

**SUBSTITUTE FOR
SENATE BILL NO. 86**

A bill to make appropriations for the department of licensing and regulatory affairs for the fiscal year ending September 30, 2022; to provide for certain conditions on appropriations; to establish certain fees in connection with certain appropriations; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of licensing and regulatory affairs for the fiscal year ending September 30, 2022, from the following funds:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

APPROPRIATION SUMMARY

1	Full-time equated unclassified positions	19.0	
2	Full-time equated classified positions	1,486.7	
3	GROSS APPROPRIATION		\$ 498,010,900
4	Total interdepartmental grants and		
5	intradepartmental transfers		45,079,800
6	ADJUSTED GROSS APPROPRIATIONS		\$ 452,931,100
7	Federal revenues:		
8	Total federal revenues		29,030,500
9	Special revenue funds:		
10	Total local revenues		0
11	Total private revenues		0
12	Total other state restricted revenues		256,055,700
13	State general fund/general purpose		\$ 167,844,900
14	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
15	SUPPORT		
16	Full-time equated unclassified positions	19.0	
17	Full-time equated classified positions	77.6	
18	Unclassified salaries--FTE positions	19.0	2,572,400
19	Administrative services--* FTE positions	60.0	8,594,600
20	Executive director programs--* FTE positions	14.6	2,886,900
21	FOIA coordination--* FTE positions	3.0	329,900
22	Property management		8,263,000
23	Worker's compensation		124,900
24	GROSS APPROPRIATION		\$ 22,771,700
25	Appropriated from:		
26	IDG from DIFS, accounting services		150,000
27	Total interdepartmental grants and		
28	intradepartmental transfers		150,000

1	EPA, underground storage tanks	30,300
2	HHS-Medicaid, certification of health care	
3	providers and suppliers	411,100
4	HHS-Medicare, certification of health care	
5	providers and suppliers	599,100
6	Total federal revenues	1,040,500
7	Aboveground storage tank fees	94,000
8	Accountancy enforcement fund	66,200
9	Boiler inspection fund	286,200
10	Builder enforcement fund	102,700
11	Construction code fund	775,700
12	Corporation fees	4,386,300
13	Elevator fees	307,600
14	Fire alarm fees	7,300
15	Fire safety standard and enforcement fund	2,100
16	Fire service fees	461,800
17	Fireworks safety fund	60,300
18	Health professions regulatory fund	1,715,700
19	Health systems fees	242,300
20	Licensing and regulation fund	976,600
21	Liquor license revenue	340,000
22	Liquor purchase revolving fund	3,171,600
23	Marihuana registry fund	817,700
24	Marihuana regulation fund	450,600
25	Marihuana regulatory fund	683,200
26	Michigan unarmed combat fund	5,900
27	Mobile home code fund	284,800
28	Nurse professional fund	38,700

1	PMECSEMA fund		46,200
2	Property development fees		7,300
3	Public utility assessments		3,139,600
4	Real estate appraiser education fund		2,600
5	Real estate education fund		11,300
6	Real estate enforcement fund		11,600
7	Refined petroleum fund		173,300
8	Restructuring mechanism assessments		31,600
9	Securities fees		1,632,400
10	Securities investor education and training fund		9,200
11	Security business fund		6,900
12	Survey and remonumentation fund		98,100
13	Tax tribunal fund		809,300
14	Utility consumer representation fund		54,000
15	Total other state restricted revenues		21,310,700
16	State general fund/general purpose	\$	270,500
17	Sec. 103. PUBLIC SERVICE COMMISSION		
18	Full-time equated classified positions	159.3	
19	Public service commission--* FTE positions	159.3	33,215,100
20	GROSS APPROPRIATION	\$	33,215,100
21	Appropriated from:		
22	DOT, gas pipeline safety		2,625,800
23	Total federal revenues		2,625,800
24	Public utility assessments		30,019,800
25	Restructuring mechanism assessments		569,500
26	Total other state restricted revenues		30,589,300
27	State general fund/general purpose	\$	0
28	Sec. 104. LIQUOR CONTROL COMMISSION		

1	Full-time equated classified positions	121.0	
2	Liquor licensing and enforcement--* FTE		
3	positions	93.0	13,193,600
4	Management support services--* FTE positions	28.0	4,675,200
5	GROSS APPROPRIATION		\$ 17,868,800
6	Appropriated from:		
7	Direct shipper enforcement revolving fund		241,520
8	Liquor control enforcement and license		
9	investigation revolving fund		140,000
10	Liquor license fee enhancement fund		61,120
11	Liquor license revenue		6,244,960
12	Liquor purchase revolving fund		11,181,200
13	Total other state restricted revenues		17,868,800
14	State general fund/general purpose		\$ 0
15	Sec. 105. OCCUPATIONAL REGULATION		
16	Full-time equated classified positions	959.0	
17	Adult foster care and camps licensing and		
18	regulation--* FTE positions	83.4	8,623,300
19	Bureau of community and health systems		
20	administration--* FTE positions	17.0	3,339,000
21	Bureau of construction codes--* FTE positions	111.5	23,482,000
22	Bureau of fire services--* FTE positions	72.0	10,454,800
23	Bureau of professional licensing--* FTE		
24	positions	181.6	40,364,600
25	Child care licensing and regulation--* FTE		
26	positions	107.5	18,552,100
27	Corporations, securities, and commercial		
28	licensing bureau--* FTE positions	88.0	15,204,400

