

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department shall expend money from the fund, upon appropriation, only for 1 or more of the following purposes:

(a) Direct assistance.

(b) Indirect assistance.

(c) Emergency response and removal of potential sources of groundwater contamination. Expenditures pursuant to this subdivision shall not exceed \$15,000.00 per location.

(d) Groundwater protection and groundwater regulatory program.

(e) Administrative costs. Expenditures pursuant to this subdivision shall not exceed 20% of the annual appropriations from the fund.

(5) The department shall establish criteria and procedures for approving proposed expenditures from the fund.

(6) Notwithstanding section 8715, if at the close of any fiscal year the amount of money in the fund exceeds \$3,500,000.00, the department shall not collect a groundwater protection fee for the following year. After the groundwater protection fees have been suspended under this subsection, the fees shall only be reinstated if, at the close of any succeeding fiscal year, the amount of money in the fund is less than \$1,000,000.00.

(7) The department of treasury shall, before November 1 of each year, notify the department of the balance in the fund at the close of the preceding fiscal year.

(8) As used in this section:

(a) “Administrative costs” includes, but is not limited to, costs incurred during any of the following:

(i) Groundwater monitoring for pesticides and fertilizers.

(ii) Development and enforcement of groundwater protection rules.

(iii) Coordination of programs under this part with the United States environmental protection agency and other state programs with groundwater and pesticide management responsibilities.

(iv) Management of pesticide sales information.

(b) “Direct assistance” includes, but is not limited to, programs that will provide for any of the following:

(i) Provision of alternate noncommunity water supplies.

(ii) Closure of wells that may impact groundwater, such as abandoned, improperly constructed, or drainage wells.

(iii) The environmentally sound disposal or recycling of specialty pesticide containers.

(iv) The environmentally sound disposal or recycling of nonspecialty pesticide containers.

(v) Specialty and nonspecialty pesticide pickup programs for pesticides not currently registered for use.

(vi) Programs devoted to integrated pest and crop management that strive to encourage the judicious use of pesticides and fertilizers through targeted applications as part of a systems approach to pest control and related crop management decisions.

(vii) Incentive and cost share programs for persons in the groundwater stewardship program for implementation of groundwater stewardship practices or groundwater protection rules.

(viii) Incentive and cost share programs for persons who notify the director of potential sources of groundwater contamination on their property.

(ix) Monitoring of private well water for pesticides and fertilizers.

(x) Removal of soils and waters contaminated by pesticides and fertilizers and the land application of those materials at agronomic rates.

(xi) Groundwater stewardship program grants pursuant to section 8710.

(xii) Other programs established pursuant to this part.

(c) "Indirect assistance" includes, but is not limited to, programs that will provide for any of the following:

(i) Public education and demonstration programs on specialty pesticide container recycling and environmentally sound disposal methods.

(ii) Educational programs for pesticide and fertilizer end users.

(iii) Technical assistance programs for pesticide and fertilizer end users.

(iv) The promotion and implementation of on-site evaluation systems and groundwater stewardship practices.

(v) Research programs for determination of the impacts of alternate pesticide and fertilizer management practices.

(vi) Research program for determination of aquifer sensitivity and vulnerability to contamination by pesticides and fertilizers.

324.30104 Application for permit; form; contents; fees.

Sec. 30104. (1) Before a project that is subject to this part is undertaken, a person shall file an application and receive a permit from the department. The application shall be on a form prescribed by the department and shall include any information that may be required by the department. If a project includes activities at multiple locations, 1 application may be filed for the combined activities.

(2) Except as provided in subsections (3) and (4), until October 1, 2008, an application for a permit shall be accompanied by a fee based on an administrative cost in accordance with the following schedule:

(a) For a minor project listed in R 281.816 of the Michigan administrative code, or a seasonal drawdown or the associated reflooding, or both, of a dam or impoundment for the purpose of weed control, a fee of \$50.00. However, for a permit for a seasonal drawdown or associated reflooding, or both, of a dam or impoundment for the purpose of weed control that is issued for the first time after October 9, 1995, an initial fee of \$500.00 with subsequent permits for the same purpose being assessed a \$50.00 fee.

(b) For construction or expansion of a marina, a fee of:

(i) \$50.00 for an expansion of 1-10 slips to an existing permitted marina.

(ii) \$100.00 for a new marina with 1-10 proposed marina slips.

(iii) \$250.00 for an expansion of 11-50 slips to an existing permitted marina, plus \$10.00 for each slip over 50.

(iv) \$500.00 for a new marina with 11-50 proposed marina slips, plus \$10.00 for each slip over 50.

(v) \$1,500.00 if an existing permitted marina proposes maintenance dredging of 10,000 cubic yards or more or the addition of seawalls, bulkheads, or revetments of 500 feet or more.

(c) For renewal of a marina operating permit, a fee of \$50.00.

(d) For major projects other than a project described in subdivision (b)(v), involving any of the following, a fee of \$2,000.00:

(i) Dredging of 10,000 cubic yards or more.

(ii) Filling of 10,000 cubic yards or more.

(iii) Seawalls, bulkheads, or revetment of 500 feet or more.

(iv) Filling or draining of 1 acre or more of wetland contiguous to a lake or stream.

(v) New dredging or upland boat basin excavation in areas of suspected contamination.

(vi) Shore projections, such as groins and underwater stabilizers, that extend 150 feet or more into a lake or stream.

(vii) New commercial docks or wharves of 300 feet or more in length.

(viii) Stream enclosures 100 feet or more in length.

(ix) Stream relocations 500 feet or more in length.

(x) New golf courses.

(xi) Subdivisions.

(xii) Condominiums.

(e) For all other projects not listed in subdivisions (a) through (d), a fee of \$500.00.

(3) A project that requires review and approval under this part and 1 or more of the following acts or parts of acts is subject to only the single highest permit fee required under this part or the following acts or parts of acts:

(a) Part 303.

(b) Part 323.

(c) Part 325.

(d) Section 3104.

(e) Section 117 of the land division act, 1967 PA 288, MCL 560.117.

(4) If work has been done in violation of a permit requirement under this part and restoration is not ordered by the department, the department may accept an application for a permit if the application is accompanied by a fee equal to 2 times the permit fee required under this section.

324.30109 Ordinary high-water mark agreement with riparian owner; agreement as proof of location; fee.

Sec. 30109. Upon the written request of a riparian owner and upon payment of a service fee, the department may enter into a written agreement with a riparian owner establishing the location of the ordinary high-water mark for his or her property. In the absence of substantially changed conditions, the agreement shall be conclusive proof of the location in all matters between the state and the riparian owner and his or her successors in interest. Until October 1, 2008, the service fee provided for in this section shall be \$500.00. The department shall forward all service fees to the state treasurer for deposit into the fund.

324.32312 Rules; fee required with permit application or project; disposition of fees; violation; restraining order.

Sec. 32312. (1) The department, in order to regulate the uses and development of high-risk areas, flood risk areas, and environmental areas and to implement the purposes of this part, shall promulgate rules. Except as provided under subsection (2), until October 1, 2008, if permits are required pursuant to rules promulgated under this part, a fee of \$500.00 shall be submitted to the department with each application for a commercial or multi-family residential project, a fee of \$100.00 shall be submitted with each application for a single-family home construction, and a fee of \$50.00 shall be submitted with each application for an addition to an existing single-family home or for a project that has a minor impact on fish and wildlife resources in environmental areas as determined by the department.

(2) A project that requires review and approval under this part and under 1 or more of the following is subject to only the single highest permit fee required under this part or the following:

- (a) Part 301.
- (b) Part 303.
- (c) Part 325.
- (d) Section 3104.
- (e) Section 117 of the land division act, 1967 PA 288, MCL 560.117.

(3) The department shall forward fees collected under this section to the state treasurer for deposit in the land and water management permit fee fund created in section 30113.

(4) A circuit court, upon petition and a showing by the department that a violation of a rule promulgated under subsection (1) exists, shall issue any necessary order to the defendant to correct the violation or to restrain the defendant from further violation of the rule.

324.32513 Application for permit; contents; fees; disposition of fees.

Sec. 32513. (1) Before any work or connection specified in section 32512 or 32512a is undertaken, a person shall file an application with the department of environmental quality setting forth the following:

- (a) The name and address of the applicant.
- (b) The legal description of the lands included in the project.
- (c) A summary statement of the purpose of the project.
- (d) A map or diagram showing the proposal on an adequate scale with contours and cross-section profiles of the waterway to be constructed.
- (e) Other information required by the department of environmental quality.

(2) Except as provided in subsections (3) and (4), until October 1, 2008, an application for a permit under this section shall be accompanied by a fee according to the following schedule:

(a) For a project in a category of activities for which a general permit is issued under section 32512a, a fee of \$100.00.

(b) For activities included in the minor project category as described in rules promulgated under this part and for a permit for the removal of vegetation in an area that is not more than 100 feet wide or the width of the property, whichever is less, or the

mowing of vegetation in excess of what is allowed in section 32512(2)(a)(ii), in the area between the ordinary high-water mark and the water's edge, a fee of \$50.00.

(c) For construction or expansion of a marina, a fee of:

(i) \$50.00 for an expansion of 1-10 slips to an existing permitted marina.

(ii) \$100.00 for a new marina with 1-10 proposed marina slips.

(iii) \$250.00 for an expansion of 11-50 slips to an existing permitted marina, plus \$10.00 for each slip over 50.

(iv) \$500.00 for a new marina with 11-50 proposed marina slips, plus \$10.00 for each slip over 50.

(v) \$1,500.00 if an existing permitted marina proposes maintenance dredging of 10,000 cubic yards or more or the addition of seawalls, bulkheads, or revetments of 500 feet or more.

(d) For major projects other than a project described in subdivision (c)(v), involving any of the following, a fee of \$2,000.00:

(i) Dredging of 10,000 cubic yards or more.

(ii) Filling of 10,000 cubic yards or more.

(iii) Seawalls, bulkheads, or revetment of 500 feet or more.

(iv) Filling or draining of 1 acre or more of coastal wetland.

(v) New dredging or upland boat basin excavation in areas of suspected contamination.

(vi) New breakwater or channel jetty.

(vii) Shore protection, such as groins and underwater stabilizers, that extend 150 feet or more on Great Lakes bottomlands.

(viii) New commercial dock or wharf of 300 feet or more in length.

(e) For all other projects not listed in subdivisions (a) through (d), \$500.00.

(3) A project that requires review and approval under this part and 1 or more of the following is subject to only the single highest permit fee required under this part or the following:

(a) Part 301.

(b) Part 303.

(c) Part 323.

(d) Section 3104.

(e) Section 117 of the land division act, 1967 PA 288, MCL 560.117.

(4) If work has been done in violation of a permit requirement under this part and restoration is not ordered by the department of environmental quality, the department of environmental quality may accept an application for a permit if the application is accompanied by a fee equal to 2 times the permit fee required under this section.

