

**SUBSTITUTE FOR
HOUSE BILL NO. 5514**

A bill to make appropriations for the department of licensing and regulatory affairs for the fiscal year ending September 30, 2025; 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 the department of licensing and regulatory affairs for the fiscal year ending September 30, 2025, from the following funds:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

APPROPRIATION SUMMARY

Full-time equated unclassified positions	30.0
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Full-time equated classified positions	1,786.0
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1	GROSS APPROPRIATION		\$	636,467,200
2	Interdepartmental grant revenues:			
3	Total interdepartmental grants and			
4	intradepartmental transfers			27,682,800
5	ADJUSTED GROSS APPROPRIATION		\$	608,784,400
6	Federal revenues:			
7	Total federal revenues			30,471,300
8	Special revenue funds:			
9	Total local revenues			0
10	Total private revenues			0
11	Total other state restricted revenues			277,507,400
12	State general fund/general purpose		\$	300,805,700
13	Sec. 102. DEPARTMENTAL ADMINISTRATION AND			
14	SUPPORT			
15	Full-time equated unclassified positions	30.0		
16	Full-time equated classified positions	104.0		
17	Unclassified salaries--FTEs	30.0	\$	2,993,800
18	Administrative services--FTEs	77.0		9,032,800
19	Consultation, education, and performance office			400,000
20	Executive director programs--FTEs	24.0		2,973,800
21	FOIA coordination--FTEs	3.0		351,800
22	Property management			7,067,100
23	Worker's compensation			93,400
24	GROSS APPROPRIATION		\$	22,912,700
25	Appropriated from:			
26	Interdepartmental grant revenues:			
27	IDG from MDIFS, accounting services			150,000
28	Federal revenues:			

1	EPA, underground storage tanks	30,400
2	HHS-Medicaid, certification of health care	
3	providers and suppliers	375,800
4	HHS-Medicare, certification of health care	
5	providers and suppliers	624,200
6	Special revenue funds:	
7	Aboveground storage tank fees	92,800
8	Accountancy enforcement fund	55,200
9	Boiler inspection fund	288,400
10	Builder enforcement fund	104,100
11	Construction code fund	836,400
12	Corporation fees	4,425,800
13	Elevator fees	312,500
14	Fire alarm fees	7,600
15	Fire safety standard and enforcement fund	2,100
16	Fire service fees	353,400
17	Fireworks safety fund	58,900
18	Health professions regulatory fund	1,886,200
19	Health systems fees	252,000
20	Licensing and regulation fund	899,000
21	Liquor license revenue	292,400
22	Liquor purchase revolving fund	3,173,100
23	Marihuana registry fund	191,600
24	Marihuana regulation fund	1,327,500
25	Marihuana regulatory fund	562,300
26	Michigan unarmed combat fund	5,900
27	Mobile home code fund	261,300
28	Nurse professional fund	40,500

1	PMECSEMA fund		48,000
2	Property development fees		7,800
3	Public utility assessments		3,314,000
4	Real estate appraiser education fund		2,700
5	Real estate education fund		11,700
6	Real estate enforcement fund		12,000
7	Refined petroleum fund		151,800
8	Securities fees		1,490,700
9	Securities investor education and training fund		9,600
10	Security business fund		7,100
11	Survey and remonumentation fund		97,800
12	Tax tribunal fund		825,300
13	Utility consumer representation fund		54,000
14	State general fund/general purpose	\$	270,800
15	Sec. 103. PUBLIC SERVICE COMMISSION		
16	Full-time equated classified positions	223.0	
17	Public service commission--FTEs	223.0	\$ 41,071,000
18	GROSS APPROPRIATION	\$	41,071,000
19	Appropriated from:		
20	Federal revenues:		
21	DOT, gas pipeline safety		3,027,200
22	Special revenue funds:		
23	Public utility assessments		38,043,800
24	State general fund/general purpose	\$	0
25	Sec. 104. LIQUOR CONTROL COMMISSION		
26	Full-time equated classified positions	150.0	
27	Liquor licensing and enforcement--FTEs	119.0	\$ 17,855,700
28	Management support services--FTEs	31.0	4,951,800

1	GROSS APPROPRIATION		\$	22,807,500
2	Appropriated from:			
3	Special revenue funds:			
4	Direct shipper enforcement revolving fund			313,900
5	Liquor control enforcement and license			
6	investigation revolving fund			175,000
7	Liquor license fee enhancement fund			76,400
8	Liquor license revenue			8,377,400
9	Liquor purchase revolving fund			13,864,800
10	State general fund/general purpose		\$	0
11	Sec. 105. OCCUPATIONAL REGULATION			
12	Full-time equated classified positions	907.0		
13	Bureau of community and health systems--FTEs	164.0	\$	25,453,600
14	Bureau of construction codes--FTEs	179.0		30,511,100
15	Bureau of fire services--FTEs	84.0		13,901,400
16	Bureau of professional licensing--FTEs	198.0		42,445,800
17	Bureau of survey and certification--FTEs	175.0		29,068,200
18	Corporations, securities, and commercial			
19	licensing bureau--FTEs	107.0		16,467,700
20	Urban search and rescue			1,000,000
21	GROSS APPROPRIATION		\$	158,847,800
22	Appropriated from:			
23	Federal revenues:			
24	DHS, fire training systems			528,000
25	DOT, hazardous materials training and planning			20,000
26	EPA, underground storage tanks			820,600
27	HHS-Medicaid, certification of health care			
28	providers and suppliers			9,118,700

1	HHS-Medicare, certification of health care	
2	providers and suppliers	14,647,000
3	Special revenue funds:	
4	Aboveground storage tank fees	343,700
5	Accountancy enforcement fund	1,206,000
6	Adult foster care facilities licenses fund	373,600
7	Boiler inspection fund	2,992,300
8	Builder enforcement fund	644,000
9	Construction code fund	13,565,600
10	Corporation fees	9,083,300
11	Division on deafness fund	73,400
12	Elevator fees	6,213,400
13	Fire alarm fees	138,300
14	Fire safety standard and enforcement fund	32,300
15	Fire service fees	2,844,000
16	Fireworks safety fund	1,249,400
17	Health professions regulatory fund	27,323,300
18	Health systems fees	4,139,500
19	Licensing and regulation fund	11,819,800
20	Liquor purchase revolving fund	156,100
21	Marihuana regulatory fund	500,000
22	Mobile home code fund	2,125,800
23	Nurse aide and medication aide registration	
24	fund	1,657,800
25	Nurse professional fund	1,967,200
26	PMECSEMA fund	2,566,800
27	Property development fees	192,600
28	Real estate appraiser education fund	65,500