1	Health facilities regulation--* FTE positions	163.0	28,854,900
2	Marihuana social equity program		500,000
3	Marihuana treatment research--* FTE positions	0.0	20,000,000
4	Medical marihuana facilities licensing and		
5	tracking--* FTE positions	55.7	11,641,700
6	Medical marihuana program--* FTE positions	29.0	5,141,700
7	Nurse aide program--* FTE positions	7.0	1,680,500
8	Recreational marihuana regulation--* FTE		
9	positions	43.3	7,351,800
10	GROSS APPROPRIATION		\$ 195,190,800
11	Appropriated from:		
12	IDG from MDE, child care licensing		19,729,300
13	Total interdepartmental grants and		
14	intradepartmental transfers		19,729,300
15	DHS, fire training systems		528,000
16	DOT, hazardous materials training and planning		20,000
17	EPA, underground storage tanks		799,300
18	HHS-Medicaid, certification of health care		
19	providers and suppliers		8,767,900
20	HHS-Medicare, certification of health care		
21	providers and suppliers		14,161,700
22	Total federal revenues		24,276,900
23	Aboveground storage tank fees		229,100
24	Accountancy enforcement fund		777,800
25	Adult foster care facilities license fund		411,600
26	Boiler inspection fund		3,429,500
27	Builder enforcement fund		644,000
28	Child care home and center licenses fund		501,700

1	Construction code fund	9,384,200
2	Corporation fees	7,705,200
3	Division on deafness fund	93,400
4	Elevator fees	4,396,500
5	Fire alarm fees	133,100
6	Fire safety standard and enforcement fund	40,900
7	Fire service fees	2,647,400
8	Fireworks safety fund	1,233,800
9	Health professions regulatory fund	25,294,100
10	Health systems fees	3,922,300
11	Licensing and regulation fund	12,593,000
12	Liquor purchase revolving fund	148,800
13	Marihuana registry fund	5,141,700
14	Marihuana regulation fund	27,851,800
15	Marihuana regulatory fund	12,141,700
16	Mobile home code fund	2,085,900
17	Nurse aid registration fund	597,500
18	Nurse professional fund	1,966,800
19	Nursing home administrative penalties	100,000
20	PMECSEMA fund	1,889,500
21	Property development fees	192,600
22	Real estate appraiser education fund	65,500
23	Real estate education fund	346,800
24	Real estate enforcement fund	554,400
25	Refined petroleum fund	2,647,400
26	Securities fees	5,491,200
27	Securities investor education and training fund	493,300
28	Security business fund	236,200

1	Survey and remonumentation fund	882,200
2	Total other state restricted revenues	136,270,900
3	State general fund/general purpose	\$ 14,913,700
4	Sec. 106. MICHIGAN OFFICE OF ADMINISTRATIVE	
5	HEARINGS AND RULES	
6	Full-time equated classified positions	156.9
7	Michigan office of administrative hearings and	
8	rules--* FTE positions	156.9 36,935,700
9	GROSS APPROPRIATION	\$ 36,935,700
10	Appropriated from:	
11	IDG revenues, administrative hearings and rules	25,200,500
12	Total interdepartmental grants and	
13	intradepartmental transfers	25,200,500
14	Construction code fund	26,700
15	Corporation fees	4,272,700
16	Health professions regulatory fund	408,400
17	Health systems fees	161,600
18	Licensing and regulation fund	883,800
19	Liquor purchase revolving fund	709,400
20	Marihuana regulation fund	100,000
21	Marihuana regulatory fund	252,000
22	Public utility assessments	2,657,500
23	Securities fees	1,036,700
24	Tax tribunal fund	847,600
25	Total other state restricted revenues	11,356,400
26	State general fund/general purpose	\$ 378,800
27	Sec. 107. COMMISSIONS	
28	Full-time equated classified positions	12.9

1	Michigan indigent defense commission--* FTE		
2	positions	12.9	1,499,400
3	Michigan unarmed combat commission--* FTE		
4	positions	0.0	126,200
5	GROSS APPROPRIATION	\$	1,625,600
6	Appropriated from:		
7	Michigan unarmed combat fund		126,200
8	Total other state restricted revenues		126,200
9	State general fund/general purpose	\$	1,499,400
10	Sec. 108. DEPARTMENT GRANTS		
11	Firefighter training grants		2,300,000
12	Liquor law enforcement grants		8,400,000
13	Medical marihuana operation and oversight		
14	grants		3,000,000
15	Michigan indigent defense commission grants		148,917,400
16	Remonumentation grants		6,800,000
17	Utility consumer representation fund		750,000
18	GROSS APPROPRIATION	\$	170,167,400
19	Appropriated from:		
20	Fireworks safety fund		2,300,000
21	Liquor license revenue		8,400,000
22	Local indigent defense reimbursement		300,000
23	Marihuana registry fund		3,000,000
24	Survey and remonumentation fund		6,800,000
25	Utility consumer representation fund		750,000
26	Total other state restricted revenues		21,550,000
27	State general fund/general purpose	\$	148,617,400
28	Sec. 109. INFORMATION TECHNOLOGY		