(5) The department of environmental quality shall forward all fees collected under this section to the state treasurer for deposit into the land and water management permit fee fund created in section 30113.

This act is ordered to take immediate effect.

Approved August 11, 2003.

Filed with Secretary of State August 12, 2003.

[No. 164]**(SB 596)**

AN ACT to amend 1978 PA 368, entitled “An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,” by amending section 12562 (MCL 333.12562), as amended by 1999 PA 41.

The People of the State of Michigan enact:

333.12562 Application of chemicals lawful; permit to conduct control work; expiration; times, conditions, and safeguards; fee submitted with permit application; disposition of fee.

Sec. 12562. (1) The application to the waters of the state of chemicals necessary for the control of aquatic nuisances, such as swimmers' itch and aquatic plants, is lawful and not in contravention of the private or public rights to the use and enjoyment of abutting property by the owners or occupants of that property if the application complies with sections 12561 to 12563 and rules promulgated under section 12561.

(2) After obtaining a permit from the department of environmental quality, any of the following may conduct necessary control work authorized under this section:

(a) The state or a political subdivision.

(b) An organized lake or improvement association on behalf of its members.

(c) The owner of property abutting the waters of the state.

(d) An aquatic pest control applicator licensed under part 83 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.8301 to 324.8336.

(3) A permit required under this section may be obtained by application to the department of environmental quality. Unless revoked, the permit expires on December 31 of the calendar year in which it was issued.

(4) The necessary control work authorized under this section shall be conducted at those times, under those conditions, and with those safeguards, as the department of environmental quality requires. Persons issued permits under this section shall provide at their own expense chemicals and other equipment and services called for in the rules promulgated by the department of environmental quality.

(5) Until October 1, 2008, an application for a permit under this section for control work qualifying for a certificate of coverage under a general permit shall be accompanied by a fee of \$75.00. Until October 1, 2008, an application for a permit under this section for any other control work shall be accompanied by the following fee, based on the size of the area of impact:

- (a) Less than 1/2 acre, \$75.00.
- (b) One-half acre or more but less than 5 acres, \$200.00.
- (c) Five acres or more but less than 20 acres, \$400.00.
- (d) Twenty acres or more but less than 100 acres, \$800.00.
- (e) One hundred acres or more, \$1,500.00.

(6) The department of environmental quality shall forward fees collected under this section to the state treasurer for deposit in the land and water management permit fee fund created in section 30113 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30113.

This act is ordered to take immediate effect.

Approved August 11, 2003.

Filed with Secretary of State August 12, 2003.

[No. 165]

(SB 509)

AN ACT to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” (MCL 257.1 to 257.923) by adding section 732a.

The People of the State of Michigan enact:

257.732a Driver responsibility fee; assessment; notice; payment by installment; failure to pay fee; fire protection fund; creation; disposition of funds; transmission of funds to state treasurer; appropriation.

Sec. 732a. (1) An individual, whether licensed or not, who accumulates 7 or more points on his or her driving record pursuant to section 320a within a 2-year period for any violation not

listed under subsection (2) shall be assessed a \$100.00 driver responsibility fee. For each additional point accumulated above 7 points not listed under subsection (2), an additional fee of \$50.00 shall be assessed. The secretary of state shall collect the fees described in this subsection once each year that the point total on an individual driving record is 7 points or more.

(2) An individual, whether licensed or not, who violates any of the following sections or another law or local ordinance that substantially corresponds to those sections shall be assessed a driver responsibility fee as follows:

(a) Upon posting of an abstract that an individual has been found guilty for a violation listed in this subdivision, the secretary of state shall assess a \$1,000.00 driver responsibility fee each year for 2 consecutive years for any of the following offenses:

(i) Manslaughter, negligent homicide, or a felony resulting from the operation of a motor vehicle, ORV, or snowmobile.

(ii) A violation of section 601b(2) or (3), 601c(1) or (2), or 653a(3) or (4).

(iii) A violation of section 625(1), (4), or (5), section 625m, or section 81134 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81134, or a law or ordinance substantially corresponding to section 625(1), (4), or (5), section 625m, or section 81134 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81134.

(iv) Failing to stop and disclose identity at the scene of an accident when required by law.

(v) Fleeing or eluding an officer.

(b) Upon posting of an abstract that an individual has been found guilty for a violation listed in this subdivision, the secretary of state shall assess a \$500.00 driver responsibility fee each year for 2 consecutive years for any of the following offenses:

(i) Section 625(3), (6), (7) or (8).

(ii) Section 626.

(iii) Section 904.

(iv) Section 3101 or 3103 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 and 500.3103.

(c) Upon posting of an abstract that an individual has been found guilty for a violation listed in this subdivision, the secretary of state shall assess a \$150.00 driver responsibility fee each year for 2 consecutive years for any of the following offenses:

(i) Section 301.

(ii) Section 328.

(3) The secretary of state shall send a notice of the driver responsibility assessment, as prescribed under subsection (1) or (2), to the individual by regular mail to the address on the records of the secretary of state. If payment is not received within 30 days after the notice is mailed, the secretary of state shall send a second notice that indicates that if payment is not received within the next 30 days, the driver's driving privileges will be suspended.

(4) The secretary of state may authorize payment by installment for an amount of \$500.00 or more for a period not to exceed 12 months.

(5) If payment is not received or an installment plan is not established after the time limit required by the second notice prescribed under subsection (3) expires, the secretary of state shall suspend the driving privileges until the assessment and any other fees prescribed under this act are paid.

(6) A fee shall not be assessed under this section for 7 points or more on a driving record on the effective date of the amendatory act that added this section. Points assigned after that date shall be assessed as prescribed under subsections (1) and (2).

(7) The fire protection fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund. The department of consumer and industry services shall expend money from the fund, upon appropriation, only for fire protection grants to cities, villages, and townships with state owned facilities for fire services, as provided in 1977 PA 289, MCL 141.951 to 141.956.

(8) The secretary of state shall transmit the fees collected under this section to the state treasurer. The state treasurer shall credit fee money received under this section in each fiscal year as follows:

(a) The first \$65,000,000.00 shall be credited to the general fund.

(b) If more than \$65,000,000.00 is collected under this section, the next amount collected in excess of \$65,000,000.00 up to \$68,500,000.00 shall be credited to the fire protection fund created in this section.

(c) If more than \$100,000,000.00 is collected under this section, the next amount collected in excess of \$100,000,000.00 up to \$105,000,000.00 shall be credited to the fire protection fund created in this section.

(d) Any amount collected after crediting the amounts under subdivisions (a), (b), and (c) shall be credited to the general fund.

(9) For fiscal year 2003-2004, \$3,500,000.00 is appropriated from the fire protection fund described in subsection (7) to the department of consumer and industry services for the purposes described under subsection (7).

Effective date.

Enacting section 1. This amendatory act takes effect October 1, 2003.

This act is ordered to take immediate effect.

Approved August 11, 2003.

Filed with Secretary of State August 13, 2003.

[No. 166]

(SB 314)

AN ACT to allow the state to acquire and convey land in Marquette county; to allow the state to transfer certain property in Ingham county; and to allow the state to convey the state's interest in certain property in Grand Traverse county.

The People of the State of Michigan enact:

Conveyance of certain property in Marquette county to teaching-family homes of upper Michigan; consideration; conditions.

Sec. 1. The state administrative board may acquire a certain portion of the land conveyed by this state to the county of Marquette in a deed dated December 31, 1982, pursuant to section 36 of 1982 PA 280, a parcel of approximately 460 acres in Sands

township. The state administrative board may accept by quitclaim deed from the county of Marquette the portion of the 460-acre parcel described in section 2. The state administrative board shall convey the property described in section 2 to teaching-family homes of upper Michigan for consideration of \$1.00, subject to the following conditions:

(a) Teaching-family homes of upper Michigan shall utilize all or part of the property for purposes that benefit the public interest in Marquette county, which may include establishing hiking and bicycling trails and providing residential rehabilitative services for minors.

(b) If teaching-family homes of upper Michigan ceases to use the property in the manner required under subdivision (a), or offers the property for sale, title to the property shall revert immediately to the state.

Description.

Sec. 2. The portion of the 460-acre parcel that the state administrative board may accept and then convey as provided in section 1 is described as follows:

All that part of the Southwest Quarter of the Southeast Quarter (SW1/4-SE1/4), Excepting the East Five-hundred and thirty feet (530.00); and the East Five-hundred and forty-one feet (541.00) of the Southeast Quarter of the Southwest Quarter (SE1/4-SW1/4) of Section Eleven (11), in T.47 N., R.25 W, in Sands Township, Marquette Co., Michigan. Said parcel subject to a One Hundred-fifty feet (150') wide right of way which crosses said parcel whose centerline is described as follows: Commencing at the SW Corner of said Section 11; thence S 89°40'05"E 659.77 feet (along the South Section Line); thence N 0°13'05"E 945.51 feet, (along the East Line of W1/2-SW1/4-SW1/4 and a point of curvature) and the Point of Beginning of said C/L; thence 526.29 feet along a curve to the right (D=21°03'06", R=1432.39 feet, L.C. bears S 70°47'08"E 523.33 feet); thence S 60°15'35"E 208.34 feet; thence 323.65 feet on a curve to the left (D=37°51'14", R=489.87 feet, L.C. bears S 79°11'12"E 317.79 feet); thence N 81°53'11"E 193.51 feet; thence 599.14 feet on a curve to the right (D=53°33'30", R=640.94 feet, L.C. bears S 71°20'04"E 577.56 feet); thence 352.49 feet on a curve to the left (D=12°58'17", R=1556.98 feet, L.C. bears S 51°02'27"E 351.73 feet); thence S 57°31'35"E 590.74 feet; thence 299.01 feet on a curve to the left (D=52°21'08", R=327.25 feet, L.C. bears S 83°42'09"E 288.72 feet); thence 155.80 feet on a curve to the right (D=10°51'13", R=822.48 feet, L.C. bears N 75°32'53"E 155.57 feet), to the West end of Silver Creek Road, and Point of Ending. Also subject to all conditions and reservations contained in the recorded chain of title to said land. Said parcel contains 40.0+ acres including right of ways.

Description subject to adjustment.

Sec. 3. The description of the parcel in section 2 is approximate and is subject to adjustment as considered necessary by the state administrative board.

Provisions.

Sec. 4. The instrument of conveyance authorized by section 1 shall provide all of the following:

(a) The state shall retain and reserve all mineral rights in the land conveyed.

(b) The state shall reserve all rights in aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines, or other relics, including the right to explore and excavate for the aboriginal antiquity by the state or its authorized agents.

(c) If the land reverts to the state, the state shall have no liability for any improvements made on the land.

Portion subject to deed terms.

Sec. 5. That portion of the 460-acre parcel not described in section 2 shall remain subject to the terms of the deed dated December 31, 1982.

Quitclaim deed; attorney general.

Sec. 6. The conveyance authorized by section 1 shall be by quitclaim deed, prepared and approved by the department of attorney general.

