

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2021**

Introduced by Senator Horn

ENROLLED SENATE BILL No. 85

AN ACT 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:

PART 1

LINE-ITEM APPROPRIATIONS

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

APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	1,484,000,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	1,484,000,200
Federal revenues:		
Total federal revenues		409,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		200
State general fund/general purpose	\$	1,075,000,000
Sec. 102. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	1,000,000,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	1,000,000,200
Federal revenues:		
Total federal revenues		0

		For Fiscal Year Ending Sept. 30, 2022
Special revenue funds:		
Total local revenues	\$	0
Total private revenues		0
Total other state restricted revenues		200
State general fund/general purpose	\$	1,000,000,000
(2) ONE-TIME APPROPRIATIONS		
Critical industry program	\$	100
Michigan strategic site readiness program		100
Strategic outreach and attraction reserve fund		1,000,000,000
GROSS APPROPRIATION	\$	1,000,000,200
Appropriated from:		
Special revenue funds:		
Strategic outreach and attraction reserve fund		200
State general fund/general purpose	\$	1,000,000,000
Sec. 103. DEPARTMENT OF TREASURY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	484,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	484,000,000
Federal revenues:		
Total federal revenues		409,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	75,000,000
(2) ONE-TIME APPROPRIATIONS		
ARP - afflicted business relief	\$	409,000,000
Local community stabilization authority reserve account		75,000,000
GROSS APPROPRIATION	\$	484,000,000
Appropriated from:		
Federal revenues:		
Coronavirus state fiscal recovery fund		409,000,000
State general fund/general purpose	\$	75,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year ending September 30, 2022 is \$1,075,000,200.00 and total state spending from state sources to be paid to local units of government is \$75,000,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF TREASURY

Local community stabilization authority reserve account	\$	75,000,000
TOTAL	\$	75,000,000

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

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

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

Sec. 205. Funds appropriated in part 1 from the federal American rescue plan act of 2021, Public Law 117-2, must be allocated and expended in a manner consistent with federal rules and regulations.

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

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 302. (1) The funds appropriated in part 1 for the critical industry program must be used for program activities pursuant to section 88s of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088s.

(2) The funds appropriated in part 1 for the critical industry program must not be spent or otherwise distributed unless Senate Bill No. 771 of the 101st Legislature is enacted into law.

Sec. 303. (1) The funds appropriated in part 1 for the Michigan strategic site readiness program must be used for program activities pursuant to section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t.

(2) The funds appropriated in part 1 for the Michigan strategic site readiness program must not be spent or otherwise distributed unless House Bill No. 5603 of the 101st Legislature is enacted into law.

Sec. 304. (1) The funds appropriated in part 1 for the strategic outreach and attraction reserve fund must be deposited into the strategic outreach and attraction reserve fund established in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254.

(2) The funds appropriated in part 1 for the strategic outreach and attraction reserve fund must not be spent or otherwise distributed unless Senate Bill No. 769 of the 101st Legislature is enacted into law.

Sec. 305. The legislature finds and declares that appropriations described in part 1 for the critical industry program and the Michigan strategic site readiness program are for a public purpose and serve the health, safety, and general welfare of the residents of this state.

DEPARTMENT OF TREASURY

Sec. 401. (1) From the funds appropriated in part 1 for ARP - afflicted business relief, \$409,000,000.00 shall be used by the department of treasury to create and operate an afflicted business relief program to provide grants to afflicted businesses in this state that have realized a financial hardship as a result of the COVID-19 emergency. The department of treasury shall provide grants to afflicted businesses as defined in this section to be utilized for purposes described in subsection (2)(d). The Michigan department of treasury shall oversee the grant application, review, and approval process.

(2) Grants made available to afflicted businesses under the program must meet all of the following conditions:

(a) Subject to subdivisions (b) and (c), must not exceed the lesser of an amount equal to the financial hardship of the afflicted business or \$5,000,000.00.

