

# HOUSE BILL NO. 4047

January 27, 2021, Introduced by Reps. Beson, Albert and Yaroch 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, 2021; 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 various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2021, from the following funds:

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

**(2) ONE-TIME APPROPRIATIONS**

Michigan unemployment compensation funds	\$ 150,000,000
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<b>GROSS APPROPRIATION</b>	<b>\$ 150,000,000</b>
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Appropriated from:

<b>State general fund/general purpose</b>	<b>\$ 150,000,000</b>
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**Sec. 103. DEPARTMENT OF TREASURY****(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b>	<b>\$ 415,500,000</b>
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Interdepartmental grant revenues:

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

Total federal revenues	0
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Special revenue funds:

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

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

<b>State general fund/general purpose</b>	<b>\$ 415,500,000</b>
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**PART 2****PROVISIONS CONCERNING APPROPRIATIONS**

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2021 is \$565,500,000.00 and total state spending from state sources to be paid to local units of government is \$0.00.

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

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

**DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

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

**DEPARTMENT OF TREASURY**

Sec. 401. (1) From the funds appropriated in part 1 for afflicted business tax and fee relief, \$300,000,000.00 shall be

1 used by the department of treasury to create and operate a property  
2 tax relief program to provide grants for property tax relief to  
3 afflicted businesses in this state. The department of treasury  
4 shall provide grants to afflicted businesses that have realized a  
5 significant financial hardship as a result of the COVID-19  
6 emergency as defined in this section. Grant applications shall be  
7 accepted, reviewed, and approved by the department of treasury.

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

10 (a) Must not exceed the amount calculated in subparagraph (i)  
11 or (ii) .

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

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

18 (b) Must be subject to the following grant schedule:

19 (i) Afflicted businesses that certify a gross receipts loss of  
20 50% or more for calendar year 2020 when compared to calendar year  
21 2019 shall receive a grant equal to 100% of the amount calculated  
22 in subdivision (a) .

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

27 (iii) Afflicted businesses that certify a gross receipts loss  
28 greater than or equal to 10%, but less than 25%, for calendar year  
29 2020 when compared to calendar year 2019 shall receive a grant

1 equal to 50% of the amount calculated in subdivision (a).

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

6 (c) Must be used only for working capital to support payroll  
7 expenses, rent, mortgage payments, utility expenses, and costs  
8 related to reopening a business.

9 (3) An afflicted business is considered to have qualified for  
10 a grant under this section if, and only if, the afflicted business  
11 has certified and attested, under penalty of perjury, to both of  
12 the following:

13 (a) The afflicted business was adversely impacted by the  
14 pandemic as indicated by a gross receipts loss of at least 5% for  
15 calendar year 2020 when compared to calendar year 2019.

16 (b) The afflicted business was in operation on February 15,  
17 2020, and was either an eligible self-employed individual,  
18 independent contractor, or sole proprietorship with no employees,  
19 or had employees for which it paid salaries or wages and payroll  
20 taxes or paid independent contractors.

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

26 (5) If the amount appropriated under this section is not  
27 sufficient to fully pay grant awards under this section, payments  
28 shall be prorated on an equal basis among all afflicted businesses  
29 that qualified for a grant under this section. Any funds remaining

1 after the disbursement of all grant awards shall revert to the  
2 general fund.

3 (6) The department of treasury must develop and post on the  
4 department website application, program operation, award, and  
5 reporting criteria for the program no later than April 1, 2021.  
6 Afflicted businesses shall have until May 1, 2021 to submit program  
7 grant applications. The department of treasury shall disburse grant  
8 awards by June 1, 2021.

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

17 (8) As used in this section:

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

19 (i) An entertainment venue.

20 (ii) An exercise facility.

21 (iii) A food service establishment.

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

23 (b) "Entertainment venue" includes an auditorium, arena,  
24 banquet hall, cinema, concert hall, conference center, performance  
25 venue, sporting venue, stadium, or theater.

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

29 (d) "Food service establishment" means that term as defined in

1 section 1107 of the food law, 2000 PA 92, MCL 289.1107.

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

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

7 Sec. 402. (1) From the funds appropriated in part 1 for  
8 afflicted business tax and fee relief, \$55,000,000.00 shall be used  
9 by the department of treasury to create and operate an unemployment  
10 insurance tax relief program to provide grants for unemployment  
11 insurance tax relief to afflicted businesses in this state. The  
12 department of treasury shall provide grants to afflicted businesses  
13 as defined in this section. Grant applications shall be accepted,  
14 reviewed, and approved by the department of treasury.

