

**SUBSTITUTE FOR  
SENATE BILL NO. 7**

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the legislative branch for the fiscal years ending September 30, 2022 and September 30, 2023; to provide for certain conditions on 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:**

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PART 1

LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2022-2023

Sec. 101. There is appropriated for the legislative branch to supplement appropriations for the fiscal year ending September 30, 2023, from the following funds:



1	<b>APPROPRIATION SUMMARY</b>		
2	<b>GROSS APPROPRIATION</b>	\$	<b>1,500,000</b>
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and		
5	intradepartmental transfers		
6	<b>ADJUSTED GROSS APPROPRIATION</b>	\$	<b>1,500,000</b>
7	Federal revenues:		
8	Total federal revenues		
9	Special revenue funds:		
10	Total local revenues		
11	Total private revenues		
12	Total other state restricted revenues		
13	<b>State general fund/general purpose</b>	\$	<b>1,500,000</b>
14	<b>Sec. 102. LEGISLATURE</b>		
15	<b>(1) APPROPRIATION SUMMARY</b>		
16	<b>GROSS APPROPRIATION</b>	\$	<b>1,500,000</b>
17	Interdepartmental grant revenues:		
18	Total interdepartmental grants and		
19	intradepartmental transfers		
20	<b>ADJUSTED GROSS APPROPRIATION</b>	\$	<b>1,500,000</b>
21	Federal revenues:		
22	Total federal revenues		
23	Special revenue funds:		
24	Total local revenues		
25	Total private revenues		
26	Total other state restricted revenues		
27	<b>State general fund/general purpose</b>	\$	<b>1,500,000</b>
28	<b>(2) LEGISLATIVE COUNCIL</b>		



1	Independent citizens redistricting commission	\$	1,500,000
2	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>1,500,000</b>
3	Appropriated from:		
4	<b>State general fund/general purpose</b>	<b>\$</b>	<b>1,500,000</b>

PART 1A

LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2021-2022

Sec. 151. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2022, from the following funds:

**APPROPRIATION SUMMARY**

13	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>146,295,366</b>
14	Interdepartmental grant revenues:		
15	Total interdepartmental grants and		
16	intradepartmental transfers		0
17	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$</b>	<b>146,295,366</b>
18	Federal revenues:		
19	Total federal revenues		134,945,366
20	Special revenue funds:		
21	Total local revenues		300,000
22	Total private revenues		0
23	Total other state restricted revenues		11,050,000
24	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
25	<b>Sec. 152. DEPARTMENT OF CORRECTIONS</b>		
26	<b>(1) APPROPRIATION SUMMARY</b>		
27	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>300,000</b>
28	Interdepartmental grant revenues:		



1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$</b>	<b>300,000</b>
4	Federal revenues:		
5	Total federal revenues		0
6	Special revenue funds:		
7	Total local revenues		300,000
8	Total private revenues		0
9	Total other state restricted revenues		0
10	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
11	<b>(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT</b>		
12	County jail reimbursement program	\$	(1,000,000)
13	New custody staff training		(1,000,000)
14	Prosecutorial and detainer expenses		(1,500,000)
15	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>(3,500,000)</b>
16	Appropriated from:		
17	<b>State general fund/general purpose</b>	<b>\$</b>	<b>(3,500,000)</b>
18	<b>(3) OFFENDER SUCCESS ADMINISTRATION</b>		
19	Community corrections comprehensive plans and		
20	services	\$	(1,000,000)
21	Offender success programming		(1,500,000)
22	Public safety initiative		(750,000)
23	Offender success services		(1,000,000)
24	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>(4,250,000)</b>
25	Appropriated from:		
26	<b>State general fund/general purpose</b>	<b>\$</b>	<b>(4,250,000)</b>
27	<b>(4) FIELD OPERATIONS ADMINISTRATION</b>		
28	Criminal justice reinvestment	\$	(2,500,000)



1	Field operations		(1,000,000)
2	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>(3,500,000)</b>
3	Appropriated from:		
4	<b>State general fund/general purpose</b>	<b>\$</b>	<b>(3,500,000)</b>
5	<b>(5) CORRECTIONAL FACILITIES ADMINISTRATION</b>		
6	Prison food service	\$	(2,000,000)
7	Transportation		920,000
8	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>(1,080,000)</b>
9	Appropriated from:		
10	<b>State general fund/general purpose</b>	<b>\$</b>	<b>(1,080,000)</b>
11	<b>(6) HEALTH CARE</b>		
12	Clinical complexes	\$	10,000,000
13	Prisoner health care services		(10,000,000)
14	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>0</b>
15	Appropriated from:		
16	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
17	<b>(7) CORRECTIONAL FACILITIES</b>		
18	Alger Correctional Facility - Munising	\$	(258,900)
19	Baraga Correctional Facility - Baraga		(352,300)
20	Carson City Correctional Facility - Carson City		(408,500)
21	Detroit Detention Center		300,000
22	Gus Harrison Correctional Facility - Adrian		(422,200)
23	Kinross Correctional Facility - Kincheloe		(350,200)
24	Macomb Correctional Facility - New Haven		748,000
25	Michigan Reformatory - Ionia		(333,900)
26	Special alternative incarceration program -		
27	Jackson		(2,670,000)
28	Thumb Correctional Facility - Lapeer		624,000



