal to the cost of collections from all receipts except  
3 unrestricted general fund collections. Fees shall be credited to a  
4 restricted revenue account and appropriated to the department of  
5 treasury to pay for the cost of collections. The department of  
6 treasury shall maintain accounting records in sufficient detail to  
7 enable the respective accounts to be reimbursed periodically for  
8 fees deducted that are determined by the department of treasury to  
9 be surplus to the actual cost of collections.

10 (2) The department of treasury shall submit a report for the  
11 immediately preceding fiscal year to the state budget director and  
12 the senate and house fiscal agencies not later than November 30,  
13 stating the principal executive departments and state agencies  
14 served, funds collected, and costs of collection under subsection  
15 (1).

16 Sec. 931. (1) The appropriation in part 1 to the department of  
17 treasury for treasury fees shall be assessed against all restricted  
18 funds that receive common cash earnings. Treasury fees include all  
19 costs, including administrative overhead, relating to the  
20 investment of each restricted fund. The fee assessed against each  
21 restricted fund will be based on the size of the restricted fund  
22 (the absolute value of the average daily cash balance plus the  
23 market value of investments in the prior fiscal year) and the level  
24 of effort necessary to maintain the restricted fund as required by  
25 each department. The department of treasury shall provide a report  
26 to the state budget director, the senate and house of  
27 representatives standing committees on appropriations subcommittees

1 on general government, and the senate and house fiscal agencies by  
2 November 30 of each year identifying the fees assessed against each  
3 restricted fund.

4 (2) In addition to the funds appropriated in part 1, the  
5 department of treasury may receive and expend investment fees  
6 relating to new restricted funding sources that participate in  
7 common cash earnings during the current fiscal year. When a new  
8 restricted fund is created starting on or after October 1, that  
9 restricted fund shall be assessed a fee using the same criteria  
10 identified in subsection (1).

11 Sec. 932. Revenue received under the Michigan education trust  
12 act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the  
13 board of directors of the Michigan education trust for necessary  
14 salaries, wages, supplies, contractual services, equipment,  
15 worker's compensation insurance premiums, and grants to the civil  
16 service commission and state employees' retirement fund.

17 Sec. 933. (1) The \$1,000,000.00 appropriated in part 1 for the  
18 Michigan education savings program is from the Michigan merit award  
19 trust fund to fund an incentive program for the Michigan education  
20 savings program created under the Michigan education savings  
21 program act, 2000 PA 161, MCL 390.1471 to 390.1486.

22 (2) The funds appropriated for the Michigan education savings  
23 program shall be used to provide a state match to dollars invested  
24 on behalf of each child named as a designated beneficiary in the  
25 Michigan education savings program who is 6 years of age or less,  
26 who is a Michigan resident, and whose family's income is \$80,000.00  
27 or less.

1           (3) During the current fiscal year, the state shall provide  
2 \$1.00 of matching funds for each \$3.00 of individual contributions  
3 to the educational savings accounts. The maximum state match for  
4 each designated beneficiary shall be \$200.00.

5           (4) The state match shall be available only in the first year  
6 the child is enrolled in the Michigan education savings program.

7           Sec. 934. The department of treasury may expend revenues  
8 received under the hospital finance authority act, 1969 PA 38, MCL  
9 331.31 to 331.84, for necessary salaries, wages, supplies,  
10 contractual services, equipment, worker's compensation insurance  
11 premiums, and grants to the civil service commission and state  
12 employees' retirement fund. The department of treasury shall  
13 maintain accounting records in sufficient detail to enable the  
14 hospital clients to be reimbursed periodically for fees that are  
15 determined by the department of treasury to be surplus to needs.

16           Sec. 935. The department of treasury may expend revenue  
17 received under the shared credit rating act, 1985 PA 227, MCL  
18 141.1051 to 141.1076, for necessary salaries, wages, supplies,  
19 contractual services, equipment, worker's compensation insurance  
20 premiums, and grants to the civil service commission and state  
21 employees' retirement fund.

22           Sec. 936. The department of treasury shall establish a  
23 separate account for the funds related to the Michigan higher  
24 education facilities authority. The department of treasury may  
25 expend revenue received under the higher education facilities  
26 authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary  
27 salaries, wages, supplies, contractual services, equipment,

1 worker's compensation insurance premiums, and grants to the civil  
2 service commission and state employees' retirement fund. The  
3 department of treasury shall maintain accounting records in  
4 sufficient detail to enable the educational institution clients to  
5 be reimbursed periodically for fees that are determined by the  
6 department to be surplus to needs.

