Act No. 127 Public Acts of 2007 Approved by the Governor\* October 31, 2007

Filed with the Secretary of State October 31, 2007

EFFECTIVE DATE: October 31, 2007

\*Item Vetoes

# Sec. 307.

The words: "Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, shall be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$250,000.00." (Page 20)

Sec. 724b.

Entire Section. (Page 28)

Sec. 919. (2)

Entire Subsection. (Page 36)

# STATE OF MICHIGAN 94TH LEGISLATURE REGULAR SESSION OF 2007

**Introduced by Senator Pappageorge** 

# ENROLLED SENATE BILL No. 229

AN ACT to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2008; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The People of the State of Michigan enact:

#### PART 1

# LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2008, from the funds indicated in this part. The following is a summary of the appropriations in this part:

#### TOTAL GENERAL GOVERNMENT

APPROPRIATION SUMMARY:	
Full-time equated unclassified positions49.0	
Full-time equated classified positions	
GROSS APPROPRIATION	\$ 3,123,867,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	646,767,400
ADJUSTED GROSS APPROPRIATION	\$ 2,477,100,500
Federal revenues:	
Total federal revenues	108,396,800
Special revenue funds:	
Total local revenues	2,800,700
Total private revenues	1,262,900
Total other state restricted revenues	1,703,781,000
State general fund/general purpose	\$ 660,859,100

Sec. 102. DEPARTMENT OF ATTORNEY GENERAL (1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions		
Full-time equated classified positions		
GROSS APPROPRIATION	\$	73,124,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		21,780,300
ADJUSTED GROSS APPROPRIATION	\$	51,343,900
Federal revenues:		
Total federal revenues		7,816,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues	ф	11,491,300
State general fund/general purpose	\$	32,036,600
(2) ATTORNEY GENERAL OPERATIONS		
Full-time equated unclassified positions		
Full-time equated classified positions	ф	104.000
Attorney general	\$	124,900
Unclassified positions—5.0 FTE positions		476,300
Attorney general operations—519.0 FTE positions		66,825,900
Child support enforcement—25.0 FTE positions		2,943,100
GROSS APPROPRIATION	<u>.</u> —	$\frac{1,986,100}{72,356,300}$
Appropriated from:	Ф	12,550,500
Appropriated from: Interdepartmental grant revenues:		
IDG from MDCH, health services		1,840,200
IDG from MDCH, WIC		70,000
IDG from DOC		279,100
IDG from MDE		50,000
IDG from MDEQ.		1,740,000
IDG from MDHS		3,329,300
IDG from MDLEG, career education services		186,100
IDG from MDLEG, children's protection registry		36,200
IDG from MDLEG, financial and insurance services		1,102,100
IDG from MDLEG, homeowners construction lien recovery fund		304,900
IDG from MDLEG, licensing and regulation fees		175,700
IDG from MDLEG, Michigan occupational safety and health administration		98,700
IDG from MDLEG, Michigan state housing development authority		518,500
IDG from MDLEG, remonumentation fees		77,500
IDG from MDLEG, unemployment insurance agency		1,627,100
IDG from MDMB, risk management revolving fund		1,356,400
IDG from DMVA		118,900
IDG from MDOT, comprehensive transportation fund		159,000
IDG from MDOT, state aeronautics fund		156,900
IDG from MDOT, state trunkline fund		2,807,200
IDG from MDSP, Michigan justice training fund		325,000
IDG from MDSP		279,100
IDG from Michigan gaming control board		1,085,300
IDG from treasury		3,927,900
IDG from treasury, strategic fund		129,200
Federal revenues:		205 500
DAG, state administrative match grant/food stamps		387,700
Federal funds		2,485,800
HHS, medical assistance, medigrant		649,200
HHS-OS, state Medicaid fraud control units		4,293,300
Special revenue funds:		GEO 000
Antitrust enforcement collections		650,000
Attorney general's operations fund		873,400

		Ending Sept. 30, 2008
Auto repair facilities fees	\$	233,600
Franchise fees	,	299,200
Game and fish protection fund		767,800
Liquor purchase revolving fund		1,059,600
Manufactured housing fees		196,300
Merit award trust fund		406,700
Prisoner reimbursement		460,800
Prosecuting attorneys' training fees		375,000
Public utility assessments		1,830,600
Real estate enforcement fund		550,000
Reinstatement fees		160,000
Retirement funds		754,600
Second injury fund		999,800
Self-insurers security fund		174,400
Silicosis and dust disease fund		533,700
State building authority revenue		98,200
State lottery fund		248,700 559,700
Waterways fund		100,200
Worker's compensation administrative revolving fund		159,000
State general fund/general purpose	\$	31,268,700
(3) INFORMATION TECHNOLOGY	Ψ	91,200,100
Information technology services and projects	\$	767,900
GROSS APPROPRIATION		767,900
Appropriated from:	*	,
State general fund/general purpose	\$	767,900
Sec. 103. DEPARTMENT OF CIVIL RIGHTS (1) APPROPRIATION SUMMARY Full-time equated unclassified positions		
Full-time equated classified positions		
GROSS APPROPRIATION	\$	14,491,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	14,491,300
Federal revenues:		
Total federal revenues		2,054,100
Special revenue funds:		_
Total local revenues		0
Total private revenues		0
Total other state restricted revenues	ф	10.497.200
State general fund/general purpose	\$	12,437,200
(2) CIVIL RIGHTS OPERATIONS  Trill time accusted unclassified mostitions		
Full-time equated unclassified positions		
Full-time equated classified positions 136.0	Ф	264 700
Unclassified positions—5.0 FTE positions  Civil rights operations—136.0 FTE positions	\$	264,700 13,433,100
Human resources optimization user charges		8,700
GROSS APPROPRIATION	\$	13,706,500
Appropriated from:	Ψ	19,100,000
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts		1,283,500
HUD, grant		770,600
State general fund/general purpose	\$	11,652,400
(3) INFORMATION TECHNOLOGY	7	,oo <b>_,</b> 100
Information technology services and projects	\$	784,800
GROSS APPROPRIATION	\$	784,800
Appropriated from:		,
State general fund/general purpose	\$	784,800

For Fiscal Year

Sec. 104. EXECUTIVE OFFICE (1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions		
Full-time equated classified positions	Ф	£ 917 900
	\$	5,317,300
Interdepartmental grant revenues:		0
Total interdepartmental grants and intradepartmental transfers	Ф	-
Federal revenues:	Ф	5,317,300
Total federal revenues.		0
Special revenue funds:		U
Total local revenues		0
		0
Total private revenues		0
	Ф	•
State general fund/general purpose	Ф	5,317,300
Full-time equated unclassified positions		
Full-time equated classified positions	d•	177.000
Governor	Ф	177,000
Lieutenant governor		123,900
Executive office—74.2 FTE positions		4,166,600
Unclassified positions—8.0 FTE positions	. –	849,800
GROSS APPROPRIATION	\$	5,317,300
Appropriated from:	Ф	F 01 F 000
State general fund/general purpose	\$	5,317,300
Sec. 105. DEPARTMENT OF INFORMATION TECHNOLOGY (1) APPROPRIATION SUMMARY Full-time equated unclassified positions		
Full-time equated classified positions	d•	490 000 100
GROSS APPROPRIATION	\$	428,868,100
Interdepartmental grant revenues:		490 000 100
Total interdepartmental grants and intradepartmental transfers	d•	428,868,100
Federal revenues:	Ф	U
		0
Total federal revenues		U
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0
(2) ADMINISTRATION	Ф	U
Full-time equated unclassified positions		
Full-time equated classified positions 1,774.4	Ф	200 000
Unclassified positions—6.0 FTE positions—Enterprisewide services—75.0 FTE positions————————————————————————————————————	\$	300,000
		22,980,300
Health and human services—773.6 FTE positions		247,847,100
Education services—38.9 FTE positions		3,569,000
Public protection—302.0 FTE positions		47,779,000
Resources services—171.1 FTE positions		17,372,300
Transportation services—107.0 FTE positions		28,145,500
General services—306.8 FTE positions	φ —	60,874,900
GROSS APPROPRIATION	\$	428,868,100
Appropriated from:		
Interdepartmental grant revenues:		1 501 500
IDG from department of agriculture		1,531,500
IDG from department of attorney general		767,900
IDG from civil rights		784,800

		For Fiscal Year Ending Sept. 30, 2008
IDG from civil service	\$	3,838,000
IDG from department of community health	,	51,876,600
IDG from department of corrections		17,633,200
IDG from department of education		2,826,400
IDG from department of environmental quality		7,466,300
IDG from Michigan gaming control board		1,320,000
IDG from department of history, arts, and libraries		1,099,200
IDG from department of human services		154,450,500
IDG from department of labor and economic growth		42,799,100
IDG from bureau of state lottery		4,549,600
IDG from department of management and budget		28,598,900
IDG from department of military and veterans affairs		1,187,500
IDG from department of natural resources		8,901,700
IDG from department of state		24,415,600 27,937,000
IDG from department of state ponce		28,483,300
IDG from department of transportation.		18,401,000
State general fund/general purpose	\$	10,401,000
Sec. 106. LEGISLATURE	ψ	v
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	114,504,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	114,504,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		400,000
Total other state restricted revenues		1,109,800
State general fund/general purpose		112,994,200
Senate	\$	29,126,400
Senate automated data processing		2,549,600
Senate fiscal agency		3,219,200
House of representatives		45,515,800
House automated data processing		2,024,900
House fiscal agencyGROSS APPROPRIATION	Ф -	3,219,200 85,655,100
Appropriated from:	\$	09,099,100
State general fund/general purpose	\$	85,655,100
Legislative council	\$	10,014,100
Legislative service bureau automated data processing	·	1,374,800
Worker's compensation		133,000
National association dues		97,900
GROSS APPROPRIATION	\$	11,619,800
Appropriated from: Special revenue funds:		
Private - gifts and bequests revenues		400,000
State general fund/general purpose	\$	11,219,800
(4) LEGISLATIVE RETIREMENT SYSTEM		
General nonretirement expenses	\$_	4,533,900
GROSS APPROPRIATION	\$	4,533,900
Appropriated from:		
Special revenue funds:		
Court fees		1,109,800
State general fund/general purpose	\$	3,424,100