1	Real estate education fund		601,900
2	Real estate enforcement fund		754,400
3	Refined petroleum fund		2,656,200
4	Securities fees		5,342,000
5	Securities investor education and training fund		500,300
6	Security business fund		239,900
7	Survey and remonumentation fund		903,400
8	State general fund/general purpose	\$	31,441,700
9	Sec. 106. CANNABIS REGULATORY AGENCY		
10	Full-time equated classified positions	182.0	
11	Cannabis regulatory agency--FTEs	182.0	\$ 31,649,200
12	GROSS APPROPRIATION		\$ 31,649,200
13	Appropriated from:		
14	Special revenue funds:		
15	Industrial hemp licensing and registration fund		295,900
16	Marihuana registry fund		3,233,300
17	Marihuana regulation fund		20,442,000
18	Marihuana regulatory fund		7,678,000
19	State general fund/general purpose	\$	0
20	Sec. 107. MICHIGAN OFFICE OF ADMINISTRATIVE		
21	HEARINGS AND RULES		
22	Full-time equated classified positions	196.0	
23	Michigan office of administrative hearings and		
24	rules--FTEs	196.0	\$ 38,627,600
25	GROSS APPROPRIATION		\$ 38,627,600
26	Appropriated from:		
27	Interdepartmental grant revenues:		

1	IDG revenues - administrative hearings and		
2	rules		26,096,000
3	Special revenue funds:		
4	Construction code fund		27,100
5	Corporation fees		4,326,500
6	Health professions regulatory fund		874,600
7	Health systems fees		165,100
8	Licensing and regulation fund		914,300
9	Liquor purchase revolving fund		486,600
10	Marihuana regulation fund		253,500
11	Marihuana regulatory fund		98,700
12	Public utility assessments		2,946,300
13	Securities fees		1,037,500
14	Tax tribunal fund		822,100
15	State general fund/general purpose	\$	579,300
16	Sec. 108. COMMISSIONS		
17	Full-time equated classified positions	21.0	
18	Michigan indigent defense commission--FTEs	21.0	\$ 3,140,200
19	Michigan unarmed combat commission		126,200
20	GROSS APPROPRIATION		\$ 3,266,400
21	Appropriated from:		
22	Special revenue funds:		
23	Michigan unarmed combat fund		126,200
24	State general fund/general purpose	\$	3,140,200
25	Sec. 109. GRANTS		
26	Firefighter training grants		\$ 2,300,000
27	Liquor law enforcement grants		9,900,000
28	Marihuana operation and oversight grants		3,000,000

1	Michigan indigent defense commission grants	258,345,300
2	Remonumentation grants	6,800,000
3	Utility consumer representation	2,100,000
4	GROSS APPROPRIATION	\$ 282,445,300
5	Appropriated from:	
6	Special revenue funds:	
7	Fireworks safety fund	2,300,000
8	Liquor license revenue	9,900,000
9	Local indigent defense reimbursement	300,000
10	Marihuana regulation fund	3,000,000
11	Survey and remonumentation fund	6,800,000
12	Utility consumer representation fund	2,100,000
13	State general fund/general purpose	\$ 258,045,300
14	Sec. 110. INFORMATION TECHNOLOGY	
15	Information technology services and projects	\$ 27,589,700
16	GROSS APPROPRIATION	\$ 27,589,700
17	Appropriated from:	
18	Interdepartmental grant revenues:	
19	IDG revenues - administrative hearings and	
20	rules	1,436,800
21	Federal revenues:	
22	DOT, gas pipeline safety	152,600
23	EPA, underground storage tanks	99,900
24	HHS-Medicaid, certification of health care	
25	providers and suppliers	385,100
26	HHS-Medicare, certification of health care	
27	providers and suppliers	641,800
28	Special revenue funds:	

1	Aboveground storage tank fees	34,500
2	Accountancy enforcement fund	1,100
3	Boiler inspection fund	385,500
4	Construction code fund	1,321,900
5	Corporation fees	5,755,700
6	Elevator fees	503,400
7	Fire safety standard and enforcement fund	3,000
8	Fire service fees	538,600
9	Fireworks safety fund	72,800
10	Health professions regulatory fund	3,380,000
11	Health systems fees	364,700
12	Industrial hemp licensing and registration fund	4,000
13	Licensing and regulation fund	936,700
14	Liquor license revenue	234,400
15	Liquor purchase revolving fund	4,751,800
16	Marihuana registry fund	192,600
17	Marihuana regulation fund	1,221,500
18	Marihuana regulatory fund	548,000
19	Michigan unarmed combat fund	6,800
20	Mobile home code fund	204,000
21	Nurse aide and medication aide registration	
22	fund	7,000
23	PMECSEMA fund	68,500
24	Public utility assessments	2,018,000
25	Real estate appraiser education fund	1,000
26	Real estate education fund	4,300
27	Refined petroleum fund	235,200
28	Securities fees	460,600

1	Securities investor education and training fund		5,600
2	Survey and remonumentation fund		75,400
3	Tax tribunal fund		208,500
4	State general fund/general purpose	\$	1,328,400
5	Sec. 111. ONE-TIME APPROPRIATIONS		
6	Full-time equated classified positions	3.0	
7	5-year energy waste reduction and demand		
8	response statewide study	\$	1,000,000
9	Bureau of fire services - smoke detectors		250,000
10	Health professions implicit bias study		250,000
11	Michigan indigent defense commission limited-		
12	term staff--FTEs	2.0	250,000
13	Michigan saves		5,000,000
14	Renewable energy and electrification		
15	infrastructure enhancement and development--		
16	FTE	1.0	500,000
17	GROSS APPROPRIATION	\$	7,250,000
18	Appropriated from:		
19	Special revenue funds:		
20	Health professions regulatory fund		250,000
21	Public utility assessments		1,000,000
22	State general fund/general purpose	\$	6,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2024-2025

GENERAL SECTIONS

28 Sec. 201. In accordance with section 30 of article IX of the
 29 state constitution of 1963, for the fiscal year ending September

1 30, 2025, total state spending under part 1 from state sources is
 2 \$578,313,100.00 and state spending from state sources to be paid to
 3 local units of government is \$280,345,300.00. The following
 4 itemized statement identifies appropriations from which spending to
 5 local units of government will occur:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS		
7	Firefighter training grants	\$ 2,300,000
8	Liquor law enforcement grants	9,900,000
9	Marihuana operation and oversight grants	3,000,000
10	Michigan indigent defense commission grants	258,345,300
11	Remonumentation grants	6,800,000
12	TOTAL	\$ 280,345,300

13 Sec. 202. The appropriations under this part and part 1 are
 14 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 15 to 18.1594.

16 Sec. 203. As used in this part and part 1:

17 (a) "Department" means the department of licensing and
 18 regulatory affairs.

19 (b) "DHS" means the United States Department of Homeland
 20 Security.

21 (c) "Director" means the director of the department.

22 (d) "DOT" means the United States Department of
 23 Transportation.