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

17 (a) Must equal the amount of unemployment insurance taxes paid  
18 by the afflicted business in the 2 most recently preceding  
19 quarters.

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

23 (3) An afflicted business is considered to have qualified for  
24 a grant under this section if, and only if, the afflicted business  
25 has certified and attested, under penalty of perjury, to both of  
26 the following:

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



1 (b) The afflicted business was in operation on February 15,  
2 2020, and was either an eligible self-employed individual,  
3 independent contractor, or sole proprietorship with no employees,  
4 or had employees for which it paid salaries or wages and payroll  
5 taxes or paid independent contractors.

6 (4) Any afflicted business that falsifies certification shall  
7 forfeit any payments under this section and sections 401, 403, and  
8 404 of this part and shall repay this state all payments it has  
9 received under this section and sections 401, 403, and 404 of this  
10 part.

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

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

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

1 September 30, 2021.

2 (8) As used in this section:

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

4 (i) An entertainment venue.

5 (ii) An exercise facility.

6 (iii) A food service establishment.

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

8 (b) "Entertainment venue" includes an auditorium, arena,  
9 banquet hall, cinema, concert hall, conference center, performance  
10 venue, sporting venue, stadium, or theater.

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

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

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

19 Sec. 403. (1) From the funds appropriated in part 1 for  
20 afflicted business tax and fee relief, \$16,500,000.00 shall be used  
21 by the department of treasury to create and operate a retail liquor  
22 license relief program to provide grants for retail liquor license  
23 relief to afflicted businesses in this state. The department of  
24 treasury shall provide grants to afflicted businesses as defined in  
25 this section. Grant applications shall be accepted, reviewed, and  
26 approved by the department of treasury.

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

29 (a) Must equal the amount of retail liquor license fees paid

1 by the afflicted business during calendar year 2020.

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

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

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

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

17 (4) Any afflicted business that falsifies certification shall  
18 forfeit any payments under this section and sections 401, 402, and  
19 404 of this part and shall repay this state all payments it has  
20 received under this section and sections 401, 402, and 404 of this  
21 part.

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

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

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

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

13 (8) As used in this section:

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

15 (i) An entertainment venue.

16 (ii) An exercise facility.

17 (iii) A food service establishment.

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

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

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

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

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

1           Sec. 404. (1) From the funds appropriated in part 1 for  
2   afflicted business tax and fee relief, \$22,000,000.00 shall be used  
3   by the department of treasury to create and operate a local health  
4   department food service fee relief program to provide grants for  
5   local health department food service fee relief to afflicted  
6   businesses in this state. The department of treasury shall provide  
7   grants to afflicted businesses as defined in this section. Grant  
8   applications shall be accepted, reviewed, and approved by the  
9   department of treasury.

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

12           (a) Must equal the amount of local health department food  
13   service fees paid by the afflicted business during calendar year  
14   2020.

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

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

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

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

1 (4) Any afflicted business that falsifies certification shall  
2 forfeit any payments under this section and sections 401, 402, and  
3 403 of this part and shall repay this state all payments it has  
4 received under this section and sections 401, 402, and 403 of this  
5 part.

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

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

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

26 (8) As used in this section:

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

28 (i) An entertainment venue.

29 (ii) An exercise facility.

1 (iii) A food service establishment.

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

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

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

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

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

14 Sec. 405. For purposes of satisfying the application  
15 requirements under sections 401 through 404 of this part, the  
16 department of treasury shall develop a combined application  
17 separated into sections by program.

18 Sec. 406. (1) Funds appropriated in part 1 for property tax -  
19 delinquent tax penalty and interest waiver shall not be expended  
20 unless an amendment to section 44a of the general property tax act,  
21 MCL 211.44a, is enacted into law to provide for the waiver of  
22 interest and penalty on unpaid summer 2020 property taxes levied on  
23 designated property. Funds shall be used only for implementation of  
24 that bill.

25 (2) The unexpended funds appropriated for property tax -  
26 delinquent tax penalty and interest waiver are designated as work  
27 project appropriations. Any unencumbered or unallotted funds shall  
28 not lapse at the end of the fiscal year and shall be available for  
29 expenditure for projects under this section until the projects have

1    been completed. The following is in compliance with section 451a(1)  
2    of the management and budget act, 1984 PA 431, MCL 18.1451a:

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

6           (b) The projects will be accomplished by utilizing state  
7    employees or contracts.

8           (c) The total estimated cost of the work project is  
9    \$22,000,000.00.

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