12,486,800

Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions		
Full-time equated classified positions		
GROSS APPROPRIATION	\$	504,898,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		162,686,100
ADJUSTED GROSS APPROPRIATION	\$	342,212,300
Federal revenues:		
Total federal revenues		4,779,100
Special revenue funds:		
Total local revenues		1,700,000
Total private revenues		150,000
Total other state restricted revenues		68,104,000
State general fund/general purpose	\$	267,479,200
(2) MANAGEMENT AND BUDGET SERVICES		
Full-time equated unclassified positions		
Full-time equated classified positions		
Unclassified positions—6.0 FTE positions	\$	636,500
Executive operations—20.5 FTE positions		2,449,100
Administrative services—60.5 FTE positions		6,382,500
Budget and financial management—112.5 FTE positions		10,832,000
Office of the state employer—23.0 FTE positions		2,785,100
Design and construction services—40.0 FTE positions		5,337,400
Business support services—86.5 FTE positions		7,934,800
Building operation services—241.0 FTE positions		88,294,800
Building occupancy charges, rent, and utilities		4,203,000
Human resources optimization user charges.		66,000
Motor vehicle fleet		56,861,600
GROSS APPROPRIATION	s <sup>—</sup>	185,782,800
Appropriated from:	φ	105,102,000
Interdepartmental grant revenues:		
IDG from MDOT, comprehensive transportation fund		60,000
IDG from MDOT, comprehensive transportation fund		37,600
IDG from MDOT, state trunkline fund		1,454,700
		, ,
IDG from building occupancy and parking charges		91,136,800
IDG from department of labor and economic growth		100,000
*		56,861,600
IDG from MDCH		433,300
IDG from MDHS		170,500
IDG from user fees		5,335,100
Special revenue funds:		240.000
Game and fish protection fund		268,800
Health management funds		1,719,600
Marine safety fund		23,300
Special revenue, internal service, and pension trust funds		9,013,600
State building authority revenue		621,200
State lottery fund		110,700
State services fee fund		74,000
Waterways fund		61,600
State general fund/general purpose		
	\$	18,300,400
(3) STATEWIDE APPROPRIATIONS	\$	
Professional development fund - MPES	\$ \$	125,000
, ,	\$ \$	
Professional development fund - MPES	\$	125,000
Professional development fund - MPES	\$	125,000 50,000
Professional development fund - MPES	\$ \$ -	125,000 50,000 38,000

Appropriated from:		
Interdepartmental grant revenues:		
IDG from employer contributions	\$	329,000
State general fund/general purpose	\$	0
(4) SPECIAL PROGRAMS		
Full-time equated classified positions		
Building occupancy charges - property management services for executive/legislative building		
occupancy	\$	1,854,100
Retirement services—140.5 FTE positions		16,793,100
Office of children's ombudsman—14.0 FTE positions	. —	1,396,500
GROSS APPROPRIATION	\$	20,043,700
Special revenue funds:		
Deferred compensation		1,542,400
Pension trust funds		15,250,700
State general fund/general purpose	\$	3,250,600
(5) STATE FAIR	Ψ	3,233,333
Full-time equated unclassified positions		
Full-time equated classified positions9.0		
Unclassified positions—1.0 FTE position.	\$	101,000
Michigan state fair operations—9.0 FTE positions		6,399,300
Michigan state fair information technology	_	88,800
GROSS APPROPRIATION	\$	6,589,100
Appropriated from:		
Special revenue funds:		
State exposition and fairgrounds fund	Φ.	6,589,100
State general fund/general purpose	\$	0
(6) INFORMATION TECHNOLOGY	Ф	00 510 100
Information technology services and projects		28,510,100 28,510,100
Appropriated from:	Ф	20,510,100
Interdepartmental grant revenues:		
IDG from MDOT, comprehensive transportation fund		2,100
IDG from MDOT, state aeronautics fund		1,100
IDG from MDOT, state trunkline fund		47,500
IDG from building occupancy and parking charges		654,100
IDG from user fees		186,800
Special revenue funds:		,
Deferred compensation		2,600
Game and fish protection fund		9,800
Health management funds		41,700
Marine safety fund		900
MAIN user charges		4,209,200
Pension trust funds		6,802,100
Special revenue, internal service, and pension trust funds		2,554,600
State building authority revenue		9,700
State lottery fund		4,600
Waterways fund	<b>e</b>	2,000 13,981,300
(7) STATE BUILDING AUTHORITY RENT	\$	15,961,500
State building authority rent - state agencies	\$	56,616,700
State building authority rent - department of corrections	Ψ	46,867,700
State building authority rent - universities		104,280,900
State building authority rent - community colleges		19,056,800
GROSS APPROPRIATION	\$	226,822,100
Appropriated from:	•	, , , ,
Special revenue funds:		
State lottery fund		1,520,000
State general fund/general purpose	\$	225,302,100

(8) CIVIL SERVICE OPERATIONS		
Full-time equated classified positions		
Agency services—118.5 FTE positions	\$	13,255,400
Executive direction—45.0 FTE positions		8,166,200
Employee benefits—31.0 FTE positions		5,873,200
Audit and compliance—16.0 FTE positions		2,168,900
Training		1,300,000 2,205,000
Information technology services and projects		3,852,900
GROSS APPROPRIATION	s —	36,821,600
Appropriated from:	Ψ	33,021,333
Interdepartmental grant revenues:		
IDG, training charges		1,300,000
IDG, 1% special funds		1,300,000
IDG, human resources optimization user charges		3,275,900
Federal revenues:		. ===
Federal funds 1%		4,779,100
Special revenue funds: Local funds 1%		1 700 000
Private funds 1%		1,700,000 150,000
Freedom of information fees		1,100
State restricted funds 1%		9,007,200
State sponsored group insurance		2,650,000
State sponsored group insurance, flexible spending accounts and COBRA		6,013,500
State general fund/general purpose	\$	6,644,800
Sec. 109. DEPARTMENT OF STATE (1) APPROPRIATION SUMMARY Full-time equated unclassified positions		
GROSS APPROPRIATION	\$	207,681,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	ф	20,000,000
ADJUSTED GROSS APPROPRIATIONFederal revenues:	Þ	187,681,400
Total federal revenues		1,911,200
Special revenue funds:		1,511,200
Total local revenues		0
Total private revenues		100
Total other state restricted revenues		156,972,900
State general fund/general purpose	\$	28,797,200
(2) EXECUTIVE DIRECTION		
Full-time equated unclassified positions		
Full-time equated classified positions	d•	104 000
Secretary of state	\$	124,900 459,200
Operations—3.0 FTE positions  Operations—30.2 FTE positions		2,821,300
GROSS APPROPRIATION	s <sup>-</sup>	3,405,400
Appropriated from:	Ψ	3,103,100
Special revenue funds:		
Auto repair facilities fees		60,500
Driver fees		127,200
Expedient service fees		54,100
Parking ticket court fines		8,300
Personal identification card fees		12,700
Reinstatement fees - operator licenses		137,300
Vehicle theft prevention fees		2,069,100 35,600
State general fund/general purpose	\$	900,600
2 0 Portone to London	Ψ	200,000

(3) DEPARTMENT SERVICES		
Full-time equated classified positions		
Operations—159.8 FTE positions	\$	23,718,500
Assigned claims assessments—6.5 FTE positions	,	771,300
GROSS APPROPRIATION	\$	24,489,800
Appropriated from:		
Federal revenues:		
Federal funds		1,200
Special revenue funds:		
Abandoned vehicle fees		468,600
Assigned claims assessments		771,300
Auto repair facilities fees		415,000
Child support clearance fees		34,300
Driver fees		427,900
Expedient service fees		253,200
Marine safety fund		76,000
Off-road vehicle title fees		7,800
Parking ticket court fines		52,700
Personal identification card fees		84,600
Reinstatement fees - operator licenses		547,800
Scrap tire fund		69,900
Snowmobile registration fee revenue		18,100
Transportation administration collection fund		19,138,400
Vehicle theft prevention fees	ф	243,400
State general fund/general purpose	\$	1,879,600
(4) REGULATORY SERVICES		
Full-time equated classified positions	ф	22.24.6.22
Operations—243.6 FTE positions	\$	22,216,000
Motorcycle safety education administration—2.0 FTE positions		360,000
Motorcycle safety grants		1,430,000
County clerk education and training fund	_ —	100,000
GROSS APPROPRIATION	\$	24,106,000
Appropriated from: Federal revenues:		
		2 500
Federal funds		3,500
Auto repair facilities fees		4,144,800
Driver education provider and instructor fund		72,900
Driver fees		1,970,300
Expedient service fees		34,400
Motorcycle safety fund		1,790,000
Notary education and training fund		100,000
Notary fee fund		314,000
Parking ticket court fines		20,700
Personal identification card fees		49,300
Reinstatement fees - operator licenses		1,762,500
Transportation administration collection fund		11,024,300
Vehicle theft prevention fees		1,330,900
State general fund/general purpose	\$	1,488,400
(5) CUSTOMER DELIVERY SERVICES	,	,,
Full-time equated classified positions		
Branch operations—933.9 FTE positions	\$	72,263,600
Central operations—433.1 FTE positions	-	38,486,400
Commemorative license plates—16.2 FTE positions		2,147,300
Specialty license plates		1,922,000
Olympic center plate		75,700
Organ donor program	_	104,100
GROSS APPROPRIATION	\$	114,999,100

Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund	\$	20,000,000
Federal revenues:		
Federal funds		1,556,500
Special revenue funds:		
Private funds		100
Abandoned vehicle fees		197,600
Auto repair facilities fees		93,100
Child support clearance fees		295,500
Driver fees		14,325,700
Expedient service fees		2,421,700
Marine safety fund		1,187,300
Michigan state police auto theft fund		118,900
Mobile home commission fees		476,000
Off-road vehicle title fees		127,300
Parking ticket court fines		1,490,500
Personal identification card fees		1,583,600
Reinstatement fees - operator licenses		1,192,400
Snowmobile registration fee revenue		348,100
Transportation administration collection fund		57,848,200
Vehicle theft prevention fees		209,500
State general fund/general purpose	\$	11,527,100
(6) ELECTION REGULATION		
Full-time equated classified positions		
Election administration and services—28.5 FTE positions	\$	4,780,500
Help America vote act		350,000
Fees to local units	_	109,800
GROSS APPROPRIATION	\$	5,240,300
Appropriated from:		
Federal funds		350,000
State general fund/general purpose	\$	4,890,300
(7) DEPARTMENTWIDE APPROPRIATIONS		
Building occupancy charges/rent	\$	10,600,200
Worker's compensation	. –	425,000
GROSS APPROPRIATION	\$	11,025,200
Appropriated from:		
Special revenue funds:		
Auto repair facilities fees		142,000
Driver fees		466,300
Expedient service fees		26,300
Parking ticket court fines		467,100
Transportation administration collection fund		6,020,900
State general fund/general purpose	\$	3,902,600
(8) INFORMATION TECHNOLOGY		24.44.5.000
Information technology services and projects		24,415,600
GROSS APPROPRIATION	\$	24,415,600
Appropriated from:		
Special revenue funds:		44.00
Administrative order processing fee		11,100
Auto repair facilities fees		179,400
Child support clearance fees		16,200
Driver fees		1,346,100
Expedient service fees		959,500
Parking ticket court fines		82,700
Personal identification card fees		881,200
Reinstatement fees - operator licenses		471,900
Transportation administration collection fund		16,088,000

		For Fiscal Year Ending Sept. 30, 2008
Vehicle theft prevention fees	\$	170,900
State general fund/general purpose		4,208,600
Sec. 110. DEPARTMENT OF TREASURY (1) APPROPRIATION SUMMARY Full-time equated unclassified positions		
Full-time equated classified positions	\$	1,759,155,000
Interdepartmental grant revenues:		11 (91 400
Total interdepartmental grants and intradepartmental transfers	d•	11,631,400
ADJUSTED GROSS APPROPRIATION	Ф	1,747,523,600
Total federal revenues		91,836,400
Special revenue funds:		4 400 500
Total local revenues		1,100,700
Total private revenues		712,800
Total other state restricted revenues	ф	1,464,563,100
State general fund/general purpose	\$	189,310,600
Full-time equated unclassified positions		
Full-time equated classified positions	\$	812,600
Office of the director—5.0 FTE positions	_	833,800
GROSS APPROPRIATION	\$	1,646,400
Special revenue funds: State lottery fund		150,000
· ·		159,000
State services fee fund	Ф	196,700
State general fund/general purpose		1,290,700
Travel	\$	1,415,900
Rent and building occupancy charges - property management services		5,194,600
Worker's compensation insurance premium		247,000
GROSS APPROPRIATION	\$	6,857,500
Special revenue funds:		0.400.600
Delinquent tax collection revenue	d•	3,483,600
State general fund/general purpose	Ф	3,373,900
Full-time equated classified positions	ф	10.040.000
Supervision of the general property tax law—84.0 FTE positions	\$	10,649,600
Property tax assessor training—4.0 FTE positions		423,100
Local finance—19.0 FTE positions		2,432,100
Blackstone settlement	ф -	2,000,000
GROSS APPROPRIATION	<b>\$</b>	15,504,800
Local - assessor training fees		423,100
Local - audit charges		587,600
Local - equalization study chargebacks		40,000
Local - revenue from local government		50,000
Land reutilization fund		3,979,100
Municipal finance fees		477,700
State education tax collections		50,000
State general fund/general purpose	\$	9,897,300
Full-time equated classified positions800.5		
Customer contact—186.0 FTE positions	\$	13,729,500

		For Fiscal Year Ending Sept. 30, 2008
Tax compliance—335.0 FTE positions	\$	31,671,300
Tax and economic policy—53.5 FTE positions	Ψ	6,079,800
Revenue enhancement program—45.0 FTE positions		5,267,400
Tax processing—147.0 FTE positions		15,013,600
Michigan business tax implementation—28.0 FTE positions		8,400,000
Individual income tax implementation		120,000
Tax on services implementation—2.0 FTE positions		400,000
Home heating assistance		2,159,800
Bottle bill implementation		250,000
Tobacco tax collection—4.0 FTE positions		348,500
GROSS APPROPRIATION	\$	83,439,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG, data/collection services fees		50,900
IDG from MDOT, Michigan transportation fund		7,549,700
IDG from MDOT, state aeronautics fund		67,300
Federal revenues:		
HHS-SSA, low-income energy assistance		2,159,800
Special revenue funds:		
Bottle deposit fund		250,000
Delinquent tax collection revenue		56,923,900
Tobacco tax collection and enforcement		348,500
Tobacco tax revenue		388,800
Waterways fund		78,900
State general fund/general purpose	\$	15,622,100
Full-time equated classified positions		
Program management—13.0 FTE positions	\$	1,470,000
Human resources and purchasing—27.0 FTE positions		2,791,300
Mail operations—20.0 FTE positions		2,010,600
Unclaimed property—21.0 FTE positions		3,545,800
Human resources optimization user charges		85,200
Collections—185.0 FTE positions		18,907,300
Finance and accounting—32.0 FTE positions		1,733,200
Receipts processing—40.0 FTE positions	_	2,967,700
GROSS APPROPRIATION	\$	33,511,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDHS, title IV-D		617,600
IDG, levy/warrant cost assessment fees		1,848,800
IDG, state agency collection fees		590,100
IDG, data/collection services fees		204,400
Special revenue funds:		
Delinquent tax collection revenue		19,137,600
Escheats revenue		3,545,800
Garnishment fees		531,600
Justice system fund		636,500
Treasury fees		188,300
State general fund/general purpose	\$	6,210,400
(7) FINANCIAL PROGRAMS		
Full-time equated classified positions213.0		
Investments—78.0 FTE positions	\$	15,084,600
Michigan merit award administration—5.0 FTE positions		1,468,900
Michigan education savings program		800,000
Common cash and debt management—11.5 FTE positions		1,247,000
Student financial assistance programs—118.5 FTE positions		35,747,900
GROSS APPROPRIATION	\$	54,348,400

		_000
Appropriated from:		
Interdepartmental grant revenues:	d•	107 700
IDG, fiscal agent service fees	\$	167,700
Federal revenues:		10 497 900
DED-OPSE, federal lenders allowance		10,437,300
DED-OPSE, higher education act of 1965, insured loans		23,264,700
Special revenue funds:		100.000
Defined contribution administrative fee revenue		100,000
College work study		46,300
Michigan merit award trust fund		2,693,300
Retirement funds		14,112,700
School bond fees		618,600
Treasury fees		1,035,800
State general fund/general purpose	\$	1,872,000
(8) DEBT SERVICE		
Water pollution control bond and interest redemption	\$	2,386,400
Quality of life bond		60,900,000
Clean Michigan initiative		50,000,000
Great Lakes water quality bond	_	6,700,000
GROSS APPROPRIATION	\$	119,986,400
Appropriated from:		
Special revenue funds:		
Refined petroleum fund		23,914,500
State general fund/general purpose	\$	96,071,900
(9) GRANTS		
Grants to counties in lieu of taxes	\$	5,000
Convention facility development distribution		58,850,000
Senior citizen cooperative housing tax exemption program		17,498,400
Commercial mobile radio service payments		17,900,000
Health and safety fund grants		25,000,000
Renaissance zone reimbursement		3,095,000
GROSS APPROPRIATION	\$	122,348,400
Appropriated from:		
Special revenue funds:		
Commercial mobile radio service fees		17,900,000
Convention facility development fund		58,850,000
Health and safety fund		25,000,000
State general fund/general purpose	\$	20,598,400
(10) STATE LOTTERY		
Full-time equated classified positions		
Lottery operations—175.0 FTE positions	\$	20,252,500
Human resources optimization user charges		10,900
Promotion and advertising		18,622,000
Lottery information technology services and projects		4,549,600
GROSS APPROPRIATION	\$ _	43,435,000
Appropriated from:		
Special revenue funds:		
State lottery fund		43,435,000
State general fund/general purpose	\$	0
(11) CASINO GAMING	*	
Full-time equated classified positions		
Michigan gaming control board	\$	50,000
Casino gaming control administration—106.0 FTE positions	Ψ	18,885,800
Human resources optimization user charges		7,200
Casino gaming information technology services and projects		1,320,000
GROSS APPROPRIATION	s <sup>-</sup>	20,263,000
G1V COC 111 1 1VO1 1V11111 C11	Ψ	20,200,000

Appropriated from:		
Casino gambling agreements	\$	383,500
State services fee fund	·	19,879,500
State general fund/general purpose	\$	0
(12) REVENUE SHARING	,	
Constitutional state general revenue sharing grants	\$	673,952,000
Statutory state general revenue sharing grants	Ψ	398,713,000
County revenue sharing		113,600
Special grants		212,000
GROSS APPROPRIATION	\$	1,072,990,600
Appropriated from:	Ψ	1,012,000,000
Sales tax		1,072,665,000
State general fund/general purpose	\$	325,600
(13) INFORMATION TECHNOLOGY	Ψ	929,000
Treasury operations information technology services and projects	¢	18,401,000
GROSS APPROPRIATION		18,401,000
Appropriated from:	ψ	10,401,000
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund		454,900
Federal revenues:		494,300
DED-OPSE, federal lenders allowance		543,900
Special revenue funds:		545,500
		11 779 900
Delinquent tax collection revenue		11,773,300
Michigan merit award trust fund		415,300
Retirement funds	d•	659,100
State general fund/general purpose	Ф	4,554,500
(14) MICHIGAN STRATEGIC FUND		
Full-time equated classified positions	ф	0.540.400
Administration—22.0 FTE positions	\$	2,542,400
Job creation services—130.0 FTE positions		17,003,100
Human resources optimization user charges		17,800
Michigan promotion program		11,417,500
Economic development job training grants		7,441,000
Community development block grants		53,000,000
Jobs for Michigan investment program: 21st century jobs fund		75,000,000
Business incubator program		100
Berrien County brownfield redevelopment authority		100
Detroit institute of arts		100
McBain Township, Missaukee County		100
Detroit historical museum		100
Detroit zoological institute		100
Michigan State University bio-energy research center		100
GROSS APPROPRIATION	\$	166,422,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDEQ, air quality fees		80,000
Federal revenues:		
HUD-CPD, community development block grant		55,430,700
Special revenue funds:		
Private - special project advances		712,800
Industry support fees		5,200
Jobs for Michigan investment fund - returns to fund		5,700,000
21st century jobs trust fund		75,000,000
State general fund/general purpose	\$	29,493,800