24 (e) "EPA" means the United States Environmental Protection
 25 Agency.

26 (f) "FOIA" means the freedom of information act, 1976 PA 442,
 27 MCL 15.231 to 15.246.

28 (g) "FTE" means full-time equated.

29 (h) "HHS" means the United States Department of Health and

1 Human Services.

2 (i) "IDG" means interdepartmental grant.

3 (j) "MDIFS" means the Michigan department of insurance and
4 financial services.

5 (k) "PMECSEMA" means pain management education and controlled
6 substances electronic monitoring and antidiversion.

7 (l) "Standard report recipients" means the subcommittees, the
8 senate and house fiscal agencies, the senate and house policy
9 offices, and the state budget office.

10 (m) "Subcommittees" means the senate and house appropriations
11 subcommittees with jurisdiction over the budget for the department.

12 Sec. 204. The department shall use the internet to fulfill the
13 reporting requirements of this part. This requirement includes
14 transmitting reports to the standard report recipients and any
15 other required recipients by email and posting the reports on an
16 internet site.

17 Sec. 205. To the extent permissible under section 261 of the
18 management and budget act, 1984 PA 431, MCL 18.1261, all of the
19 following apply to the expenditure of funds appropriated in part 1:

20 (a) The funds must not be used for the purchase of foreign
21 goods or services, or both, if competitively priced and of
22 comparable quality American goods or services, or both, are
23 available.

24 (b) Preference must be given to goods or services, or both,
25 manufactured or provided by Michigan businesses, if they are
26 competitively priced and of comparable quality.

27 (c) Preference must be given to goods or services, or both,
28 that are manufactured or provided by Michigan businesses owned and
29 operated by veterans, if they are competitively priced and of

1 comparable quality.

2 Sec. 206. The department shall not take disciplinary action
3 against an employee of the department for communicating with a
4 member of the legislature or legislative staff, unless the
5 communication is prohibited by law and the department is exercising
6 its authority as provided by law.

7 Sec. 207. Consistent with section 217 of the management and
8 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
9 a report on out-of-state travel expenses not later than January 1.
10 The report must list all travel outside this state by classified
11 and unclassified employees in the previous fiscal year that was
12 funded in whole or in part with funds appropriated in the
13 department's budget. The department shall submit the report to the
14 standard report recipients and to the senate and house
15 appropriations committees. The report must include all of the
16 following information:

17 (a) The dates of each travel occurrence.

18 (b) The total transportation and related expenses of each
19 travel occurrence and the proportions funded with state general
20 fund/general purpose revenues, state restricted revenues, federal
21 revenues, and other revenues.

22 Sec. 208. The department shall not use funds appropriated in
23 part 1 to hire a person to provide legal services that are the
24 responsibility of the attorney general. This section does not apply
25 to legal services for bonding activities or to outside legal
26 services that the attorney general authorizes.

27 Sec. 209. Not later than December 15, the state budget office
28 shall prepare and submit a report that provides estimates of the
29 total general fund/general purpose appropriation lapses at the

1 close of the previous fiscal year. The report must summarize the
2 projected year-end general fund/general purpose appropriation
3 lapses by major departmental program or program areas. The state
4 budget office shall submit the report to the standard report
5 recipients and to the chairpersons of the senate and house
6 appropriations committees.

7 Sec. 210. (1) In addition to the funds appropriated in part 1,
8 there is appropriated an amount not to exceed \$1,000,000.00 for
9 federal contingency authorization. Amounts appropriated under this
10 subsection are not available for expenditure until they have been
11 transferred to another line item in part 1 under section 393(2) of
12 the management and budget act, 1984 PA 431, MCL 18.1393.

13 (2) In addition to the funds appropriated in part 1, there is
14 appropriated an amount not to exceed \$25,000,000.00 for state
15 restricted contingency authorization. Amounts appropriated under
16 this subsection are not available for expenditure until they have
17 been transferred to another line item in part 1 under section
18 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

19 (3) In addition to the funds appropriated in part 1, there is
20 appropriated an amount not to exceed \$200,000.00 for local
21 contingency authorization. Amounts appropriated under this
22 subsection are not available for expenditure until they have been
23 transferred to another line item in part 1 under section 393(2) of
24 the management and budget act, 1984 PA 431, MCL 18.1393.

25 (4) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$100,000.00 for private
27 contingency authorization. Amounts appropriated under this
28 subsection are not available for expenditure until they have been
29 transferred to another line item in part 1 under section 393(2) of

1 the management and budget act, 1984 PA 431, MCL 18.1393.

2 Sec. 211. The department shall cooperate with the department
3 of technology, management, and budget to maintain a searchable
4 website accessible by the public at no cost that includes, but is
5 not limited to, all of the following for the department:

6 (a) Fiscal-year-to-date expenditures by category.

7 (b) Fiscal-year-to-date expenditures by appropriation unit.

8 (c) Fiscal-year-to-date payments to a selected vendor,
9 including the vendor name, payment date, payment amount, and
10 payment description.

11 (d) The number of active department employees by job
12 classification.

13 (e) Job specifications and wage rates.

14 Sec. 212. Not later than 14 days after the release of the
15 executive budget recommendation, the department shall cooperate
16 with the state budget office to provide an annual report on
17 estimated state restricted fund balances, state restricted fund
18 projected revenues, and state restricted fund expenditures for the
19 previous 2 fiscal years. The report must be submitted to the
20 standard report recipients and to the chairpersons of the senate
21 and house appropriations committees.

22 Sec. 213. (1) Funds appropriated in part 1 must not be used to
23 restrict or impede a marginalized community's access to government
24 resources, programs, or facilities.

25 (2) From the funds appropriated in part 1, local governments
26 shall report any action or policy that attempts to restrict or
27 interfere with the duties of a local health officer.

28 Sec. 214. To the extent permissible under the management and
29 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall

1 take all reasonable steps to ensure geographically disadvantaged
2 business enterprises compete for and perform contracts to provide
3 services or supplies, or both. The director shall strongly
4 encourage firms with which the department contracts to subcontract
5 with certified geographically disadvantaged business enterprises
6 for services, supplies, or both. As used in this section,
7 "geographically disadvantaged business enterprises" means that term
8 as defined in Executive Directive No. 2019-08.

9 Sec. 215. On a quarterly basis, the department shall report on
10 the number of full-time equated positions in pay status by civil
11 service classification, including a comparison by line item of the
12 number of full-time equated positions authorized from funds
13 appropriated in part 1 to the actual number of full-time equated
14 positions employed by the department at the end of the reporting
15 period. The report must be submitted to the standard report
16 recipients and the senate and house appropriations committees.

17 Sec. 216. It is the intent of the legislature that the
18 department maximize the efficiency of the state workforce and, if
19 possible, prioritize in-person work and post its in-person, remote,
20 or hybrid work policy on its website.