1	Information technology services and projects	18,735,800
2	GROSS APPROPRIATION	\$ 18,735,800
3	Appropriated from:	
4	DOT, gas pipeline safety	45,000
5	EPA, underground storage tanks	100,200
6	HHS-Medicaid, certification of health care	
7	providers and suppliers	358,300
8	HHS-Medicare, certification of health care	
9	providers and suppliers	583,800
10	Total federal revenues	1,087,300
11	Aboveground storage tank fees	34,600
12	Accountancy enforcement fund	1,100
13	Boiler inspection fund	318,800
14	Construction code fund	1,228,800
15	Corporation fees	4,178,000
16	Elevator fees	476,900
17	Fire safety standard and enforcement fund	3,000
18	Fire service fees	519,200
19	Fireworks safety fund	47,200
20	Health professions regulatory fund	1,806,300
21	Health systems fees	298,200
22	Licensing and regulation fund	1,101,700
23	Liquor purchase revolving fund	3,374,800
24	Marihuana registry fund	447,100
25	Marihuana regulation fund	270,900
26	Marihuana regulatory fund	731,800
27	Michigan unarmed combat fund	6,800
28	Mobile home code fund	171,400

1	PMECSEMA fund	38,600
2	Public utility assessments	1,238,100
3	Real estate appraiser education fund	1,000
4	Real estate education fund	1,900
5	Refined petroleum fund	170,800
6	Restructuring mechanism assessments	28,100
7	Securities fees	229,700
8	Securities investor education and training fund	1,000
9	Survey and remonumentation fund	74,100
10	Tax tribunal fund	183,500
11	Total other state restricted revenues	16,983,400
12	State general fund/general purpose	\$ 665,100
13	Sec. 110. ONE-TIME APPROPRIATIONS	
14	Public service commission renewable natural gas	
15	study	250,000
16	Michigan saves	750,000
17	Urban search and rescue	500,000
18	GROSS APPROPRIATION	\$ 1,500,000
19	Appropriated from:	
20	State general fund/general purpose	\$ 1,500,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2021-2022

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2021-2022 is \$423,900,600.00 and state

1 spending from state sources to be paid to local units of government
 2 for fiscal year 2021-2022 is \$169,417,400.00. The itemized
 3 statement below identifies appropriations from which spending to
 4 local units of government will occur:

5 **DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

6	Firefighter training grants	\$	2,300,000
7	Liquor law enforcement grants		8,400,000
8	Medical marihuana operation and oversight		
9	grants		3,000,000
10	Michigan indigent defense commission grants		148,917,400
11	Remonumentation grants		6,800,000

12 **TOTAL DEPARTMENT OF LICENSING AND REGULATORY**

13 **AFFAIRS**

\$ 169,417,400

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

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

18 (a) "Abatement potential" means the magnitude of potential
 19 greenhouse gas reductions achieved through alternative fuel,
 20 technology, or practice. As used in this subdivision, "alternative
 21 fuel" includes renewable natural gas.

22 (b) "Department" means the department of licensing and
 23 regulatory affairs.

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

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

27 (e) "FTE" means full-time equated.

28 (f) "IDG" means interdepartmental grant.

29 (g) "Renewable natural gas" or "RNG" means biogas that has

1 been processed to be interchangeable with conventional natural gas
2 and meet pipeline quality standards or transportation fuel grade
3 requirements.

4 (h) "Subcommittees" means the subcommittees of the house and
5 senate appropriations committees with jurisdiction over the budget
6 for the department.

7 Sec. 204. The department shall use the internet to fulfill the
8 reporting requirements of this part. This requirement shall include
9 transmission of reports via email to the recipients identified for
10 each reporting requirement and it shall include placement of
11 reports on an internet site.

12 Sec. 205. Funds appropriated in this part and part 1 shall not
13 be used for the purchase of foreign goods or services, or both, if
14 competitively priced and of comparable quality American goods or
15 services, or both, are available. Preference shall be given to
16 goods or services, or both, manufactured or provided by Michigan
17 businesses, if they are competitively priced and of comparable
18 quality. In addition, preference shall be given to goods or
19 services, or both, that are manufactured or provided by Michigan
20 businesses owned and operated by veterans, if they are
21 competitively priced and of comparable quality.

22 Sec. 206. The department shall not take disciplinary action
23 against an employee of the department or departmental agency in the
24 state classified civil service because the employee communicates
25 with a member of the legislature or his or her staff, unless the
26 communication is prohibited by law and the department or agency
27 taking disciplinary action is exercising its authority as provided
28 by law.