#### PART 2

#### PROVISIONS CONCERNING APPROPRIATIONS

# **GENERAL SECTIONS**

Sec. 201. (1) 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 2007-2008 is \$2,364,640,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$1,218,526,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

#### DEPARTMENT OF STATE

Fees to local units	\$ 109,800
Motorcycle safety grants	1,115,400
Subtotal	\$ 1,225,200
DEPARTMENT OF TREASURY	
Senior citizen cooperative housing tax exemption	17,498,400
Grants to counties in lieu of taxes	5,000
Health and safety fund grants	25,000,000
Constitutional state general revenue sharing grants	673,952,000
Statutory state general revenue sharing grants	398,713,000
Convention facility development fund distribution	58,850,000
Commercial mobile radio service payments	15,221,500
Renaissance zone reimbursements	3,095,000
Special grants	212,000
County revenue sharing payment	113,600
Airport parking distribution pursuant to section 909	17,200,000
Economic development job training grants	7,441,000
Berrien County brownfield redevelopment authority	100
McBain Township, Missaukee County	100
Subtotal	\$ 1,217,301,700
TOTAL GENERAL GOVERNMENT	\$ 1,218,526,900

- (2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2007-2008 is estimated at \$28,535,784,500.00 in the 2007-2008 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2007-2008 is estimated at \$16,066,603,783.00. The state-local proportion is estimated at 56.30% of total state spending from state resources.
- (3) If payments to local units of government and state spending from state sources for fiscal year 2007-2008 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2007-2008 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2007-2008.

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.

Sec. 203. As used in this act:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (c) "CPI" means consumer price index.
- (d) "DAG" means the United States department of agriculture.
- (e) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (f) "DOL-ETA" means the United States department of labor, employment and training administration.
- (g) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (h) "EEOC" means the United States equal employment opportunity commission.
- (i) "EPA" means the United States environmental protection agency.
- (j) "FTE" means full-time equated.
- (k) "Fund" means the Michigan strategic fund.
- (l) "GF/GP" means general fund/general purpose.

- (m) "HHS" means the United States department of health and human services.
- (n) "HHS-OS" means the HHS office of the secretary.
- (o) "HHS-SSA" means the HHS social security administration.
- (p) "HUD" means the United States department of housing and urban development.
- (q) "HUD-CPD" means the United States department of housing and urban development community planning and development.
  - (r) "IDG" means interdepartmental grant.
  - (s) "JCOS" means the joint capital outlay subcommittee.
  - (t) "MAIN" means the Michigan administrative information network.
  - (u) "MCL" means the Michigan Compiled Laws.
  - (v) "MDCH" means the Michigan department of community health.
  - (w) "MDEQ" means the Michigan department of environmental quality.
  - (x) "MDHS" means the Michigan department of human services.
  - (y) "MDLEG" means the Michigan department of labor and economic growth.
  - (z) "MDMB" means the Michigan department of management and budget.
  - (aa) "MDOT" means the Michigan department of transportation.
  - (bb) "MDSP" means the Michigan department of state police.
- (cc) "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.
  - (dd) "MPES" means the Michigan professional employees society.
  - (ee) "PA" means public act.
  - (ff) "PACC" means the prosecuting attorneys coordinating council.
  - (gg) "SBIR" means small business innovation research.
  - (hh) "STTR" means small business technology transfer.
- 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.
- 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.
- (2) The attorney general and secretary of state may grant exceptions to the hiring freeze for their respective departments pursuant to the same criteria that the state budget director is able to grant exceptions under this subsection. The state budget director may 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 loss of revenue to the state, result in the inability of the state to receive federal funds, or 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.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement 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.

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 quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

- Sec. 210. The director of each department receiving appropriations in part 1 shall 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 shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.
- Sec. 211. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, that provides for a transfer of state general funds into the countercyclical budget and economic stabilization fund, there is appropriated into the countercyclical budget and economic stabilization fund the sum of \$0.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

2006   2007		
Michigan personal income (millions)	\$342,900	\$352,501
less: transfer payments	54,901	58,403
Subtotal	287,999	294,098
Divided by: Detroit CPI for 12 months ending June 30	1.948	1.980
Equals: Real adjusted Michigan personal income	\$147,881	\$148,534
Percentage change		0.4%
Percentage change in excess of 2%	0.0%	0.0%
Multiplied by: estimated GF/GP revenue in FY 2006-2007 (millions)		8,230.0
Equals: countercyclical budget and economic stabilization fund		
calculation for the fiscal year ending September 30, 2008	\$0.0	\$0.0

- Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.
- Sec. 213. Funds appropriated in part 1 shall not be used by this state, a department, an agency, or an authority of this state to purchase an ownership interest in a casino enterprise or a gambling operation as those terms are defined in the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.
- Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies 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 departments and agencies and the department of information technology.
- Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.
- Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2008 shall be limited to situations in which 1 or more of the following conditions apply:
  - (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
  - (d) The travel is necessary to comply with federal requirements.
  - (e) The travel is necessary to secure specialized training for staff that is not available within this state.
  - (f) The travel is financed entirely by federal or nonstate funds.
- (2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.
- (3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:
- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
  - (b) The destination of each travel occurrence.

- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
  - (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.
- Sec. 217. General fund appropriations in this act shall not be expended for items in cases where federal funding is available for the same expenditures.
- Sec. 221. (1) Each department shall report no later than April 1, 2008 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.
- (2) Funds appropriated in part 1 shall not be used by a department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.
  - (3) As used in this section:
- (a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.
- (b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.
- Sec. 225. Each department and agency receiving an appropriation in part 1 shall implement continuous improvement efficiency mechanisms in its programs. The continuous improvement efficiency mechanisms shall identify changes made in those programs to increase efficiency and reduce expenditures. On March 31, 2008 and September 30, 2008, each department shall submit a report to the state budget director, the senate and house appropriations subcommittees on general government, and the senate and house fiscal agencies on the progress made toward increased efficiencies. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased efficiencies.
- Sec. 226. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

# DEPARTMENT OF ATTORNEY GENERAL

- Sec. 301. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- Sec. 302. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.

- (2) The attorney general shall defend judges of all state courts if a claim is made or a civil action is commenced for injuries to persons or property caused by the judge through the performance of the judge's duties while acting within the scope of his or her authority as a judge.
- (3) The attorney general shall perform the duties specified in 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to 14.102, and as otherwise provided by law.

Sec. 303. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.

Sec. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 305. In addition to the funds appropriated in part 1, not more than \$400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the department of human services, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that, once earned by this state, the funds become state funds.

Sec. 306. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.

Sec. 307. In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed \$250,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases. Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, shall be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$250,000.00.

Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated up to \$500,000.00 from litigation expense reimbursements awarded to the state.

- (2) The funds may be expended for the payment of litigation expenses, court judgments and settlements, or attorney fees assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.
- (3) Unexpended funds at the end of the fiscal year shall be carried forward for expenditure in the following year, up to a maximum authorization of \$500,000.00.

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$460,800.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.

Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the department of human services, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

- (2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court-ordered child support.
- Sec. 311. The department of attorney general may not receive and expend funds in addition to those authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs, or other nonsalary litigation expenses associated with a pending legal action.

# DEPARTMENT OF CIVIL RIGHTS

Sec. 401. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 402. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend funds from local or private sources for all of the following purposes:

- (a) Developing and presenting training for employers on equal employment opportunity law and procedures.
- (b) The publication and sale of civil rights related informational material.
- (c) The provision of copy material made available under freedom of information requests.
- (d) Other copy fees, subpoena fees, and witness fees.
- (e) Developing, presenting, and participating in mediation processes for certain civil rights cases.
- (f) Workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.
- (2) The department of civil rights shall annually report to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies the amount of funds received and expended for purposes authorized under this section.

Sec. 403. The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential contractors and may charge for and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

#### INFORMATION TECHNOLOGY

- Sec. 573. (1) The department of information technology may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection shall be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.
- (2) The department of information technology may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state web pages or services offered on those web pages. A private or public funding source may receive recognition in the web page. The department of information technology may reject any gift, donation, contribution, bequest, or grant.
- (3) Funds accepted by the department of information technology under subsection (1) are appropriated and allotted when received and may be expended upon approval of the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 10 days after the approval is given.
- (4) By April 1, the department of information technology shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies that a statement of the total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions are available on the department's website.

Sec. 574. The department of information technology may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of information technology may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of information technology may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 575. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 576. When used in this act, "information technology services" means services involving all aspects of managing and processing information including, but not limited to, all of the following:

- (a) Application development and maintenance.
- (b) Desktop computer support and management.
- (c) Mainframe computer support and management.
- (d) Server support and management.
- (e) Local area network support and management.
- (f) Information technology contract, project, and procurement management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.
- (i) Software and software licensing.

Sec. 577. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

- (2) The department of information technology shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.
- (3) All money received by the department of information technology under this section shall be expended for the support and maintenance of the Michigan public safety communications system.
- (4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried forward into succeeding fiscal years.

Sec. 578. The department of information technology shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

- (a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.
- (b) A listing of the expenditures made from the amounts received by the department of information technology, as reported in subdivision (a).

Sec. 579. The department of information technology shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

- Sec. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.
- (2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2010.

Sec. 581. From the funds appropriated in part 1, the department of information technology shall assess the state's information technology assets, including hardware, software, and networks to determine any benefits and economies that can be achieved through, but not limited to, hardware and software consolidation and standardization, process improvements, project management improvements, and increased standards-based information sharing between agencies.

