

HOUSE BILL NO. 6515

November 29, 2022, Introduced by Rep. Thanedar and referred to the Committee on Appropriations.

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2023; 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

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LINE-ITEM APPROPRIATIONS

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Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year

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ending September 30, 2023, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION **\$ 1,400,000,000**

Interdepartmental grant revenues:

Total interdepartmental grants and
intradepartmental transfers

0

ADJUSTED GROSS APPROPRIATION **\$ 1,400,000,000**

Federal revenues:

Total federal revenues

0

Special revenue funds:

Total local revenues

0

Total private revenues

0

Total other state restricted revenues

0

State general fund/general purpose **\$ 1,400,000,000**

**Sec. 102. DEPARTMENT OF LABOR AND ECONOMIC
OPPORTUNITY**

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION **\$ 1,400,000,000**

Interdepartmental grant revenues:

Total interdepartmental grants and
intradepartmental transfers

0

ADJUSTED GROSS APPROPRIATION **\$ 1,400,000,000**

Federal revenues:

Total federal revenues

0

Special revenue funds:

Total local revenues

0

Total private revenues

0

Total other state restricted revenues

0

State general fund/general purpose	\$ 1,400,000,000
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(2) ONE-TIME APPROPRIATIONS

Low-income individual and business grants and loans	\$ 1,400,000,000
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GROSS APPROPRIATION	\$ 1,400,000,000
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Appropriated from:

State general fund/general purpose	\$ 1,400,000,000
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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 the fiscal year ending September 30, 2023 is \$1,400,000,000.00 and total state spending from state sources to be paid to local units of government is \$0.00.

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.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. (1) From the funds appropriated in part 1 for low-income individual and business grants and loans, the department shall develop and operate a low-income household interest-free home loan program that provides interest-free loans to qualified low-income households.

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

1 department may receive and expend funds received from outside
2 sources for the low-income household interest-free home loan
3 program. Funds received under this subsection must be deposited in
4 the low-income household interest-free home loan fund created under
5 subsection (6).

6 (3) Home loans to qualified low-income households under the
7 program must have a loan term not to exceed 30 years.

8 (4) Home loans awarded under this section must not exceed
9 \$100,000.00 per qualified low-income household.

10 (5) The department of labor and economic opportunity in
11 partnership with the Michigan state housing development authority
12 must establish and administer the low-income household interest-
13 free home loan program. This includes, but is not limited to, the
14 creation of program guidelines, an application process, and other
15 processes and procedures for the effective operation of the
16 program. The program must begin offering loans to qualified low-
17 income households by January 1, 2024.

18 (6) A low-income household interest-free home loan fund is
19 created in the department of treasury. Repayments from loans
20 provided under this program shall be credited to the low-income
21 household interest-free home loan fund and may be carried forward
22 for future loans under the low-income household interest-free home
23 loan program. Funds available in the low-income household interest-
24 free home loan fund are appropriated and available for expenditure
25 for the program established under this section.

26 (7) As used in this section:

27 (a) "Michigan state housing development authority" means the
28 Michigan state housing development authority created in section 21
29 of the state housing development authority act of 1966, 1966 PA

1 346, MCL 125.1421.

2 (b) "Qualified low-income household" means a household with an
3 income not more than 150% of the federal poverty guidelines.

4 Sec. 302. (1) From the funds appropriated in part 1 for low-
5 income individual and business grants and loans, the department
6 shall develop and operate a low-income free skills and technical
7 education program that provides skills and technical education
8 grants to qualified low-income individuals to cover the cost of
9 skills and technical training development.

10 (2) In addition to the funds appropriated in part 1, the
11 department may receive and expend funds received from outside
12 sources for the low-income free skills and technical education
13 program. Funds received under this subsection must be deposited in
14 the low-income free skills and technical education fund created
15 under subsection (5).

16 (3) Grants awarded under this section must not exceed
17 \$100,000.00 per qualified low-income individual.

18 (4) The department of labor and economic opportunity must
19 establish and administer the low-income free skills and technical
20 education program. This includes, but is not limited to, the
21 creation of program guidelines, an application process, and other
22 processes and procedures for the effective operation of the
23 program. The program must begin offering grants to qualified low-
24 income individuals by January 1, 2024.

