



STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

GRETCHEN WHITMER  
GOVERNOR

DAVID P. MASSARON  
DIRECTOR

January 20, 2021

The Honorable Jim Stamas, Chair  
Senate Appropriations Committee  
Michigan State Senate  
State Capitol  
Lansing, Michigan 48909

The Honorable Thomas Albert, Chair  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Supplemental Request 2021-3

Attached please find supplemental recommendations for fiscal year 2021 for the Legislature and departments of Agriculture and Rural Development; Health and Human Services; Labor and Economic Opportunity; and Treasury.

These funds will provide necessary federal support for direct COVID recovery including vaccine distribution, as well as additional federal and state funds to support the economic recovery of businesses and families struggling with the effects of COVID on Michigan's economy.

If you have any questions regarding this request, please contact Bethany Wicksall at (517) 335-3420.

Sincerely,

David P. Massaron  
State Budget Director

Attachment

cc: Mike Shirkey, Senate Majority Leader  
Jason Wentworth, Speaker of the House  
Jim Ananich, Senate Minority Leader  
Donna Lasinski, House Minority Leader  
Senate Appropriations Committee  
House Appropriations Committee  
Senate Fiscal Agency  
House Fiscal Agency

Departments  
JoAnne Huls, Chief of Staff  
Tricia Foster, Chief Operating Officer  
Jen Flood, Deputy Chief of Staff  
George Cook, Director of Legislative Affairs  
Bethany Wicksall, Acting Deputy State Budget  
Director  
Heather Boyd, Office of Financial Management  
Internal State Budget Office

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 1/20/2021

Supplemental Letter Detail

Run Time: 6:49:30 AM

Supplemental Letter # 2021-3

Agriculture and Rural Development

Appropriation Summary		Appn/Fund
<i>Full-time equated classified positions</i>		1.0
<b>GROSS APPROPRIATION</b>		<b>1,087,500</b>
Total interdepartmental grants and interdepartmental transfers	IDGT	0
<b>ADJUSTED GROSS APPROPRIATION</b>		<b>1,087,500</b>
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	1,087,500

AGRICULTURE DEVELOPMENT		Appn/Fund
<i>Full-time equated classified positions</i>		1.0
Office of rural development-1 FTE positions	56860	87,500
Rural development fund grant program	62740	1,000,000
<b>GROSS APPROPRIATION</b>		<b>1,087,500</b>
Appropriated from:		
State general fund/general purpose	1000	1,087,500

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for the rural development fund grant program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support rural communities to identify opportunities for success and address challenges to growth.
- (b) The project will be accomplished through partnerships and grants with local agencies.
- (c) The estimated cost of this project is \$1,000,000.00.
- (d) The tentative completion date for this work project is September 30, 2022.

Explanation

This supplemental request creates an Office of Rural Development with 1 FTE to support rural communities through the identification of opportunities for success and address challenges to growth. Additionally, this request would provide an additional \$1 million for grants to rural communities around areas of focus that include broadband development, rural housing, infrastructure, workforce development, and other areas identified through discussion with rural communities and regions in Michigan.

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Health and Human Services

Appropriation Summary		Appn/Fund
<i>Full-time equated classified positions</i>		25.0
<b>GROSS APPROPRIATION</b>		<b>2,726,363,600</b>
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		2,726,363,600
Total federal revenues	FDRL	2,726,363,600
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0

PUBLIC ASSISTANCE		Appn/Fund
Food assistance program benefits	44800	2,052,736,400
<b>GROSS APPROPRIATION</b>		<b>2,052,736,400</b>
Appropriated from:		
Federal funds	3000	2,052,736,400

FIELD OPERATIONS AND SUPPORT SERVICES		Appn/Fund
<i>Full-time equated classified positions</i>		25.0
Electronic benefit transfer (EBT)	41050	3,300,000
Public assistance field staff-25 FTE positions	44050	3,183,600
<b>GROSS APPROPRIATION</b>		<b>6,483,600</b>
Appropriated from:		
Federal funds	3000	6,483,600

INFORMATION TECHNOLOGY		Appn/Fund
Bridges information system	16202	2,076,500
<b>GROSS APPROPRIATION</b>		<b>2,076,500</b>
Appropriated from:		
Federal funds	3000	2,076,500

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<b>ONE-TIME APPROPRIATIONS</b>	<b>Appn/Fund</b>	
Federal COVID epidemiology and laboratory capacity grant	T43551	574,827,300
Federal COVID immunization and vaccine grant	T43552	90,239,800
<b>GROSS APPROPRIATION</b>		<b>665,067,100</b>
Appropriated from:		
Federal funds	3000	665,067,100

**Boilerplate**

Sec. xxx. The unexpended funds appropriated in part 1 for federal COVID epidemiology and laboratory capacity grant are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the work project is to support testing, contact tracing and other mitigation efforts associated with the department's response to the coronavirus-19 public health emergency.
- (b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the work project is \$574,827,300.00.
- (d) The tentative completion date is September 30, 2025.