1	Woodland Correctional Facility - Whitmore Lake	754,000
2	<b>GROSS APPROPRIATION</b>	<b>\$ (2,370,000)</b>
3	Appropriated from:	
4	Special revenue funds:	
5	Local funds	300,000
6	<b>State general fund/general purpose</b>	<b>\$ (2,670,000)</b>
7	<b>(8) ONE-TIME APPROPRIATIONS</b>	
8	Corrections northern training facility	\$ 15,000,000
9	<b>GROSS APPROPRIATION</b>	<b>\$ 15,000,000</b>
10	Appropriated from:	
11	<b>State general fund/general purpose</b>	<b>\$ 15,000,000</b>
12	<b>Sec. 153. DEPARTMENT OF ENVIRONMENT, GREAT</b>	
13	<b>LAKES, AND ENERGY</b>	
14	<b>(1) APPROPRIATION SUMMARY</b>	
15	<b>GROSS APPROPRIATION</b>	<b>\$ 50,000</b>
16	Interdepartmental grant revenues:	
17	Total interdepartmental grants and	
18	intradepartmental transfers	0
19	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 50,000</b>
20	Federal revenues:	
21	Total federal revenues	0
22	Special revenue funds:	
23	Total local revenues	0
24	Total private revenues	0
25	Total other state restricted revenues	50,000
26	<b>State general fund/general purpose</b>	<b>\$ 0</b>
27	<b>(2) WATER RESOURCES DIVISION</b>	
28	Bottle act implementation	\$ 50,000



1	<b>GROSS APPROPRIATION</b>	\$	<b>50,000</b>
2	Appropriated from:		
3	Special revenue funds:		
4	Natural resources damages		50,000
5	<b>State general fund/general purpose</b>	\$	<b>0</b>
6	<b>Sec. 154. DEPARTMENT OF HEALTH AND HUMAN</b>		
7	<b>SERVICES</b>		
8	<b>(1) APPROPRIATION SUMMARY</b>		
9	<b>GROSS APPROPRIATION</b>	\$	<b>139,409,000</b>
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and		
12	intradepartmental transfers		0
13	<b>ADJUSTED GROSS APPROPRIATION</b>	\$	<b>139,409,000</b>
14	Federal revenues:		
15	Total federal revenues		128,409,000
16	Special revenue funds:		
17	Total local revenues		0
18	Total private revenues		0
19	Total other state restricted revenues		11,000,000
20	<b>State general fund/general purpose</b>	\$	<b>0</b>
21	<b>(2) CHILDREN'S SERVICES AGENCY - CHILD WELFARE</b>		
22	Family preservation programs		(2,000,000)
23	<b>GROSS APPROPRIATION</b>	\$	<b>(2,000,000)</b>
24	Appropriated from:		
25	<b>State general fund/general purpose</b>	\$	<b>(2,000,000)</b>
26	<b>(3) PUBLIC ASSISTANCE</b>		
27	Family independence program	\$	3,600,000
28	Food assistance program benefits		120,000,000



1	Indigent burial	(800,000)
2	State supplementation	800,000
3	<b>GROSS APPROPRIATION</b>	<b>\$ 123,600,000</b>
4	Appropriated from:	
5	Federal revenues:	
6	Social security act, temporary assistance for	
7	needy families	1,600,000
8	Total other federal revenues	120,000,000
9	<b>State general fund/general purpose</b>	<b>\$ 2,000,000</b>
10	<b>(4) FIELD OPERATIONS AND SUPPORT SERVICES</b>	
11	Contractual services, supplies, and materials	\$ 3,000,000
12	Electronic benefit transfer (EBT)	(1,500,000)
13	Public assistance field staff	(3,540,000)
14	<b>GROSS APPROPRIATION</b>	<b>\$ (2,040,000)</b>
15	Appropriated from:	
16	Federal revenues:	
17	Social security act, temporary assistance for	
18	needy families	(2,040,000)
19	<b>State general fund/general purpose</b>	<b>\$ 0</b>
20	<b>(5) BEHAVIORAL HEALTH PROGRAM ADMINISTRATION</b>	
21	<b>AND SPECIAL PROJECTS</b>	
22	Family support subsidy	\$ 440,000
23	<b>GROSS APPROPRIATION</b>	<b>\$ 440,000</b>
24	Appropriated from:	
25	Federal revenues:	
26	Social security act, temporary assistance for	
27	needy families	440,000
28	<b>State general fund/general purpose</b>	<b>\$ 0</b>