25 (5) A low-income free skills and technical education fund is
26 created in the department of treasury. Funds available in the low-
27 income free skills and technical education fund are appropriated
28 and available for expenditure for the program established under
29 this section.

1 (6) As used in this section, "qualified low-income individual"
2 means an individual with an income not more than 150% of the
3 federal poverty guidelines.

4 Sec. 303. (1) From the funds appropriated in part 1 for low-
5 income individual and business grants and loans, the department
6 shall develop and operate a low-income individual small business
7 grant program that provides grants to qualified low-income
8 individuals who own small businesses to support the successful
9 operation of the small business.

10 (2) In addition to the funds appropriated in part 1, the
11 department may receive and expend funds received from outside
12 sources for the low-income individual small business grant program.
13 Funds received under this subsection must be deposited in the low-
14 income individual small business grant fund created under
15 subsection (5).

16 (3) Grants awarded under this section must not exceed
17 \$100,000.00 per qualified low-income individual.

18 (4) The department of labor and economic opportunity must
19 establish and administer the low-income individual small business
20 grant program. This includes, but is not limited to, the creation
21 of program guidelines, an application process, and other processes
22 and procedures for the effective operation of the program. The
23 program must begin offering grants to qualified low-income
24 individuals by January 1, 2024.

25 (5) A low-income individual small business grant fund is
26 created in the department of treasury. Funds available in the low-
27 income free skills and technical education fund are appropriated
28 and available for expenditure for the program established under
29 this section.

1 (6) As used in this section, "qualified low-income individual"
2 means an individual with an income not more than 150% of the
3 federal poverty guidelines.

4 Sec. 304. (1) From the funds appropriated in part 1 for low-
5 income individual and business grants and loans, the department
6 shall develop and operate a low-income interest-free loan small
7 business seed capital program that provides interest-free loans to
8 qualified low-income individuals to assist with the establishment
9 of a small business.

10 (2) In addition to the funds appropriated in part 1, the
11 department may receive and expend funds received from outside
12 sources for the low-income interest-free loan small business seed
13 capital program. Funds received under this subsection must be
14 deposited in the low-income interest-free loan small business seed
15 capital fund created under subsection (6).

16 (3) Small business seed loans to qualified low-income
17 individuals under the program must have a loan term not to exceed
18 10 years.

19 (4) Small business seed loans awarded under this section must
20 not exceed \$100,000.00 per qualified low-income individual.

21 (5) The department of labor and economic opportunity in
22 partnership with the Michigan strategic fund must establish and
23 administer the low-income interest-free loan small business seed
24 capital program. This includes, but is not limited to, the creation
25 of program guidelines, an application process, and other processes
26 and procedures for the effective operation of the program. The
27 program must begin offering loans to qualified low-income
28 individuals by January 1, 2024.

29 (6) A low-income interest-free loan small business seed

capital fund is created in the department of treasury. Repayments from loans provided under this program shall be credited to the low-income interest-free loan small business seed capital fund and may be carried forward for future loans under the low-income interest-free loan small business seed capital program. Funds available in the low-income interest-free loan small business seed capital fund are appropriated and available for expenditure for the program established under this section.

(7) As used in this section, "qualified low-income individual" means an individual with an income not more than 150% of the federal poverty guidelines.

Sec. 305. The unexpended funds appropriated in part 1 for low-income individual and business grants and loans are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide grants and loans to qualified low-income individuals under sections 301 to 304.

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

(c) The estimated cost of this project is \$1,400,000,000.00.

(d) The tentative completion date for the work project is September 30, 2027.

Sec. 306. There is appropriated in equal proportions to the low-income household interest-free home loan fund created in section 301, the low-income free skills and technical education

1 fund created in section 302, the low-income individual small
2 business grant fund created in section 303, and the low-income
3 interest-free loan small business seed capital fund created in
4 section 304 for the fiscal year ending September 30, 2023, from
5 general fund/general purpose an amount equal to 100% of the fiscal
6 year 2021-2022 general fund/general purpose unassigned fund balance
7 recorded as part of the state book-closing process for the 2021-
8 2022 fiscal year.