Sec. 584. The department of information technology shall determine how existing 2-1-1 capacities will be utilized by each state department with community resource information and referral service, including, but not limited to, toll-free help and information lines and comprehensive human service databases. The department of information technology shall report its findings in writing to the senate and house of representatives standing committees on appropriations by July 1, 2008. The report shall include a statement of how each state department has utilized 2-1-1 in its coordination efforts, including any efficiencies, cost savings, and improved service provided to Michigan residents. The report shall also contain recommendations for maintaining a statewide 2-1-1 system.

Sec. 585. The department shall provide a report that calculates the total amount of funds expended for the child support enforcement system to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the federal government for penalties. The report shall be submitted to the senate and house of representatives standing committees on government operations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by January 1.

Sec. 586. If during the course of the fiscal year a transfer or supplemental to or from the information technology line item within an agency budget is made under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, there is appropriated an equal amount of user fees in the department of information technology budget to accommodate an increase or decrease in spending authorization.

#### **LEGISLATURE**

Sec. 600. The senate, the house of representatives, or an agency within the legislative branch may receive, expend, and transfer funds in addition to those authorized in part 1.

- Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.
- (2) Funds appropriated within the legislative branch, to a legislative council component, shall not be expended by any agency or other subgroup included in that component without the approval of the legislative council.
- Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Farnum building and other properties.
- Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council.
- Sec. 604. (1) The appropriation in part 1 to the legislative council includes funds to operate the legislative parking facilities in the capitol area. The legislative council shall establish rules regarding the operation of the legislative parking facilities.
- (2) The legislative council shall collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees shall be allocated by the legislative council.
- Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for use in paying the associated biennial costs of publication of the Michigan manual.

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2011.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2011.

Sec. 608. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30 shall not lapse at the close of the fiscal year, and shall be carried forward for expenditure in the following fiscal years.

Sec. 610. The funds appropriated in part 1 shall not be used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

#### LEGISLATIVE AUDITOR GENERAL

Sec. 620. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

- Sec. 621. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.
- (2) The auditor general shall strongly encourage firms with which the auditor general contracts to perform audits of the principal executive departments and state agencies to subcontract with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities.
- (3) The auditor general shall compile an annual report regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities. The auditor general shall deliver the report to the state budget director and the senate and house of representatives standing committees on appropriations subcommittees on general government by November 1 of each year.
- Sec. 622. From the funds appropriated in part 1 to the legislative auditor general, the auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

# DEPARTMENT OF MANAGEMENT AND BUDGET

- Sec. 701. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

- (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- Sec. 702. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of management and budget to offset costs incurred in the acquisition and distribution of federal surplus property.
- Sec. 704. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.
- (2) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, and engineering services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch.
- (3) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for mail pickup and delivery services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.
- (4) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for purchasing services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.
- Sec. 705. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of management and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.
- (2) In addition to the funds appropriated in part 1 for statewide appropriations, the department of management and budget may receive and expend funds in such additional amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process in the same manner and subject to the same conditions as prescribed in subsection (1).
- Sec. 706. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of management and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.
- Sec. 707. In addition to the funds appropriated in part 1 to the department of management and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement donated annual leave and administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of management and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.
- Sec. 708. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.
- Sec. 709. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of management and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.
- (2) Appropriations in part 1 to the department of management and budget, for management and budget services from building occupancy charges and parking charges, may be increased to return excess revenue collected to state agencies.

- Sec. 710. The department of management and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.
- Sec. 711. The department of management and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.
- Sec. 712. The department of management and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.
- Sec. 713. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.
- Sec. 715. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of management and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.
- (2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department. Revenue in excess of the amount appropriated in part 1 from the motor transport fund and any unencumbered funds are restricted revenues and may be carried over into the succeeding fiscal year.
- (3) It is the intent of the legislature that the department of management and budget have the authority to determine the appropriateness of vehicle assignment, to include year, make, model, size, and price of vehicle. The department may assign motor vehicles, permanently or temporarily, to state agencies and to institutions of higher education.
- (4) Pursuant to the department of management and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the department shall provide a report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the current plan and changes made to the plan during the fiscal year.
- (5) The department of management and budget may charge state agencies for fuel cost increases that exceed \$2.27 per gallon of unleaded gasoline. The department shall notify state agencies, in writing or by electronic mail, at least 30 days before implementing additional charges for fuel cost increases. Revenues received from these charges are appropriated upon receipt.
- Sec. 716. The department of management and budget shall adopt policies and procedures necessary for compliance by the department, other state departments and agencies, and state vendors and subcontractors, with the requirement under subsection (1) of section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, to provide a purchasing preference for products manufactured or services offered by Michigan-based firms.
- Sec. 717. In determining whether the purchase, contracting for, providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and other items needed by state departments or agencies is in the

best interests of this state, and in making all discretionary decisions concerning the solicitation, award, amendment, cancellation, or appeal of state contracts, the department of management and budget shall consider all of the following:

- (a) Whether a proposal by a vendor to provide services to this state using employees, contractors, subcontractors, or other individuals who are not citizens of the United States, legal resident aliens, or individuals with a valid visa would be detrimental to the state of Michigan, its residents, or the state's economy.
- (b) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.
- (c) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.
- (d) Whether the acquisition of goods or services from a vendor that is an expatriated business entity located in a tax haven country or an affiliate of an expatriated business entity located in a tax haven country would be detrimental to the state of Michigan, its residents, or the state's economy. As used in this section, "expatriated business entity" means a corporation or an affiliate of the corporation incorporated in a tax haven country after September 11, 2001, but with the United States as the principal market for the public trading of the corporation's stock, as determined by the director of the department of management and budget. "Tax haven country" means each of the following: Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles.
- (e) Whether the provision of services to this state at a location outside of this state or the United States would be detrimental to the privacy interests of Michigan residents, or risk the disclosure of personal information of Michigan residents, such as social security, financial, or medical data.
- (f) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.
- (g) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.
- Sec. 718. The department of management and budget shall collect from vendors information necessary to comply with the requirements of this act, as determined by the department. The department of management and budget may require vendors to provide any of the following:
- (a) Information relating to the location of work performed under a state contract by the vendor and any subcontractors, employees, or other persons performing a state contract.
- (b) Information regarding the corporate structure and location of corporate employees and activities of the vendor, its affiliates, or any subcontractors.
- (c) Notice of the relocation of the vendor, employees of the vendor, subcontractors of the vendor, or other persons performing services under a state contract outside of the state of Michigan.
- Sec. 719. The department of management and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.
- Sec. 721. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.
- Sec. 722. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.
- Sec. 723. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.
- Sec. 724. Of the \$16,793,100.00 included in part 1 for the department of management and budget, retirement services, \$300,000.00 shall be used for a project to implement amendments to the public school employees retirement act of 1979, 1980 PA 300, MCL 38,1301 to 38,1408, to allow public school retirees to add a new spouse as a pension beneficiary when a previous spouse dies or if the retiree was not married at the time of retirement. Unexpended appropriations are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be

available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to implement amendments to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, to allow public school retirees to add a new spouse as a pension beneficiary when a previous spouse dies or if the retiree was not married at the time of retirement.
  - (b) The project will be accomplished by state employees and contract.
  - (c) The total estimated cost of the project is \$300,000.00.
  - (d) The tentative completion date is September 30, 2009.

Sec. 724a. The department of management and budget shall assist the department of information technology in determining how existing 2-1-1 capacities will be utilized by each state department with community resource information and referral service, including, but not limited to, toll-free help and information lines and comprehensive human service databases.

Sec. 724b. (1) By December 1, 2007, the department shall issue a report to the house and senate fiscal agencies detailing the following information for all personal property and equipment of any nature, including, but not limited to, furniture, computers, communication systems, vehicles, vessels, aircraft, office equipment, technology equipment, construction equipment, and energy systems owned by the state of Michigan and/or a state department, agency, or authority:

- (a) Date of acquisition.
- (b) Original equipment cost.
- (c) Estimate of useful life.
- (d) The amount of encumbrances or liens thereon, if any.
- (2) The department shall seek the assistance of a private sector firm to assist in the valuation, if necessary to make an accurate determination of useful life and encumbrances. All state departments, agencies, and authorities shall assist the department and its agents by timely providing all information necessary to create the report required by this section. The purpose of the report shall be to assist the state legislature and department of treasury in determining the feasibility of asset monetization proposals as a means of addressing future budget deficits.

# STATE BUILDING AUTHORITY

Sec. 725. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2008 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2008. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

- (2) Upon sale of bonds or notes for the projects identified in part 1 or for equipment as authorized by legislative concurrent resolution and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.
- (3) For state building authority projects for which bonds or notes have been issued and upon the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash flow requirements for the projects, which advances shall be reimbursed by the state building authority when the investments earmarked for the financing of the projects mature.
- (4) In the event that a project identified in part 1 is terminated after final design is complete, advances made on behalf of the state building authority for the costs of final design shall be repaid to the general fund in a manner recommended by the director and approved by the JCOS.

Sec. 726. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

- (2) As used in this section, "revenue" includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.
- Sec. 727. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.
- (2) If the amount appropriated in part 1 for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of the state the amount necessary to pay such obligations.
- Sec. 728. The department of management and budget shall provide the JCOS and the senate and house fiscal agencies a report relative to the status of construction projects associated with state building authority bonds as of September 30 of each year, on or before October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:
- (a) A list of all completed construction projects for which state building authority bonds have been sold, and which bonds are currently active.
  - (b) A list of all projects under construction for which sale of state building authority bonds is pending.
- (c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

# **CIVIL SERVICE**

- Sec. 750. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- Sec. 751. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the department of civil service on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2007 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.
- (2) The 1% appropriations in part 1 are estimates of actual 1% charges based on payroll appropriations. With the approval of the state budget director, the department is authorized to adjust financing sources for civil service 1% charges based on actual payroll expenditures, provided that such adjustments do not increase the total appropriation for the department of civil service.
- (3) The 1% financing from restricted sources shall be credited to the department of civil service by the end of the second fiscal quarter.
- Sec. 752. Except where specifically appropriated for this purpose, 1% of the financing from restricted sources shall be credited to the department of civil service. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy departmental operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 753. The appropriation in part 1 to the department of civil service, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the department of civil service. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the department of civil service. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

#### DEPARTMENT OF STATE

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

- (2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$7,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18,1393.