29 Sec. 207. (1) Out-of-state travel shall be limited to

1 situations when travel is approved by a departmental employee's
2 immediate supervisor and in which 1 or more of the following
3 conditions apply:

4 (a) The travel is required by legal mandate or court order or
5 for law enforcement purposes.

6 (b) The travel is necessary to protect the health or safety of
7 Michigan citizens or visitors or to assist other states in similar
8 circumstances.

9 (c) The travel is necessary to produce budgetary savings or to
10 increase state revenues, including protecting existing federal
11 funds or securing additional federal funds.

12 (d) The travel is necessary to comply with federal
13 requirements.

14 (e) The travel is necessary to secure specialized training for
15 staff that is not available within this state.

16 (f) The travel is financed entirely by federal or nonstate
17 funds.

18 (2) The department shall not approve the travel of more than 1
19 departmental employee to a specific professional development
20 conference or training seminar that is located outside of this
21 state unless a professional development conference or training
22 seminar is funded by a federal or private funding source and
23 requires more than 1 individual from the department to attend, or
24 the conference or training seminar includes multiple issues in
25 which 1 employee from the department does not have expertise.

26 (3) Not later than January 1, the department shall prepare a
27 travel report listing all travel by classified and unclassified
28 employees outside this state in the immediately preceding fiscal
29 year that was funded in whole or in part with funds appropriated in

1 the department's budget. The report shall be submitted to the house
2 and senate appropriations committees, the senate and house fiscal
3 agencies, and the state budget director. The report shall include
4 all of the following information:

5 (a) The name of each person receiving reimbursement for travel
6 outside this state or whose travel costs were paid by this state.

7 (b) The destination of each travel occurrence.

8 (c) The dates of each travel occurrence.

9 (d) A brief statement of the reason for each travel
10 occurrence.

11 (e) The transportation and related costs of each travel
12 occurrence, including the proportion funded with state general
13 fund/general purpose revenues, the proportion funded with state
14 restricted revenues, the proportion funded with federal revenues,
15 and the proportion funded with other revenues.

16 (f) A total of all out-of-state travel funded for the
17 immediately preceding fiscal year.

18 Sec. 208. Funds appropriated in part 1 shall not be used by
19 the department to hire a person to provide legal services that are
20 the responsibility of the attorney general. This prohibition does
21 not apply to legal services for bonding activities and for those
22 outside services that the attorney general authorizes.

23 Sec. 209. Not later than November 30, the state budget office
24 shall prepare and transmit a report that provides for estimates of
25 the total general fund/general purpose appropriation lapses at the
26 close of the prior fiscal year. This report shall summarize the
27 projected year-end general fund/general purpose appropriation
28 lapses by major departmental program or program areas. The report
29 shall be transmitted to the chairpersons of the senate and house

1 appropriations committees and the senate and house fiscal agencies.

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

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

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

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

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

14 (e) Job specifications and wage rates.

15 Sec. 212. Within 14 days after the release of the executive
16 budget recommendation, the department shall cooperate with the
17 state budget office to provide the chairpersons of the senate and
18 house appropriations committees, the chairpersons of the
19 subcommittees, and the senate and house fiscal agencies with an
20 annual report on estimated state restricted fund balances, state
21 restricted fund projected revenues, and state restricted fund
22 expenditures for the prior 2 fiscal years.

23 Sec. 213. The department shall maintain, on a publicly
24 accessible website, a department scorecard that identifies, tracks,
25 and regularly updates key metrics that are used to monitor and
26 improve the department's performance.

27 Sec. 214. Total authorized appropriations from all sources
28 under part 1 for legacy costs for the fiscal year ending September
29 30, 2022 are estimated at \$41,260,100.00. From this amount, total

1 agency appropriations for pension-related legacy costs are
2 estimated at \$23,116,100.00. Total agency appropriations for
3 retiree health care legacy costs are estimated at \$18,144,000.00.

4 Sec. 215. To the extent permissible under the management and
5 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall
6 take all reasonable steps to ensure businesses in deprived and
7 depressed communities compete for and perform contracts to provide
8 services or supplies, or both. The director shall strongly
9 encourage firms with which the department contracts to subcontract
10 with certified businesses in depressed and deprived communities for
11 services, supplies, or both.

12 Sec. 216. (1) On a quarterly basis, the department shall
13 report to the senate and house appropriations committees, the
14 senate and house appropriations subcommittees on the department
15 budget, and the senate and house fiscal agencies the following
16 information:

17 (a) The number of FTEs in pay status by type of staff and
18 civil service classification.

19 (b) A comparison by line item of the number of FTEs authorized
20 from funds appropriated in part 1 to the actual number of FTEs
21 employed by the department at the end of the reporting period.

22 (2) By April 1 of the current fiscal year and semiannually
23 thereafter, the department shall report to the senate and house
24 appropriations committees, the senate and house appropriations
25 subcommittees on the department budget, and the senate and house
26 fiscal agencies the following information:

27 (a) Number of employees that were engaged in remote work.