Sec. xxx. The unexpended funds appropriated in part 1 for federal COVID immunization and vaccine grant are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the work project is to support the distribution, administration and monitoring of coronavirus-19 vaccine.
- (b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the work project is \$90,239,800.00.
- (d) The tentative completion date is September 30, 2025.

**Explanation**

This supplemental request increases federal authorization by \$2.1 billion for Food Assistance Program Benefits (FAP). Increased federal authority is needed for FAP to account for increased program participation above budgeted levels and implementation of temporary federal policy changes tied to the COVID emergency that do the following: 1) increase the FAP benefit amount by 15% and 2) extend support to children under 6 who would otherwise be fed in school or day care. The supplemental request also provides federal funding authorization and 25 FTEs for the administration of the Pandemic Electronic Benefit Transfer program to the Public Assistance Field Staff, Electronic Benefit Transfer, and Bridges Information System appropriations.

Authority is also needed to recognize new grant funding through the federal Centers for Disease Control and Prevention (CDC) for recently authorized through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). Through the CRRSAA, DHHS was awarded \$574.8 million to support COVID-19 testing, contact tracing and related suppression efforts and \$90.2 million to support Michigan's COVID-19 vaccination program.

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Labor and Economic Opportunity

Appropriation Summary	Appn/Fund	
<b>GROSS APPROPRIATION</b>		<b>906,906,600</b>
Total interdepartmental grants and interdepartmental transfers	IDGT	0
<b>ADJUSTED GROSS APPROPRIATION</b>		<b>906,906,600</b>
Total federal revenues	FDRL	660,906,600
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	246,000,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
Michigan main street recovery initiative	T54078	125,000,000
Michigan business accelerator and resiliency initiative	T53470	75,000,000
Michigan microenterprise support initiative	T54090	25,000,000
MIOSHA restaurant supports	T54856	10,000,000
Reconnect and futures for frontliners wraparound services	T61531	6,000,000
Pre-apprenticeship program for energy	T58795	5,000,000
Emergency rental assistance	T41530	660,906,600
<b>GROSS APPROPRIATION</b>		<b>906,906,600</b>
Appropriated from:		
Federal funds	3000	660,906,600
State general fund/general purpose	1000	246,000,000

Boilerplate

Sec. xxx. (1) From the funds appropriated in part 1 for the Michigan main street recovery initiative, not less than \$60,000,000.00 shall be used by the Michigan strategic fund to create and operate a grant program for eligible businesses including the development of an application process. The fund shall award one or more grants to a non-profit organization to serve as administrator(s) for this program. Applications shall be accepted, reviewed, and approved by the grant administrator(s) and the administrator(s) shall distribute the funds. Awards to eligible businesses shall not exceed \$20,000.00.

(2) From the funds appropriated in part 1 for the Michigan main street recovery initiative, not less than \$63,000,000.00 shall be used by the Michigan strategic fund to create and operate a low-interest capital access program for eligible businesses including the development of an application process. The fund shall distribute funds to eligible community development financial institutions or other qualified institutions to serve as administrator(s) for this program. Applications shall be accepted, reviewed, and approved by the administrators and the administrators shall distribute the funds. Awards to eligible businesses shall not exceed \$100,000.00.

(3) From the funds appropriated in part 1 for the Michigan main street recovery initiative, not less than \$2,000,000.00 shall be used to fund planning grants to eligible community development financial institutions to support access to available federal funding.

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(4) An eligible business shall meet the following criteria:

(a) For grantees under subsection (1), has fewer than 25 employees.

(b) For eligible recipients for low-interest capital under (2), has not less than 1 and no more than 50 employees.

(c) Has demonstrated income loss from March 1, 2020, of at least 5%;

(d) Has a need for working capital for operations, including payroll, equipment, utility expenses, or similar expenses;

(e) Does not receive funding under the Michigan microenterprise support initiative or the Michigan business accelerator and resiliency initiative.

(5) From the funds for each program, up to 5 percent may be retained by the fund for administration of the programs.