Deposit of revenue; credit to general fund.

Sec. 7. Any revenue received pursuant to the conveyance authorized by section 1 shall be deposited in the state treasury and credited to the general fund.

Conveyance of property to Traverse Bay intermediate school district; consideration; conveyance instruments; approval by attorney general.

Sec. 8. The state administrative board, on behalf of the state, shall convey to the Traverse Bay intermediate school district, for consideration of \$1.00, all interest, including the reversionary interest and without any restrictive covenants, that the state has in certain property consisting of approximately 11.38 acres in Garfield township, Michigan, which was conveyed to the Traverse Bay intermediate school district by quitclaim deed dated October 30, 1992, pursuant to section 713 of 1992 PA 167. The instruments necessary to implement this section shall be approved by the attorney general.

Transfer of land from department of management and budget to department of military and veterans affairs; Lansing township; description; adjustment; resolution; approval of documents by attorney general; costs.

Sec. 9. (1) The state administrative board may transfer from the department of management and budget to the department of military and veterans affairs, without consideration, a parcel of land in the township of Lansing, Ingham county, Michigan, more specifically described as follows:

A parcel of land in the S 1/2 of section 5, T4N, R2W, Lansing Township, Ingham County, Michigan and more particularly described as beginning at the N 1/4 corner of section 5; thence S89°59'49"E 632.45 feet, on the north line of said section 5; thence S00°00'11"W 299.96 feet; thence N90°00'00"W 633.49 feet, to a point on the N-S 1/4 line of said section 5; thence N90°00'00"W 423.88 feet; thence S00°17'04"E 791.90 feet, to the northerly right of way of the CSX Railroad; thence N53°45'56"W 812.28 feet, on said right of way; thence S89°35'40"E 220.94 feet; thence N53°47'59"W 130.49 feet; thence N00°21'08"E 542.05 feet, to the north line of said section 5; thence S89°38'52"E 950.80 feet, on the north line of said section 5 to the S 1/4 corner of section 32, T5N, R2W, Dewitt Township, Clinton County, Michigan; thence N89°27'29"E 6.45 feet on the north line of said section 5 to the point of beginning, containing 18.36 acres.

(2) For purposes of the transfer authorized under subsection (1), the property description in subsection (1) is approximate and subject to possible adjustment by a professional survey conducted by the department of management and budget.

(3) The transfer authorized by subsection (1) shall be permanent and effective when approved by a resolution of the state administrative board, at which point the department of military and veterans affairs shall assume full responsibility for the property.

(4) All documents regarding the transfer of the property described in subsection (1) shall be approved by the attorney general.

(5) The department of management and budget is responsible for coordinating and implementing the transfer authorized by subsection (1), but any survey costs or transaction closing costs incurred by the department of management and budget in doing so shall be reimbursed by the department of military and veterans affairs.

This act is ordered to take immediate effect.
Approved August 11, 2003.
Filed with Secretary of State August 13, 2003.

[No. 167]

(SB 286)

AN ACT to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2004; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of consumer and industry services.

Sec. 101. The amounts listed in this part are appropriated for the department of consumer and industry services, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2004, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	63.5	
Full-time equated classified positions	3,470.0	
GROSS APPROPRIATION		\$ 603,526,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		111,100
ADJUSTED GROSS APPROPRIATION		\$ 603,415,100
Federal revenues:		
Total federal revenues		283,831,500
Special revenue funds:		
Total local revenues		0
Total private revenues		770,000
Total other state restricted revenues		299,143,800
State general fund/general purpose		\$ 19,669,800

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Executive direction.

Sec. 102. EXECUTIVE DIRECTION

Full-time equated unclassified positions	63.5	
Full-time equated classified positions	142.0	
Unclassified salaries		\$ 5,349,400
Executive director programs—27.0 FTE positions.....		2,881,400
Policy development—16.0 FTE positions.....		1,746,800
Utility consumer representation.....		550,000
Regulatory efficiency improvements/backlog reduction initiative		750,000
MES board of review program—18.0 FTE positions		1,773,900
Bureau of hearings—72.0 FTE positions		8,070,800
Energy office—9.0 FTE positions		2,654,200
GROSS APPROPRIATION		\$ 23,776,500
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants		2,179,100
DOL-ETA, unemployment insurance		8,518,400
DOL, multiple grants for safety and health		160,300
Special revenue funds:		
Private - oil overcharge		30,000
Bank fees		165,200
Boiler fees		33,500
Construction code fund		438,800
Consumer finance fees		61,200
Corporation fees.....		2,381,200
Credit union fees.....		112,700
Elevator fees		37,400
Fees and collections/asbestos		11,100
Health professions regulatory fund.....		1,277,800
Health systems fees and collections		184,300
Insurance regulatory fees		531,900
Licensing and regulation fees.....		742,600
Liquor license fees.....		100,000
Liquor purchase revolving fund.....		1,594,100
Manufactured housing commission fees.....		147,300
Michigan state housing development authority fees and charges		444,100
Motor carrier fees.....		36,100
Public utility assessments		1,296,600
Safety education and training fund		226,200
Second injury fund		82,300
Securities fees		2,297,400
Self-insurers security fund.....		22,300
Silicosis and dust disease fund		32,700
Tax tribunal fees.....		1,100
Utility consumer representation fund		550,000
Worker's compensation administrative revolving fund.....		80,800
State general fund/general purpose		\$ 0

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Management services.

Sec. 103. MANAGEMENT SERVICES

Full-time equated classified positions.....	136.0		
Administrative services—136.0 FTE positions.....		\$	9,982,600
Rent.....			12,884,100
Building occupancy charges - property development services			12,727,400
Worker’s compensation.....			1,714,000
Special project advances			740,000
GROSS APPROPRIATION.....		\$	38,048,100
Appropriated from:			
Federal revenues:			
DOL-ETA, unemployment insurance			14,835,100
DOL, multiple grants for safety and health			610,700
Federal funds			418,000
HHS, federal funds.....			45,600
Special revenue funds:			
Private - special project advances			740,000
Bank fees			439,800
Boiler fee revenue			227,600
Construction code fund.....			1,217,900
Consumer finance fees.....			162,500
Corporation fees.....			3,120,600
Credit union fees.....			324,500
Elevator fees			242,500
Fees and collections/asbestos			52,600
Fire service fees			62,000
Health professions regulatory fund.....			963,200
Health systems fees and collections.....			343,300
Insurance regulatory fees			776,000
Licensing and regulation fees.....			947,500
Licensing fees.....			5,800
Liquor purchase revolving fund.....			3,929,300
Manufactured housing commission fees.....			174,300
Michigan state housing development authority fees and charges			3,078,900
Motor carrier fees.....			209,200
Public utility assessments			1,293,300
Safety education and training fund			539,600
Second injury fund			185,700
Securities fees			2,268,600
Self-insurers security fund.....			50,800
Silicosis and dust disease fund			75,200
Tax tribunal fees.....			33,100
Worker’s compensation administrative revolving fund.....			674,900
State general fund/general purpose		\$	0

Office of financial and insurance services.

Sec. 104. OFFICE OF FINANCIAL AND INSURANCE SERVICES

Full-time equated classified positions.....	254.0		
Administration—8.0 FTE positions		\$	2,583,300

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Policy conduct and consumer assistance—113.0 FTE positions	\$	12,158,900
Financial evaluation—133.0 FTE positions		18,076,100
GROSS APPROPRIATION	\$	32,818,300
Appropriated from:		
Federal revenues:		
Federal funds		50,400
Special revenue funds:		
Bank fees		6,147,300
Consumer finance fees		3,102,000
Credit union fees		4,292,200
Insurance continuing education fees		700,900
Insurance licensing and regulation fees		3,112,000
Insurance regulatory fees		12,721,700
Multiple employer welfare arrangement		65,700
Securities fees		2,626,100
State general fund/general purpose	\$	0

Public service commission.

Sec. 105. PUBLIC SERVICE COMMISSION

Full-time equated classified positions	138.0	
Administration, planning and regulation—138.0 FTE positions	\$	16,687,500
Low-income/energy efficiency assistance		57,000,000
GROSS APPROPRIATION	\$	73,687,500
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants		149,000
DOT-RSPA, gas pipeline safety		285,900
Special revenue funds:		
Motor carrier fees		1,856,600
Public utility assessments		14,396,000
Low-income and energy efficiency fund		57,000,000
State general fund/general purpose	\$	0

Liquor control commission.

Sec. 106. LIQUOR CONTROL COMMISSION

Full-time equated classified positions	152.0	
Management support services—28.0 FTE positions	\$	2,709,300
Liquor licensing and enforcement—124.0 FTE positions		10,968,000
Liquor law enforcement grants		6,000,000
Grant to department of agriculture, wine industry council		457,200
GROSS APPROPRIATION	\$	20,134,500
Appropriated from:		
Special revenue funds:		
Liquor license revenue		11,076,700
Liquor purchase revolving fund		8,600,600
Nonretail liquor license revenue		457,200
State general fund/general purpose	\$	0

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Michigan state housing development authority.

Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Full-time equated classified positions	232.0	
Payments on behalf of tenants		\$ 120,000,000
Housing and rental assistance program—232.0 FTE positions		30,337,800
GROSS APPROPRIATION		\$ 150,337,800
Appropriated from:		
Federal revenues:		
HUD, lower income housing assistance program		136,280,900
Special revenue funds:		
Michigan state housing development authority fees and charges		14,056,900
State general fund/general purpose		\$ 0

Tax tribunal.

Sec. 108. TAX TRIBUNAL

Full-time equated classified positions	12.0	
Operations—12.0 FTE positions		\$ 1,276,100
GROSS APPROPRIATION		\$ 1,276,100
Appropriated from:		
Special revenue funds:		
Tax tribunal fees		640,500
State general fund/general purpose		\$ 635,600

Grants.

Sec. 109. GRANTS

Fire protection grants		\$ 15,839,000
GROSS APPROPRIATION		\$ 15,839,000
Appropriated from:		
Special revenue funds:		
Liquor purchase revolving fund		15,839,000
State general fund/general purpose		\$ 0

Health regulatory systems.

Sec. 110. HEALTH REGULATORY SYSTEMS

Full-time equated classified positions	334.0	
Health systems administration—184.0 FTE positions		\$ 17,180,800
Emergency medical services program state staff—5.0 FTE positions		904,700
Radiological health administration and projects—25.0 FTE positions		2,023,600
Substance abuse program administration—4.0 FTE positions		397,900
Emergency medical services grants and contracts		1,046,200
Health services—116.0 FTE positions		14,207,000
GROSS APPROPRIATION		\$ 35,760,200
Appropriated from:		
Federal revenues:		
Federal funds		12,952,400
Special revenue funds:		
Pain management education and controlled substances, electronic monitoring and antidiversion fund		1,362,300

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Health professions regulatory fund.....	\$	11,333,700
Health systems fees and collections		4,468,500
Nurse professional fund.....		823,100
State general fund/general purpose	\$	4,820,200

Regulatory services.