7       Sec. 937. The department of treasury may expend revenues  
8 received under the Michigan public educational facilities  
9 authority, Executive Order No. 2002-3, for necessary salaries,  
10 wages, supplies, contractual services, equipment, worker's  
11 compensation insurance premiums, and grants to the civil service  
12 commission and state employees' retirement fund.

13       Sec. 939. It is the intent of the legislature that the state  
14 treasurer, acting within his or her capacity as the investment  
15 fiduciary for public employee pension funds and consistent with  
16 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate  
17 consideration to investments in early stage, university derived  
18 life science companies located in Michigan, or investments in  
19 venture capital funds that invest in those companies to the extent  
20 those investments offer the safety and rate of return comparable to  
21 other investments permitted and available at the time the  
22 investment decision is made.

23       Sec. 941. In addition to the funds appropriated in part 1,  
24 there is appropriated up to \$570,000.00 from standardized audit  
25 schedules recovered delinquent tax collection revenues for the  
26 support of standardized audit schedule project expenses. The  
27 funding shall be used to exclusively support business tax audits



1 related to sales tax, use tax, withholding, single business tax,  
2 and motor fuel tax obligations. Any unexpended funds at the end of  
3 the fiscal year shall lapse to the general fund.

4 Sec. 943. The department of treasury shall not include  
5 complete social security numbers in form 1099-G mailings to  
6 taxpayers.

7 Sec. 945. The assessment and certification division of the  
8 department of treasury may conduct a review of local unit  
9 assessment administration practices, procedures, and records, also  
10 known as the 14-point review, in at least 1 assessment jurisdiction  
11 per county.

12 Sec. 946. Members of the state tax commission and management  
13 level staff of the assessment and certification division may meet  
14 with statewide assessment organizations on a quarterly basis for  
15 the purpose of coordinating assessment and training activities.  
16 Recertification and training activities may be conducted at  
17 regional locations chosen to maximize participation of local  
18 officials.

19 Sec. 947. (1) Of the \$5,088,400.00 included in part 1 for the  
20 revenue enhancement program, \$4,588,400.00 shall be used for  
21 revenue collection enhancement activities including auditing  
22 functions.

23 (2) The department of treasury shall submit quarterly progress  
24 reports to the senate and house of representatives standing  
25 appropriation committees subcommittees on general government and  
26 the senate and house fiscal agencies, regarding personal property  
27 tax audits funded under subsection (1). The report shall include

1 the number of audits, revenue generated, and number of complaints  
2 received by the department related to the audits.

3 (3) The \$500,000.00 balance of the \$5,088,400.00 shall be used  
4 for the principal residence exemption compliance program. Along  
5 with other program costs, expenditures shall include the  
6 development of a statewide web-based database created for the  
7 purpose of enforcing the principal residence exemption compliance  
8 program. The department shall submit quarterly progress reports  
9 that include the number of exemptions denied and the revenue  
10 received under this program. The legislative auditor general shall  
11 complete a performance audit of the principal residence exemption  
12 compliance program prior to April 1, 2007. Revenue generated to the  
13 state from the principal residence exemption compliance program  
14 shall be used to reimburse the state general fund for the  
15 \$500,000.00 appropriation prior to any other allocation. Additional  
16 funds from the revenue enhancement program and carryforward  
17 appropriations may be used to support costs in excess of  
18 \$500,000.00.

19 (4) Unexpended appropriations of the revenue enhancement  
20 program are designated as work project appropriations and shall not  
21 lapse at the end of the fiscal year and shall continue to be  
22 available for expenditure until the project has been completed. The  
23 following is in compliance with section 451a of the management and  
24 budget act, 1984 PA 431, MCL 18.1451a:

25 (a) The purpose of the project is to enhance revenue  
26 collection activities.

27 (b) The project will be accomplished by contract.

1 (c) The total estimated cost of the project is \$24,600,000.00.

2 (d) The tentative completion date is September 30, 2009.

3 Sec. 948. By December 15, the department of treasury shall  
4 report to the senate and house of representatives standing  
5 committees on appropriations subcommittees on general government  
6 and the senate and house fiscal agencies the number of tax returns,  
7 to include state income tax returns and single business tax  
8 returns, filed online by Michigan residents in the immediately  
9 preceding fiscal year.

10 Sec. 949. The department of treasury shall develop a plan for  
11 individual income tax form check-off initiatives. The plan shall be  
12 implemented beginning with the 2006 tax year. The plan shall  
13 include a process for determining the legal and operational  
14 feasibility of each proposed income tax form checkoff. The  
15 department shall submit the plan to the senate and house of  
16 representatives standing committees on appropriations subcommittees  
17 on general government and the senate and house fiscal agencies by  
18 October 31, 2006.