21 Sec. 217. The department shall receive and retain copies of
22 all reports funded from appropriations in part 1. The department
23 shall follow federal and state guidelines for short-term and long-
24 term retention of records. The department may electronically retain
25 copies of reports unless otherwise required by federal or state
26 guidelines.

27 Sec. 218. Not later than April 1, the department shall report
28 on each specific policy change made to implement a public act
29 affecting the department that took effect during the previous

1 calendar year. The department shall submit the report to the
2 standard report recipients, the senate and house appropriations
3 committees, and the joint committee on administrative rules.

4 Sec. 219. To the extent possible, the department shall not
5 expend appropriations under part 1 until all existing authorized
6 work project funds available for the same purposes are exhausted.

7 Sec. 220. Unless prohibited by law, the department may accept
8 credit card or other electronic means of payment for licenses,
9 fees, or permits.

10 Sec. 221. The department may carry into the succeeding fiscal
11 year unexpended federal pass-through funds to local institutions
12 and governments that do not require additional state matching
13 funds. Federal pass-through funds to local institutions and
14 governments that are received in amounts in addition to those
15 included in part 1 and that do not require additional state
16 matching funds are appropriated for the purposes intended for the
17 federal pass-through funds. Not later than 14 days after the
18 receipt of federal pass-through funds, the department shall notify
19 the chairpersons of the subcommittees, the senate and house fiscal
20 agencies, and the state budget office of pass-through funds
21 appropriated under this section.

22 Sec. 222. (1) Grants supported with private revenues received
23 by the department are appropriated on receipt and may be expended
24 by the department for the purposes specified within the grant
25 agreement and as permitted under state and federal law.

26 (2) Not later than 10 days after the receipt of a private
27 grant appropriated in subsection (1), the department shall notify
28 the chairpersons of the subcommittees, the senate and house fiscal
29 agencies, and the state budget office of the receipt of the grant,

1 including the fund source, purpose, and amount of the grant.

2 (3) The amount appropriated under subsection (1) must not
3 exceed \$4,000,000.00.

4 Sec. 223. (1) The department may charge registration fees to
5 attendees of informational, training, or special events that are
6 sponsored by the department and related to activities under the
7 department's purview.

8 (2) The registration fees must reflect the costs for the
9 department to sponsor the informational, training, or special
10 events.

11 (3) Revenue generated by the registration fees is appropriated
12 on receipt and may be expended by the department to cover the
13 department's costs of sponsoring informational, training, or
14 special events.

15 (4) Revenue generated by registration fees in excess of the
16 department's costs of sponsoring informational, training, or
17 special events carries forward to the subsequent fiscal year and
18 does not lapse to the general fund.

19 (5) The amount appropriated under subsection (3) must not
20 exceed \$1,000,000.00.

21 Sec. 224. The department may provide to interested entities
22 otherwise unavailable customized listings of nonconfidential
23 information, such as the names and addresses of licensees, in the
24 department's possession. The department may establish and collect a
25 reasonable fee to provide this service. Revenue generated from this
26 service is appropriated on receipt and must be used to offset the
27 expenses of the service. Any balance of this revenue collected and
28 unexpended at the end of the fiscal year lapses to the appropriate
29 restricted fund.

1 Sec. 225. (1) The department shall sell documents at a price
2 not to exceed the cost of production and distribution. Money
3 received from the sale of these documents reverts to the
4 department. In addition to the funds appropriated in part 1, funds
5 received by the department under this subsection may be expended by
6 the department upon receipt by the department of treasury. This
7 subsection applies for only the following:

8 (a) Corporation and securities division documents, reports,
9 and papers required or permitted by law in accordance with section
10 1060(6) of the business corporation act, 1972 PA 284, MCL 450.2060.

11 (b) The Michigan liquor control code of 1998, 1998 PA 58, MCL
12 436.1101 to 436.2303.

13 (c) The mobile home commission act, 1987 PA 96, MCL 125.2301
14 to 125.2350; the business corporation act, 1972 PA 284, MCL
15 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162,
16 MCL 450.2101 to 450.3192; and the uniform securities act (2002),
17 2008 PA 551, MCL 451.2101 to 451.2703.

18 (d) Construction code manuals.

19 (e) Copies of transcripts from administrative law hearings.

20 (2) In addition to the funds appropriated in part 1, funds
21 appropriated for the department under sections 57, 58, and 59 of
22 the administrative procedures act of 1969, 1969 PA 306, MCL 24.257,
23 24.258, and 24.259, and section 203 of the legislative council act,
24 1986 PA 268, MCL 4.1203, are appropriated for all expenses
25 necessary to provide for the cost of publication and distribution.

26 (3) Unexpended funds at the end of the fiscal year carry
27 forward to the subsequent fiscal year and do not lapse to the
28 general fund.

29 Sec. 226. (1) Not later than December 31, the department shall

1 submit a report that pertains to licensing and regulatory programs
2 overseen by the following agencies:

- 3 (a) Liquor control commission.
- 4 (b) Bureau of fire services.
- 5 (c) Corporations, securities, and commercial licensing bureau.
- 6 (d) Bureau of professional licensing.

7 (2) The report under subsection (1) must be in a format that
8 is consistent between the agencies listed in subsection (1) and
9 must provide, but is not limited to, the following information for
10 the previous fiscal year, as applicable, for each agency:

11 (a) Revenue generated by and expenditures disbursed for each
12 regulatory product.

13 (b) Revenue generated by regulatory product or regulated
14 activity.

15 (c) The renewal cycle and amount of each fee charged.

16 (d) Number of initial applications.

17 (e) Number of initial applications denied.

18 (f) Number of license renewals.

19 (g) Average amount of time to approve or deny completed
20 applications.

21 (h) Number of examinations proctored for initial applications.

22 (i) A description of the types of complaints received.

23 (j) A description of the process used to resolve complaints.

24 (k) Number of complaints received.

25 (l) Number of complaints investigated.

26 (m) Number of complaints closed with no action.

27 (n) Number of complaints resulting in administrative actions
28 or citations.

29 (o) Average amount of time to complete investigations.

1 (p) Number of enforcement actions, including license
2 revocations, suspensions, and fines.

3 (q) A description of the types of enforcement actions taken
4 against licensees.

5 (r) Number of administrative hearing adjudications.

6 (3) An agency listed in subsection (1)(a) or (b) shall report
7 by regulated activity and an agency listed in subsection (1)(c) or
8 (d) shall report by regulatory product or regulated activity, or
9 both.

10 (4) As used in this section:

11 (a) "Regulated activity" means the particular activities,
12 entities, facilities, and industries regulated by the agencies
13 specified in subsection (1).

14 (b) "Regulatory product" means each occupation, profession,
15 trade, or program, which includes licensure, certification,
16 registration, inspection, review, permitting, approval, or any
17 other regulatory service provided by the agencies specified in
18 subsection (1) for each regulated activity.