Sec. 111. REGULATORY SERVICES

Full-time equated classified positions	219.0	
AFC, children's welfare and day care licensure—219.0 FTE positions..		\$ 22,980,300
GROSS APPROPRIATION		\$ 22,980,300
Appropriated from:		
Federal revenues:		
HHS, federal funds.....		11,093,700
Special revenue funds:		
Health systems fees and collections		94,200
Licensing fees.....		490,500
State general fund/general purpose	\$	11,301,900

Occupational regulation.

Sec. 112. OCCUPATIONAL REGULATION

Full-time equated classified positions	389.0	
Commissions and boards		\$ 49,700
Code enforcement—157.0 FTE positions		13,757,800
Boiler inspection program—23.0 FTE positions		2,195,200
Elevator inspection program—27.0 FTE positions		2,280,400
Commercial services—149.0 FTE positions.....		13,993,400
Local manufactured housing communities inspections.....		250,000
Manufactured housing and land resources program—22.0 FTE positions.....		2,625,000
Property development group—11.0 FTE positions		1,338,700
Remonumentation grants.....		6,000,000
GROSS APPROPRIATION	\$	42,490,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health, inspection contract.....		111,100
Federal revenues:		
Federal funds		872,300
Special revenue funds:		
Boiler fee revenue		2,344,000
Construction code fund.....		13,164,000
Corporation fees.....		4,837,100
Elevator fees		2,389,800
Homeowner construction lien recovery fund.....		1,532,800
Licensing and regulation fees.....		7,843,100
Limited liability partnership revenue.....		10,000
Manufactured housing commission fees.....		2,276,900
Property development fees.....		241,300
Remonumentation fees		6,605,300
Real estate appraiser continuing education fund		45,000

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Real estate education fund.....	\$	217,500
State general fund/general purpose	\$	0

Employment relations.

Sec. 113. EMPLOYMENT RELATIONS

Full-time equated classified positions.....	25.0	
Fact finding and arbitration	\$	144,300
Employment and labor relations—25.0 FTE positions.....		2,919,400
GROSS APPROPRIATION.....	\$	<u>3,063,700</u>
Appropriated from:		
Federal revenues:		
EEOC, federal funds.....		10,000
State general fund/general purpose	\$	3,053,700

Safety and regulation.

Sec. 114. SAFETY AND REGULATION

Full-time equated classified positions.....	229.0	
Commissions and boards	\$	21,400
Subgrantees		1,226,900
Occupational safety and health—229.0 FTE positions		21,209,800
GROSS APPROPRIATION.....	\$	<u>22,458,100</u>
Appropriated from:		
Federal revenues:		
DOL, multiple grants for safety and health		10,366,100
Special revenue funds:		
Corporate fees.....		1,851,300
Fees and collections/asbestos		704,300
Licensing and regulation fees.....		1,000,000
Safety education and training fund		6,685,300
Securities fees		1,851,100
State general fund/general purpose	\$	0

Bureau of worker’s and unemployment compensation.

Sec. 115. BUREAU OF WORKER’S AND UNEMPLOYMENT COMPENSATION

Full-time equated classified positions.....	1,208.0	
Administration—96.6 FTE positions	\$	8,130,100
Appellate commission administration—11.4 FTE positions		435,300
Board of magistrates administration—8.0 FTE positions		1,916,900
Employment standards enforcement—31.0 FTE positions		2,194,300
Insurance funds administration—28.0 FTE positions.....		5,500,800
Supplemental benefit fund		1,300,000
Grant to department of career development, hire the handicapped program.....		50,000
Unemployment programs—955.7 FTE positions.....		67,980,300
Advocacy assistance program—8.0 FTE positions		1,500,000
Special audit and collections program—34.0 FTE positions.....		2,245,900
Training program for agency staff—2.1 FTE positions		1,756,400
Expanded fraud control program—33.2 FTE positions		2,566,200
GROSS APPROPRIATION.....	\$	<u>95,576,200</u>

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Appropriated from:

Federal revenues:

DOL-ETA, employment and training administration.....	\$	529,200
DOL, unemployment insurance.....		69,786,100
Federal Reed act funds		4,233,500
Special revenue funds:		
Corporation fees.....		1,661,400
Contingent fund, penalty and interest account.....		9,388,400
Licensing and regulation fees.....		650,000
Second injury fund		3,021,500
Securities fees		1,661,400
Self-insurers security fund.....		1,386,500
Silicosis and dust disease fund		1,142,800
Worker's compensation administrative revolving fund.....		2,115,400
State general fund/general purpose	\$	0

Information technology.

Sec. 116. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	25,479,700
GROSS APPROPRIATION.....	\$	25,479,700

Appropriated from:

Federal revenues:

DOL-ETA, unemployment insurance		10,360,300
DOL, multiple grants for safety and health		38,000
Federal funds		56,500
Special revenue funds:		
Bank fees.....		223,800
Boiler fee revenue		94,300
Construction code fund.....		724,600
Consumer finance fees.....		85,800
Contingent fund, penalty and interest account.....		122,800
Corporation fees.....		1,672,100
Credit union fees.....		157,900
Elevator fees		89,800
Fees and collections/asbestos		17,500
Health professions regulatory fund.....		484,800
Health systems fees and collections.....		244,500
Insurance regulatory fees		471,700
Licensing and regulation fees.....		979,700
Liquor purchase revolving fund.....		4,270,300
Manufactured housing commission fees.....		47,500
Michigan state housing development authority fees and charges....		1,182,400
Motor carrier fees.....		164,700
Public utility assessments.....		1,092,200
Safety education and training fund		178,200
Second injury fund		215,300
Securities fees		1,410,900
Self-insurers security fund.....		76,800

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Silicosis and dust disease fund	\$	99,600
Worker’s compensation administrative revolving fund.....		859,300
State general fund/general purpose	\$	58,400

Administrative savings.

Sec. 117. ADMINISTRATIVE SAVINGS

Administrative savings.....	\$	(200,000)
GROSS APPROPRIATION.....	\$	(200,000)
Appropriated from:		
State general fund/general purpose	\$	(200,000)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$318,813,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$29,315,900.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Fire protection grants	\$	15,839,000
Liquor law enforcement		6,000,000
Local manufactured housing inspections.....		250,000
Remonumentation grants.....		6,000,000
Subgrantees		1,226,900
Total department of consumer and industry services	\$	29,315,900

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this appropriation act:

- (a) “AFC” means adult foster care.
- (b) “Department” means the department of consumer and industry services.
- (c) “DOE” means the United States department of energy.
- (d) “DOE-OEERE” means the DOE office of energy efficiency and renewable energy.
- (e) “DOL” means the United States department of labor.
- (f) “DOL-ETA” means the DOL employment and training administration.

- (g) “DOT” means the United States department of transportation.
- (h) “DOT-RSPA” means the DOT research and special programs administration.
- (i) “EEOC” means equal employment opportunity commission.
- (j) “Fiscal agencies” means Michigan house fiscal agency and Michigan senate fiscal agency.
- (k) “FTE” means full-time equated.
- (l) “HHS” means the United States department of health and human services.
- (m) “HUD” means the United States department of housing and urban development.
- (n) “IDG” means interdepartmental grant.
- (o) “MES” means Michigan employment security.
- (p) “Subcommittees” means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

Billing by department of civil service.

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

Hiring freeze; exceptions.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or state classified civil service positions funded fully by federal funds.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Privatization; project plan.

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or Intranet site.

Purchase of foreign goods or services.

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

Businesses in deprived and depressed communities; contracts to provide services and supplies.

Sec. 210. The director of each department receiving appropriations in part 1 is encouraged to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director will strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Affirmative action programs.

Sec. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

Receipt and retention of records.

Sec. 212. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Technology-related services and projects; user fees.

Sec. 213. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Information technology amounts as work projects.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**Fire protection grants.**

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund shall be appropriated to cities, villages, and townships with state-owned

facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

Financial and insurance services in connection with mortgage brokers, lenders, and servicers licensing act; expenses.

Sec. 302. The funds collected by the office of financial and insurance services in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Liquidated corporations; expenses.

Sec. 303. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sale of nonconfidential information.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget office and the subcommittees that states the amount of revenue received from the sale of information.

Housing production goals.

Sec. 306. The Michigan state housing development authority shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Licensing and regulation of child care organizations; fees.

Sec. 307. The department shall assess and collect fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Funds collected by department for licenses, permits, and elevator regulation fees; carrying forward unexpended funds.

Sec. 308. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and

as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget office and the subcommittees on the amount of funds available under this section.

Occupational safety and health, health systems administration, or radiological health administration; carrying forward revenue.

Sec. 309. If the revenue collected by the department for occupational safety and health, health systems administration, or radiological health administration and projects from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Inspection and plan review fees; schedule.

Sec. 310. Money appropriated under this act for fire safety programs shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<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.	

Juvenile residential facilities; evaluations.

Sec. 311. The department shall furnish the clerk of the house, the secretary of the senate, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the family independence agency, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

Nursing homes, county medical care facilities, and hospital long-term care; survey and investigation of care and services; carrying forward revenue.

Sec. 312. (1) From the amount appropriated in part 1 to health systems administration, the department shall provide funding for not less than 113 inspectors to annually survey and investigate the care and services delivered in nursing homes, county medical care facilities, and hospital long-term care units in accordance with provisions in the public health code, 1978 PA 368, MCL 333.1101 to 333.25211, and federal Medicare and Medicaid certification standards.

(2) The department, in keeping with the severity of the allegations, shall investigate complaints alleging poor care and services occurring on nights or weekends in nursing homes, county medical care facilities, and hospital long-term care units by conducting on-site investigations on nights or weekends.

Carrying forward revenue from licensing and regulation fees.

Sec. 313. If the revenue collected by the department from licensing and regulation fees exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Bureau of worker's and unemployment compensation funds; staffing and related expenses.

Sec. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the bureau of worker's and unemployment compensation from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget office and the subcommittees of the purpose and amount of each grant award.

Sale of documents.

Sec. 315. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

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

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker's compensation health care services rules.

(g) Minimum design standards for health care facilities.

(h) Construction code manuals.

(i) Copies of transcripts from administrative law hearings.

Nursing home surveys; electronic notification.

Sec. 316. The department shall provide electronic notification to the state budget office, the fiscal agencies, and the subcommittees on April 30 and October 31 on the initial and follow-up surveys conducted on all nursing homes in this state. The notification shall

contain the location of the Internet site where the report is posted. The report shall include all of the following information:

- (a) The number of surveys conducted.
- (b) The number requiring follow-up surveys.
- (c) The number referred to the Michigan public health institute for remediation.
- (d) The number of citations per home.
- (e) The number of night and weekend complaints filed.
- (f) The number of night and weekend responses to complaints conducted by the department.
- (g) The average length of time for the department to respond to a complaint filed against a nursing home.
- (h) The number and percentage of citations appealed.
- (i) The number and percentage of citations overturned and/or modified.