19 Sec. 949a. From the funds appropriated in part 1 for the  
20 Huron-Clinton metroparks authority, inventory reimbursement  
21 payments, the authority shall reimburse any counties that made a  
22 payment to that authority in lieu of that authority receiving an  
23 inventory reimbursement payment from the state during the state's  
24 2006-2007 fiscal year.

## 25 **REVENUE SHARING**

26 Sec. 950. (1) Revenue collected in accordance with section 10  
27 of article IX of the state constitution of 1963 in excess of the

1 amount appropriated in part 1 for constitutional revenue sharing is  
2 appropriated for distribution to townships, cities, and villages on  
3 a population basis as specified by law. The appropriation in part 1  
4 for statutory state general revenue sharing grants to townships,  
5 cities, and villages shall be reduced by an amount equal to any  
6 additional constitutional revenue sharing appropriations authorized  
7 in this section.

8 (2) The appropriation in part 1 for statutory state general  
9 revenue sharing grants shall be distributed according to the Glenn  
10 Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901  
11 to 141.921. Undistributed funds shall lapse to the general fund.

12 Sec. 952. The appropriation in part 1 for special grants to  
13 cities shall be used to restore revenue sharing reductions  
14 contained in Executive Order No. 2003-23 to a city that had an  
15 emergency financial manager appointed pursuant to the local  
16 government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to  
17 141.1291, continuously from December 10, 2003 through September 30,  
18 2007.

19 Sec. 955. (1) There is appropriated to each county an amount  
20 equal to the amount distributed to each county for the fiscal year  
21 ending September 30, 2004, pursuant to the Glenn Steil state  
22 revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921,  
23 adjusted by the inflation rate as defined in section 34d of the  
24 general property tax act, 1893 PA 206, MCL 211.34d, and reduced by  
25 the amount each county is authorized to annually expend in that  
26 county's fiscal year beginning after September 30, 2004, from its  
27 revenue sharing reserve fund pursuant to section 44a of the general

1 property tax act, 1893 PA 206, MCL 211.44a.

2 (2) The department of treasury shall annually certify to the  
3 state budget director the amount each county is authorized to  
4 expend from its revenue sharing reserve fund.

5 Sec. 956. The department of treasury shall transmit special  
6 census revenue sharing payments to eligible cities, villages, and  
7 townships under the Glenn Steil revenue sharing act of 1971, 1971  
8 PA 140, MCL 141.901 to 141.921.

9 **LOTTERY**

10 Sec. 960. In addition to the funds appropriated in part 1 to  
11 the bureau of state lottery, there is appropriated from lottery  
12 revenues the amount necessary for, and directly related to,  
13 implementing and operating lottery games. Appropriations under this  
14 section shall only be expended for contractually mandated payments  
15 for vendor commissions, contractually mandated payments for instant  
16 tickets intended for resale, the contractual costs of providing and  
17 maintaining the on-line system communications network, and  
18 incentive and bonus payments to lottery retailers.

19 Sec. 961. The funds appropriated in part 1 to the bureau of  
20 state lottery shall not be used for any promotional efforts  
21 directed towards individuals who are less than 18 years of age.

22 Sec. 962. (1) The funds appropriated in part 1 to the bureau  
23 of state lottery shall not be used to directly or indirectly  
24 associate professional or amateur sports figures with the lottery  
25 or its products.

26 (2) The prohibition in subsection (1) does not apply to the  
27 use of NASCAR drivers in conjunction with the promotion of instant

1 ticket products. By November 1, 2006, the bureau of state lottery  
2 shall provide a report detailing the amount of revenue generated  
3 under this subsection to the senate and house of representatives  
4 standing committees on appropriations subcommittees on general  
5 government. The report shall include the cost of obtaining the use  
6 of NASCAR drivers, other administrative costs, and net revenue  
7 deposited in the state school aid fund.

8       Sec. 963. The bureau of state lottery shall inform all lottery  
9 retailers that the cash side of department of human services bridge  
10 cards cannot be used to purchase lottery tickets.

#### 11   **CASINO GAMING**

12       Sec. 971. From the revenue collected by the Michigan gaming  
13 control board regarding the total annual assessment of each casino  
14 licensee, \$2,000,000.00 is appropriated and shall be deposited in  
15 the compulsive gaming prevention fund as described in section  
16 12a(5) of the Michigan gaming control and revenue act, the  
17 Initiated Law of 1996, MCL 432.212a.