Sec. 802. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 803. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 804. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 805. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

- (2) The department of state may sell and accept paid advertising for placement in a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. The department may charge and receive a fee for any advertisement appearing in a departmental publication and shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization. The department may furnish a reasonable number of copies of a publication to an advertiser at no charge.
- (3) Pending expenditure, the funds received under this section shall be deposited in the Michigan department of state publications fund created by section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds given, donated, or contributed to the department from a private source are appropriated and allocated for the purpose for

which the revenue is furnished. Funds granted to the department from a public source are allocated and may be expended upon receipt. The department shall not accept a gift, donation, contribution, or grant if receipt is conditioned upon a commitment of state funding at a future date. Revenue received from the sale of advertising is appropriated and may be expended upon receipt.

- (4) Any unexpended revenues received under this section shall be carried over into subsequent fiscal years and shall be available for appropriation for the purposes described in this section.
- (5) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following information:
- (a) The amount of gifts, contributions, donations, and grants of money received by the department under this section for the prior fiscal year.
  - (b) A listing of the expenditures made from the amounts received by the department as reported in subdivision (a).
- (c) A listing of any gift, donation, contribution, or grant of property other than funding received by the department under this section for the prior year.
- (d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.
- (6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term "manuals and other publications" includes videos and proprietary electronic publications. All funds received from sales of these manuals and other publications shall be credited to the Michigan department of state publications fund.

Sec. 806. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted 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.

Sec. 807. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$331,400.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 808. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

- Sec. 809. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.
- (2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the transportation administration collection fund, in addition to the amount appropriated in part 1 to the department of state, shall remain in the transportation administration collection fund and be available for future appropriation.
- Sec. 810. (1) Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.
- (2) Funds or revenues in the Olympic education training center fund are appropriated for distribution to the Olympic education training center at Northern Michigan University. Distributions shall occur on a quarterly basis. Any undistributed revenue remaining at the end of the fiscal year shall be carried over into the next fiscal year.
- Sec. 811. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

- Sec. 812. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.
- (2) The department may solicit funds from any private or public source to underwrite, in whole or in part, the public information campaign authorized by this section. The department may accept gifts, donations, contributions, and grants of money and other property from private and public sources for this purpose. A private or public funding source underwriting the public information campaign, in whole or in substantial part, shall receive sponsorship credit for its financial backing.
- (3) Funds received under this section, including grants from state and federal agencies, shall not lapse to the general fund at the end of the fiscal year but shall remain available for expenditure for the purposes described in this section.
- (4) Funding appropriated in part 1 for the organ donor program shall be used for producing a pamphlet to be distributed with driver licenses and personal identification cards regarding organ donations. The funds shall be used to update and print a pamphlet that will explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.
- (5) The pamphlet shall include a return reply form addressed to the gift of life organization. Funding appropriated in part 1 for the organ donor program shall be used to pay for return postage costs.
- (6) In addition to the appropriations in part 1, the department of state may receive and expend funds from the organ and tissue donation education fund for administrative expenses.
- Sec. 815. At least 180 days before closing or consolidating a branch office and at least 60 days before relocating a branch office, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analyses done regarding criteria for changes in the location of branch offices, including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure and the same level of detail regarding costs for new leased facilities and expansions of current leased space.
- Sec. 815a. By December 15, the department of state shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of branch office transactions completed online by Michigan residents in the immediately preceding fiscal year.
- Sec. 816. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, is appropriated to the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution. Funds are allocated for expenditure when they are received by the department of treasury.
- (2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.
- (3) If there is a balance of service assessments received from credit and debit card services remaining on September 30, the balance may be carried forward to the following fiscal year and appropriated for the same purpose.
- (4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.
- Sec. 818. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.
- (2) Funds in part 1 for motorcycle safety education grants and administration shall be derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.
- (3) Funds in part 1 for motorcycle safety education grants and administration shall be used to provide grants to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, or other governmental agencies located in the state, to help subsidize safety training courses for individuals interested in operating motorcycles.
- (4) Funds in part 1 for motorcycle safety education grants and administration may be used by the department of state for administration costs of the motorcycle safety education program, to include, but not be limited to, review and approval or disapproval of grant applications, monitoring eligibility of motorcycle safety instructors, conducting program evaluation, certifying third-party testers, and inspecting training sites.

- Sec. 819. (1) From the funds appropriated in part 1 to the department of state for information technology services and projects, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.
- (2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2010.
- Sec. 821. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.
- (2) The department of state shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned upon a commitment of future state funding.
- (3) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall list any gift, donation, or contribution received by the department under subsection (1) for the prior calendar year.
- Sec. 824. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.
- Sec. 825. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Milan.
- Sec. 826. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain the same number of secretary of state branch offices in each municipality that existed on August 1, 2007.
- Sec. 827. The funds appropriated in part 1 for department of state, branch operations, are contingent upon the department complying with the following guidelines for branch office placement:
- (a) The department of state shall, whenever possible, avoid leasing space for branch offices on greenfield sites or other noncentral locations that require the construction of new infrastructure to service the office or facility, except in limited circumstances when the constituency served or programs supported require the use of a noncentral or open space location.
- (b) The department shall encourage public investment in this state's urban areas by locating branch offices and facilities in urban areas. As used in this section, "urban areas" means a downtown area, town centers, or central business districts.
- (c) The department shall, whenever possible, locate branch offices at locations consistent with local planning and zoning and compatible with existing land uses.
- (d) In selecting a site for a branch office, the department shall give priority to locations in urban areas, whenever reasonably possible and consistent with state law. In making location decisions, the department shall also give consideration to the following:
  - (i) Use of existing space in state-owned facilities in urban areas.
  - (ii) Adaptive use or rehabilitation of historic buildings or reuse of other buildings within an urban area.
  - (iii) Use of vacant buildings in an urban area.
  - (iv) Use of vacant land in an urban area.
  - (v) Use and rehabilitation of brownfield areas.

# DEPARTMENT OF TREASURY

### **OPERATIONS**

Sec. 901. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

- (2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- Sec. 902. (1) Amounts needed to pay for interest, fees, principal, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.
- (2) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated an amount for fiscal year cash-flow borrowing costs to pay for interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to 12.53.
- Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by each contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.
- (2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 22% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.
- (3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.
- Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.
- (2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians, and other outside professionals, the state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations and the state budget office concerning the performance of each portfolio by investment advisor.
- Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.
- (2) The appropriations under subsection (1) shall be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to record these expenditures.
- Sec. 905. (1) The department of treasury shall sell copies of the state tax manual, uniform accounting procedures manual, general property tax law manual, and other local government assistance manuals with amendments, at a price not to exceed the cost of production. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

- (2) In addition to the funds appropriated in part 1, revenue received from the sale of those manuals is appropriated.
- Sec. 906. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.
- (2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.
- (3) The state audits shall be performed for the most current county fiscal year in conjunction with the financial single audit. The state audit may be performed either by certified public accountants contracted by the state treasurer or department of treasury staff, independent of the financial single audit, if a state audit has not been performed within the last 3 years.
- Sec. 907. A revolving fund known as the assessor certification and training fund is created in the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury an examination fee of \$50.00, an initial certification fee of \$50.00, an annual renewal fee of \$75.00 for levels 1 and 2, and \$125.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.
- Sec. 908. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.
- Sec. 909. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.
- Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of the Initiated Law of 1976, MCL 445.573c, is appropriated.
- Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.
- (2) The appropriations under subsection (1) shall be funded by restricting income tax revenue in an amount sufficient to record these expenditures.
  - Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:
- (a) A fee of \$6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.
- (b) A fee of \$6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to \$5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.
- Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.
- (2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.
- Sec. 914. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

- Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169,261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2006. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2007 shall revert to the general fund.
- Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.
- Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.
- (2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the amounts appropriated for write-offs and advances under subsection (1).
- Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.
- Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.
- (2) From funds collected by the department of treasury under the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265, and appropriated for unclaimed property, \$51,000.00 shall be paid as annual dues to the national conference of commissioners on uniform state laws.
- (3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the auditing firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.
- Sec. 920. Payments from the appropriation in part 1 to the department of treasury for grants to counties in lieu of taxes for lands transferred to the federal government include a payment for Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901 to 3.910.
- Sec. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2007. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.
- Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.
- Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.
- (2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31, stating the amount of revenue appropriated for principal residence audits under subsection (1).

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 929. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service. Any unobligated balance of the fund shall revert to the general fund of this state as of September 30.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 930a. The department shall select a private collection agency to perform secondary collection activities in an effort to benchmark primary agency performance for all individual tax, discontinued business tax, and state agency accounts, and all active business tax accounts older than 36 months. Consistent with sound collection practices and to maximize the effectiveness of those collection activities, the department shall not select a collection agency, or related entity, that has already attempted to collect the debt in question. Any request for proposal required to implement this section shall be issued by October 1, 2007. The department shall report its progress on second placement collection activities on a quarterly basis during the fiscal year.

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 933. (1) The \$1,000,000.00 appropriated in part 1 for the Michigan education savings program is from the Michigan merit award trust fund to fund an incentive program for the Michigan education savings program created under the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

- (2) The funds appropriated for the Michigan education savings program shall be used to provide a state match to dollars invested on behalf of each child named as a designated beneficiary in the Michigan education savings program who is 6 years of age or less, who is a Michigan resident, and whose family's income is \$80,000.00 or less.
- (3) During the current fiscal year, the state shall provide \$1.00 of matching funds for each \$3.00 of individual contributions to the educational savings accounts. The maximum state match for each designated beneficiary shall be \$200.00.
- (4) The state match shall be available only in the first year the child is enrolled in the Michigan education savings program.