19 Sec. 227. It is the intent of the legislature that the
20 department establish an employee performance monitoring process
21 that is consistent throughout the department, in addition to
22 current civil service commission evaluations. The department shall
23 submit a report to the standard report recipients on changes to the
24 employee performance monitoring process that are planned or
25 implemented, as well as the number of employee evaluations
26 performed.

27 Sec. 228. Not later than September 30, the department shall
28 submit a report to the standard report recipients that details any
29 expenditure of funds for a television or radio production that was

1 made to a third-party vendor in the fiscal year ending September
2 30, 2025. The report must include all of the following information
3 for each expenditure:

4 (a) Total amount of the expenditure.

5 (b) Fund source for the expenditure.

6 (c) Name of any vendor that created the production and the
7 amount paid to each vendor.

8 (d) Purpose of the production.

9

10 **PUBLIC SERVICE COMMISSION**

11 Sec. 301. The public service commission administers the low-
12 income energy assistance grant program on behalf of the Michigan
13 department of health and human services via an interagency
14 agreement. Funds supporting the grant program are appropriated to
15 the department upon the awarding of grants and may be expended for
16 grant payments and administrative-related expenses incurred in the
17 operation of the grant program.

18 Sec. 302. From the funds appropriated in part 1, the Michigan
19 public service commission shall conduct at least 1 public hearing
20 within each of the 4 judicial districts described under section 302
21 of the revised judicature act of 1961, 1961 PA 236, MCL 600.302.
22 Any hearing conducted within district 4, as that district is
23 described under section 302 of the revised judicature act of 1961,
24 1961 PA 236, MCL 600.302, must be conducted outside of Ingham
25 County. Subject to the requirements of this section, if there is a
26 city with a population between 195,000 and 700,000 according to the
27 most recent federal decennial census within a judicial district
28 described under section 302 of the revised judicature act of 1961,
29 1961 PA 236, MCL 600.302, the public hearing for that district must

1 be conducted in that city.

2

3 **LIQUOR CONTROL COMMISSION**

4 Sec. 401. (1) From the funds appropriated in part 1 from the
5 direct shipper enforcement revolving fund, the liquor control
6 commission shall expend the funds as required under section 203(11)
7 of the Michigan liquor control code of 1998, 1998 PA 58, MCL
8 436.1203, to investigate and audit unlawful direct shipments of
9 wine by unlicensed wineries and retailers, with priority directed
10 toward unlicensed out-of-state retailers and third-party marketers.
11 In addition to other investigative methods, the commission shall
12 use shipping records available to the commission under section
13 203(21) of the Michigan liquor control code of 1998, 1998 PA 58,
14 MCL 436.1203, to assist with the effort to investigate and audit
15 unlawful direct shipments of wine by unlicensed wineries and
16 retailers. The liquor control commission shall refer all unlicensed
17 out-of-state retailers and third-party marketers identified with
18 the shipping records to the attorney general.

19 (2) Not later than February 1, the liquor control commission
20 shall provide a report to the legislature and the standard report
21 recipients that details the commission's activities to investigate
22 and audit the illegal shipping of wine and the results of the
23 activities. The report must include all of the following:

24 (a) Work hours spent, specific actions performed, and the
25 number of full-time equated positions dedicated to identifying and
26 stopping unlicensed out-of-state retailers, third-party marketers,
27 and wineries that ship illegally in Michigan.

28 (b) General overview of expenditures associated with efforts
29 to identify and stop unlicensed out-of-state retailers, third-party

1 marketers, and wineries that ship illegally in Michigan.

2 (c) Number of out-of-state entities found to have illegally
3 shipped wine into Michigan and total number of 750 ml bottles,
4 number of cases with 750 ml bottles, number of liters, number of
5 gallons, or weight of illegally shipped wine. These items must be
6 itemized by total number of retailers and total number of wineries.

7 (d) Suggested areas of focus on how to address direct shipper
8 enforcement and illegal importation in the future.

9 (e) Number of unlicensed out-of-state entities found to have
10 illegally shipped wine into Michigan that were identified with the
11 shipping records described in subsection (1).

12 (f) Number of notices sent under subsection (3).

13 (3) From the funds appropriated in part 1 from the direct
14 shipper enforcement revolving fund, the liquor control commission
15 shall send a notice to each unlicensed out-of-state entity found to
16 have illegally shipped wine into Michigan that has been identified
17 with the shipping records described in subsection (1). The notice
18 must include all of the following statements:

19 (a) That shipping wine into Michigan by unlicensed out-of-
20 state retailers and third-party marketers is illegal, and wineries
21 shipping into Michigan must obtain a direct shipper license.

22 (b) That under section 909 of the Michigan liquor control code
23 of 1998, 1998 PA 58, MCL 436.1909, making unlawful shipments of
24 wine into Michigan may be a felony punishable by imprisonment for
25 not more than 4 years or a fine of not more than \$5,000.00, or
26 both.

27 (c) That the matter has been referred to the attorney general.
28

29 **OCCUPATIONAL REGULATION**

1 Sec. 501. The department shall not expend the funds
2 appropriated under this part and part 1 for the bureau of fire
3 services unless, in accordance with section 2c of the fire
4 prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review
5 fees are charged according to the following fee schedule:

6 Operation and maintenance inspection fee

<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed

9 Plan review and construction inspection fees for

10 hospitals and schools

<u>Project cost range</u>	<u>Fee</u>
\$101,000.00 or less	minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00
\$10,000,001.00 or more	\$1.10 per \$1,000.00
	or a maximum fee of \$60,000.00.

16
17 Sec. 502. The funds collected by the department for licenses,
18 permits, and other elevator regulation fees under the Michigan
19 Administrative Code and as determined under section 8 of 1976 PA
20 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that
21 are unexpended at the end of the fiscal year carry forward to the
22 subsequent fiscal year.

23 Sec. 503. Not later than February 15, the department shall
24 submit a report to the standard report recipients that provides all
25 of the following information:

26 (a) The number of veterans who were separated from service in
27 the Armed Forces of the United States with an honorable character
28 of service or under honorable conditions (general) character of
29 service, individually or if the veteran holds a majority interest

1 of a corporation or limited liability company, that were exempted
2 from paying licensure, registration, filing, or any other fees
3 collected under each licensure or regulatory program administered
4 by the bureau of construction codes, the bureau of professional
5 licensing, and the corporations, securities, and commercial
6 licensing bureau during the previous fiscal year.

7 (b) The specific fees and total amount of revenue exempted
8 under each licensure or regulatory program administered by the
9 bureau of construction codes, the bureau of professional licensing,
10 and the corporations, securities, and commercial licensing bureau
11 during the previous fiscal year.