28 (b) Number of employees authorized to work remotely and the
29 actual number of those working remotely in the current reporting

1 period.

2 (c) Estimated net cost savings achieved by remote work.

3 (d) Reduced use of office space associated with remote work.

4 Sec. 217. Appropriations in part 1 shall, to the extent
5 possible by the department, not be expended until all existing work
6 project authorization available for the same purposes is exhausted.

7 Sec. 218. If the state administrative board, acting under
8 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
9 appropriated under this act, the legislature may, by a concurrent
10 resolution adopted by a majority of the members elected to and
11 serving in each house, intertransfer funds within this act for the
12 particular department, board, commission, officer, or institution.

13 Sec. 219. The departments and agencies receiving
14 appropriations in part 1 shall receive and retain copies of all
15 reports funded from appropriations in part 1. Federal and state
16 guidelines for short-term and long-term retention of records shall
17 be followed. The department may electronically retain copies of
18 reports unless otherwise required by federal and state guidelines.

19 Sec. 220. The department shall report no later than April 1 on
20 each specific policy change made to implement a public act
21 affecting the department that took effect during the prior calendar
22 year to the senate and house appropriations committees, the
23 subcommittees, the joint committee on administrative rules, and the
24 senate and house fiscal agencies.

25 Sec. 226. (1) Not later than December 31, the department shall
26 submit a report to the subcommittees, the senate and house fiscal
27 agencies, and the state budget director pertaining to licensing and
28 regulatory programs during the previous 3 fiscal years, if
29 available, for the following agencies:

- (a) Liquor control commission.
- (b) Bureau of fire services.
- (c) Bureau of construction codes.
- (d) Corporations, securities, and commercial licensing bureau.
- (e) Bureau of professional licensing.
- (f) Bureau of community and health systems.

(2) The report shall be in a format that is consistent between the agencies listed in subsection (1) and shall provide, but is not limited to, the following information for the 3 previous fiscal years, as applicable, for each agency; agencies listed in subsection (1)(a) and (b) shall report by regulated activity and agencies listed in subsection (1)(c), (d), (e), and (f) shall report by regulatory product or regulated activity, or both:

- (a) Revenue generated by and expenditures disbursed by regulatory fund.
- (b) Revenue generated by regulatory product or regulated activity.
- (c) The renewal cycle and amount of each fee charged.
- (d) Number of initial applications.
- (e) Number of initial applications denied.
- (f) Number of license renewals.
- (g) Average amount of time to approve or deny completed applications.
- (h) Number of examinations proctored for initial applications.
- (i) A description of the types of complaints received.
- (j) A description of the process used to resolve complaints.
- (k) Number of complaints received.
- (l) Number of complaints investigated.
- (m) Number of complaints closed with no action.

1 (n) Number of complaints resulting in administrative actions
2 or citations.

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

4 (p) Number of enforcement actions, including license
5 revocations, suspensions, and fines.

6 (q) A description of the types of enforcement actions taken
7 against licensees.

8 (r) Number of administrative hearing adjudications.

9 (3) As used in subsection (2), "regulatory product" means each
10 occupation, profession, trade, or program, which includes
11 licensure, certification, registration, inspection, review,
12 permitting, approval, or any other regulatory service provided by
13 the agencies specified in subsection (1) for each regulated
14 activity. As used in this subsection and subsection (2), "regulated
15 activity" means the particular activities, entities, facilities,
16 and industries regulated by the agencies specified in subsection
17 (1).

18 Sec. 227. It is the intent of the legislature that the
19 department establish an employee performance monitoring process
20 that is consistent throughout the department in addition to current
21 civil service commission evaluations. By April 1, the department
22 shall submit a report to the state budget office, the
23 subcommittees, and the senate and house fiscal agencies on changes
24 to the employee performance monitoring process that are planned or
25 implemented, as well as the number of employee evaluations
26 performed.

27 Sec. 228. Unless prohibited by law, the department may accept
28 credit card or other electronic means of payment for licenses,
29 fees, or permits.

1 Sec. 229. The department shall submit a report to the
2 subcommittees, the senate and house fiscal agencies, and the state
3 budget director by September 30 detailing any expenditure of funds
4 for a television or radio production that was made to a third-party
5 vendor in the fiscal year ending September 30, 2022. The report
6 must include the following information for each expenditure:

7 (a) Total amount of the expenditure.

8 (b) Fund source for the expenditure.

9 (c) Name of the vendor(s) that created the production and the
10 amount paid to the vendor(s).

11 (d) Purpose of the production.

12 13 **PUBLIC SERVICE COMMISSION**

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

21 22 **LIQUOR CONTROL COMMISSION**

23 Sec. 401. (1) From the appropriations in part 1 from the
24 direct shipper enforcement revolving fund, the liquor control
25 commission shall expend these funds as required under section
26 203(11) of the Michigan liquor control code of 1998, 1998 PA 58,
27 MCL 436.1203, to investigate and audit unlawful direct shipments of
28 wine by unlicensed wineries and retailers, with priority directed
29 toward unlicensed out-of-state retailers and third-party marketers.

