

# Excerpt from 2023 P.A.119

Act No. 119  
Public Acts of 2023  
Approved by the Governor\*  
July 31, 2023  
Filed with the Secretary of State  
August 1, 2023  
EFFECTIVE DATE: August 1, 2023

## STATE OF MICHIGAN 102ND LEGISLATURE REGULAR SESSION OF 2023

Introduced by Rep. Witwer

# ENROLLED HOUSE BILL No. 4437

AN ACT to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, the legislative branch, and capital outlay for the fiscal years ending September 30, 2023 and September 30, 2024; to provide for certain conditions on the appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

### ARTICLE 1

#### DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

#### PART 1

#### LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2024, from the following funds:

	For Fiscal Year Ending Sept. 30, 2024
<hr/> <b>Sec. 108. DEPARTMENT OF TREASURY</b>	
<b>(11) REVENUE SHARING</b>	
City, village, and township revenue sharing	\$ 293,535,200
Constitutional state general revenue sharing grants	1,100,663,100
County incentive program	43,579,900
County revenue sharing	212,619,200
Financially distressed cities, villages, or townships	2,500,000
<b>GROSS APPROPRIATION</b>	<b>\$ 1,652,897,400</b>
Appropriated from:	
Special revenue funds:	
Sales tax	1,652,897,400
<b>State general fund/general purpose</b>	<b>\$ 0</b>

**(15) ONE-TIME APPROPRIATIONS**

	\$	
City, village, and township revenue sharing		5,591,200
County revenue sharing		4,870,600
Appropriated from:		
Sales tax		10,461,800

**REVENUE SHARING**

Sec. 950. The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department of treasury to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

Sec. 952. (1) The funds appropriated in part 1 for city, village, and township revenue sharing are for grants to cities, villages, and townships such that, subject to fulfilling the requirements under subsection (4), each city, village, or township that received a city, village, and township revenue sharing payment under section 108(11) of article 5 of 2022 PA 166 is eligible to receive the following amounts described in subdivisions (a), (b), and (c), subject to subdivision (d):

(a) An amount equal to 104.0% of its total eligible city, village, and township revenue sharing payment under section 108(11) of article 5 of 2022 PA 166, rounded to the nearest dollar.

(b) An additional amount equal to 1.0% of its total eligible city, village, and township revenue sharing payment under section 108(11) of article 5 of 2022 PA 166, rounded to the nearest dollar. Payments under this subdivision must be distributed to each city, village, or township subject to the city, village, or township certifying to the department of treasury that the city, village, or township has fully obligated or expended, by December 31, 2023, or declined the total amount of federal funds allocated to the city, village, or township under the American rescue plan act of 2021, Public Law 117-2. A city, village, or township must certify to the department of treasury by March 30, 2024 in a form and manner prescribed by the department of treasury.

(c) An additional amount to be used for funding local public safety initiatives, equal to 2.0% of its total eligible city, village, and township revenue sharing payment under section 108(11) of article 5 of 2022 PA 166, rounded to the nearest dollar.

(d) For purposes of this subsection, any city, village, or township that completely merges with another city, village, or township must be treated as a single entity, such that when determining the eligible city, village, and township revenue sharing payment under section 108(11) of article 5 of 2022 PA 166 for the combined single entity, the city, village, and township revenue sharing amount each of the merging local units of government was eligible to receive under section 108(11) of article 5 of 2022 PA 166 is summed.

(2) As used in this section, "local public safety initiatives" includes, but is not limited to, recruitment or retention efforts, training programs, new equipment purchases or equipment replacements, or capital improvements to public safety buildings or structures. All local public safety initiative expenses must be related to public safety.

(3) The funds appropriated in part 1 for the county incentive program are to be used for grants to counties such that each county is eligible to receive an amount equal to 20% of the amount determined pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. The amount calculated under this subsection shall be adjusted as necessary to reflect partial county fiscal years and prorated based on the total amount appropriated for distribution to all eligible counties. Except as otherwise provided under this subsection, payments under this subsection must be distributed to an eligible county subject to the county's fulfilling the requirements under subsection (4).

(4) For purposes of accountability and transparency, each eligible city, village, township, or county shall certify by the first Thursday of December or, for any payment month other than December, by the first day of the payment month, that it has produced a debt service report containing a detailed listing of its debt service requirements, including, at a minimum, the issuance date, issuance amount, type of debt instrument, a listing of all revenues pledged to finance debt service by debt instrument, and a listing of the annual payment amounts until maturity; and a projected budget report, including, at a minimum, the current fiscal year and a projection for the immediately following fiscal year. The projected budget report shall include revenues and expenditures and an explanation of the assumptions used for the projections. Each eligible city, village, township, or county shall include in any mailing of general information to its citizens the internet website address location for its debt service report and projected budget report or the physical location where these documents are available for public viewing in the city, village, township, or county clerk's office. Each city, village, township, and county applying for a payment under this subsection shall submit a copy of the debt service report and a copy of the projected budget report to the department of treasury. The department of treasury shall develop detailed guidance for a city, village, township, or county to follow to meet the requirements of this subsection. The detailed guidance shall be posted on the department of treasury website and distributed to cities, villages, townships, and counties by October 1.