Number of individuals killed or injured on the job; report.

Sec. 317. The department, bureau of safety and regulation, shall provide an annual report by February 1 of each year to the state budget office, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Nursing home complaint investigation backlog; status.

Sec. 318. The department shall report by November 1 to the state budget office, the legislature, and the fiscal agencies the status of the nursing home complaint investigation backlog.

Request for nursing home investigation; assistance provided by department.

Sec. 319. As a condition for receiving the general fund/general purpose appropriations in part 1 for health systems administration, the department shall provide assistance to any person making an oral request for a nursing home investigation in putting his or her request into writing, shall initiate investigations on all written nursing home complaints filed with the department within 15 days of receipt of the complaint, and shall provide a written response to the complainant within 30 days of receipt of the written complaint.

Number of unemployment agency offices; transition to initial claims system.

Sec. 320. The bureau of worker's and unemployment compensation, during its transition to the remote initial claims system, may operate a sufficient number of unemployment agency offices, including itinerant or satellite offices, within Michigan's Upper Peninsula to ensure that the citizens of the Upper Peninsula can access these offices without excessive travel or, in cases where unemployment claims are filed or renewed by phone, without excessive long-distance toll charges.

Emergency medical services personnel serving in rural areas.

Sec. 321. The department shall continue to work with grantees supported through the appropriation in part 1 for emergency medical services grants and contracts to ensure that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state.

Utility consumer representation; public service announcements.

Sec. 322. From the funds appropriated in part 1 for utility consumer representation, the department shall produce and facilitate the airing of public service announcements that inform utility customers of the availability and purpose of these funds. The utility consumer participation board shall report to the subcommittees, fiscal agencies, and state budget office by September 30 on its efforts in this area, including the amount of expenditures made for this purpose.

Regulation of nursing homes; clarification of terms; joint training.

Sec. 323. (1) The department in consultation with nursing home provider groups, the department of community health, the state long-term care ombudsman, and the federal health care finance administration shall continue to work to clarify the following terms as those terms are used in title XVIII and title XIX and applied by the department to provide more consistent regulation of nursing homes in Michigan:

- (a) Immediate jeopardy.
- (b) Harm.
- (c) Potential harm.
- (d) Avoidable.
- (e) Unavoidable.

(2) The department shall semiannually provide for joint training with nursing home surveyors and providers on at least 1 of the 10 most frequently issued federal citations in this state during the past calendar year. The department shall provide a mechanism to measure the effect of the training and shall report to the legislature and the state budget office on the effect of the training by January 15.

Unemployment benefits and remote initial claims system; 1-stop center.

Sec. 324. The bureau of worker's and unemployment compensation shall work collaboratively with the department of career development to ensure each 1-stop center has the ability to assist individuals or respond to inquiries regarding unemployment benefits and the remote initial claims system.

Inspection summary; posting.

Sec. 325. (1) The department shall post on the Internet the executive summary of the latest inspection for each licensed nursing home.

(2) The department shall work toward posting inspection summaries for licensed day care centers on the Internet.

Nursing home inspectors; hiring.

Sec. 327. When hiring any new nursing home inspectors funded through appropriations in part 1, the department shall make every effort to hire individuals with past experience in the long-term care industry.

Nurse scholarship program.

Sec. 329. It is the intent of the legislature that the funds appropriated in part 1 for the nurse scholarship program, established in section 16315 of the public health code, 1978 PA 368, MCL 333.16315, are used to increase the number of nurses practicing in Michigan. The board of nursing is encouraged to structure scholarships funded under this act in a manner that rewards recipients who practice nursing in Michigan. In addition, it is the intent of

the legislature that the department and the board of nursing work cooperatively with the Michigan higher education assistance authority to identify and monitor the location in which scholarship recipients practice nursing.

Remote initial claims center automated phone system; option to speak with employee.

Sec. 330. (1) The bureau of worker's and unemployment compensation shall include in the remote initial claims center (RICCS) automated phone system a choice to speak with an employee of the unemployment agency as an option. This option should be provided in the system as early as possible as deemed appropriate in the system design. The department shall monitor the system to ensure compliance with these guidelines.

(2) The bureau of worker's and unemployment compensation should continue to provide training opportunities to employees affected with the implementation of the RICCS.

Quarterly staff report.

Sec. 331. Nursing facilities shall report in the quarterly staff report to the department, the total patient care hours provided each month, by state licensure and certification classification, and the percentage of pool staff, by state licensure and certification classification, used each month during the preceding quarter. The department shall make available to the public, the quarterly staff report compiled for all facilities including the total patient care hours and the percentage of pool staff used, by classification.

Administrative law hearings.

Sec. 332. It is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by the department against regulated businesses or against individuals in regulated occupations in locations that are within 150 miles of the regulated business or of the office of the individual in a regulated occupation. In addition, it is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by an individual outside the department in locations within 150 miles of the home of the individual bringing the action if that individual wishes to testify at the hearing.

Low-income/energy efficiency assistance program.

Sec. 335. (1) The public service commission shall report by June 1 of each year to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

(2) Of the funds appropriated in part 1 for low-income/energy efficiency assistance, \$3,000,000.00 shall be allocated to community action agencies across the state to support shut-off protection programs for low-income individuals. Funds shall be distributed to the community action agencies no later than November 1 of each year. The community action agencies shall abide by any reporting and monitoring requirements imposed by the public service commission on other grant recipients receiving funding through this program.

Office of financial and insurance services; division expenditure reports.

Sec. 336. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance services.

Licensing and contract compliance review team pilot.

Sec. 337. The department shall work cooperatively with the family independence agency and with representatives from the Michigan federation of private child and family agencies to form a licensing and contract compliance review team pilot to coordinate and conduct joint reviews of 1 child placing agency and 1 child caring institution between October 1 and February 1. The Michigan federation of private child and family agencies will survey team participants and involved agencies regarding the process and provide feedback to the department. The department shall report during the annual budget presentation to the subcommittees regarding pilot outcomes.

Health maintenance organizations; financial filings.

Sec. 340. The office of financial and insurance services shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the senate and house fiscal agencies on a timely basis.

Fire protection grants; funding contingent on deposit into liquor purchase revolving fund.

Sec. 347. Of the funds appropriated in part 1 for the fire protection grants, \$12,128,500.00 of this funding is contingent upon statutory changes that would increase the deposit into the liquor purchase revolving fund.

Worker's compensation board of magistrates; vacancy.

Sec. 348. It is the intent of the legislature that the next vacancy on the worker's compensation board of magistrates be filled by an individual that is a permanent resident in the Upper Peninsula.

Senior assisted living.

Sec. 349. It is the intent of the legislature that the department and the Michigan state housing development authority work collaboratively with other state departments and agencies to maximize the use of available Michigan state housing development authority fund equity to provide senior assisted living that offers a continuum of care from independent apartments to assisted living to nursing care and Alzheimer programs.

Participant in health benefit plan; right to request external review for adverse determination.

Sec. 350. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

(2) As used in this section, "covered person" means that term as defined in section 3 of the patient's right to independent review act, 2000 PA 251, MCL 550.1903.

Real estate continuing education courses.

Sec. 351. (1) The department shall issue a report to the subcommittees by the end of each calendar year, but not later than December 31 of each year, showing the date each real estate continuing education course was submitted for approval and the date of final disposition, approval, or denial.

(2) The department shall post on its website the approved real estate continuing education courses, as well as the dates, times, instructors, locations, and credit hours of the courses.

(3) The department shall have available to the public the preclicensure and continuing education course approvals. The information described in this subsection shall be available online not later than November 15, 2003.

(4) It is the intent of the legislature that sponsors of continuing education be able to report an applicant's or licensee's completion of courses to the department via electronic methods and such reporting procedure shall be in place not later than the end of fiscal year 2004.

Worker's compensation appellate commissioners and board of magistrates; funding.

Sec. 352. From the funds appropriated in part 1 for unclassified salaries, the department shall provide funding for 4 worker's compensation appellate commissioners and 27.5 worker's compensation board of magistrates. Expenditures shall be made so that the 2 bodies shall decide worker's compensation cases in a timely manner.

Day care facility; inspection of lead and lead-based paint.

Sec. 355. If federal funds become available to support a lead testing program, the department shall, before issuing a license for a day care facility and as part of licensing review and facility inspection, inspect for the presence of lead and lead-based paint in that facility.

This act is ordered to take immediate effect.

Approved August 11, 2003.

Filed with Secretary of State August 13, 2003.

[No. 168]

(SB 575)

AN ACT to amend 1971 PA 140, entitled "An act to provide for the distribution of certain state revenues to cities, villages, townships, and counties; to impose certain duties and confer certain powers on this state, political subdivisions of this state, and the officers of both; to create reserve funds; and to establish a revenue sharing task force and provide for its powers and duties," by amending sections 11 and 13 (MCL 141.911 and 141.913), as amended by 2002 PA 679.

The People of the State of Michigan enact:

141.911 Payments to counties from state income tax collections; time and basis; payments to counties based on sales tax collections.

Sec. 11. (1) For state fiscal years before the 1996-1997 state fiscal year, the department of management and budget shall cause to be paid during each August, November, February, and May, to counties on a per capita basis the collections from the state income tax as certified by the department of treasury for the quarter periods ending the prior June 30, September 30, December 31, and March 31 that are available for distribution to and retention by counties.

(2) For state fiscal years beginning after September 30, 1992 and ending before October 1, 1996, the collections from the state income tax otherwise available for distribution to

counties in November for the quarter period ending the prior September 30 shall be increased by \$35,900,000.00 and the collections from the state income tax otherwise available for distribution to counties in August for the quarter period ending the prior June 30 shall be decreased by \$35,900,000.00.

(3) For the 1996-1997 and 1997-1998 state fiscal years, the department of treasury shall cause to be paid to counties on a per capita basis an amount equal to 24.5% of the difference between 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made and the total distribution for the state fiscal year under section 12a. Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, the department of treasury shall cause to be paid to counties all of the following:

(a) Except as provided in subdivision (c), an amount equal to the amount the county was eligible to receive under section 12a in the 1997-1998 state fiscal year.

(b) Except as provided in subdivision (c), an amount equal to 25.06% of 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made minus the amount determined under subdivision (a) which shall be distributed on a per capita basis. If the amount appropriated under this section to counties is less than 25.06% of 21.3% of the sales tax rate of 4%, any reduction made necessary by this appropriation in distributions to counties shall first be applied to the distribution under this subdivision.

(c) For the 2002-2003 state fiscal year only, each county shall receive the lesser of 96.5%, or the percentage determined under this subdivision, of the amount that the county would have received if the total available for distribution under subdivisions (a) and (b) were \$211,549,002.00. The total amount available for distribution to all counties under this subdivision shall not exceed \$204,144,787.00. For the 2002-2003 state fiscal year, the percentage under this subdivision shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state fiscal year only, each county shall receive the lesser of 97%, or the percentage determined under this subdivision, of the amount distributed to the county under this subsection for the 2002-2003 state fiscal year. For the 2003-2004 state fiscal year, the percentage under this subdivision shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.03.