(6) Funds must be fully expended by September 30, 2021.

(7) The Michigan strategic fund shall develop program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website.

(8) The Michigan strategic fund shall report to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget office on July 1, 2021, and on September 30, 2021, with a summary of funding provided by industry, average funding amount, and summary of funding provided by region over the previous three-month period.

Sec. xxx. (1) From the funds appropriated in part 1 for the Michigan business accelerator and resiliency initiative, not less than \$74,000,000.00 shall be used by the Michigan strategic fund to create and operate a business accelerator and entrepreneurial resiliency fund including the development of an application process. The fund shall award one or more grants to a non-profit organization to serve as administrator(s) for this program. Applications shall be accepted, reviewed, and approved by the administrator(s) and the administrator(s) shall distribute the funds. Awards to eligible businesses shall not exceed \$100,000.00 and shall be used for working capital for operations, including payroll, equipment, utility expenses, or similar expenses and/or for capital support to leverage additional investment funds.

(2) From the funds appropriated in part 1 for Michigan business accelerator and resiliency initiative, not less than \$1,000,000.00 shall be allocated to qualified non-profit organizations providing international trade and business expansion services in advanced manufacturing, medical devices, technology, mobility, defense, agriculture, and engineering and design.

(3) Up to 5 percent of the appropriated funds for the program may be retained by the fund for administration of the program.

(4) Funds must be fully expended by September 30, 2021.

(5) The Michigan strategic fund shall develop program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website.

(6) The Michigan strategic fund shall report to the senate and house appropriations committees, the house and senate fiscal agencies and the state budget office on July 1, 2021, and on September 30, 2021, with a summary of funding by industry, average funding amount per recipient, and funding activity by geographic region over the previous three-month period.

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Sec. xxx. (1) From the funds appropriated in part 1 for the Michigan microenterprise support initiative, \$25,000,000.00 shall be used by the Michigan strategic fund to create and operate a business services support and grant program for eligible businesses including the development of an application process. The fund shall award one or more grants to a non-profit organization to serve as administrator(s) for this program including the provision of support services. Applications shall be accepted, reviewed, and approved by the administrator(s) and the administrator(s) shall distribute the funds. Awards to eligible businesses shall not exceed \$35,000.00.

(2) An eligible business shall meet the following criteria:

(a) Has not less than one and no more than 9 employees;

(b) Has limited access to traditional capital;

(c) Has demonstrated income loss from March 1, 2020, of at least 5% or certification that the microenterprise entity that is qualified to do business in Michigan after March 1, 2020;

(d) Has need for working capital for operations, including payroll, inventory, supplies, utility expenses or other similar expenses;

(e) Does not receive a grant or loan under the Michigan main street recovery initiative or funding under the Michigan business accelerator and resiliency initiative.

(3) Grant recipients, as a condition of receiving grant funds, shall certify that they have or will receive business support services from qualified providers, including but not limited to, financial advising, marketing and e-commerce, and regulatory and employee safety requirements.

(4) Qualified providers shall be existing non-profit entities that provide direct support services to small businesses and microenterprises. Grantees shall not be charged for any support services provided.

(5) Up to 5 percent of the appropriated funds for the program may be retained by the fund for administration of the program.

(6) Funds must be fully expended by September 30, 2021.

(7) The Michigan strategic fund shall develop program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website.

(8) The Michigan strategic fund shall report to the senate and house appropriations committees, the house and senate fiscal agencies and the state budget office on July 1, 2021, and on September 30, 2021, with a summary of funding by industry, average funding amount per recipient, summary of funding by region, and eligible services provided by each qualified provider over the previous three-month period.

Sec. xxx. From the funds appropriated in part 1 for MIOSHA restaurant supports, the department shall expend funds to support reopening food service establishments.

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Sec. xxx. (1) From the funds appropriated in part 1 for reconnect and futures for frontliners wraparound services, \$6,000,000.00 shall be appropriated to the department of labor and economic opportunity to fund childcare, broadband access, transportation, or other services to individuals enrolled in Michigan reconnect or futures for frontliners, to support continued efforts to remove barriers to employment and improve student success.

(2) The unexpended funds appropriated in part 1 for reconnect and futures for frontliners wraparound services are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to support wraparound services for individuals enrolled in Michigan reconnect or futures for frontliners.

(b) The project will be accomplished by utilizing state employees or by contracts.

(c) The total estimated cost of the work project is \$6,000,000.00.