(5) City, village, and township revenue sharing payments and county incentive program payments are subject to all of the following conditions:

(a) The city, village, township, or county shall certify to the department that it has met the required criteria for subsection (4) and submitted the debt service report and projected budget report as required by subsection (4). A department of treasury review of the debt service report and the projected budget report is not required in order for a city, village, township, or county to receive a payment under subsection (1) or (3). The department of treasury shall develop a certification process and method for cities, villages, townships, and counties to follow.

(b) Subject to subdivisions (c), (d), and (e), if a city, village, township, or county meets the requirements of subsection (4), the city, village, township, or county shall receive its full potential payment under this section.

(c) Cities, villages, and townships eligible to receive a payment under subsection (1) shall receive 1/6 of their eligible payment on the last business day of October, December, February, April, June, and August. Payments under subsection (1) shall be issued to cities, villages, and townships until the specified due date for subsection (4). After the specified due date for subsection (4), payments shall be made to a city, village, or township only if that city, village, or township has complied with subdivision (a).

(d) Payments under subsection (3) shall be issued to counties until the specified due date for subsection (4). After the specified due date for subsection (4), payments shall be made to a county only if that county has complied with subdivision (a).

(e) If a city, village, township, or county does not submit the required certification, debt service report, and projected budget report by the specified due date stipulated in subsection (4) for the December payment or by the first day of a payment month for all payments after the December payment, the city, village, township, or county shall forfeit the payment in that payment month.

(f) Any city, village, township, or county that falsifies certification documents shall forfeit any future city, village, and township revenue sharing payments or county incentive program payments and shall repay to this state all payments it has received under this section.

(g) City, village, and township revenue sharing payments and county incentive program payments under this section shall be distributed on the last business day of October, December, February, April, June, and August.

(h) Payments distributed under this section may be withheld pursuant to sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(6) The unexpended funds appropriated in part 1 for city, village, and township revenue sharing and the county incentive program shall be available for expenditure under the program for financially distressed cities, villages, or townships after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(7) Any city, village, or township eligible to receive a payment under subsection (1) and determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, must allocate to its pension unfunded liability an amount equal to its current year eligible payment under subsection (1) less an amount equal to 2.0% of its total eligible payment under section 108(11) of article 5 of 2022 PA 166, rounded to the nearest dollar, less the sum of its eligible payment for city, village, and township revenue sharing under section 108(11) and (15) of article 5 of 2022 PA 166. A city, village, or township that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement. For the fiscal year ending September 30, 2024, this subsection does not apply to a city, village, or township that receives a local unit municipal pension principal payment grant described in section 979(a) of article 5 of 2022 PA 166.

Sec. 955. (1) The funds appropriated in part 1 for county revenue sharing shall be distributed by the department of treasury such that each eligible county receives the following amounts described in subdivisions (a), (b), and (c), subject to subdivision (d):

(a) A payment equal to 116.459281856% of the amount determined pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, less the amount for which the county is eligible under section 952(3) of this part.

(b) An additional payment equal to 1.0% of a county's total eligible payment under section 108(11) of article 5 of 2022 PA 166, rounded to the nearest dollar. Payments under this subdivision must be distributed to each county subject to the county certifying to the department of treasury that the county has fully obligated or expended, by December 31, 2023, or declined the total amount of federal funds allocated to the county under the American rescue plan act of 2021, Public Law 117-2. A county must certify to the department of treasury by March 30, 2024 in a form and manner prescribed by the department of treasury. Funds not expended under this subdivision shall be available for expenditure under the program for financially distressed cities, villages, or townships after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(c) An additional payment equal to 2.0% of its total eligible payment under section 108(11) of article 5 of 2022 PA 166, rounded to the nearest dollar. The extra 2.0% payment is to be used only for funding local public safety initiatives.

(d) The amounts calculated under this subsection shall be adjusted as necessary to reflect partial county fiscal years and prorated based on the total amount appropriated for distribution to all eligible counties.

(2) As used in this section, "local public safety initiatives" include, but are not limited to, recruitment or retention efforts, training programs, new equipment purchases or equipment replacements, or capital improvements to public safety buildings or structures. All local public safety initiative expenses must be related to public safety.

(3) Any county eligible to receive a payment under subsection (1) and determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, must allocate to its pension unfunded liability an amount equal to the sum of its current year eligible payment for county revenue sharing under subsection (1) and the county incentive program under section 952(3) less an amount equal to 2.0% of the sum of its total eligible payment under section 108(11) of article 5 of 2022 PA 166, less the sum of its eligible payment for county revenue sharing under section 108(11) and (15) of article 5 of 2022 PA 166. A county that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement. For the fiscal year ending September 30, 2024, this subsection does not apply to a county that receives a local unit municipal pension principal payment grant described in section 979(a) of article 5 of 2022 PA 166.