(4) After September 30, 2007, 25.06% of 21.3% of the sales tax collections at a rate of 4% shall be distributed to counties as provided by law.

(5) The payments under subsection (3) shall be made from revenues collected during the state fiscal year in which the payments are made and shall be made during each October, December, February, April, June, and August. Payments shall be based on collections from the sales tax at a rate of 4% in the 2-month period ending the prior August 31, October 31, December 31, February 28, April 30, and June 30, and for the 1996-1997 and 1997-1998 state fiscal years only the payments shall be reduced by 1/6 of the total distribution for the state fiscal year under section 12a. For state fiscal years after the 1995-1996 state fiscal year, the collections from the sales tax otherwise available for distribution to counties under subsection (3) in December shall be increased by \$17,000,000.00 and the collections from the sales tax otherwise available for distribution to counties under subsection (3) in April shall be decreased by \$17,000,000.00.

141.913 Payments to cities, villages, and townships from state income tax and single business tax; payments based on sales tax collections; population more than or less than 750,000; limitations; distributions; payment dates; annual appropriation by legislature.

Sec. 13. (1) This subsection and subsection (2) apply to distributions to cities, villages, and townships during the state fiscal years before the 1996-1997 state fiscal year of collections from the state income tax and single business tax. Except as otherwise provided in subsection (2), the department of treasury shall cause to be paid to each city, village, and township its share, computed in accordance with the tax effort formula, of the following revenues:

(a) During each August, November, February, and May, the collections from the state income tax for the quarter periods ending the prior June 30, September 30, December 31, and March 31 that are available for distribution to cities, villages, and townships under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(b) The amount of the collections from the single business tax available for distribution to cities, villages, and townships under former section 136 of the single business tax act, 1975 PA 228.

(2) The amount of collections of the state income tax otherwise available for distribution to cities, villages, and townships in November, February, and May, computed in accordance with the tax effort formula, shall be increased by \$22,600,000.00. The amount of collections otherwise available for distribution to cities, villages, and townships in August, computed in accordance with the tax effort formula, shall be decreased by \$67,800,000.00.

(3) This subsection applies to distributions to cities, villages, and townships for the 1996-1997 state fiscal year. The department shall cause to be paid in accordance with the tax effort formula an amount equal to 75.5% of the difference between 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made and the total distribution for the state fiscal year under section 12a.

(4) The department of treasury shall cause to be paid during the 1997-1998 state fiscal year an amount equal to 75.5% of the difference between 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made and the total distribution for the state fiscal year under section 12a, both of the following:

(a) To each city, village, and township, the amount of collections distributed under subsection (3) to cities, villages, and townships for the 1996-1997 state fiscal year or its pro rata share of the collections if the collections are less than the amount of collections distributed under subsection (3) for the 1996-1997 state fiscal year. A city's, village's, or township's share of revenues under this subdivision shall be computed using the tax effort formula.

(b) To each city, village, and township its share of the collections to the extent the total collections available for distribution under this subsection exceed the amount distributed to cities, villages, and townships under subdivision (a) for the fiscal year. A city's, village's, or township's share of revenues under this subdivision shall be computed on a per capita basis.

(5) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, the department of treasury shall

cause distributions determined under subsections (6) to (13) to be paid to each city, village, and township from an amount equal to 74.94% of 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made. After September 30, 2007, 74.94% of 21.3% of sales tax collections at a rate of 4% shall be distributed to cities, villages, and townships as provided by law.

(6) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, except for the 2002-2003 and 2003-2004 state fiscal years, and except as otherwise provided in subsection (15), the department of treasury shall cause to be paid \$333,900,000.00 to a city with a population of 750,000 or more as the total combined distribution under this act and section 10 of article IX of the state constitution of 1963 as annualized for any period of less than 12 months to that city. For the 2002-2003 state fiscal year only, the total combined distribution under this subsection and section 10 of article IX of the state constitution of 1963 shall be the lesser of \$322,213,500.00 or \$333,900,000.00 multiplied by the percentage as determined under this subsection. For the 2002-2003 state fiscal year, the percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state fiscal year only, the total combined distribution under this subsection and section 10 of article IX of the state constitution of 1963 shall be the lesser of 97%, or the percentage determined under this subsection, of the total combined distribution under this subsection and section 10 of article IX of the state constitution of 1963 for the 2002-2003 state fiscal year. For the 2003-2004 state fiscal year, the percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.03.

(7) Except as otherwise provided in this subsection, distributions under subsections (8) to (13) to cities, villages, and townships with populations of less than 750,000 shall be made from the amount available for distribution under this section that remains after the distribution under subsection (6) is made. For the 2002-2003 state fiscal year only, each city, village, and township with a population of less than 750,000 shall receive the lesser of 96.5%, or the percentage determined under this subsection, of the amount that the city, village, or township would have received if the total available for distribution under subsections (8) to (13) were \$363,069,728.00 and the total available for distribution under section 10 of article IX of the state constitution of 1963 were \$607,125,488.00. The total amount available for distribution to all cities, villages, and townships under this subsection shall not exceed \$936,238,383.00. For the 2002-2003 state fiscal year, the percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state fiscal year only, each city, village, and township with a population of less than 750,000 shall receive an amount equal to the lesser of 97%, or the percentage determined under this subsection, of the amount distributed to the city, village, or township under this subsection and section 10 of article IX of the state constitution of 1963 for the 2002-2003 state fiscal year. For the 2003-2004 state fiscal year, the percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.03. The amount of the adjustment under this subsection shall be accomplished by reducing the payments under subsections (8) to (13), and payments under section 10 of article IX shall not be reduced based on any adjustments made under this subsection.

(8) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, for cities, villages, and townships with populations of less than 750,000, subject to the limitations under this section, a taxable value payment shall be made to each city, village, and township determined as follows:

(a) Determine the per capita taxable value for each city, village, and township by dividing the taxable value of that city, village, or township by the population of that city, village, or township.

(b) Determine the statewide per capita taxable value by dividing the total taxable value of all cities, villages, and townships by the total population of all cities, villages, and townships.

(c) Determine the per capita taxable value ratio for each city, village, and township by dividing the statewide per capita taxable value by the per capita taxable value for that city, village, or township.

(d) Determine the adjusted taxable value population for each city, village, and township by multiplying the per capita taxable value ratio as determined under subdivision (c) for that city, village, or township by the population of that city, village, or township.

(e) Determine the total statewide adjusted taxable value population which is the sum of all adjusted taxable value population for all cities, villages, and townships.

(f) Determine the taxable value payment rate by dividing 74.94% of 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments under this subsection are made by 3, and dividing that result by the total statewide adjusted taxable value population as determined under subdivision (e).

(g) Determine the taxable value payment for each city, village, and township by multiplying the result under subdivision (f) by the adjusted taxable value population for that city, village, or township.

(9) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, subject to the limitations under this section and except as provided in subsection (14), a unit type population payment shall be made to each city, village, and township with a population of less than 750,000 determined as follows:

(a) Determine the unit type population weight factor for each city, village, and township as follows:

(i) For a township with a population of 5,000 or less, the unit type population weight factor is 1.0.

(ii) For a township with a population of more than 5,000 but less than 10,001, the unit type population weight factor is 1.2.

(iii) For a township with a population of more than 10,000 but less than 20,001, the unit type population weight factor is 1.44.

(iv) For a township with a population of more than 20,000 but less than 40,001, the unit type population weight factor is 1.73.

(v) For a township with a population of more than 40,000 but less than 80,001, the unit type population weight factor is 2.07.

(vi) For a township with a population of more than 80,000, the unit type population weight factor is 2.49.

(vii) For a village with a population of 5,000 or less, the unit type population weight factor is 1.5.

(viii) For a village with a population of more than 5,000 but less than 10,001, the unit type population weight factor is 1.8.

(ix) For a village with a population of more than 10,000, the unit type population weight factor is 2.16.

(x) For a city with a population of 5,000 or less, the unit type population weight factor is 2.5.

(xi) For a city with a population of more than 5,000 but less than 10,001, the unit type population weight factor is 3.0.

(xii) For a city with a population of more than 10,000 but less than 20,001, the unit type population weight factor is 3.6.

(xiii) For a city with a population of more than 20,000 but less than 40,001, the unit type population weight factor is 4.32.

(xiv) For a city with a population of more than 40,000 but less than 80,001, the unit type population weight factor is 5.18.

(xv) For a city with a population of more than 80,000 but less than 160,001, the unit type population weight factor is 6.22.

(xvi) For a city with a population of more than 160,000 but less than 320,001, the unit type population weight factor is 7.46.

(xvii) For a city with a population of more than 320,000 but less than 640,001, the unit type population weight factor is 8.96.

(xviii) For a city with a population of more than 640,000, the unit type population weight factor is 10.75.

(b) Determine the adjusted unit type population for each city, village, and township by multiplying the unit type population weight factor for that city, village, or township as determined under subdivision (a) by the population of the city, village, or township.

(c) Determine the total statewide adjusted unit type population, which is the sum of the adjusted unit type population for all cities, villages, and townships.

(d) Determine the unit type population payment rate by dividing 74.94% of 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments under this subsection are made by 3, and then dividing that result by the total statewide adjusted unit type population as determined under subdivision (c).

(e) Determine the unit type population payment for each city, village, and township by multiplying the result under subdivision (d) by the adjusted unit type population for that city, village, or township.

(10) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, subject to the limitations under this section, a yield equalization payment shall be made to each city, village, and township with a population of less than 750,000 sufficient to provide the guaranteed tax base for a local tax effort not to exceed 0.02. The payment shall be determined as follows:

(a) The guaranteed tax base is the maximum combined state and local per capita taxable value that can be guaranteed in a state fiscal year to each city, village, and township for a local tax effort not to exceed 0.02 if an amount equal to 74.94% of 21.3% of the state sales tax at a rate of 4% is distributed to cities, villages, and townships whose per capita taxable value is below the guaranteed tax base.

(b) The full yield equalization payment to each city, village, and township is the product of the amounts determined under subparagraphs (i) and (ii):

(i) An amount greater than zero that is equal to the difference between the guaranteed tax base determined in subdivision (a) and the per capita taxable value of the city, village, or township.

(ii) The local tax effort of the city, village, or township, not to exceed 0.02, multiplied by the population of that city, village, or township.

(c) The yield equalization payment is the full yield equalization payment divided by 3.