1 In addition to other investigative methods, the commission shall
2 use shipping records available to it under section 203(21) of the
3 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1203, to
4 assist with this effort. The liquor control commission must refer
5 all unlicensed out-of-state retailers and third-party marketers
6 identified with the shipping records to the attorney general.

7 (2) By February 1, the liquor control commission shall provide
8 a report to the legislature, the subcommittees, and the state
9 budget director detailing the commission's activities to
10 investigate and audit the illegal shipping of wine and the results
11 of these activities. The report shall include the following:

12 (a) Work hours spent, specific actions undertaken, and the
13 number of FTEs dedicated to identifying and stopping unlicensed
14 out-of-state retailers, third-party marketers, and wineries that
15 ship illegally in Michigan.

16 (b) General overview of expenditures associated with efforts
17 to identify and stop unlicensed out-of-state retailers, third-party
18 marketers, and wineries that ship illegally in Michigan.

19 (c) Number of out-of-state entities found to have illegally
20 shipped wine into Michigan and total number of bottles (750 ml),
21 number of cases with 750 ml bottles, number of liters, number of
22 gallons, or weight of illegally shipped wine. These items must be
23 broken down by total number of retailers and total number of
24 wineries.

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

27 (e) Number of unlicensed out-of-state entities found to have
28 illegally shipped wine into Michigan identified with the shipping
29 records under subsection (1).

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

(3) From the appropriations in part 1 from the direct shipper enforcement revolving fund, the liquor control commission shall send a notice to each unlicensed out-of-state entity found to have illegally shipped wine into Michigan that has been identified via the shipping records under subsection (1). The notice must include all of the following:

(a) Notification that shipping wine into Michigan by retailers and third-party marketers is illegal, and wineries shipping into Michigan must obtain a direct shipper license.

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

(c) Notice that the matter has been referred to the attorney general.

OCCUPATIONAL REGULATION

Sec. 501. Money appropriated under this part and part 1 for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

Operation and maintenance inspection fee

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

Plan review and construction inspection fees for hospitals and schools

<u>Project cost range</u>	<u>Fee</u>
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1	\$101,000.00 or less	minimum fee of \$155.00
2	\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00
3	\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00
4	\$10,000,001.00 or more	\$1.10 per \$1,000.00
5		or a maximum fee of \$60,000.00.

6 Sec. 502. The funds collected by the department for licenses,
7 permits, and other elevator regulation fees set forth in the
8 Michigan Administrative Code and as determined under section 8 of
9 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL
10 408.816, that are unexpended at the end of the fiscal year shall
11 carry forward to the subsequent fiscal year.

12 Sec. 503. Not later than February 15, the department shall
13 submit a report to the subcommittees, the senate and house fiscal
14 agencies, and the state budget director providing the following
15 information:

16 (a) The number of veterans who were separated from service in
17 the Armed Forces of the United States with an honorable character
18 of service or under honorable conditions (general) character of
19 service, individually or if a majority interest of a corporation or
20 limited liability company, that were exempted from paying
21 licensure, registration, filing, or any other fees collected under
22 each licensure or regulatory program administered by the bureau of
23 construction codes, the bureau of professional licensing, and the
24 corporations, securities, and commercial licensing bureau during
25 the preceding fiscal year.

26 (b) The specific fees and total amount of revenue exempted
27 under each licensure or regulatory program administered by the
28 bureau of construction codes, the bureau of professional licensing,
29 and the corporations, securities, and commercial licensing bureau

1 during the preceding fiscal year.

2 (c) The actual costs of providing licensing and other
3 regulatory services to veterans exempted from paying licensure,
4 registration, filing, or any other fees during the preceding fiscal
5 year and a description of how these costs were calculated.

6 (d) The estimated amount of revenue that will be exempted
7 under each licensure or regulatory program administered by the
8 bureau of construction codes, the bureau of professional licensing,
9 and the corporations, securities, and commercial licensing bureau
10 in both the current and subsequent fiscal years and a description
11 of how the exempted revenue was estimated.

12 Sec. 504. The department shall submit a comprehensive annual
13 report for all programs administered by the marijuana regulatory
14 agency by January 31 to the standing committees on appropriations
15 of the senate and house of representatives, the senate and house
16 fiscal agencies, and the state budget director. This report shall
17 include, but is not limited to, all of the following information
18 for the prior fiscal year regarding the marihuana programs under
19 the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to
20 333.26430; the Medical Marihuana Facilities Licensing Act, 2016 PA
21 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and
22 Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967:

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

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

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

29 (d) The number of renewal applications approved, by license

1 category and by county.

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

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

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

9 (h) The percentage of initial applications not approved or
10 denied within the time requirements established in the respective
11 act, by license category, if applicable.