18       Sec. 972. In addition to the funds appropriated in part 1,  
19 funds distributed by the Michigan gaming control board to the  
20 department of treasury for oversight of casino gaming are  
21 appropriated upon receipt. These funds may be used to pay for costs  
22 incurred for casino gaming oversight activities.

23       Sec. 973. (1) Funds appropriated in part 1 for local  
24 government programs may be used to provide assistance to a local  
25 revenue sharing board referenced in an agreement authorized by the  
26 Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

27       (2) A local revenue sharing board described in subsection (1)

1 shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to  
2 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231  
3 to 15.246.

4 (3) A county treasurer is authorized to receive and administer  
5 funds received for and on behalf of a local revenue sharing board.  
6 Funds appropriated in part 1 for local government programs may be  
7 used to audit local revenue sharing board funds held by a county  
8 treasurer. This section does not limit the ability of local units  
9 of government to enter into agreements with federally recognized  
10 Indian tribes to provide financial assistance to local units of  
11 government or to jointly provide public services.

12 (4) The director of the department of state police and the  
13 executive director of the Michigan gaming control board are  
14 authorized to assist the local revenue sharing boards in  
15 determining allocations to be made to local public safety  
16 organizations.

17 (5) The department of treasury shall submit a report by  
18 September 30 to the senate and house of representatives standing  
19 committees on appropriations and the state budget director on the  
20 receipts and distribution of revenues by local revenue sharing  
21 boards.

22 Sec. 974. If revenues collected in the state services fee fund  
23 are less than the amounts appropriated from the fund, available  
24 revenues shall be used to fully fund the appropriation in part 1 of  
25 this act for casino gaming regulation activities before  
26 distributions are made to other state departments and agencies. If  
27 the remaining revenue in the fund is insufficient to fully fund

1 appropriations to other state departments or agencies, the  
2 shortfall shall be distributed proportionally among those  
3 departments and agencies.

4 **MICHIGAN STRATEGIC FUND**

5       Sec. 1001. (1) The appropriation in part 1 to the fund for  
6 economic development job training shall be expended in 2  
7 categories: the business response program for employee training  
8 grants that maintain or attract permanent jobs for Michigan  
9 residents and the manufacturing competitiveness program for grants  
10 to fund collaborative efforts that increase the competitiveness of  
11 multiple companies within a grant. The business response program is  
12 allocated up to \$5,398,600.00, and the manufacturing  
13 competitiveness program is allocated up to \$2,699,400.00 not to  
14 exceed the part 1 appropriation for this program in its entirety.  
15 The fund has the authority to reallocate these amounts during the  
16 fiscal year dependent on business demand and economic conditions.

17       (2) Not more than \$800,000.00 of the total grant may be  
18 expended for administrative costs. Not more than 10% of the total  
19 grant award may be expended by a recipient for administration  
20 costs.

21       (3) No funds appropriated in part 1 to the fund for economic  
22 development job training grants may be expended for the training of  
23 permanent striker replacement workers, unless a strike exceeds 3  
24 years and good faith negotiations are ongoing.

25       (4) Of the total funds appropriated in part 1 for economic  
26 development job training grants, at least 75% of the funds shall be



1 awarded to community colleges or a consortium of community colleges  
2 and other eligible applicants pursuant to subsection (5).

3 (5) An applicant may be a school district, intermediate school  
4 district, community college, public or private nonprofit college or  
5 university, nonprofit organization whose primary purpose is to  
6 provide education programs or employment and training services or  
7 vocational rehabilitation programs or school-to-work transition  
8 programs, local workforce development board, the headquarters of a  
9 federal and state sponsored manufacturing technology center, or a  
10 consortium consisting of any combination of school districts,  
11 intermediate school districts, community colleges, nonprofit  
12 organizations described in this subsection, or public or private  
13 nonprofit colleges or universities described in this subsection.

14 (6) On or before October 1, the fund shall publish proposed  
15 application criteria, instructions, and forms for use by eligible  
16 applicants. The fund shall provide at least a 2-week period for  
17 public comment prior to finalization of the application criteria,  
18 instructions, and forms.

19 (7) The award process will include a simple notice of intent  
20 to be reviewed to see if the application merits further  
21 consideration. If so, a full application may be submitted.  
22 Applications for all grants shall be submitted to the fund, and  
23 each application shall contain at least all of the following:

24 (a) The name, address, and total number of employees of each  
25 business organization whose employees are receiving job training.

26 (b) A description of the specific job skills that will be  
27 taught.

1 (c) A clear statement of the project's scope of activities and  
2 number of participants to be involved.

3 (d) A commitment to maintain participant records in a form and  
4 manner required by the fund.