(11) For state fiscal years after the 1997-1998 state fiscal year, distributions under this section for cities, villages, and townships with populations of less than 750,000 shall be determined as follows:

(a) For the 1998-1999 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Ninety percent of the total amount available for distribution under subsections (8), (9), and (10) for the 1998-1999 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Ten percent of the total amount available for distribution under subsections (8), (9), and (10) for the 1998-1999 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(b) For the 1999-2000 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Eighty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 1999-2000 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Twenty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 1999-2000 state fiscal year multiplied by the city's, village's, or township's percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(c) For the 2000-2001 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Seventy percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2000-2001 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Thirty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2000-2001 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(d) For the 2001-2002 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Sixty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2001-2002 state fiscal year multiplied by the city's, village's, or

township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Forty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2001-2002 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(e) For the 2002-2003 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Fifty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2002-2003 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Fifty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2002-2003 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(f) For the 2003-2004 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Forty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2003-2004 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Sixty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2003-2004 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(g) For the 2004-2005 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Thirty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2004-2005 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Seventy percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2004-2005 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(h) For the 2005-2006 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Twenty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2005-2006 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Eighty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2005-2006 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(i) For the period of October 1, 2006 through September 30, 2007, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Ten percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2006-2007 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Ninety percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2006-2007 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(12) Except as otherwise provided in this subsection, the total payment to any city, village, or township under this act and section 10 of article IX of the state constitution of 1963 shall not increase by more than 8% over the amount of the payment under this act and section 10 of article IX of the state constitution of 1963 in the immediately preceding state fiscal year. From the amount not distributed because of the limitation imposed by this subsection, the department shall distribute an amount to certain cities, villages, and townships such that the percentage increase in the total payment under this act and section 10 of article IX of the state constitution of 1963 from the immediately preceding state fiscal year to each of those cities, villages, and townships is equal to, but does not exceed, the percentage increase from the immediately preceding state fiscal year of any city, village, or township that does not receive a distribution under this subsection. This subsection does not apply for state fiscal years after the 2000 federal decennial census becomes official to a city, village, or township with a 10% or more increase in population from the official 1990 federal decennial census to the official 2000 federal decennial census.

(13) The percentage allocations to distributions under subsections (8) to (10) pursuant to subsection (11) shall be calculated as if, in any state fiscal year, the amount appropriated under this section for distribution to cities, villages, and townships is 74.94% of 21.3% of the sales tax at a rate of 4%. If the amount appropriated under this section to cities, villages, and townships is less than 74.94% of 21.3% of the sales tax at a rate of 4%, any reduction made necessary by this appropriation in distributions to cities, villages, and townships shall first be applied to the distribution under subsections (8) to (10) and any remaining amount shall be applied to the other distributions under this section.

(14) A township that provides for or makes available fire, police on a 24-hour basis either through contracting for or directly employing personnel, water to 50% or more of its residents, and sewer services to 50% or more of its residents and has a population of 10,000 or more or a township that has a population of 20,000 or more shall use the unit type population weight factor under subsection (9)(a) for a city with the same population as the township.

(15) For a state fiscal year in which the sales tax collections decrease from the sales tax collections for the immediately preceding state fiscal year, the department shall reduce the amount to be distributed to a city with a population of 750,000 or more under subsection (6) by an amount determined by subtracting the amount the city is eligible for under section 10 of article IX of the state constitution of 1963 for the state fiscal year from \$333,900,000.00 and multiplying that result by the same percentage as the percentage decrease in sales tax collections for that state fiscal year as compared to sales tax collections for the immediately preceding state fiscal year. This subsection does not apply to the 2002-2003 and 2003-2004 state fiscal years.

(16) Notwithstanding any other provision of this section for the 1998-1999 state fiscal year, the total combined amount received by each city, village, and township under this

section and section 10 of article IX of the state constitution of 1963 shall not be less than the combined amount received under this section, section 12a, and section 10 of article IX of the state constitution of 1963 in the 1997-1998 state fiscal year. The increase, if any, for each city, village, and township from the 1997-1998 state fiscal year, other than a city that receives a distribution under subsection (6), shall be reduced by a uniform percentage to the extent necessary to fund distributions under this subsection.

(17) The payments under subsections (3), (4), and (5) shall be made during each October, December, February, April, June, and August. Payments under subsections (3), (4), and (5) shall be based on collections from the sales tax at the rate of 4% in the 2-month period ending the prior August 31, October 31, December 31, February 28, April 30, and June 30, and for the 1996-1997 and 1997-1998 state fiscal years only, the payments shall be reduced by 1/6 of the total distribution for the state fiscal year under section 12a.

(18) Payments under this section shall be made from revenues collected during the state fiscal year in which the payments are made.

(19) Distributions provided for by this act are subject to an annual appropriation by the legislature.

This act is ordered to take immediate effect.

Approved August 11, 2003.

Filed with Secretary of State August 13, 2003.

[No. 169]

(SB 285)

AN ACT to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of career development and Michigan strategic fund.

Sec. 101. There is appropriated for the department of career development and the Michigan strategic fund for the fiscal year ending September 30, 2004, from the funds indicated in this part, the following:

TOTAL APPROPRIATIONS

Full-time equated classified positions.....	1,189.5		
GROSS APPROPRIATION.....		\$	571,393,200
Total interdepartmental grants and intradepartmental transfers		\$	100,900
ADJUSTED GROSS APPROPRIATION.....		\$	571,292,300
Federal revenues:			
Total federal revenues.....			471,053,700

For Fiscal Year
Ending Sept. 30,
2004

Special revenue funds:

Total local revenues	\$	15,011,900
Total private revenues.....		3,249,400
Total other state restricted revenues.....		16,714,700
State general fund/general purpose	\$	65,262,600

Department of career development.

Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT

(1) APPROPRIATION SUMMARY

Full-time equated classified positions.....	989.5	
GROSS APPROPRIATION.....		\$ 466,880,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....		\$ 466,880,000
Federal revenues:		
Total federal revenues.....		418,100,400
Special revenue funds:		
Total local revenues		15,011,900
Total private revenues.....		2,396,300
Total other state restricted revenues.....		6,664,700
State general fund/general purpose		\$ 24,706,700

(2) DEPARTMENT OPERATIONS

Full-time equated classified positions.....	60.0	
Administration—60.0 FTE positions		\$ 6,489,600
Building occupancy charges - property development services		923,400
Special project advances		200,000
Worker's compensation.....		186,000
GROSS APPROPRIATION.....		\$ 7,799,000
Appropriated from:		
Federal revenues:		
CNS.....		205,800
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....		1,948,700
DOL-ETA, workforce investment act		355,300
DOL, federal funds.....		1,965,000
Federal revenues		451,200
HHS, temporary assistance for needy families.....		337,700
Special revenue funds:		
Private - special project advances.....		200,000
Contingent fund, penalty and interest.....		436,100
State general fund/general purpose		\$ 1,899,200

(3) WORKFORCE DEVELOPMENT

Full-time equated classified positions.....	577.5	
Employment training services—500.0 FTE positions		\$ 80,931,200
Michigan career and technical institute—77.5 FTE positions.....		10,894,300
GROSS APPROPRIATION.....		\$ 91,825,500
Appropriated from:		
Federal revenues:		
CNS.....		1,663,800
DAG, employment and training.....		167,600

For Fiscal Year
Ending Sept. 30,
2004

DED-OPSE, multiple grants	\$	815,500
DED-OSERS, centers for independent living.....		58,200
DED-OSERS, rehabilitation long-term training		566,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants		46,256,100
DED-OSERS, state grants for technical related assistance		56,000
DOL-ETA, workforce investment act		3,994,000
DOL, federal funds		16,000,000
DED, Perkins act.....		173,600
HHS, temporary assistance for needy families.....		3,128,400
HHS-SSA, supplemental security income.....		4,394,800
Special revenue funds:		
Private - gifts, bequests, and donations		1,396,300
Local vocational rehabilitation match		3,054,000
Rehabilitation services fees		1,246,000
Second injury fund		51,500
Student fees		308,000
Training material fees.....		256,300
State general fund/general purpose	\$	8,238,500
(4) CAREER EDUCATION PROGRAMS		
Full-time equated classified positions.....		54.0
Career and technical education—23.0 FTE positions	\$	3,324,900
Postsecondary education—14.0 FTE positions		2,402,900
Adult education—15.0 FTE positions		2,283,100
Commission on Spanish-speaking affairs—2.0 FTE positions.....		220,500
GROSS APPROPRIATION.....	\$	8,231,400
Appropriated from:		
Federal revenues:		
Federal revenues		6,130,000
Special revenue funds:		
Private occupational school license fees		378,900
Defaulted loan collection fees		100,000
State general fund/general purpose	\$	1,622,500
(5) DEPARTMENT GRANTS		
Adult basic education.....	\$	13,500,000
Council of Michigan foundations		1,000,000
Focus: HOPE.....		5,860,200
Gear-up program grants.....		3,000,000
Job training programs subgrantees		98,612,700
Michigan community service commission subgrantees.....		6,180,100
Michigan virtual university.....		1,000,000
Personal assistance services		459,500
Precollege programs in engineering and the sciences		500,000
Supported employment grants.....		1,441,300
Technology assistance grants		1,378,700
Carl D. Perkins grants.....		42,500,000
Vocational rehabilitation client services/facilities.....		51,207,400
Vocational rehabilitation independent living.....		3,079,700

For Fiscal Year	
Ending Sept. 30,	
2004	
Welfare-to-work programs.....	\$ 72,698,600
GROSS APPROPRIATION.....	\$ 302,418,200
Appropriated from:	
Federal revenues:	
CNS.....	5,500,000
DAG, employment and training.....	13,000,000
DED-OESE, gear-up.....	3,000,000
DED-OSERS, centers for independent living.....	450,200
DED-OSERS, client assistance for individuals with disabilities.....	440,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	35,797,900
DED-OSERS, rehabilitation services facilities.....	2,272,500
DED-OSERS, supported employment.....	1,441,300
DED-OSERS, state grants for technical related assistance.....	1,378,700
DED-OVAE, adult education.....	13,500,000
DED-OVAE, basic grants to states.....	42,500,000
DOL-ETA, workforce investment act.....	104,602,700
DOL-ETA, welfare-to-work.....	20,000,000
HHS, temporary assistance for needy families.....	32,399,000
HHS-SSA, supplemental security income.....	2,480,600
Special revenue funds:	
Private - gifts, bequests, and donations.....	800,000
Contingent fund, penalty and interest account.....	1,000,000
Local vocational rehabilitation match.....	6,630,500
Local vocational rehabilitation facilities match.....	1,278,300
Tobacco settlement revenue.....	1,000,000
State general fund/general purpose.....	\$ 12,946,500
(6) EMPLOYMENT SERVICE AGENCY	
Full-time equated classified positions.....	298.0
Building occupancy charges - property development service.....	\$ 757,700
Worker's compensation.....	71,000
Employment services—246.0 FTE positions.....	43,799,300
Labor market information—52.0 FTE positions.....	5,485,200
GROSS APPROPRIATION.....	\$ 50,113,200
Appropriated from:	
Federal revenues:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	1,317,400
DOL, federal funds.....	42,858,800
Special revenue funds:	
Contingent fund, penalty and interest account.....	1,887,900
Local revenue.....	4,049,100
State general fund/general purpose.....	\$ 0
(7) INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 6,492,700
GROSS APPROPRIATION.....	\$ 6,492,700
Appropriated from:	
Federal revenues:	
Federal revenue.....	6,492,700
State general fund/general purpose.....	\$ 0

For Fiscal Year
Ending Sept. 30,
2004

Michigan strategic fund.

Sec. 103. MICHIGAN STRATEGIC FUND

(1) APPROPRIATION SUMMARY

Full-time equated classified positions.....	200.0	
GROSS APPROPRIATION.....		\$ 104,513,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		100,900
ADJUSTED GROSS APPROPRIATION.....		\$ 104,412,300
Federal revenues:		
Total federal revenues.....		52,953,300
Special revenue funds:		
Total private revenues.....		853,100
Total other state restricted revenues.....		10,050,000
State general fund/general purpose		\$ 40,555,900

(2) MICHIGAN STRATEGIC FUND

Full-time equated classified positions.....	200.0	
Administration—40.0 FTE positions		\$ 4,054,700
Job creation services—160.0 FTE positions.....		19,693,000
Michigan promotion program		5,717,500
Economic development job training grants.....		10,048,000
Community development block grants		50,000,000
Life sciences and technology tri-corridor: life sciences initiative.....		15,000,000
GROSS APPROPRIATION.....		\$ 104,513,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDEQ, air quality fees.....		100,900
Federal revenues:		
DOL-ETA, employment service		783,700
HUD-CPD, community development block grant.....		52,169,600
Special revenue funds:		
Private - Michigan certified development corporations fees		353,100
Private - special project advances		500,000
Industry support fees		50,000
Tobacco settlement revenue.....		10,000,000
State general fund/general purpose		\$ 40,555,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$81,977,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$0.

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this appropriation act:

- (a) "CEO" means chief executive officer of the Michigan strategic fund.
- (b) "CNS" means the corporation for national services.
- (c) "DAG" means the United States department of agriculture.
- (d) "DED" means the United States department of education.
- (e) "DED-OESE" means the DED office of elementary and secondary education.
- (f) "DED-OPSE" means the DED office of postsecondary education.
- (g) "DED-OSERS" means the DED office of special education rehabilitation services.
- (h) "DED-OVAE" means the DED office of vocational and adult education.
- (i) "Department" means the department of career development.
- (j) "Director" means the director of the department of career development.
- (k) "DOL" means the United States department of labor.
- (l) "DOL-ETA" means the DOL employment and training act.
- (m) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (n) "FTE" means full-time equated.
- (o) "Fund" means the Michigan strategic fund.
- (p) "GED" means general education degree.
- (q) "HHS" means the United States department of health and human services.
- (r) "HHS-SSA" means HHS social security administration.
- (s) "HUD-CPD" means HUD community planning and development.
- (t) "IDG" means interdepartmental grant.
- (u) "MDEQ" means the Michigan department of environmental quality.
- (v) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (w) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budgets for the department and the fund.

Billing by department of civil service.

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

Hiring freeze; exceptions.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or state classified civil service positions that are fully federally funded.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Privatization; project plan.

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the department and fund shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site. Quarterly, the department and fund shall provide to the subcommittee, state budget office, and the fiscal agencies an electronic and paper copy listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, if any.

Purchase of foreign goods or services.

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

Businesses in deprived and depressed communities; contracts to provide services or supplies.

Sec. 210. The director or the CEO of each department and agency receiving appropriations in part 1 are encouraged to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director or CEO will strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Affirmative action programs.

Sec. 211. The department and the fund shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

Receipt and retention of records.

Sec. 212. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Technology-related services and projects; user fees.

Sec. 213. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Information technology amounts as work project.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

DEPARTMENT OF CAREER DEVELOPMENT**Staff services through Pine Lake fund, Delton-Kellogg school district, or other district; support.**

Sec. 301. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Federal vocational rehabilitation funds; use of sources as state matching funds.

Sec. 302. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

Vocational rehabilitation facilities establishment grants; local match requirements.

Sec. 303. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Centers for independent living.

Sec. 304. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living which are in compliance with federal standards for such centers, for the development of new centers in areas presently unserved or underserved, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan association of centers for independent living and the local workforce development boards to identify other competitive sources of funding.

(2) The statewide independent living council and the Michigan association of centers for independent living shall jointly produce a report providing the following information:

(a) Results in terms of enhanced statewide access to independent living services to individuals who do not have access to such services through other existing public agencies, including measures by which these results can be monitored over time. These measures shall include:

(i) Total number of persons assisted by the centers and a comparison to the number assisted in the previous year.

(ii) Number of persons moved out of nursing homes into independent living situations and a comparison to the number assisted in the previous year.

(iii) Number of persons for whom accommodations were provided to enable independent living or access to employment and a comparison to the number assisted in the previous year.

(iv) The total number of disabled individuals served by personal care attendants and the number of personal care attendants provided through the use of any funds appropriated in part 1 administered by a center for independent living and a comparison to the number served in the previous year.

(b) Information from each center for independent living receiving funding through appropriations in part 1 detailing their total budget for their most recently completed fiscal year as well as the amount within that budget funded through the vocational rehabilitation independent living grant program referenced in part 1, the total amount funded through other state agencies, the amount funded through federal sources, and the amount funded through local and private sources.

(c) Savings to state taxpayers in other specific areas that can be shown to be the direct result of activities funded from the vocational rehabilitation independent living grant program during the most recently completed state fiscal year.

(3) The report required in subsection (2) shall be submitted to the appropriate appropriations subcommittees, the fiscal agencies, and the state budget director on or before January 30.

Work first program.

Sec. 305. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment and training services to family independence program applicants and recipients and may be expended for grants which provide employment and training services to former family independence program recipients,

as well as to recipients of noncash public assistance, specifically child day care, Medicaid, or food stamp benefits. The work first program, however, shall not be construed to be an entitlement to services.

(2) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization that provides school-to-work transition programs or that provides employment and training services or vocational rehabilitation programs or state licensed accredited vocational or technical education programs, proprietary school licensed by the state board of education, local workforce development board, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, licensed proprietary schools, or public or private nonprofit colleges or universities described in this subsection.

(3) When the work first job search requirements have been completed, if the participant has not found employment, the work first site shall identify the barriers which may have prevented the participant from obtaining employment and assist the client in removing those barriers. The work first site shall also identify appropriate education and job training programs which would be available to the participant. The department shall encourage the Michigan works! agencies to consider transportation challenges for work first participants placed in employment. When an individual is re-referred to work first because of an inability to retain employment, the department shall confer with the Michigan rehabilitation services, the family independence agency, or other professionals if deemed appropriate by the Michigan works! agency to screen for and identify issues that are preventing the participant from succeeding in the labor market. Each Michigan works! agency shall determine locally the number of times an individual may be re-referred back to the program before consulting with other service agencies. If no prohibitive barriers to work are found, the individual shall comply with the work first program, or be subject to appropriate penalties.

(4) Work first program participants shall include applicants and recipients of the family independence program established under section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and such individuals referred to a job club program by a county family independence agency board or a county friend of the court as long as the participation in the job club is part of an application made under this section.

(5) Participants in the work first program shall not be enrolled and counted in membership in a school district or intermediate school district.

(6) The department will work with the family independence agency to coordinate support services to work first participants relating to special/emergency needs.

(7) Work first program participants must receive or be provided an explanation of the program including their benefits and responsibilities before the job interview phase of the program. This explanation shall include clear guidelines with regard to an individual's eligibility for postemployment training support and for applying hours in training toward work requirements.

(8) The department shall make every effort to place a minimum of 50% of clients who participate in the work first program in positions that provide wages of \$8.00 per hour or more.

(9) The department shall submit to the fiscal agencies and the state budget director by March 15 a report on the work first program, including the number of participants served under this section, the number of persons who located employment through work first, the average wage of participants who found employment, the number of persons who retained jobs for 90 days, the number of participants placed in employment training and education

programs, the number of clients referred to work first who failed to report, a compilation of barriers to employment by incidence and type experienced by participants, and the number of participants referred back to the family independence agency.

(10) The department shall provide to the state budget director and the fiscal agencies by May 15 and November 15 of each year a report on the work first grants. The report due by May 15 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 15 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain both of the following:

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

(b) The number of participants in each service delivery area and the number of clients placed in employment in each service delivery area.

(11) The department shall make available to work first participants guidelines on eligibility for postemployment training and how training/education hours are applied toward work participation requirements. These guidelines will be presented during joint orientation conducted by the family independence agency and the department contracted staff in accordance with department policy issuances and family independence agency program bulletins. These guidelines presented by the department and the family independence agency shall balance the ability of participants to obtain training and subsequent long-term high-wage employment with the need to connect participants with the workplace. Any and all training/education, with the exception of high school completion and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress to continue in a training/education component.

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by combining a minimum of 10 hours per week of work with training/education. Training/education may last up to 12 months and the calculated hours may include actual classroom seat time up to 10 hours per week plus up to 1 hour of study time for each hour of classroom seat time. Work first participants may enroll in additional hours of classroom seat time beyond 10 hours. However, these hours and the related study time will not count toward the work participation requirement. The training may be no longer than a 1-year program or the final year of a 2- or 4-year undergraduate program designed to lead to immediate labor force attachment.

(13) Work first participants may meet the work participation requirement through enrollment in a short-term vocational program requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, without an additional work requirement. In cases where a short-term vocational program lasts less than 6 months, the participant shall be eligible to enroll in 1 additional short-term vocational program for a combined period not to exceed a total of 6 months.

(14) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum number of hours of work per week, to meet their work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 6 months.

Former work first participants; study; data.

Sec. 306. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first participants, whose family independence program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

- (a) The number and percentage employed.
- (b) The average hourly wage of those employed.
- (c) The current hourly wage of those employed.
- (d) The range of wages earned by those employed.
- (e) The number of individuals that earned each wage amount.
- (f) The number and percentage receiving health care benefits from their employer.
- (g) The number and percentage receiving tuition reimbursement from their employer.
- (h) The number and percentage receiving training benefits from their employer.
- (i) The type of jobs obtained by former participants in general categories.
- (j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.
- (k) The number and percentage continuing to receive any type of public assistance.
- (l) If the former recipient has children, whether the children are enrolled in and attending school.
- (m) The extent to which the former participant feels that they and their family are better off now than when they were on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.

(2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15, 2004 of the location of the Internet site where the report containing the identified data is located.

(3) The department shall cooperate with the family independence agency in formulating and acquiring the identified data.

(4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

Local workforce development boards.

Sec. 307. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, and parents of public school pupils.

Precollege engineering programs.

Sec. 309. (1) Of the funds appropriated in part 1 for precollege programs in engineering and the sciences, \$250,000.00 shall be provided in the form of a grant to the Detroit precollege engineering program, incorporated and \$250,000.00 shall be provided in the form of a grant to the Grand Rapids area precollege engineering program.