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

Sec. xxx. (1) From the funds appropriated in part 1 for the pre-apprenticeship program for energy, \$5,000,000.00 shall be awarded to a non-profit 501(c)(3) corporation established and operated to provide employment and training services to unemployed and underemployed Michigan residents for a statewide apprenticeship program that connects the unemployed or underemployed with education, training, and resources necessary for gainful employment. The program shall prioritize programming for residents from underrepresented groups and economically distressed communities, providing them with the skills needed for entry into federally registered apprenticeships in the energy sector. The grantee shall also produce a report that identifies, specific to Michigan, future employment in the energy sector, the economic impact of those changes, and pre-apprenticeship or federally registered apprenticeship programming needed to address those employment needs.

(2) The unexpended funds appropriated in part 1 for the pre-apprenticeship program for energy are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to support a pre-apprenticeship program for energy.

(b) The project will be accomplished by utilizing state employees or by contracts.

(c) The total estimated cost of the work project is \$5,000,000.00.

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

Sec. xxx. In addition to the funds appropriated in part 1, there are appropriated available federal funds to the unemployment compensation fund established under section 26 of the Michigan employment security act, 1936, (Ex Sess) PA 1, MCL 421.26, equal to the cost of allowable unemployment compensation expenditures under federal law which shall be used for the extension of benefits from twenty to twenty-six weeks.



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Sec. xxx. (1) Funds appropriated in part 1 for emergency rental assistance shall be administered by the terms set forth in section 501(a) of Division N of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 authorizing the United States Department of Treasury to make payments to certain recipients to be used to provide emergency rental assistance.

(2) The department of labor and economic opportunity shall collaborate with the department of health and human services, the judiciary, local community action agencies, local non-profit agencies, and legal aid organizations to create a rental and utility assistance program.

(3) The rental assistance program will operate in accordance with rules and guidance published by the U.S. Department of Treasury to serve eligible renter households with rental and utility assistance to preserve their housing and avoid eviction.

(4) The unexpended funds appropriated in part 1 for emergency rental assistance are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to create an emergency rental assistance program, which includes rental and utility assistance payments, housing stability services, and case management to eligible renter households impacted by COVID-19.

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

(c) The total estimated cost of the work project is \$660,906,600.00.

(d) The tentative completion date is March 31, 2022.

### Explanation

This supplemental recommends a total of \$906.9 million in federal and state funding in the Department of Labor and Economic Opportunity to support Michigan's economy through several programs targeted to assist businesses and individuals recover from the effects of the COVID-19 pandemic. Specific to economic recovery, a total of \$246 million in state general fund is directed to eligible small businesses, financial institutions, business accelerators, restaurants, and individuals through the programs described below.

A total of \$125.0 million general fund is recommended for the Michigan Main Street Recovery Initiative to stabilize businesses through a combination of capital access expansion and direct grants to "main street" businesses and microenterprises. This initiative includes the following programmatic components:

--\$60 million for grants to eligible businesses with fewer than 25 employees and demonstrated income loss, with awards not to exceed \$20,000.

--\$63 million for a low-interest capital access program for eligible businesses, with awards not to exceed \$100,000.

--\$2.0 million for planning grants to eligible community development financial institutions to support access to available federal funding.

The Michigan Strategic Fund will work with a statewide network of community development financial institutions to support capital access and will draw on a network of economic development organizations and other entities to distribute grants and provide technical assistance and support.

A total of \$75.0 million General Fund is recommended for the Michigan Business Accelerator and Resiliency Initiative which will provide funding to eligible businesses for working capital and operations. This initiative will largely focus on aiding Michigan's high-tech start-ups to ensure they can continue to grow and contribute to Michigan's economy, especially during a period in which many investors are holding back capital. Michigan's high-tech startups are vital to long term economic recovery and have largely been left out of other relief programs. These awards will not exceed \$100,000.

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A total of \$25 million General Fund is recommended for the Michigan Microenterprise Support Initiative to support a business services support and grant program targeted towards Michigan businesses with fewer than nine employees. These microenterprises represent more than half of business establishments in the state, many of whom have struggled to access capital through traditional programs. Grants, capped at \$35,000, will go to businesses with less than 9 employees that meet other criteria including demonstrated income loss since March 1, 2020. Grant recipients must certify that they have or will receive support services that could include financial advising, marketing and e-commerce, and regulatory and employee safety requirements.

The recommendation includes \$10 million General Fund for the Michigan Occupational Safety and Health Administration (MIOSHA) to support restaurants and the safe reopening of food service establishments.