5 (e) A budget which relates to the proposed activities and  
6 various program components.

7 (8) Priority in the fund's awarding of grants shall be based  
8 on the following criteria:

9 (a) Demonstrated need for the type of training offered.

10 (b) Creation and/or retention of high wage and high skilled  
11 level jobs.

12 (c) Other criteria determined by the fund to be important.

13 (d) In addition, for the manufacturing competitiveness  
14 program, the following criteria will receive priority: strong level  
15 of collaboration and cooperation and demonstration of new  
16 techniques, systems, and processes of value to the affected  
17 companies.

18 (9) Participants in economic development job training programs  
19 shall be 16 years or older and not enrolled and counted in  
20 membership in a school district, intermediate school district, or  
21 community college.

22 (10) A recipient of a grant under this section shall not  
23 charge tuition or fees to participants in the program funded by the  
24 grant. However, a nonprofit organization may charge tuition or fees  
25 if the tuition plan or fees are recognized by the state and the  
26 nonprofit organization receives additional funding from other  
27 governmental or private funding sources for its programs.

1           (11) Each business receiving the benefit of the training shall  
2 be charged a nonrefundable 15% assessment on the total amount of  
3 the grant award. The assessment shall be paid to the Michigan  
4 strategic fund and used for training grants.

5           (12) Grant funds shall be expended on a cost reimbursement  
6 basis.

7           (13) A recipient of a grant under this section shall allow the  
8 fund or the agency's designee to audit all records related to the  
9 grant for all entities that receive money, either directly or  
10 indirectly through a contract, from the grant funds. A grant  
11 recipient or contractor shall reimburse the state for all  
12 disallowances found in the audit.

13           (14) The fund shall provide to the state budget director and  
14 the fiscal agencies by May 1 and November 1 of each year a report  
15 on the economic development job training grants. The report due by  
16 May 1 shall provide the information described in this subsection  
17 for each grant or contract awarded during the preceding 2 quarters  
18 of the state fiscal year. The report due by November 1 shall  
19 provide this information for each grant or contract awarded during  
20 the preceding full fiscal year. The report shall contain all of the  
21 following:

22           (a) The amount and recipient of each grant or contract.

23           (b) The number of participants under each grant or contract  
24 and the number of new hires who are in training under the grant.

25           (c) The names, addresses, and total number of employees of all  
26 business organizations for whom training is or will be provided.

27           (d) The matching funds, if any, to be provided by a business

1 organization.

2 (15) Of the funds appropriated in part 1 for economic  
3 development job training grants, the fund shall not use these funds  
4 to finance the startup or in any way subsidize any private  
5 distributor of liquor products in Michigan.

6 (16) As a condition of receiving funds under part 1 of this  
7 act, the fund shall not expend any of the economic development job  
8 training grant funds to train any employee who is an officer of a  
9 corporation in a corporation employing more than 250 employees.

10 Sec. 1002. The Michigan growth capital fund shall be used to  
11 develop the technology business sector in Michigan. The Michigan  
12 growth capital fund will be used to encourage private and public  
13 investment in the technology business sector, and all of the  
14 following apply:

15 (a) An applicant must match state funds on a 1:1 basis.

16 (b) Eligible uses of the Michigan growth capital fund include  
17 investments in organizations and programs that promote the  
18 development of new industry sectors in Michigan; inducements to  
19 attract additional venture capital funds to finance technology  
20 development; support organizations, initiatives, or events that  
21 promote entrepreneurship; provide match for university federal  
22 research grants; and support technology transfer and  
23 commercialization programs with universities and the private  
24 sector.

25 (c) The Michigan economic development corporation shall  
26 administer the Michigan growth capital fund.

27 (d) All funds received from repayment of loans, unused grants,

1 revenues received from sales or cash flow participation agreements,  
2 guarantees, or any combination thereof or interest thereon,  
3 originally distributed as part of the Michigan growth capital fund,  
4 shall be received, held, and applied by the fund for the purposes  
5 described in this section.

6 (e) The Michigan economic development corporation shall  
7 provide an annual report on the status of the Michigan growth  
8 capital fund to the subcommittees, the fiscal agencies, and the  
9 state budget office by January 31.

10 Sec. 1003. Travel Michigan may establish and collect a fee to  
11 cover the cost of materials and processing of photographic prints,  
12 slides, videotapes, and travel product database information that  
13 are requested by the media and other segments of the public and  
14 private sectors. The fees collected shall be appropriated for all  
15 expenses necessary to purchase and distribute these photographic  
16 prints, slides, videotapes, and travel product database  
17 information. The funds are available for expenditure when they are  
18 received by the department of treasury.