Sec. 934. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 935. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 936. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 937. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 939. It is the intent of the legislature that the state treasurer, acting within his or her capacity as the investment fiduciary for public employee pension funds and consistent with 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate consideration to investments in early stage, university derived life science companies located in Michigan, or investments in venture capital funds that invest in those companies to the extent those investments offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

Sec. 941. In addition to the funds appropriated in part 1, there is appropriated up to \$570,000.00 from standardized audit schedules recovered delinquent tax collection revenues for the support of standardized audit schedule project expenses. The funding shall be used to exclusively support business tax audits related to sales tax, use tax, withholding, single business tax, and motor fuel tax obligations. Any unexpended funds at the end of the fiscal year shall lapse to the general fund.

Sec. 943. The department of treasury shall not include complete social security numbers in form 1099-G mailings to taxpayers.

Sec. 945. The assessment and certification division of the department of treasury may conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

Sec. 946. Members of the state tax commission and management level staff of the assessment and certification division may meet with statewide assessment organizations on a quarterly basis for the purpose of coordinating assessment and training activities. Recertification and training activities may be conducted at regional locations chosen to maximize participation of local officials.

Sec. 947. (1) Of the \$5,267,400.00 included in part 1 for the revenue enhancement program, \$4,767,400.00 shall be used for revenue collection enhancement activities including auditing functions.

- (2) The department of treasury shall submit quarterly progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.
- (3) The \$500,000.00 balance of the \$5,267,400.00 shall be used for the principal residence exemption compliance program. Along with other program costs, expenditures shall include the development and maintenance of a statewide web-based database created for the purpose of enforcing the principal residence exemption compliance program. The department shall submit quarterly progress reports that include the number of exemptions denied and the revenue received under this program. The legislative auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2008. Revenue generated to the state from the principal residence exemption compliance program shall be used to reimburse the state general fund for the \$500,000.00 appropriation prior to any other allocation. Additional funds from the revenue enhancement program and carryforward appropriations may be used to support costs in excess of \$500,000.00.

- (4) Unexpended appropriations of the revenue enhancement program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:
  - (a) The purpose of the project is to enhance revenue collection activities.
  - (b) The project will be accomplished by contract.
  - (c) The total estimated cost of the project is \$24,600,000.00.
  - (d) The tentative completion date is September 30, 2009.

Sec. 948. By December 15, the department of treasury shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of tax returns, to include state income tax returns and single business tax returns, filed online by Michigan residents in the immediately preceding fiscal year.

Sec. 949. The department of treasury, together with the department of management and budget, may conduct a competitive bid for new tobacco stamp technology. Any Michigan tobacco wholesaler required to purchase or lease new stamping technology or equipment during fiscal year 2008 in order to comply with current state law and the results of the bidding process may be entitled to request a deduction from the department of treasury for actual documented costs associated with such a purchase or lease. Wholesalers affected by the outcome of the bidding process may set forth the amount of the deduction claimed for such costs in the monthly reimbursement statement submitted to the department of treasury under the tobacco products tax act and may make available for inspection upon request any documents necessary to substantiate the claimed deduction.

### REVENUE SHARING

- Sec. 950. (1) The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.
- (2) After the distribution in subsection (1), the funds appropriated in part 1 for statutory revenue sharing shall be distributed to certain cities, villages, and townships such that the percentage change in the total statutory and constitutional revenue sharing payment made under this appropriation, from the total payment under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and section 10 of article IX of the state constitution of 1963 of the immediately preceding state fiscal year to each of those cities, villages, and townships is equal to, but does not exceed, the percentage change from the immediately preceding state fiscal year of any city, village, or township that receives a distribution under this subsection. No city, village, or township receiving a payment under this subsection shall receive more in combined constitutional and statutory payments than that city, village, or township received in combined constitutional and statutory payments during the 2006-2007 state fiscal year.
- (3) If revenue collected in accordance with section 10 of article IX of the state constitution of 1963 is less than that amount appropriated in part 1 for constitutional revenue sharing, the appropriation in part 1 for statutory revenue sharing is increased by an amount equal to the appropriation in part 1 for constitutional revenue sharing less the amount of revenue collected in accordance with section 10 of article IX of the state constitution of 1963.
- Sec. 952. The appropriation in part 1 for special grants to cities shall be used to restore revenue sharing reductions contained in Executive Order No. 2003-23 to a city that had an emergency financial manager appointed pursuant to the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, continuously from December 10, 2003 through September 30, 2007.
- Sec. 955. (1) There is appropriated to each county an amount equal to the amount distributed to each county for the fiscal year ending September 30, 2004, pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, adjusted by the inflation rate as defined in section 34d of the general property tax act, 1893 PA 206, MCL 211.34d, and reduced by the amount each county is authorized to annually expend in that county's fiscal year beginning after September 30, 2004, from its revenue sharing reserve fund pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a.
- (2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

### **LOTTERY**

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Sec. 961. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

### **CASINO GAMING**

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

Sec. 972. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497.

- (2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.
- (4) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.
- (5) The department of treasury shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations and the state budget director on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

# MICHIGAN STRATEGIC FUND

Sec. 1001. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

- (2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$700,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

- Sec. 1002. (1) The appropriation in part 1 to the fund for the economic development job training program is focused on skills businesses need to compete in the twenty-first century. The purpose of this program is to develop a specific skill, identified for a particular business that assists that company to compete in the global economy and to create or retain high-paying jobs for Michigan residents.
- (2) Not more than \$800,000.00 of the total appropriation in part 1 may be expended for administrative costs by the fund. Not more than 10% of the total grant award may be expended by a recipient for administration costs.
- (3) No funds appropriated in part 1 to the fund for the economic development job training program grants may be expended for the training of permanent striker replacement workers, unless a strike exceeds 3 years and good faith negotiations are ongoing.
- (4) Of the total funds appropriated in part 1 for the economic development job training program grants, \$4,500,000.00 of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5). Remaining funds may be awarded to any of the entities listed in subsection (5) or businesses which create at least 100 new jobs at a single location in a period not to exceed 2 years from the date of the grant award.
- (5) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state-sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection or businesses which meet the criteria set in subsection (4).
- (6) On or before October 1, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment prior to finalization of the application criteria, instructions, and forms.
- (7) The award process will include a simple notice of intent to be reviewed to see if the application merits further consideration. If so, a full application may be submitted. Applications for all grants shall be submitted to the fund, and each application shall contain at least all of the following:
- (a) The name, address, and total number of employees of each business organization whose employees are receiving job training.
  - (b) A description of the specific job skills that will be taught.
  - (c) A clear statement of the project's scope of activities and number of participants to be involved.
  - (d) A commitment to maintain participant records in a form and manner required by the fund.
  - (e) A budget which relates to the proposed activities and various program components.
  - (8) Priority in the fund's awarding of grants shall be based on the following criteria:
  - (a) Demonstrated need for the type of training offered.
- (b) Creation and/or retention of high wage and high skilled level jobs within a predetermined time period. If the employer does not create or retain the number of jobs specified within the predetermined time period, the employer shall reimburse the state for the entire grant awarded under this program. The number of jobs created and retained will be verified by the employer via audit after the training is completed.
  - (c) Other criteria determined by the fund to be important.
- (9) Participants in the economic development job training program shall be 16 years or older and not enrolled and counted in membership in a school district, intermediate school district, or community college, or any other program funded with state funding. Any training provider that receives state appropriated funds shall not include in the enrollment data reported for determining state aid any student credit hours or student contact hours for a student who is a participant in the economic development job training program. Exclusions of these students is intended to avoid payment of state aid for the same individuals for whom training costs are paid for through the economic development job training program.
- (10) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the economic development job training program grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.
- (11) For training delivered to incumbent workers, the employer receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.
  - (12) Grant funds shall be expended on a cost reimbursement basis.
- (13) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit. Costs disallowed under

subsection (8)(b) based on the employer job creation and retention requirements are not the same as the training costs that are disallowed in this subsection.

- (14) The fund shall provide to the state budget director and the fiscal agencies by November 1 of each year a report on the economic development job training program grants. The report shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:
  - (a) The amount and recipient of each grant or contract.
- (b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.
- (c) The names, addresses, and total number of employees of all business organizations for whom training is or will be provided.
  - (d) The matching funds, if any, to be provided by a business organization.
- (15) As a condition of receiving funds under part 1 of this act, the fund shall not expend any of the economic development job training program funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.
- (16) The Michigan strategic fund shall allocate \$500,000.00 for aerospace certification grants as described in this subsection. The grants shall be funded from the appropriation in part 1 for economic development job training grants or work project funds available for the defense contract coordination center, or both. The Michigan strategic fund shall report to the senate and house subcommittees on general government, the fiscal agencies, and the state budget office by January 15, 2008 on the sources of funding for this program. \$500,000.00 shall be allocated for the following purposes:
- (a) \$250,000.00 shall be allocated for aerospace certification grants to assist manufacturers in becoming certified for aerospace manufacturing. Priority shall be given to ISO or TS certified companies that are members of a state of Michigan nonprofit, tax-exempt aerospace manufacturers association and have received a request for quotes or request for proposal from an aerospace company. Grant awards of up to \$10,000.00 shall be given to a qualifying company seeking such certification. As used in this section, "ISO" means international organization for standardization and "TS" means technical specification.
- (b) \$250,000.00 shall be provided to the Michigan aerospace manufacturers association, a nonprofit, tax-exempt, aerospace-based manufacturing association. Funding shall be used for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan within the global economy.

Sec. 1003. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

- (a) An applicant must match state funds on a 1:1 basis.
- (b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.
  - (c) The Michigan economic development corporation shall administer the Michigan growth capital fund.
- (d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the fund for the purposes described in this section.
- (e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the senate appropriations committee subcommittee on economic development, the house appropriations committee subcommittee on general government, the senate and house fiscal agencies, and the state budget office by January 31.
- Sec. 1004. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1005. Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times.", "The Upper Hand", and "Pure Michigan" copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1006. The fund shall submit on February 15 to the subcommittees, the state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

- (a) The name of the recipient.
- (b) The amount awarded to the recipient.
- (c) The purpose of the grant.