12 (c) The actual costs of providing licensing and other
13 regulatory services to veterans exempted from paying licensure,
14 registration, filing, or any other fees during the previous fiscal
15 year and a description of how the actual costs were calculated.

16 (d) The estimated amount of revenue that will be exempted
17 under each licensure or regulatory program administered by the
18 bureau of construction codes, the bureau of professional licensing,
19 and the corporations, securities, and commercial licensing bureau
20 in both the current and subsequent fiscal years and a description
21 of how the exempted revenue was estimated.

22 Sec. 504. Revenue collected by the department for health
23 systems administration from fees and collections that exceeds the
24 amount appropriated in part 1 may be carried forward into the
25 subsequent fiscal year. The revenue carried forward under this
26 section must be used as the first source of funds in the subsequent
27 fiscal year.

28 Sec. 505. (1) To defray the costs associated with responding
29 to false final inspection appointments and to discourage the

1 practice of calling for final inspections when a project is
2 incomplete or noncompliant with a plan of correction previously
3 provided by the bureau of fire services, the bureau of fire
4 services may assess a fee of not more than \$800.00 for responding
5 to a second or subsequent confirmed false inspection appointment.
6 Fees collected under this section must be deposited into the
7 restricted account described in section 2c of the fire prevention
8 code, 1941 PA 207, MCL 29.2c, and explicitly identified within the
9 statewide integrated governmental management applications system.

10 (2) Not later than September 30, the department shall submit a
11 report to the standard report recipients that provides all of the
12 following:

13 (a) The amount of the fee assessed under subsection (1).

14 (b) The number of fees assessed and issued per region.

15 (c) The cost allocation for the work performed and reduced as
16 a result of this section.

17 (d) Any recommendations for consideration by the legislature.

18 Sec. 506. Not later than November 30, the department shall
19 submit a report to the standard report recipients on the Michigan
20 automated prescription system. The report must include, but is not
21 limited to, the total number of all of the following:

22 (a) Licensed health professionals registered to the Michigan
23 automated prescription system.

24 (b) Dispensers registered to the Michigan automated
25 prescription system.

26 (c) Prescribers using the Michigan automated prescription
27 system.

28 (d) Dispensers using the Michigan automated prescription
29 system.

1 (e) Cases related to overprescribing, overdispensing, and drug
2 diversion where the department took administrative action because
3 of information and data generated from the Michigan automated
4 prescription system.

5 (f) Hospitals, doctor's offices, pharmacies, and other health
6 facilities that have integrated the Michigan automated prescription
7 system into the facility's electronic health records systems.

8 (g) Delegate users registered to the Michigan automated
9 prescription system.

10 Sec. 507. From the funds appropriated in part 1 for the bureau
11 of construction codes, not less than \$900,000.00 must be allocated
12 for additional inspections and enforcement activities related to
13 the carnival-amusement safety act of 1966, 1966 PA 225, MCL 408.651
14 to 408.670, and the ski area safety act of 1962, 1962 PA 199, MCL
15 408.321 to 408.344.

16 Sec. 508. Funds remaining in the homeowner construction lien
17 recovery fund are appropriated to the department for payment of
18 court-ordered homeowner construction lien recovery fund judgments
19 entered before August 23, 2010. Subject to available funds, the
20 payment of final judgments must be made in the order in which the
21 final judgments were entered and began accruing interest.

22 Sec. 509. From the funds appropriated in part 1 for the bureau
23 of fire services, in accordance with the requirements under section
24 21c of the fire prevention code, 1941 PA 207, MCL 29.21c, the
25 bureau shall perform or work in cooperation with local units of
26 government to perform inspections at places of public assembly that
27 pose the highest risk to occupants for injury or fatality based on
28 the size, density, or the nature of activities performed within the
29 facility.

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CANNABIS REGULATORY AGENCY

Sec. 601. Not later than January 31, the department shall submit a comprehensive report to the standard report recipients for all marihuana programs administered by the cannabis regulatory agency. This report must include, but is not limited to, all of the following information for the prior fiscal year regarding the marihuana programs under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967:

(a) The number of initial applications received, by license category.

(b) The number of initial applications approved and the number of initial applications denied, by license category.

(c) The average amount of time, from receipt to approval or denial, to process an initial application, by license category.

(d) The number of renewal applications approved, by license category and by county.

(e) The number of renewal applications received, by license category and by county, if applicable.

(f) The number of renewal applications denied, by license category and by county.

(g) The average amount of time, from receipt to approval or denial, to process a renewal application, by license category, if applicable.

(h) The percentage of initial applications not approved or denied within the time requirements established in the respective

1 act, by license category, if applicable.

2 (i) The percentage of renewal applications not approved or
3 denied within the time requirements established in the respective
4 act, by license category, if applicable.

5 (j) The total amount collected from application fees or
6 established regulatory assessment and the specific fund the amount
7 is deposited into, by license category.

8 (k) The registered names and addresses of all facilities
9 licensed under each act, by license category and by county.

10 (l) The number of complaints received pertaining to each act,
11 by license type or regulatory activity.

12 (m) A description of the types of complaints received.

13 (n) A description of the process used to resolve complaints.

14 (o) The number of investigations opened pertaining to each
15 license category.

16 (p) The number of investigations closed pertaining to each
17 license category.

18 (q) The average amount of time to complete investigations
19 pertaining to each license category.

20 (r) The number of enforcement actions pertaining to each
21 license category.

22 (s) A description of the types of enforcement actions taken
23 against licensees.

24 (t) The number of administrative-hearing adjudications
25 pertaining to each license type.

26 (u) A list of the fees charged for license applications,
27 license renewals, and registry cards.

28 Sec. 602. From the funds appropriated in part 1, the cannabis
29 regulatory agency shall post on a publicly accessible website a

1 list of all of the following:

2 (a) The number of investigative reports that identify
3 violations of the Michigan Medical Marihuana Act, 2008 IL 1, MCL
4 333.26421 to 333.26430, the medical marihuana facilities licensing
5 act, 2016 PA 281, MCL 333.27101 to 333.27801, or the Michigan
6 Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951
7 to 333.27967, or violations of administrative rules promulgated
8 under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421
9 to 333.26430, the medical marihuana facilities licensing act, 2016
10 PA 281, MCL 333.27101 to 333.27801, or the Michigan Regulation and
11 Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.

12 (b) The number of investigative reports that identify
13 suspected marihuana product that does not have the tracking numbers
14 assigned by the statewide monitoring system affixed, tagged, or
15 labeled as required by law.

16 (c) The number of complaints filed by the public with the
17 agency that concern either of the following:

18 (i) Marihuana product that does not have the tracking numbers
19 assigned by the statewide monitoring system affixed, tagged, or
20 labeled as required by law.

21 (ii) Unlicensed commercial production or sale of delta-8 THC.

22 (d) The number and outcome of all agency disciplinary
23 proceedings initiated against any licensee subject to the reports
24 or complaints in subdivisions (a), (b), and (c).