(b) An afflicted business that was in operation on October 1, 2019 must be subject to the following grant limitations:

(i) Afflicted businesses that submit a completed grant application and certify a decline in total sales in Michigan of 20% or more for calendar year 2020 when compared to calendar year 2019 are eligible to receive a grant equal to 100% of the amount calculated in subdivision (a) subject to subsection (5).

(ii) Afflicted businesses that submit a completed grant application and certify a decline in total sales in Michigan greater than or equal to 15%, but less than 20%, for calendar year 2020 when compared to calendar year 2019 are eligible to receive a grant equal to 75% of the amount calculated in subdivision (a) subject to subsection (5).

(iii) Afflicted businesses that submit a completed grant application and certify a decline in total sales in Michigan greater than or equal to 10%, but less than 15%, for calendar year 2020 when compared to calendar year 2019 are eligible to receive a grant equal to 50% of the amount calculated in subdivision (a) subject to subsection (5).

(iv) Afflicted businesses that submit a completed grant application and certify a decline in total sales in Michigan greater than or equal to 5%, but less than 10%, for calendar year 2020 when compared to calendar year 2019 are eligible to receive a grant equal to 25% of the amount calculated in subdivision (a) subject to subsection (5).

(c) An afflicted business that was not in operation on October 1, 2019, but started operations before June 1, 2020, is eligible to receive a grant equal to 25% of the amount calculated in subdivision (a) subject to subsection (5) if the afflicted business submits a completed grant application and certifies that it was closed or partially closed due to an executive order or epidemic order issued by the Michigan department of health and human services.

(d) Grant awards must be used in compliance with federal guidelines.

(3) An afflicted business is considered to have qualified for a grant under this section if, and only if, the afflicted business has submitted a completed grant application and certified and attested, under penalty of perjury, to 1 of the following:

(a) The business was in operation on October 1, 2019, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or the business had employees for which it paid salaries or wages and payroll taxes or paid independent contractors, and the afflicted business was adversely impacted by the COVID-19 pandemic as indicated by a decline in total sales in Michigan of at least 5% for calendar year 2020 when compared to calendar year 2019.

(b) The business was not in operation on October 1, 2019, but started operations before June 1, 2020, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for which it paid salaries or wages and payroll taxes or paid independent contractors, and the afflicted business was adversely impacted by the COVID-19 pandemic through a closure or partial closure due to an executive order or epidemic order issued by the Michigan department of health and human services.

(c) The business submits any supporting documentation required by the department of treasury to verify financial hardship.

(4) Any afflicted business that falsifies certification shall forfeit any payments under this section and shall repay this state all payments it has received under this section.

(5) If the amount appropriated under this section is not sufficient to fully pay grant awards under this section, payments shall be prorated on an equal basis among all afflicted businesses that qualified for a grant under this section. The department of treasury may make the proration calculation after April 1, 2022.

(6) The department of treasury must develop and post on the department website the application afflicted businesses must use to apply for a grant, including the certification language under subsection (3), and program operation, award, and reporting criteria for the program no later than March 1, 2022. Afflicted businesses shall have until April 1, 2022 to submit program grant applications. The department of treasury shall disburse grant awards no later than July 1, 2022.

(7) Not more than 1% of the funds appropriated in this section, or an amount equal to actual costs incurred, whichever is less, may be used by the department for administrative costs related to this section.

(8) The department of treasury shall submit a report to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that provides a listing of the grant amounts awarded, the prorated percentage, and the name of the recipient of each grant provided under this section. The department of treasury shall submit a summary of all grants awarded under this section, by industry, by September 30, 2022.

(9) As used in this section:

(a) "Afflicted business" means a business that is not tax exempt under the internal revenue code of 1986, 26 USC 1 to 9834, that is not a government entity, and that is any of the following:

(i) An entertainment venue.

(ii) An exercise facility.

(iii) A food service establishment.

(iv) A recreation facility or place of public amusement.

(v) A cosmetologist operating as a business, barber operating as a business, cosmetology shop, or barber shop.

(vi) A nursery dealer or nursery grower.

(vii) An athletic trainer operating as a business.