Sec. 1007. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

- (a) Travel Michigan.
- (b) Business attraction, retention, and growth.
- (c) Business services.
- (d) Community development block grants.
- (e) Strategic fund administration.
- (f) Renaissance zones.
- (g) 21st Century investment program.
- (h) Business and clean air ombudsman.
- (i) Economic development job training program grants.
- (j) Any other programs of the fund.
- (2) The reports in subsection (1) shall be submitted by January 15. The report for each program in subsection (1)(a) through (j) shall include details on the actual spending and number of FTEs for that program for the previous fiscal year.

Sec. 1008. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Sec. 1009. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

- (a) The land is located in an economically distressed area.
- (b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.
- (2) Consideration may be given to purchases where the proposed use of the land is consistent with a regional land use plan, will result in the redevelopment of an economically distressed area, can be supported by existing infrastructure, and will not cause shifts in population away from the area's population centers.
- (3) As used in this section, "economically distressed area" means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone.

Sec. 1010. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Sec. 1011. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this act.

Sec. 1012. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

(a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.
- (2) If the MEDC is unable for any reason to perform duties under this act, the fund may exercise those duties.

Sec. 1013. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

- Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.
- (2) Awards may be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.
- (3) Awards can be used for land and property acquisition and assembly, demolition, site development, utility modifications and improvements, street and road improvements, telecommunication infrastructure, site location and relocation, infrastructure improvements, and any other costs related to the successful development and implementation of core community or certified technology park projects, at the discretion of the Michigan economic development corporation.
- (4) Funding may be provided in the form of loans, grants, sales or cash flow participation agreements, guarantees, or any combination of these. A cash match of at least 10%, or local repayment guarantee with a dedicated funding source, is required. Priority shall be given to projects which are integrated with existing economic development programs and to projects in proportion to the amount that local matching rates exceed 10%.
- (5) The Michigan economic development corporation shall have all administrative responsibility for the Michigan core communities fund and shall establish application and application scoring criteria and approve awards. The Michigan economic development corporation may utilize up to 1/2 of 1% of the fund for administrative purposes.
- (6) Funds will be awarded through an open competitive process based on criteria including the following: project impact, project marketability, lack of adequate infrastructure or land assembly financing sources, local administrative capacity, and the level of local matching funds. Awardees shall agree to expedite the local development process, such as fast-track permitting procedures, streamlined regulatory requirements, standardized construction and building codes, and the use of competitive construction permitting fees.
  - (7) No single applicant shall be awarded more than \$10,000,000.00 per project.
- (8) Fifteen days prior to the award of the funds, notification shall be provided to the speaker of the house of representatives, the senate majority leader, the members of the house and senate appropriations committees, the fiscal agencies, and the state budget director.
  - (9) Funds shall not be awarded for any of the following purposes:
  - (a) Land sited for use as, or support for, a gaming facility.
  - (b) Land or other facilities owned or operated by a gaming facility.
  - (c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.
- (10) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this part.
- (11) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Sec. 1016. The Michigan economic development corporation may implement procedures to annually audit the number of jobs claimed to be created by firms receiving Michigan economic growth authority grants, and all other claims of job creation for which MEDC has provided tax credits or other economic incentives.

Sec. 1017. The Michigan economic development corporation shall report on the number of individuals it employs with an annual salary of \$80,000.00 or more to the subcommittees, the fiscal agencies, and the state budget office by October 31, 2007. The report shall include the name, the job title, and a description of the duties and responsibilities of all such employees.

Sec. 1020. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. The fund may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The fund shall report the amount and source of the funds to the senate appropriation subcommittee on economic development, the house appropriation subcommittee on general government, the senate and house fiscal agencies, and the state budget office within 10 business days after receiving any additional pass-through funds.

- Sec. 1021. (1) From the funds appropriated in part 1 for the Michigan promotion program, \$5,700,000.00 shall be used to accelerate efforts to promote the state's tourism industry and business marketing activities. The MEDC shall work to coordinate with local tourism efforts, where appropriate.
- (2) The funds are considered work project appropriations and any unencumbered or unalloted funds at year-end shall be carried forward into the succeeding fiscal year. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:
  - (a) The purpose of the funding is to promote the state's tourism industry and business marketing activities.
- (b) The project shall be accomplished by contract or employees employed by the Michigan strategic fund or the Michigan economic development corporation.
  - (c) The total estimated cost of the project is \$5,700.000.00.
  - (d) The expected completion date is September 30, 2010.
- (3) It is the intent of the legislature that if additional funds become available during fiscal year 2007-2008, that the appropriation for the Michigan promotion program shall be increased by \$4,300,000.00 to be distributed as described in this section.
- Sec. 1022. (1) From the funds appropriated in part 1 for the business incubator program, the Michigan strategic fund shall administer competitive grants and loans that are designed to foster the creation of new jobs in competitive edge technology as defined in section 88a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088a. Funding shall be awarded to grantees located in a distressed area. The Michigan strategic fund board shall ensure that \$1,000,000.00 is allocated to grantees for projects in each of the 4 qualifying distressed areas. As used in this section, "distressed area" means a local governmental unit that meets 1 of the following criteria:
  - (a) A city with a population greater than 750,000.
- (b) A city with a population in the 2000 census between 11,000 and 12,000 and had a population loss of greater than 30% since 1970.
- (c) A city with a population in the 2000 census between 124,000 and 125,000 and had a population loss greater than 35% since the 1970 census.
- (d) A county with median household income from 2004 United States bureau of the census small area income and poverty estimates that is below \$28,000.00.
- (2) It is the intent of the legislature that if additional funds become available during fiscal year 2007-2008, that the appropriation for the business incubator program shall be increased by \$4,000,000.00 to be distributed as described in this section.
- Sec. 1024. (1) From the funds appropriated in part 1 for the 21st century jobs fund program, \$1,400,000.00 shall be granted by the Michigan strategic fund board to the Michigan small business and technology development centers to be used for the SBIR or STTR grant or loan matching program. These funds shall only be used to provide the required match. Grants or loans under this section shall not exceed 25% of the federal funds and must leverage third-party commercialization funding at both the phase I and phase II levels.
- (2) All funds available to the strategic economic investment and commercialization board from grant and loan awards from the competitive edge technology grant and loan program as created in 2005 PA 225 that are not accepted or claimed by awardees shall be allocated to the Michigan small business technology development centers to fund the federal SBIR and STTR matching grant and loan programs as provided in this section.
- Sec. 1025. The MEDC shall separately report the number of actual direct jobs and the number of indirect jobs that are projected to be created as a result of any financial or tax incentive package that is offered to a business. Additionally, information regarding total salaries and employer sponsored benefits shall be included if available. This includes all publications issued by the agency for marketing and public information purposes.
- Sec. 1027. (1) The Michigan strategic fund shall amend the contract entered into pursuant to Michigan strategic fund board resolution 2007-079 approved on June 27, 2007, to provide that at least \$3,000,000.00 of the \$3,400,000.00 contract

amount shall be distributed not later than March 31, 2008, and that the purposes for which the funds can be used be expanded to include all types of operating expenses.

(2) If the contract is not amended as described in subsection (1) by February 28, 2008, then from the appropriation in part 1 for 21st century jobs trust fund programs, an amount of not more than \$3,000,000.00 shall be allocated to Lakeshore Advantage in fiscal year 2007-2008 to bring the total payments to that organization to \$3,000,000.00 in fiscal year 2007-2008.

Sec. 1029. It is the intent of the legislature that the fund only award tax breaks or other economic development incentives to companies that give preference to Michigan workers.

Sec. 1030. The funds appropriated in part 1 to the Berrien County brownfield redevelopment authority shall be expended for a brownfield redevelopment project in Watervliet Township to construct an ethanol plant.

Sec. 1031. The funds appropriated in part 1 to McBain Township, Missaukee County, shall be used for grants and loans to the township and shall be expended by the township for infrastructure improvements.

### REVENUE STATEMENT

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

## BUDGET RECOMMENDATIONS BY OPERATING FUNDS

(Amounts in millions) Fiscal Year 2007-2008

		Beginning		
	Fund	Unreserved		
		Fund	Estimated	Ending
		Balance	Revenue	Balance
OPERATING FUNDS				
General fund/general purpose	0110	2.1	9,657.1	46.2
General fund/special purpose		516.6	15,600.2	1,197.0
Special Revenue Funds:				
Countercyclical budget and economic stabilization	0111	2.1	0.0	2.2
Game and fish protection	0112	22.5	63.2	0.0
Michigan employment security act administration	0113	0.0	14.0	8.6
State aeronautics	0114	1.7	181.4	0.3
Michigan veterans' benefit trust	0115	0.0	5.0	0.0
State trunkline	0116	0.0	2,074.5	0.0
Michigan state waterways	0117	0.8	26.1	1.3
Blue Water Bridge	0118	0.0	15.7	0.0
Michigan transportation	0119	0.0	2,002.6	0.0
Comprehensive transportation	0120	0.0	320.9	0.0
School aid	0122	0.0	13,431.9	0.0
Marine safety	0123	0.1	5.3	0.0
Game and fish protection trust	0124	6.6	12.0	6.0
State park improvement	0125	1.3	40.8	0.0
Forest development	0126	0.0	27.3	0.0
Michigan civilian conservation corps endowment	0128	0.1	0.7	0.0
Michigan natural resources trust	0129	33.6	53.2	37.4
Michigan state parks endowment	0130	8.8	16.6	6.7
Safety education and training	0131	2.1	7.0	1.1
Bottle deposit	0136	0.0	15.1	0.0
State construction code	0138	2.9	12.7	0.0
Children's trust	0139	1.8	3.8	2.2
State casino gaming	0140	12.5	32.8	0.0
Homeowner construction lien recovery	0141	2.9	0.6	1.8
Michigan nongame fish and wildlife	0143	0.2	0.6	0.0
Michigan merit award trust	0154	0.0	289.1	0.1
TOTALS		\$618.7	\$43,910.2	\$1,311.0
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This act is ordered to take immediate effect.

	Carol Morey Viventi	
	Secretary of the Senate	
	Frichard . Brown	
	Clerk of the House of Representatives	
Approved		

Governor