25 (e) The number of reports of any suspected illegal activities
26 and the category of suspected illegal activities the agency
27 referred to the department of state police or other appropriate law
28 enforcement agency.

29 (f) For any licensee subject to disciplinary proceedings

1 initiated by the agency:

2 (i) Name of the licensee.

3 (ii) Description of the allegation.

4 (iii) Complaint type.

5 (iv) Process used to resolve the allegation.

6 (v) Name of the law enforcement agency the allegation was
7 referred to, including the date of the referral.

8 Sec. 603. Not later than January 31, the department shall
9 submit a comprehensive report to the standard report recipients for
10 all hemp programs administered by the cannabis regulatory agency.
11 The report must include, but is not limited to, all of the
12 following:

13 (a) The total amount of fees collected by the cannabis
14 regulatory agency from regulatory and licensing activities related
15 to hemp and hemp processor-handlers.

16 (b) The total cost of administering hemp regulatory and
17 licensing programs.

18 (c) The total number of hemp processor-handlers and any other
19 hemp licensees licensed in this state, by county.

20 (d) A list and description of any fees that the cannabis
21 regulatory agency assesses on hemp licensees.

22 Sec. 604. The cannabis regulatory agency shall not use any of
23 the funds appropriated in part 1 to offset user fees that are
24 assessed by the agency for activities related to the marijuana
25 enforcement tracking reporting and compliance statewide tracking
26 system.

27

28 **COMMISSIONS**

29 Sec. 801. If Byrne formula grant funding is awarded to the

1 Michigan indigent defense commission created under section 5 of the
2 Michigan indigent defense commission act, 2013 PA 93, MCL 780.985,
3 the Michigan indigent defense commission may receive and expend
4 Byrne formula grant funds as an interdepartmental grant from the
5 department of state police. The Michigan indigent defense
6 commission may receive and expend federal grant funds from the
7 United States Department of Justice.

8 Sec. 802. From the funds appropriated in part 1, not later
9 than September 30, the Michigan indigent defense commission shall
10 submit a report to the standard report recipients on the
11 incremental costs associated with the standard development process,
12 the compliance plan process, and the collection of data from all
13 indigent defense systems and attorneys providing indigent defense.
14 The Michigan indigent defense commission shall place particular
15 emphasis on the costs that may be avoided after standards are
16 developed and compliance plans are in place.

17 Sec. 803. Not later than March 1, the Michigan indigent
18 defense commission shall submit a report to the standard report
19 recipients that contains all of the following:

20 (a) A detailed explanation of the total cost calculation for
21 each indigent defense standard for which grant recipients are
22 receiving state grant funding. The explanation must include a
23 comprehensive itemization of the types of costs included for each
24 standard.

25 (b) An itemized listing of how much funding each grant
26 recipient is receiving for each indigent defense standard.

27 (c) An explanation of the specific causal factors associated
28 with any increase or decrease of Michigan indigent defense
29 commission grant funding from the previous fiscal year level.

1 Sec. 804. From the funds appropriated in part 1, the Michigan
2 indigent defense commission shall notify the standard report
3 recipients not more than 30 days after the adoption of any new
4 indigent defense standard. The notification must include an
5 estimated cost projection to fund the adopted indigent defense
6 standard for the initial and subsequent fiscal years.

7
8 GRANTS

9 Sec. 901. (1) From the funds appropriated in part 1 for
10 marihuana operation and oversight grants, the department shall
11 expend the funds for grants to counties for education and outreach
12 programs that relate to the Michigan medical marihuana program and
13 the adult-use marihuana program, in accordance with section 6(l) of
14 the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26426, and
15 section 14 of the Michigan Regulation and Taxation of Marihuana
16 Act, 2018 IL 1, MCL 333.27964. The grant funds may be generated
17 from application and license fees authorized under section 8(1)(b)
18 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL
19 1, MCL 333.27958. The grants must be distributed proportionately
20 based on the number of registry identification cards issued to or
21 renewed for the residents of each county that applied for a grant
22 under subsection (2). For the purposes of this subsection,
23 operation and oversight grants are for education, communication,
24 and outreach regarding the Michigan Medical Marihuana Act, 2008 IL
25 1, MCL 333.26421 to 333.26430, and the Michigan Regulation and
26 Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.
27 Grants provided under this section must not be used for law
28 enforcement purposes.

29 (2) Not later than December 1, the department shall post a

1 listing of potential grant funds available to each county on the
2 department's website. In addition, the department shall work
3 collaboratively with counties regarding the availability of the
4 grant funds. A county that requests grant funds shall apply on a
5 form developed by the department and available on the department's
6 website. The form must contain the county's specific projected plan
7 for use of the grant funds and its agreement to maintain all
8 records and to submit documentation to the department to support
9 the use of the grant funds.

10 (3) To be eligible to receive a grant under subsection (1), a
11 county shall apply not later than January 1 and agree to submit a
12 report to the department not later than September 15 on how the
13 grant was expended. The department shall submit a report not later
14 than October 15 of the subsequent fiscal year that details the
15 grant amounts by recipient and the reported uses of the grants in
16 the previous fiscal year.

17 Sec. 902. (1) The funds appropriated in part 1 for firefighter
18 training grants must be expended only for payments to counties to
19 reimburse organized fire departments for firefighter training and
20 other activities required under the firefighters training council
21 act, 1966 PA 291, MCL 29.361 to 29.377.

22 (2) If the funds appropriated in part 1 for firefighter
23 training grants are expended by the firefighters training council
24 created under section 3 of the firefighters training council act,
25 1966 PA 291, MCL 29.363, for payments to counties under section 14
26 of the firefighters training council act, 1966 PA 291, MCL 29.374,
27 all of the following apply to the extent otherwise permissible by
28 law:

29 (a) The funds appropriated in part 1 for firefighter training

1 grants must be allocated in accordance with section 14(2) of the
2 firefighters training council act, 1966 PA 291, MCL 29.374.

3 (b) If the funds allocated to any county under subdivision (a)
4 are less than \$5,000.00, the funds allocated to each county under
5 subdivision (a) must be adjusted to provide for a minimum payment
6 of \$5,000.00 to each county.

7 (3) Not later than February 1, the department shall submit a
8 financial report to the standard report recipients that identifies
9 all of the following information for the previous fiscal year:

10 (a) The amount of the payments that would be made to each
11 county if the distribution formula described in section 14(2) of
12 the firefighters training council act, 1966 PA 291, MCL 29.374,
13 would have been utilized to allocate the total amount appropriated
14 in part 1 for firefighter training grants.

15 (b) The amount of the payments approved by the firefighters
16 training council for allocation to each county.

17 (c) The amount of the payments actually expended or encumbered
18 within each county.

19 (d) A description of any other payments or expenditures made
20 under the authority of the firefighters training council.

