

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 565

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

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

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APPROPRIATION SUMMARY

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GROSS APPROPRIATION \$ 4,709,989,100

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

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

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

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

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

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

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



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

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

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

9 PART 2

10 PROVISIONS CONCERNING APPROPRIATIONS

12 GENERAL SECTIONS

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

20 **DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND**  
 21 **ENERGY**

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

25 **STATE TRANSPORTATION DEPARTMENT**

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

28 **DEPARTMENT OF TREASURY**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 Sec. 303. The unexpended funds appropriated in part 1 for  
5 water state revolving funds are designated as a work project  
6 appropriation. Any unencumbered or unallotted funds shall not lapse  
7 at the end of the fiscal year and shall be available for  
8 expenditures for projects under this section until the projects  
9 have been completed. The following is in compliance with section  
10 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

11 (a) The purpose of the project is to support clean water and  
12 drinking water projects.

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

15 (c) The total estimated cost of the project is  
16 \$506,097,900.00.

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

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

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

1 funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 employees or contracts with service providers, or both.

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

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

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

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

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

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

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

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

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

1 Lakes, and energy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (c) The total estimated cost of the project is \$43,200,000.00.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10

11 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

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

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



1 (a) A state.

2 (b) The Department of Hawaiian Home Lands.

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

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

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

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

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

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

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

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

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

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

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

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

3 (2) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (5) To qualify as a developer under this section, the  
8 developer must satisfy all of the following conditions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29           (iv) Estimated total project costs.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (iii) Total square footage of project.

14 (iv) Total project costs.

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

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

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

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

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

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

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

1 the reporting year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 objective and efficient procedures.

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

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

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

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

1 economic impact that will directly support job creation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 area remains unserved.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9           (21) As used in this section:

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20

21 **DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

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

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

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

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

10          (c) Reduce customer energy cost burdens.

11          (d) Support the reduction of emissions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 employees or contracts with service providers, or both.

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

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

4  
5 **DEPARTMENT OF NATURAL RESOURCES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8

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

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

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

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

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

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

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

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

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

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

17 (2) The unexpended funds appropriated in part 1 for ARP -  
18 Coronavirus response activities are designated as a work project  
19 appropriation. Any unencumbered or unallotted funds shall not lapse  
20 at the end of the fiscal year and shall be made available for  
21 expenditures for the COVID-19 office of accountability in  
22 accordance with Executive Directive No. 2020-5. The following is in  
23 compliance with section 451a of the management and budget act, 1984  
24 PA 431, MCL 18.1451a:

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

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

1 employees or contracts with service providers, or both.

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

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

4

5 **STATE DEPARTMENT OF TRANSPORTATION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27

28 **DEPARTMENT OF TREASURY**

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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