19 Sec. 1004. Travel Michigan may receive and expend private  
20 revenue related to the use of the "Michigan Great Lakes. Great  
21 Times." copyrighted slogan and image. This revenue may come from  
22 the direct licensing of the name and image or from the royalty  
23 payments from various merchandise sales. Revenue collected is  
24 appropriated for the marketing of the state as a travel  
25 destination. The funds are available for expenditure when they are  
26 received by the department of treasury.

27 Sec. 1005. The fund shall submit on or before May 1 and

1 November 1 to the subcommittees, state budget office, and the  
2 fiscal agencies a listing of all grants which have been awarded by  
3 the fund or by the Michigan economic development corporation from  
4 the funds appropriated in part 1. The list shall include all of the  
5 following:

6 (a) The name of the recipient.

7 (b) The amount awarded to the recipient.

8 (c) The purpose of the grant.

9 Sec. 1006. (1) The fund shall provide reports to the relevant  
10 subcommittees, the state budget director, and the fiscal agencies  
11 concerning the activities of the Michigan economic development  
12 corporation grants and investment programs financed from the fund  
13 using investment or Indian gaming revenues. The report shall  
14 provide a list of individual grants and loans made from the fund.  
15 The report shall include, but not be limited to, the following  
16 programs funded in part 1:

17 (a) Travel Michigan.

18 (b) Michigan business development.

19 (c) Global business development.

20 (d) Small, minority, and disabled business services.

21 (e) Community development block grants.

22 (f) Strategic fund administration.

23 (g) Renaissance zones.

24 (h) Emerging business sectors and roundtables.

25 (i) Business and clean air ombudsman.

26 (j) Economic development job training grants.

27 (k) Community assistance team.

1 (l) Technology tri-corridor.

2 (m) Any other programs of the fund.

3 (2) The reports in subsection (1) shall be submitted by  
4 January 1. The report for each program in subsection (1)(a) through  
5 (m) shall include details on the actual spending and number of FTEs  
6 for that program for the previous fiscal year.

7 Sec. 1007. As a condition of receiving funds under part 1, any  
8 interlocal agreement entered into by the fund shall include  
9 language which states that if a local unit of government has a  
10 contract or memorandum of understanding with a private economic  
11 development agency, the Michigan economic development corporation  
12 will work cooperatively with that private organization in that  
13 local area.

14 Sec. 1008. (1) Of the funds appropriated to the fund or  
15 through grants to the Michigan economic development corporation, no  
16 funds shall be expended for the purchase of options on land or the  
17 purchase of land unless at least 1 of the following conditions  
18 applies:

19 (a) The land is located in an economically distressed area.

20 (b) The land is obtained through a purchase or exercise of an  
21 option at the invitation of the local unit of government and local  
22 economic development agency.

23 (2) Consideration may be given to purchases where the proposed  
24 use of the land is consistent with a regional land use plan, will  
25 result in the redevelopment of an economically distressed area, can  
26 be supported by existing infrastructure, and will not cause shifts  
27 in population away from the area's population centers.

1 (3) As used in this section, "economically distressed area"  
2 means an area in a city, village, or township that has been  
3 designated as blighted; a city, village, or township that shows  
4 negative population change from 1970 and a poverty rate and  
5 unemployment rate greater than the statewide average; or an area  
6 certified as a neighborhood enterprise zone.

7 Sec. 1009. The money appropriated in part 1 to the fund is  
8 subject to the condition that none is spent for premiums or  
9 advertising material involving personal effects or apparel  
10 including, but not limited to, T-shirts, hats, coffee mugs, or  
11 other promotional items, except travel Michigan.

12 Sec. 1010. (1) From the general fund/general purpose  
13 appropriations in part 1 to the fund and granted or transferred to  
14 the Michigan economic development corporation, any unexpended or  
15 unencumbered balance shall be disposed of in accordance with the  
16 requirements in the management and budget act, 1984 PA 431, MCL  
17 18.1101 to 18.1594, unless carryforward authorization has been  
18 otherwise provided for.

19 (2) Any encumbered funds shall be used for the same purposes  
20 for which funding was originally appropriated in this act.

21 Sec. 1011. (1) As a condition of receiving funds under part 1,  
22 the fund shall ensure that the MEDC and the fund comply with all of  
23 the following:

24 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to  
25 15.246.

26 (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

27 (c) Annual audits of all financial records by the auditor



1 general or his or her designee.

2 (d) All reports required by law to be submitted to the  
3 legislature.

4 (2) If the MEDC is unable for any reason to perform duties  
5 under this act, the fund may exercise those duties.