To support those single parents participating in Futures for Frontliners or the Michigan Reconnect grant program, \$6.0 million general fund is recommended to provide customized wraparound support services to assist participants in their successful completion of these programs. In Michigan, 116,781 students (22% of undergraduates) are parents, and 55,814 college students are single mothers. This program will support those eligible parents for three years. Wraparound support services may include on-campus childcare, intensive personalized advising, and other academic services including tutoring, career counseling, and assistance transitioning to a 4-year baccalaureate program.

The recommendation request also contains \$5.0 million General Fund for a pre-apprenticeship program that will connect the unemployed or underemployed with education, training, and resources necessary for gainful employment in the energy sector. This program will prioritize programming for residents from underrepresented groups and economically distressed communities, providing them with the skills needed for entry into federally registered apprenticeships in the energy sector.

Language is also recommended to appropriate available federal funds to the unemployment compensation fund, in an amount equal to the cost of extending unemployment benefits from 20 to 26 weeks.

Nearly \$661 million in federal authorization is recommended for the Emergency Rental Assistance program, authorized in Section 501(a) of Division N of the Consolidated Appropriations Act, 2021, Public Law 116-260. These federal funds are authorized to provide emergency rental and utility assistance to renter households at or below 80% of area median income that have demonstrated financial hardships from the COVID-19 pandemic. Pursuant to the Consolidated Appropriations Act, funds will be awarded to Michigan not later than 30 days after enactment, which occurred on December 27, 2020.

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Legislature

Appropriation Summary	Appn/Fund	
<b>GROSS APPROPRIATION</b>		<b>5,000,000</b>
Total interdepartmental grants and interdepartmental transfers	IDGT	0
<b>ADJUSTED GROSS APPROPRIATION</b>		<b>5,000,000</b>
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	5,000,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
Capitol security improvements	T17262	5,000,000
<b>GROSS APPROPRIATION</b>		<b>5,000,000</b>
Appropriated from:		
State general fund/general purpose	1000	5,000,000

Boilerplate

Sec. xxx. (1) From the funds appropriated in part 1 for capitol security improvements, the legislative council shall provide the security staffing; infrastructure improvements; and equipment, including but not limited to, x-ray machines, magnetometers, and video and audio equipment necessary to implement a weapons ban, including a ban on concealed pistols under the firearms act, 1927 PA 372, in any building or portion of a building under the control of the Michigan state capitol commission.

(2) Funds to support this appropriation shall come from lapsing unexpended funds appropriated to the legislature that have been designated as work project appropriations.

Explanation

This supplemental provides funds to enhance security for legislators, employees, and visitors the to Michigan State Capitol. This funding will support infrastructure improvements and equipment, including but not limited to, x-ray machines, metal detectors, and other video and audio equipment to implement a weapons ban in buildings under the control of the Michigan State Capitol Commission.

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Treasury

Appropriation Summary	Appn/Fund	
<b>GROSS APPROPRIATION</b>		<b>22,000,000</b>
Total interdepartmental grants and interdepartmental transfers	IDGT	0
<b>ADJUSTED GROSS APPROPRIATION</b>		<b>22,000,000</b>
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	22,000,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
Property tax - delinquent tax penalty and interest waiver	T60105	22,000,000
<b>GROSS APPROPRIATION</b>		<b>22,000,000</b>
Appropriated from:		
State general fund/general purpose	1000	22,000,000

Boilerplate

Sec. xxx. (1) Funds appropriated in part 1 for reimbursement of waived property tax interest and penalty shall not be expended unless an amendment to section 44a of the general property tax act, MCL 211.44a, is enacted into law to provide for the waiver of interest and penalty on unpaid summer 2020 property taxes levied on designated property. Funds shall be used only for implementation of that bill.

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

- (a) The purpose of the project is to provide for the waiver of interest and penalty on unpaid summer 2020 property taxes levied on designated property.
- (b) The projects will be accomplished by utilizing state employees or contracts.
- (c) The total estimated cost of the work project is \$22,000,000.00.
- (d) The tentative completion date is September 30, 2025.

Explanation

This recommendation in the Department of Treasury includes \$22 million General Fund to provide property tax relief for eligible businesses and homeowners that experienced economic hardship as a result of the COVID-19 pandemic. For summer property taxes levied in the calendar year 2020 only, participants may apply with their local tax collecting unit for a waiver of interest and penalty charged under section 44a of the General Property Tax Act (1893 PA 206) or local charter. The funds contained in this appropriation will be used and distributed to local tax collecting units in lieu of the waived interest and penalty revenues to those local tax collecting units.