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

15 (j) The total amount collected from application fees or
16 established regulatory assessment and the specific fund this amount
17 is deposited into, by license category.

18 (k) The costs of administering the licensing program under
19 each of the above-referenced acts.

20 (l) The registered name and addresses of all facilities
21 licensed under the above-referenced acts, by license category and
22 by county.

23 (m) Number of complaints received pertaining to the above-
24 referenced acts, by license type or regulatory activity.

25 (n) A description of the types of complaints received.

26 (o) A description of the process used to resolve complaints.

27 (p) Number of investigations opened pertaining to each license
28 category.

29 (q) Number of investigations closed pertaining to each license

1 category.

2 (r) Average amount of time to complete investigations
3 pertaining to each license category.

4 (s) Number of enforcement actions pertaining to each license
5 category.

6 (t) A description of the types of enforcement actions taken
7 against licensees.

8 (u) Number of administrative hearing adjudications pertaining
9 to each license type.

10 (v) A list of the fees charged for license applications,
11 license renewals, and registry cards.

12 Sec. 505. If the revenue collected by the department for
13 health systems administration from fees and collections exceeds the
14 amount appropriated in part 1, the revenue may be carried forward
15 into the subsequent fiscal year. The revenue carried forward under
16 this section shall be used as the first source of funds in the
17 subsequent fiscal year.

18 Sec. 506. Not later than February 1, the department shall
19 submit a report to the subcommittees, the senate and house fiscal
20 agencies, and state budget director providing the following
21 information:

22 (a) The total amount of reimbursements made to local units of
23 government for delegated inspections of fireworks retail locations
24 pursuant to section 11 of the Michigan fireworks safety act, 2011
25 PA 256, MCL 28.461, from the funds appropriated in part 1 for the
26 bureau of fire services during the preceding fiscal year.

27 (b) The amount of reimbursement for delegated inspections of
28 fireworks retail locations for each local unit of government that
29 received reimbursement from the funds appropriated in part 1 for

1 the bureau of fire services during the preceding fiscal year.

2 Sec. 507. (1) Beginning October 1, for the purpose of
3 defraying the costs associated with responding to false final
4 inspection appointments and to discourage the practice of calling
5 for final inspections when the project is incomplete or
6 noncompliant with a plan of correction previously provided by the
7 bureau of fire services, the bureau of fire services may assess a
8 fee not to exceed \$200.00 for responding to a second or subsequent
9 confirmed false inspection appointment. Fees collected under this
10 section shall be deposited into the restricted account referenced
11 by section 2c(2) of the fire prevention code, 1941 PA 207, MCL
12 29.2c, and explicitly identified within the statewide integrated
13 governmental management applications system.

14 (2) Not later than September 30, the department shall prepare
15 a report that provides the amount of the fee assessed under
16 subsection (1), the number of fees assessed and issued per region,
17 the cost allocation for the work performed and reduced as a result
18 of this section, and any recommendations for consideration by the
19 legislature. The department shall submit this information to the
20 state budget director, the subcommittees, and the senate and house
21 fiscal agencies.

22 Sec. 508. The department shall submit a report on the Michigan
23 automated prescription system to the senate and house
24 appropriations committees, the senate and house fiscal agencies,
25 and the state budget director by November 30. The report shall
26 include, but is not limited to, the following:

27 (a) Total number of licensed health professionals registered
28 to the Michigan automated prescription system.

29 (b) Total number of dispensers registered to the Michigan

1 automated prescription system.

2 (c) Total number of prescribers using the Michigan automated
3 prescription system.

4 (d) Total number of dispensers using the Michigan automated
5 prescription system.

6 (e) Number of cases related to overprescribing,
7 overdispensing, and drug diversion where the department took
8 administrative action as a result of information and data generated
9 from the Michigan automated prescription system.

10 (f) The number of hospitals, doctor's offices, pharmacies, and
11 other health facilities that have integrated the Michigan automated
12 prescription system into their electronic health records systems.

13 (g) Total number of delegate users registered to the Michigan
14 automated prescription system.

15 Sec. 509. From the amount appropriated in part 1 for the
16 bureau of community and health systems administration, upon receipt
17 of the order of suspension of a licensed adult foster care home,
18 home for the aged, or nursing home, the department shall serve the
19 facility and provide contemporaneous notice to the offices of
20 legislators representing a district where the licensed facility is
21 situated and to the senate and house subcommittees on health and
22 human services.

23 Sec. 510. The funds appropriated in part 1 for the marihuana
24 social equity program shall be expended to address social equity in
25 the marihuana industry by expanding access to affordable capital.
26 These funds shall be expended to leverage additional private
27 contributions to support capital access and provide low- and no-
28 interest loans and grants for the purposes of starting or expanding
29 adult-use marihuana businesses.

1 Sec. 511. The department shall not enforce any directive
2 requiring the masking of children less than 5 years of age and
3 shall not take any licensing or administrative action against any
4 licensee for failure to enforce or require the masking of children
5 less than 5 years of age.

