

HOUSE BILL NO. 5791

May 20, 2020, Introduced by Rep. Brann and referred to the Committee on Appropriations.

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2020; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2020, from the following funds:



1 APPROPRIATION SUMMARY

2	GROSS APPROPRIATION	\$	31,000,000
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers		0
6	ADJUSTED GROSS APPROPRIATION	\$	31,000,000
7	Federal revenues:		
8	Total federal revenues		0
9	Special revenue funds:		
10	Total local revenues		0
11	Total private revenues		0
12	Total other state restricted revenues		31,000,000
13	State general fund/general purpose	\$	0

14 Sec. 102. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

15 (1) APPROPRIATION SUMMARY

16	GROSS APPROPRIATION	\$	31,000,000
17	Interdepartmental grant revenues:		
18	Total interdepartmental grants and intradepartmental		
19	transfers		0
20	ADJUSTED GROSS APPROPRIATION	\$	31,000,000
21	Federal revenues:		
22	Total federal revenues		0
23	Special revenue funds:		
24	Total local revenues		0
25	Total private revenues		0
26	Total other state restricted revenues		31,000,000
27	State general fund/general purpose	\$	0

28 (2) MICHIGAN STRATEGIC FUND

29	Business attraction and community revitalization	\$	(19,000,000)
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1	Small business relief grant program	50,000,000
2	GROSS APPROPRIATION	\$ <u>31,000,000</u>
3	Appropriated from:	
4	Special revenue funds:	
5	21st century jobs trust fund	31,000,000
6	State general fund/general purpose	\$ 0

8 PART 2

9 PROVISIONS CONCERNING APPROPRIATIONS

10 **GENERAL SECTIONS**

11 Sec. 201. In accordance with section 30 of article IX of the
 12 state constitution of 1963, total state spending from state sources
 13 in this appropriation act for the fiscal year ending September 30,
 14 2020 is \$31,000,000.00 and state spending from state sources to be
 15 paid to local units of government is \$0.00.

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

19 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

20 Sec. 301. (1) From the funds appropriated in part 1 for the
 21 small business relief grant program, the Michigan strategic fund
 22 shall create and operate a small business relief grant program to
 23 provide small business relief grants to eligible businesses in this
 24 state. The fund, in consultation with local economic development
 25 organizations, must provide grants to eligible businesses that have
 26 realized a significant financial hardship as a result of the COVID-
 27 19 emergency.

28 (2) Grants made available to eligible businesses under the
 29 program must meet all of the following conditions:



1 (a) Must only be made available to eligible businesses that
2 have 50 or fewer employees.

3 (b) Must not exceed \$10,000.00.

4 (c) Must only be used for working capital to support payroll
5 expenses, rent, mortgage payments, utility expenses, or similar
6 expenses that occur in the ordinary course of business.

7 (d) Must not be provided to an eligible business that
8 previously received a grant.

9 (3) The Michigan strategic fund must develop and post on the
10 Michigan strategic fund website application, program operation,
11 award, and reporting criteria for the program.

12 (4) The Michigan strategic fund shall provide a monthly report
13 to the senate and house fiscal agencies and the state budget office
14 that provides a listing of grants awarded in the previous month and
15 the name of the recipient of each grant provided under the program.
16 The Michigan strategic fund shall provide a summary of all grants
17 awarded under the program over the course of the current fiscal
18 year by September 30, 2020.

19 (5) As used in this section:

20 (a) "Eligible business" means a business that meets all of the
21 following:

22 (i) Is in an industry outlined in Executive Order No. 2020-9,
23 or any subsequent Executive Order of similar intent, provides
24 services to companies outlined in that Executive Order, or
25 demonstrates it is otherwise affected by the COVID-19 emergency.

26 (ii) Needs working capital to support payroll expenses, rent,
27 mortgage payments, utility expenses, or other similar expenses that
28 occur in the ordinary course of business.

29 (iii) Demonstrates an income loss as a result of an emergency as



1 determined by the Michigan strategic fund.

2 (b) "Small business relief grant" or "grant" means a small
3 business relief grant made to an eligible business under this
4 section.

5 (6) The funds appropriated in part 1 for the small business
6 relief grant program are considered work project appropriations,
7 and any unencumbered or unallotted funds are carried forward into
8 the succeeding fiscal year. The following is in compliance with
9 section 451a(1) of the management and budget act, 1984 PA 431, MCL
10 18.1451a:

11 (a) The purpose of the project is to provide relief grants to
12 small businesses affected by COVID-19.

13 (b) All grants will be distributed in accordance with this
14 section and the grant guidelines published by the Michigan
15 strategic fund.

16 (c) The estimated cost of the project is \$50,000,000.00.

17 (d) The tentative completion date for the work project is
18 September 30, 2021.