6 Sec. 1012. As a condition for receiving the appropriations in  
7 part 1, any staff of the Michigan economic development corporation  
8 involved in private fund-raising activities shall not be party to  
9 any decisions regarding the awarding of grants or tax abatements  
10 from the fund, the Michigan economic development corporation, or  
11 the Michigan economic growth authority.

12 Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA  
13 291 for the Michigan core communities fund may be used to create an  
14 urban revitalization infrastructure program in the fund for  
15 economic development awards to create new jobs or contribute to  
16 redevelopment and encourage private investment in core communities.

17 (2) Awards may be provided to qualified local governmental  
18 units as defined in the obsolete property rehabilitation act, 2000  
19 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as  
20 defined in the local development financing act, 1986 PA 281, MCL  
21 125.2151 to 125.2174.

22 (3) Awards can be used for land and property acquisition and  
23 assembly, demolition, site development, utility modifications and  
24 improvements, street and road improvements, telecommunication  
25 infrastructure, site location and relocation, infrastructure  
26 improvements, and any other costs related to the successful  
27 development and implementation of core community or certified

1 technology park projects, at the discretion of the Michigan  
2 economic development corporation.

3 (4) Funding may be provided in the form of loans, grants,  
4 sales or cash flow participation agreements, guarantees, or any  
5 combination of these. A cash match of at least 10%, or local  
6 repayment guarantee with a dedicated funding source, is required.  
7 Priority shall be given to projects which are integrated with  
8 existing economic development programs, and to projects in  
9 proportion to the amount that local matching rates exceed 10%.

10 (5) The Michigan economic development corporation shall have  
11 all administrative responsibility for the Michigan core communities  
12 fund and shall establish application and application scoring  
13 criteria and approve awards. The Michigan economic development  
14 corporation may utilize up to 1/2 of 1% of the fund for  
15 administrative purposes.

16 (6) Funds will be awarded through an open competitive process  
17 based on criteria including the following: project impact, project  
18 marketability, lack of adequate infrastructure or land assembly  
19 financing sources, local administrative capacity, and the level of  
20 local matching funds. Awardees shall agree to expedite the local  
21 development process, such as fast-track permitting procedures,  
22 streamlined regulatory requirements, standardized construction and  
23 building codes, and the use of competitive construction permitting  
24 fees.

25 (7) No single applicant shall be awarded more than  
26 \$10,000,000.00 per project.

27 (8) Fifteen days prior to the award of the funds, notification

1 shall be provided to the speaker of the house of representatives,  
2 the senate majority leader, the members of the house and senate  
3 appropriations committees, the fiscal agencies, and the state  
4 budget director.

5 (9) Funds shall not be awarded for any of the following  
6 purposes:

7 (a) Land sited for use as, or support for, a gaming facility.

8 (b) Land or other facilities owned or operated by a gaming  
9 facility.

10 (c) Publicly owned land or facilities which may directly or  
11 indirectly support a gaming facility.

12 (10) All funds received from repayment of loans, unused  
13 grants, revenues received from sales or cash flow participation  
14 agreements, guarantees, or any combination thereof or interest  
15 thereon, originally distributed as part of the core communities  
16 fund, shall be received, held, and applied by the fund for the  
17 purposes described in this part.

18 (11) The fund shall provide an annual report on the status of  
19 this fund. The report shall be provided to the subcommittees, the  
20 fiscal agencies, and the state budget office by January 31.

21 Sec. 1015. It is the intent of the legislature that the  
22 members of the executive committee of the corporation board of the  
23 MEDC be subject to the advice and consent of the senate.

24 Sec. 1016. The Michigan economic development corporation shall  
25 work with the office of the auditor general to implement procedures  
26 to annually audit the number of jobs claimed to be created by firms  
27 receiving Michigan economic growth authority grants, and all other

1 claims of job creation for which MEDC has provided tax credits or  
2 other economic incentives.

3 Sec. 1017. The Michigan economic development corporation shall  
4 report on the number of individuals it employs with an annual  
5 salary of \$80,000.00 or more to the subcommittees, the fiscal  
6 agencies, and the state budget office by October 31. The report  
7 shall include the name, the job title, and a description of the  
8 duties and responsibilities of all such employees.

9 Sec. 1018. From the funds appropriated in part 1 for the  
10 Michigan promotion program, the Michigan economic development  
11 corporation shall contract with a state research university in  
12 Michigan to conduct a scientific study of the return on investment  
13 of state tourism advertising expenditures. The results of this  
14 study shall be reported to the subcommittees, the fiscal agencies,  
15 and the state budget office by January 31, 2007.