- (viii) A body art facility.
- (ix) A hotel or bed and breakfast.
- (b) "Bed and breakfast" means that term as defined in section 4b of the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1504b.
- (c) "Entertainment venue" includes an auditorium, arena, banquet hall, cinema, concert hall, conference center, performance venue, sporting venue, stadium, or theater.
- (d) "Exercise facility" means a facility in which individuals participate in individual or group physical activity, including a gymnasium, fitness center, or exercise studio.
- (e) "Financial hardship" means an amount equal to an afflicted business's decline in total sales in Michigan capped at an amount equal to the sum of the following:
 - (i) For an afflicted business that pays property taxes directly, an amount equal to the Michigan property taxes paid by the afflicted business for calendar year 2020. Property taxes paid for property classified as residential may not be included in the calculation.
 - (ii) For an afflicted business that is a lessee, an amount equal to 17% of the annual lease cost for business facilities paid by the afflicted business in Michigan for calendar year 2020.
 - (iii) An amount equal to 50% of the amount of Michigan unemployment insurance taxes paid by the afflicted business for calendar year 2020.
 - (iv) The amount of fees paid by the afflicted business for an on-premise retail liquor license under the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, during calendar year 2020.
 - (v) The amount of fees paid by the afflicted business for a license or required inspection under the food law, 2000 PA 92, MCL 289.1101 to 289.8111, during calendar year 2020.
 - (vi) The amount of fees paid by the afflicted business for a state license or inspection fee during calendar year 2020. This does not include on-premise retail liquor licenses under the Michigan liquor code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, or a food service establishment license under the food law, 2000 PA 92, MCL 289.1101 to 289.8111.
- (f) "Food service establishment" means that term as defined in section 1107 of the food law, 2000 PA 92, MCL 289.1107.
- (g) "Hotel" means a building or structure kept, used, maintained as, or held out to the public to be an inn, hotel, or public lodging house. Hotel does not include a bed and breakfast.
- (h) "Recreation facility or place of public amusement" includes an amusement park, arcade, bingo hall, bowling alley, casino, nightclub, skating rink, water park, or trampoline park.
- (i) "Total sales in Michigan" means total sales by the afflicted business in this state plus apportioned Paycheck Protection Program receipts plus apportioned Restaurant Revitalization receipts.
- (j) "Apportioned Paycheck Protection receipts" means forgiven loans received under the Paycheck Protection Program established under the coronavirus aid, relief, and economic security act, Public Law 116-136, the paycheck protection program and healthcare enhancement act, Public Law 116-139, the paycheck protection program flexibility act of 2020, Public Law 116-142, the consolidated appropriations act, 2021, Public Law 116-260, and the PPP extension act of 2021, Public Law 117-6, multiplied by a fraction the numerator of which is total sales of the afflicted business in Michigan in the calendar year and the denominator is total sales of the afflicted business everywhere during the calendar year.
- (k) "Apportioned Restaurant Revitalization receipts" means funds received under the Restaurant Revitalization Fund program enacted as part of the American rescue plan act of 2021, Public Law 117-2, multiplied by a fraction the numerator of which is total sales of the afflicted business in Michigan in the calendar year and the denominator is total sales of the afflicted business everywhere during the calendar year.

Sec. 402. (1) The funds appropriated in part 1 for local community stabilization authority reserve account may only be expended to offset reductions in revenue as a result of changes to industrial personal property and commercial personal property exemptions under section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, that are enacted on or after December 14, 2021.

(2) Funds appropriated under part 1 for the local community stabilization authority reserve account are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for the project under this section until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

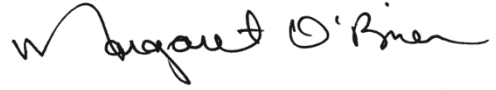
(a) The purpose of the project is to offset reductions in revenue due to changes in industrial and commercial personal property exemptions under section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, enacted on or after December 14, 2021.

(b) It is anticipated that the project will be accomplished by making payment to the local community stabilization authority and the authority making payments to local entities to offset reductions in revenue as described in this section.

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

(d) The tentative completion date for the project is September 30, 2023.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor