

**SUBSTITUTE FOR
HOUSE BILL NO. 4047**

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2021; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2021, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 565,500,000
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Interdepartmental grant revenues:



1	Total interdepartmental grants and	
2	intradepartmental transfers	0
3	ADJUSTED GROSS APPROPRIATION	\$ 565,500,000
4	Federal revenues:	
5	Total federal revenues	0
6	Special revenue funds:	
7	Total local revenues	0
8	Total private revenues	0
9	Total other state restricted revenues	0
10	State general fund/general purpose	\$ 565,500,000
11	Sec. 102. DEPARTMENT OF LABOR AND ECONOMIC	
12	OPPORTUNITY	
13	(1) APPROPRIATION SUMMARY	
14	GROSS APPROPRIATION	\$ 150,000,000
15	Interdepartmental grant revenues:	
16	Total interdepartmental grants and	
17	intradepartmental transfers	0
18	ADJUSTED GROSS APPROPRIATION	\$ 150,000,000
19	Federal revenues:	
20	Total federal revenues	0
21	Special revenue funds:	
22	Total local revenues	0
23	Total private revenues	0
24	Total other state restricted revenues	0
25	State general fund/general purpose	\$ 150,000,000
26	(2) ONE-TIME APPROPRIATIONS	
27	Michigan unemployment compensation funds	\$ 150,000,000
28	GROSS APPROPRIATION	\$ 150,000,000



Appropriated from:

State general fund/general purpose	\$ 150,000,000
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Sec. 103. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 415,500,000
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	0
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ADJUSTED GROSS APPROPRIATION	\$ 415,500,000
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Federal revenues:

Total federal revenues	0
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Special revenue funds:

Total local revenues	0
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Total private revenues	0
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Total other state restricted revenues	0
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State general fund/general purpose	\$ 415,500,000
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(2) ONE-TIME APPROPRIATIONS

Afflicted business tax and fee relief	\$ 393,500,000
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Property tax - delinquent tax penalty and interest waiver	22,000,000
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GROSS APPROPRIATION	\$ 415,500,000
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Appropriated from:

State general fund/general purpose	\$ 415,500,000
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PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under



part 1 for the fiscal year ending September 30, 2021 is \$565,500,000.00 and total state spending from state sources to be paid to local units of government is \$0.00.

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

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

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. After February 15, 2021, funds appropriated in part 1 for Michigan unemployment compensation funds shall be deposited into the unemployment compensation fund established under section 26 of the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.26, for the purpose of offsetting expected exposure to state fraud and improper payment during the COVID-19 crisis.

DEPARTMENT OF TREASURY

Sec. 401. (1) From the funds appropriated in part 1 for afflicted business tax and fee relief, \$300,000,000.00 shall be used by the department of treasury to create and operate a property tax relief program to provide grants for property tax relief to afflicted businesses in this state. The department of treasury



1 shall provide grants to afflicted businesses that have realized a
2 significant financial hardship as a result of the COVID-19
3 emergency as defined in this section. Grant applications shall be
4 accepted, reviewed, and approved by the department of treasury.

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

7 (a) Must not exceed the amount calculated in subparagraph (i)
8 or (ii) .

9 (i) For an afflicted business that pays property taxes
10 directly, an amount equal to the property taxes paid by the
11 afflicted business for calendar year 2020.

12 (ii) For an afflicted business that is a lessee, an amount
13 equal to 17% of the annual lease cost paid by the afflicted
14 business for calendar year 2020.

15 (b) An afflicted business that was in operation on October 1,
16 2019, must be subject to the following grant schedule:

17 (i) Afflicted businesses that certify a gross receipts loss of
18 50% or more for a calendar quarter in 2020 when compared to the
19 same calendar quarter in 2019 shall receive a grant equal to 100%
20 of the amount calculated in subdivision (a) .

21 (ii) Afflicted businesses that certify a gross receipts loss
22 greater than or equal to 25%, but less than 50%, for a calendar
23 quarter in 2020 when compared to the same calendar quarter in 2019
24 shall receive a grant equal to 75% of the amount calculated in
25 subdivision (a) .

26 (iii) Afflicted businesses that certify a gross receipts loss
27 greater than or equal to 10%, but less than 25%, for a calendar
28 quarter in 2020 when compared to the same calendar quarter in 2019
29 shall receive a grant equal to 50% of the amount calculated in



1 subdivision (a).

2 (iv) Afflicted businesses that certify a gross receipts loss
3 greater than or equal to 5%, but less than 10%, for a calendar
4 quarter in 2020 when compared to the same calendar quarter in 2019
5 shall receive a grant equal to 25% of the amount calculated in
6 subdivision (a).

7 (c) An afflicted business that was not in operation on October
8 1, 2019, but started operations before June 1, 2020, shall receive
9 a grant equal to 50% of the amount calculated in subdivision (a) if
10 the afflicted business can certify that it was closed or partially
11 closed due to an executive order or DHHS epidemic order.

12 (3) An afflicted business is considered to have qualified for
13 a grant under this section if, and only if, the afflicted business
14 has certified and attested, under penalty of perjury, to either of
15 the following:

16 (a) If the business was in operation on October 1, 2019, and
17 was either an eligible self-employed individual, independent
18 contractor, or sole proprietorship with no employees, or had
19 employees for which it paid salaries or wages and payroll taxes or
20 paid independent contractors, the afflicted business was adversely
21 impacted by the pandemic as indicated by a gross receipts loss of
22 at least 5% for a calendar quarter in 2020 when compared to the
23 same calendar quarter in 2019.

24 (b) If the business was not in operation on October 1, 2019,
25 but started operations before June 1, 2020, and was either an
26 eligible self-employed individual, independent contractor, or sole
27 proprietorship with no employees, or had employees for which it
28 paid salaries or wages and payroll taxes or paid independent
29 contractors, the afflicted business was negatively impacted by the



1 COVID-19 pandemic through a closure or partial closure due to an
2 executive order or DHHS epidemic order.

3 (4) Any afflicted business that falsifies certification under
4 subsection (3) shall forfeit any payments under this section and
5 sections 402 through 404 of this part and shall repay this state
6 all payments it has received under this section and sections 402
7 through 404 of this part.

8 (5) If the amount appropriated under this section is not
9 sufficient to fully pay grant awards under this section, payments
10 shall be prorated on an equal basis among all afflicted businesses
11 that qualified for a grant under this section. Any funds remaining
12 after the disbursement of all grant awards shall revert to the
13 general fund.

14 (6) The department of treasury must develop and post on the
15 department website application, program operation, award, and
16 reporting criteria for the program no later than April 1, 2021.
17 Afflicted businesses shall have until May 1, 2021 to submit program
18 grant applications. The department of treasury shall disburse grant
19 awards by June 1, 2021.

20 (7) The department of treasury shall submit a monthly report
21 to the senate and house appropriations committees, the senate and
22 house fiscal agencies, and the state budget office that provides a
23 listing of grants awarded in the previous month and the name of the
24 recipient of each grant provided under the program. The department
25 of treasury shall submit a summary of all grants awarded under the
26 program, by industry, over the course of the current fiscal year by
27 September 30, 2021.

28 (8) As used in this section:

29 (a) "Afflicted business" means any of the following:



1 (i) An entertainment venue.

2 (ii) An exercise facility.

3 (iii) A food service establishment.

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

5 (b) "Entertainment venue" includes an auditorium, arena,
6 banquet hall, cinema, concert hall, conference center, performance
7 venue, sporting venue, stadium, or theater.

8 (c) "Exercise facility" means a facility in which individuals
9 participate in individual or group physical activity, including a
10 gymnasium, fitness center, or exercise studio.

11 (d) "Food service establishment" means that term as defined in
12 section 1107 of the food law, 2000 PA 92, MCL 289.1107.

13 (e) "Gross receipts" means that term as defined in section 607
14 of the income tax act of 1967, 1967 PA 281, MCL 206.607.

15 (f) "Recreation facility or place of public amusement"
16 includes an amusement park, arcade, bingo hall, bowling alley,
17 casino, nightclub, skating rink, water park, or trampoline park.

18 Sec. 402. (1) From the funds appropriated in part 1 for
19 afflicted business tax and fee relief, \$55,000,000.00 shall be used
20 by the department of treasury to create and operate an unemployment
21 insurance tax relief program to provide grants for unemployment
22 insurance tax relief to afflicted businesses in this state. The
23 department of treasury shall provide grants to afflicted businesses
24 as defined in this section. Grant applications shall be accepted,
25 reviewed, and approved by the department of treasury.

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

28 (a) Must equal the amount of unemployment insurance taxes paid
29 by the afflicted business in the 2 most recently preceding



1 quarters.

2 (b) Must be used only for working capital to support payroll
3 expenses, rent, mortgage payments, utility expenses, and costs
4 related to reopening a business.

5 (3) An afflicted business is considered to have qualified for
6 a grant under this section if, and only if, the afflicted business
7 has certified and attested, under penalty of perjury, to both of
8 the following:

9 (a) Unemployment insurance taxes were paid and the afflicted
10 business has documented the taxes paid for the 2 most recently
11 preceding quarters to the department of treasury.

12 (b) The afflicted business was in operation on February 15,
13 2020, and was either an eligible self-employed individual,
14 independent contractor, or sole proprietorship with no employees,
15 or had employees for which it paid salaries or wages and payroll
16 taxes or paid independent contractors.

17 (4) Any afflicted business that falsifies certification shall
18 forfeit any payments under this section and sections 401, 403, and
19 404 of this part and shall repay this state all payments it has
20 received under this section and sections 401, 403, and 404 of this
21 part.

22 (5) If the amount appropriated under this section is not
23 sufficient to fully pay grant awards under this section, payments
24 shall be prorated on an equal basis among all afflicted businesses
25 that qualified for a grant under this section. Any funds remaining
26 after the disbursement of all grant awards shall revert to the
27 general fund.

28 (6) The department of treasury must develop and post on the
29 department website application, program operation, award, and



1 reporting criteria for the program no later than April 1, 2021.
2 Afflicted businesses shall have until May 1, 2021 to submit program
3 grant applications. The department of treasury shall disburse grant
4 awards no later than June 1, 2021.

5 (7) The department of treasury shall submit a monthly report
6 to the senate and house appropriations committees, the senate and
7 house fiscal agencies, and the state budget office that provides a
8 listing of grants awarded in the previous month and the name of the
9 recipient of each grant provided under the program. The department
10 of treasury shall submit a summary of all grants awarded under the
11 program, by industry, over the course of the current fiscal year by
12 September 30, 2021.

13 (8) As used in this section:

14 (a) "Afflicted business" means any of the following:

15 (i) An entertainment venue.

16 (ii) An exercise facility.

17 (iii) A food service establishment.

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

19 (b) "Entertainment venue" includes an auditorium, arena,
20 banquet hall, cinema, concert hall, conference center, performance
21 venue, sporting venue, stadium, or theater.

22 (c) "Exercise facility" means a facility in which individuals
23 participate in individual or group physical activity, including a
24 gymnasium, fitness center, or exercise studio.

25 (d) "Food service establishment" means that term as defined in
26 section 1107 of the food law, 2000 PA 92, MCL 289.1107.

27 (e) "Recreation facility or place of public amusement"
28 includes an amusement park, arcade, bingo hall, bowling alley,
29 casino, nightclub, skating rink, water park, or trampoline park.



1 Sec. 403. (1) From the funds appropriated in part 1 for
2 afflicted business tax and fee relief, \$16,500,000.00 shall be used
3 by the department of treasury to create and operate a retail liquor
4 license relief program to provide grants for retail liquor license
5 relief to afflicted businesses in this state. The department of
6 treasury shall provide grants to afflicted businesses as defined in
7 this section. Grant applications shall be accepted, reviewed, and
8 approved by the department of treasury.

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

11 (a) Must equal the amount of retail liquor license fees paid
12 by the afflicted business during calendar year 2020.

13 (b) Must be used only for working capital to support payroll
14 expenses, rent, mortgage payments, utility expenses, and costs
15 related to reopening a business.

16 (3) An afflicted business is considered to have qualified for
17 a grant under this section if, and only if, the afflicted business
18 has certified and attested, under penalty of perjury, to both of
19 the following:

20 (a) Retail liquor license fees were paid and the afflicted
21 business has documented the fees paid for calendar year 2020 to the
22 department of treasury.

23 (b) The afflicted business was in operation on February 15,
24 2020, and was either an eligible self-employed individual,
25 independent contractor, or sole proprietorship with no employees,
26 or had employees for which it paid salaries or wages and payroll
27 taxes or paid independent contractors.

28 (4) Any afflicted business that falsifies certification shall
29 forfeit any payments under this section and sections 401, 402, and



1 404 of this part and shall repay this state all payments it has
2 received under this section and sections 401, 402, and 404 of this
3 part.

4 (5) If the amount appropriated under this section is not
5 sufficient to fully pay grant awards under this section, payments
6 shall be prorated on an equal basis among all afflicted businesses
7 that qualified for a grant under this section. Any funds remaining
8 after the disbursement of all grant awards shall revert to the
9 general fund.

10 (6) The department of treasury must develop and post on the
11 department website application, program operation, award, and
12 reporting criteria for the program no later than April 1, 2021.
13 Afflicted businesses shall have until May 1, 2021 to submit program
14 grant applications. The department of treasury shall disburse grant
15 awards no later than June 1, 2021.

16 (7) The department of treasury shall submit a monthly report
17 to the senate and house appropriations committees, the senate and
18 house fiscal agencies, and the state budget office that provides a
19 listing of grants awarded in the previous month and the name of the
20 recipient of each grant provided under the program. The department
21 of treasury shall submit a summary of all grants awarded under the
22 program, by industry, over the course of the current fiscal year by
23 September 30, 2021.

24 (8) As used in this section:

25 (a) "Afflicted business" means any of the following:

26 (i) An entertainment venue.

27 (ii) An exercise facility.

28 (iii) A food service establishment.

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



1 (b) "Entertainment venue" includes an auditorium, arena,
2 banquet hall, cinema, concert hall, conference center, performance
3 venue, sporting venue, stadium, or theater.

4 (c) "Exercise facility" means a facility in which individuals
5 participate in individual or group physical activity, including a
6 gymnasium, fitness center, or exercise studio.

7 (d) "Food service establishment" means that term as defined in
8 section 1107 of the food law, 2000 PA 92, MCL 289.1107.

9 (e) "Recreation facility or place of public amusement"
10 includes an amusement park, arcade, bingo hall, bowling alley,
11 casino, nightclub, skating rink, water park, or trampoline park.

12 Sec. 404. (1) From the funds appropriated in part 1 for
13 afflicted business tax and fee relief, \$22,000,000.00 shall be used
14 by the department of treasury to create and operate a local health
15 department food service fee relief program to provide grants for
16 local health department food service fee relief to afflicted
17 businesses in this state. The department of treasury shall provide
18 grants to afflicted businesses as defined in this section. Grant
19 applications shall be accepted, reviewed, and approved by the
20 department of treasury.

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

23 (a) Must equal the amount of local health department food
24 service fees paid by the afflicted business during calendar year
25 2020.

26 (b) Must be used only for working capital to support payroll
27 expenses, rent, mortgage payments, utility expenses, and costs
28 related to reopening a business.

29 (3) An afflicted business is considered to have qualified for



1 a grant under this section if, and only if, the afflicted business
2 has certified and attested, under penalty of perjury, to both of
3 the following:

4 (a) Local health department food service fees were paid and
5 the afflicted business has documented the fees paid for calendar
6 year 2020 to the department of treasury.

7 (b) The afflicted business was in operation on February 15,
8 2020, and was either an eligible self-employed individual,
9 independent contractor, or sole proprietorship with no employees,
10 or had employees for which it paid salaries or wages and payroll
11 taxes or paid independent contractors.

12 (4) Any afflicted business that falsifies certification shall
13 forfeit any payments under this section and sections 401, 402, and
14 403 of this part and shall repay this state all payments it has
15 received under this section and sections 401, 402, and 403 of this
16 part.

17 (5) If the amount appropriated under this section is not
18 sufficient to fully pay grant awards under this section, payments
19 shall be prorated on an equal basis among all afflicted businesses
20 that qualified for a grant under this section. Any funds remaining
21 after the disbursement of all grant awards shall revert to the
22 general fund.

23 (6) The department of treasury must develop and post on the
24 department website application, program operation, award, and
25 reporting criteria for the program no later than April 1, 2021.
26 Afflicted businesses shall have until May 1, 2021 to submit program
27 grant applications. The department of treasury shall disburse grant
28 awards no later than June 1, 2021.

29 (7) The department of treasury shall submit a monthly report



1 to the senate and house appropriations committees, the senate and
 2 house fiscal agencies, and the state budget office that provides a
 3 listing of grants awarded in the previous month and the name of the
 4 recipient of each grant provided under the program. The department
 5 of treasury shall submit a summary of all grants awarded under the
 6 program, by industry, over the course of the current fiscal year by
 7 September 30, 2021.

8 (8) As used in this section:

9 (a) "Afflicted business" means any of the following:

10 (i) An entertainment venue.

11 (ii) An exercise facility.

12 (iii) A food service establishment.

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

14 (b) "Entertainment venue" includes an auditorium, arena,
 15 banquet hall, cinema, concert hall, conference center, performance
 16 venue, sporting venue, stadium, or theater.

17 (c) "Exercise facility" means a facility in which individuals
 18 participate in individual or group physical activity, including a
 19 gymnasium, fitness center, or exercise studio.

20 (d) "Food service establishment" means that term as defined in
 21 section 1107 of the food law, 2000 PA 92, MCL 289.1107.

22 (e) "Recreation facility or place of public amusement"
 23 includes an amusement park, arcade, bingo hall, bowling alley,
 24 casino, nightclub, skating rink, water park, or trampoline park.

25 Sec. 405. For purposes of satisfying the application
 26 requirements under sections 401 through 404 of this part, the
 27 department of treasury shall develop a combined application
 28 separated into sections by program.

29 Sec. 406. (1) Funds appropriated in part 1 for property tax -



1 delinquent tax penalty and interest waiver shall not be expended
2 unless an amendment to section 44a of the general property tax act,
3 1893 PA 206, MCL 211.44a, is enacted into law to provide for the
4 waiver of interest and penalty on unpaid summer 2020 property taxes
5 levied on designated property. Funds shall be used only for
6 implementation of that bill.

7 (2) The unexpended funds appropriated for property tax -
8 delinquent tax penalty and interest waiver are designated as work
9 project appropriations. Any unencumbered or unallotted funds shall
10 not lapse at the end of the fiscal year and shall be available for
11 expenditure for projects under this section until the projects have
12 been completed. The following is in compliance with section 451a(1)
13 of the management and budget act, 1984 PA 431, MCL 18.1451a:

14 (a) The purpose of the project is to provide for the waiver of
15 interest and penalty on unpaid summer 2020 property taxes levied on
16 designated property.

17 (b) The projects will be accomplished by utilizing state
18 employees or contracts.

19 (c) The total estimated cost of the work project is
20 \$22,000,000.00.

21 (d) The tentative completion date is September 30, 2025.