16 Sec. 1019. (1) As a condition of receiving the funds  
17 appropriated in part 1, the Michigan strategic fund shall ensure  
18 that the Michigan economic development corporation and the Michigan  
19 strategic fund promulgate or create no guidelines, rules,  
20 standards, protocols, or other similar mandates that would prevent  
21 a firm, which otherwise qualifies for Michigan economic growth  
22 authority tax credits, from receiving such credits because the new  
23 employees who fill qualified new jobs as defined in the Michigan  
24 economic growth authority act of 1995, 1995 PA 24, MCL 207.801 to  
25 207.810, are leased from a professional employer organization.

26 (2) For purposes of this section, a professional employer  
27 organization is defined as an organization that provides the

1 management and administration of the human resources and employer  
2 risk of another entity by contractually assuming substantial  
3 employer rights, responsibilities, and risk through a professional  
4 employer agreement that establishes an employer relationship with  
5 the leased officers or employees assigned to the other entity by  
6 doing all of the following:

7 (a) Maintaining the right of direction and control of the  
8 employees' work, although this responsibility may be shared with  
9 the other entity.

10 (b) Paying wages and employment taxes of the employees out of  
11 its own accounts.

12 (c) Reporting, collecting, and depositing state and federal  
13 employment taxes for the employees.

14 (d) Retaining the right to hire and fire employees.

15 Sec. 1020. Of the funds appropriated in part 1 for the  
16 Michigan promotion program, \$200,000.00 shall be allocated for the  
17 following purposes:

18 (a) \$100,000.00 for the Michigan international speedway, which  
19 shall be matched with an equal contribution from the Michigan  
20 international speedway.

21 (b) \$100,000.00 to promote the Detroit zoological institute.

22 Sec. 1021. The fund shall work cooperatively with the Michigan  
23 department of labor and economic growth and the Michigan works!  
24 agencies regarding the distribution of \$3,000,000.00 of workforce  
25 investment act funding. These funds shall be distributed to assist  
26 incumbent worker training in conjunction with the economic  
27 development job training grants program.

Sec. 1022. The Michigan economic development corporation shall reimburse the department of history, arts, and libraries in full for the cost of all services or activities provided by the department of history, arts, and libraries at the request of the Michigan economic development corporation.

#### REVENUE STATEMENT

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

#### BUDGET RECOMMENDATIONS BY OPERATING FUNDS

(Amounts in millions)

Fiscal Year 2006-2007

		Beginning			
		Fund	Unreserved		
		Fund	Estimated	Ending	
		Balance	Revenue	Balance	
OPERATING FUNDS					
General fund/general purpose	0110	136.7	9,020.4	0.0	
General fund/special purpose		478.7	15,297.5	662.7	
Special Revenue Funds:					
Countercyclical budget and					
economic stabilization	0111	2.0	0.1	2.1	
Game and fish protection	0112	18.9	63.2	4.0	
Michigan employment security act					
administration	0113	0.0	123.4	4.1	

1	State aeronautics	0114	1.4	182.3	0.0
2	Michigan veterans' benefit				
3	trust	0115	0.0	4.9	0.0
4	State trunkline	0116	0.0	1,200.1	0.0
5	Michigan state waterways	0117	14.9	25.5	7.6
6	Blue Water Bridge	0118	0.0	16.3	0.0
7	Michigan transportation	0119	0.0	2,080.2	0.0
8	Comprehensive transportation	0120	4.0	158.8	0.0
9	School aid	0122	93.8	13,022.9	0.0
10	Marine safety	0123	1.0	5.0	0.0
11	Game and fish protection trust	0124	6.0	12.0	6.0
12	State park improvement	0125	3.6	41.5	0.0
13	Forest development	0126	11.7	30.3	4.1
14	Michigan civilian conservation				
15	corps endowment	0128	0.3	6.0	0.0
16	Michigan natural resources				
17	trust	0129	34.1	54.7	30.8
18	Michigan state parks endowment	0130	10.9	16.2	7.8
19	Safety education and training	0131	4.9	7.1	2.6
20	Bottle deposit	0136	0.0	18.5	0.0
21	State construction code	0138	5.7	10.2	0.0
22	Children's trust	0139	1.3	3.3	2.3
23	State casino gaming	0140	16.2	32.0	1.2
24	Homeowner construction lien				
25	recovery	0141	4.4	1.6	2.8
26	Michigan nongame fish and				
27	wildlife	0143	0.3	0.5	0.0

1	Michigan merit award trust	0154	9.5	286.6	0.0
2	TOTALS		\$860.3	\$41,721.1	\$738.1