21 (e) The amount of payments approved for allocations to
22 counties that was not expended or encumbered and lapsed back to the
23 fireworks safety fund.

24

25 **ONE-TIME APPROPRIATIONS**

26 Sec. 1001. (1) From the funds appropriated in part 1 for
27 bureau of fire services - smoke detectors, the bureau of fire
28 services shall purchase and distribute sealed-battery smoke
29 detectors to the residents of this state. The bureau of fire

1 services may purchase smoke detectors with additional capabilities
2 for individuals with physical or psychological conditions that
3 require an accommodative technology.

4 (2) Not later than September 30, the department shall submit a
5 report to the standard report recipients that contains all of the
6 following information:

7 (a) The number of smoke detectors that the bureau of fire
8 services purchased.

9 (b) The per-unit price that the bureau paid for the smoke
10 detectors.

11 (c) An itemized list of all cities, villages, or townships
12 that received smoke detectors and the number of smoke detectors
13 distributed to each city, village, or township.

14 Sec. 1002. (1) From the funds appropriated in part 1 for
15 Michigan indigent defense commission limited-term staff, the
16 Michigan indigent defense commission shall do 1 of the following to
17 conduct financial examinations into how Michigan indigent defense
18 commission grant awards are used by grant recipients:

19 (a) Hire limited-term employees.

20 (b) Contract with an external vendor.

21 (2) The Michigan indigent defense commission shall submit
22 biannual reports to the standard report recipients not later than
23 April 1 and September 30 that provide all of the following
24 information:

25 (a) An explanation of whether the funds appropriated in part 1
26 for Michigan indigent defense commission limited-term staff were
27 expended to hire limited-term employees or to contract with an
28 external vendor. If the funds were expended to contract with an
29 external vendor, the report must identify which vendor was

1 selected.

2 (b) The total number of financial examinations conducted and a
3 description of the scope of the financial examinations.

4 (c) A summary of the general financial trends found during the
5 financial examinations.

6 Sec. 1003. From the funds appropriated in part 1 for Michigan
7 saves, the Michigan public service commission may award a
8 \$5,000,000.00 grant to a nonprofit green bank with experience in
9 leveraging energy-efficiency and renewable energy improvements, for
10 the purpose of making clean energy improvement loans more
11 affordable for Michigan families, businesses, and public entities.
12 Grant funds may be used to support a loan loss reserve fund or
13 other comparable financial instrument to further leverage private
14 investment in clean energy improvements or on-site wastewater
15 system replacements or repairs.

16 Sec. 1004. (1) From the unexpended and unencumbered funds
17 appropriated in 2019 PA 60 and 2020 PA 166 for Michigan indigent
18 defense commission grants, \$5,000,000.00 is appropriated for
19 renewable energy and electrification infrastructure enhancement and
20 development.

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

28 (a) The purpose of the project is to support renewable energy
29 and electrification infrastructure projects.

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

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

4 (d) The tentative completion date is September 30, 2029.

5 Sec. 1005. (1) From the funds appropriated in part 1 and
6 section 1004 for renewable energy and electrification
7 infrastructure enhancement and development, except as otherwise
8 provided in subsection (11), funds must be expended only for grants
9 to businesses, nonprofit organizations, and local units of
10 government for the purpose of planning, developing, designing,
11 acquiring, or constructing renewable energy and electrification
12 infrastructure projects.

13 (2) From the total amount of funds for grants awarded under
14 this section for electric vehicle fast-charging infrastructure, 25%
15 of the total amount must be allocated for infrastructure that
16 provides charging at a power level of 350 kilowatts or less and 75%
17 of the total amount must be allocated for infrastructure that
18 provides charging at a power level of not less than 350 kilowatts.

19 (3) The Michigan public service commission shall develop
20 guidelines for the grant program described in subsection (1) and
21 implement an application process for the grant program not later
22 than 6 months after the effective date of this act and must first
23 prioritize and approve grants that meet the goals of the governor's
24 MI healthy climate plan.

25 (4) Applicants for a grant under this section must perform an
26 impact study that includes an analysis of potential cost savings,
27 environmental impacts, and local economic benefits of the
28 applicant's proposed renewable energy and electrification
29 infrastructure project. A utility, at its sole discretion, may

1 prepare a single impact study that covers the utility's service
2 territory that accounts for likely proposals, evaluates regional
3 opportunities, and minimizes or eliminates the need for repetitive
4 studies. Sufficient detail must be provided in the study to allow
5 the Michigan public service commission to evaluate each proposed
6 project, including how the proposed project will align with the
7 governor's MI healthy climate plan.

8 (5) An applicant that applies for a grant to be used to
9 develop RNG infrastructure shall include all of the following
10 information in the applicant's application:

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

13 (b) The cost estimates for the interconnection, metering, and
14 gas conditioning equipment needed to connect to an existing
15 pipeline system.

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

18 (d) Any local economic impact from the RNG infrastructure
19 development.

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

22 (6) After receipt of an application under this section, the
23 Michigan public service commission shall allow local units of
24 government, environmental groups, and business interests directly
25 affected by the proposal 45 days to review the application and
26 provide comments. The Michigan public service commission shall
27 allow the applicant not less than 15 days after the comments have
28 been received from interested parties, at the applicant's
29 discretion, to modify or maintain the applicant's initial proposal.

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

6 (8) Not later than 30 days after the completion of the
7 relevant project, grant recipients under this section shall submit
8 a report to the Michigan public service commission that details how
9 the grant money was used.

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

18 (a) The purpose of the project is to support renewable energy
19 and electrification infrastructure projects.

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

22 (c) The total estimated cost of the project is \$500,000.00.

23 (d) The tentative completion date is September 30, 2029.

24 (10) The funds appropriated in part 1 and section 1004 for
25 renewable energy and electrification infrastructure enhancement and
26 development must not be used to expand the use of conventional
27 natural gas.

28 (11) From the funds appropriated in part 1 and section 1004
29 for renewable energy and electrification infrastructure enhancement

1 and development, the Michigan public service commission shall not
2 use more than \$125,000.00, upon awarding of the grants, for
3 administrative-related expenses incurred by the commission for the
4 operation of the grant program. Funds supporting the grant program
5 are appropriated in the Michigan public service commission upon
6 awarding of the grants.

7 (12) As used in this section:

8 (a) "Renewable energy and electrification infrastructure
9 projects" includes, but is not limited to, renewable natural gas
10 facilities and electric vehicle fast-charging infrastructure
11 upgrades on publicly owned land within 1,000 feet of a United
12 States highway or state trunkline roadway.

13 (b) "Renewable natural gas" or "RNG" means methane derived
14 from organic material and degradable carbon sources, including, but
15 not limited to, carbon sources and materials sourced from municipal
16 solid waste, septage feedstock, plant materials, or food waste.