6
7 **COMMISSIONS**

8 Sec. 802. From the funds appropriated in part 1, the Michigan
9 indigent defense commission shall submit a report by September 30
10 to the senate and house appropriations subcommittees on licensing
11 and regulatory affairs, the senate and house fiscal agencies, and
12 the state budget director on the incremental costs associated with
13 the standard development process, the compliance plan process, and
14 the collection of data from all indigent defense systems and
15 attorneys providing indigent defense. Particular emphasis shall be
16 placed on those costs that may be avoided after standards are
17 developed and compliance plans are in place.

18
19 **DEPARTMENT GRANTS**

20 Sec. 901. (1) The department shall expend the funds
21 appropriated in part 1 for medical marihuana operation and
22 oversight grants for grants to counties for education and outreach
23 programs relating to the Michigan medical marihuana program
24 pursuant to section 6(1) of the Michigan Medical Marihuana Act, 2008
25 IL 1, MCL 333.26426. These grants shall be distributed
26 proportionately based on the number of registry identification
27 cards issued to or renewed for the residents of each county that
28 applied for a grant under subsection (2). For the purposes of this
29 subsection, operation and oversight grants are for education,

1 communication, and outreach regarding the Michigan Medical
2 Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430. Grants
3 provided under this section must not be used for law enforcement
4 purposes.

5 (2) Not later than December 1, the department shall post a
6 listing of potential grant money available to each county on its
7 website. In addition, the department shall work collaboratively
8 with counties regarding the availability of these grant funds. A
9 county requesting a grant shall apply on a form developed by the
10 department and available on its website. The form shall contain the
11 county's specific projected plan for use of the money and its
12 agreement to maintain all records and to submit documentation to
13 the department to support the use of the grant money.

14 (3) In order to be eligible to receive a grant under
15 subsection (1), a county shall apply not later than January 1 and
16 agree to report how the grant was expended and to provide that
17 report to the department not later than September 15. The
18 department shall submit a report not later than October 15 of the
19 subsequent fiscal year to the state budget director, the
20 subcommittees, and the senate and house fiscal agencies detailing
21 the grant amounts by recipient and the reported uses of the grants
22 in the preceding fiscal year.

23 Sec. 902. (1) The amount appropriated in part 1 for
24 firefighter training grants shall only be expended for payments to
25 counties to reimburse organized fire departments for firefighter
26 training and other activities required under the firefighters
27 training council act, 1966 PA 291, MCL 29.361 to 29.377.

28 (2) If the amount appropriated in part 1 for firefighter
29 training grants is expended by the firefighters training council,

1 established in section 3 of the firefighters training council act,
2 1966 PA 291, MCL 29.363, for payments to counties under section 14
3 of the firefighters training council act, 1966 PA 291, MCL 29.374,
4 it is the intent of the legislature that:

5 (a) The amount appropriated in part 1 for firefighter training
6 grants shall be allocated pursuant to section 14(2) of the
7 firefighters training council act, 1966 PA 291, MCL 29.374.

8 (b) If the amount allocated to any county under subdivision
9 (a) is less than \$5,000.00, the amounts disbursed to each county
10 under subdivision (a) shall be adjusted to provide for a minimum
11 payment of \$5,000.00 to each county.

12 (3) Not later than February 1, the department shall submit a
13 financial report to the subcommittees, the senate and house fiscal
14 agencies, and the state budget director identifying the following
15 information for the preceding fiscal year:

16 (a) The amount of the payments that would be made to each
17 county if the distribution formula described by the first sentence
18 of section 14(2) of the firefighters training council act, 1966 PA
19 291, MCL 29.374, would have been utilized to allocate the total
20 amount appropriated in part 1 for firefighter training grants.

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

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

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

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

ONE-TIME APPROPRIATIONS

Sec. 1001. From the funds appropriated in part 1 for Michigan saves, the Michigan public service commission may award a \$750,000.00 grant to a nonprofit green bank with experience in leveraging energy-efficiency and renewable energy improvements, for the purpose of making such loans more affordable for Michigan families, businesses, and public entities. Grant funds may be used to support a loan loss reserve fund or other comparable financial instrument to further leverage private investment in clean energy improvements.

Sec. 1002. (1) From the funds appropriated for the public service commission renewable natural gas study in part 1, the commission shall conduct a study into the potential for renewable natural gas development in this state. The study shall do all of the following:

(a) Identify existing and potential sources of renewable natural gas in this state and provide, to the extent possible, an estimate of the energy content and greenhouse gas abatement potential of these sources.

(b) Estimate the production potential by applicable feedstock sources for renewable natural gas in this state.

(c) Identify technical, market, policy, and regulatory barriers to developing and utilizing renewable natural gas in this state.

(2) The commission shall engage all interested stakeholders in the development of the study provided for in subsection (1). The commission may engage an independent contractor to conduct the study under the commission's direction.

1 (3) By June 1, 2022, the commission shall submit a report on
2 the study to the standing committees of the senate and house of
3 representatives with primary responsibility for energy and
4 environmental issues.