1	<b>(6) BEHAVIORAL HEALTH SERVICES</b>		
2	Autism services	\$	(1,100,000)
3	Certified community behavioral health clinic		
4	demonstration		34,000,000
5	Federal mental health block grant		2,700,000
6	Health homes		(2,700,000)
7	Healthy Michigan plan - behavioral health		6,000,000
8	Medicaid mental health services		(40,000,000)
9	Medicaid substance use disorder services		1,100,000
10	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>0</b>
11	Appropriated from:		
12	Federal revenues:		
13	Total other federal revenues		0
14	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
15	<b>(7) STATE PSYCHIATRIC HOSPITALS AND FORENSIC</b>		
16	<b>MENTAL HEALTH SERVICES</b>		
17	Caro Regional Mental Health Center -		
18	psychiatric hospital - adult	\$	1,500,000
19	Hawthorn Center - psychiatric hospital -		
20	children and adolescents		7,000,000
21	Kalamazoo Psychiatric Hospital - adult		(1,100,000)
22	Walter P. Reuther Psychiatric Hospital - adult		2,100,000
23	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>9,500,000</b>
24	Appropriated from:		
25	Federal revenues:		
26	Total other federal revenues		4,000,000
27	Special revenue funds:		
28	Total other state restricted revenues		5,500,000



1	<b>State general fund/general purpose</b>	\$	0
2	<b>(8) CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>		
3	Medical care and treatment	\$	(17,900,000)
4	<b>GROSS APPROPRIATION</b>	\$	<b>(17,900,000)</b>
5	Appropriated from:		
6	Federal revenues:		
7	Total other federal revenues		(14,000,000)
8	Special revenue funds:		
9	Total private revenues		200,000
10	<b>State general fund/general purpose</b>	\$	<b>(4,100,000)</b>
11	<b>(9) MEDICAL SERVICES ADMINISTRATION</b>		
12	Medical services administration	\$	25,000
13	<b>GROSS APPROPRIATION</b>	\$	<b>25,000</b>
14	Appropriated from:		
15	Special revenue funds:		
16	Total other state restricted revenues		25,000
17	<b>State general fund/general purpose</b>	\$	<b>0</b>
18	<b>(10) MEDICAL SERVICES</b>		
19	Adult home help services	\$	3,500,000
20	Ambulance services		3,731,100
21	Auxiliary medical services		353,100
22	Dental services		16,300,000
23	Federal Medicare pharmaceutical program		(12,000,000)
24	Health plan services		(160,300,900)
25	Healthy Michigan Plan		(47,644,500)
26	Home health services		729,700
27	Hospice services		16,355,900
28	Hospital disproportionate share payments		353,100



1	Hospital services and therapy	(9,800,000)
2	Integrated care organizations	2,000,000
3	Long-term care services	71,000,000
4	Medicaid home- and community-based services	
5	waiver	3,500,000
6	Medicare premium payments	12,000,000
7	Personal care services	706,200
8	Pharmaceutical services	44,800,000
9	Physician services	63,262,600
10	School-based services	30,000,000
11	Special Medicaid reimbursement	(16,730,600)
12	Transportation	1,259,300
13	<b>GROSS APPROPRIATION</b>	<b>\$ 23,375,000</b>
14	Appropriated from:	
15	Federal revenues:	
16	Total other federal revenues	14,000,000
17	Special revenue funds:	
18	Total private revenues	(200,000)
19	Total other state restricted revenues	5,475,000
20	<b>State general fund/general purpose</b>	<b>\$ 4,100,000</b>
21	<b>(11) ONE-TIME APPROPRIATIONS</b>	
22	Family violence prevention and services	\$ 4,409,000
23	<b>GROSS APPROPRIATION</b>	<b>\$ 4,409,000</b>
24	Appropriated from:	
25	Federal revenues:	
26	Total other federal revenues	4,409,000
27	<b>State general fund/general purpose</b>	<b>\$ 0</b>



1	<b>Sec. 155. DEPARTMENT OF LABOR AND ECONOMIC</b>		
2	<b>OPPORTUNITY</b>		
3	<b>(1) APPROPRIATION SUMMARY</b>		
4	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>0</b>
5	Interdepartmental grant revenues:		
6	Total interdepartmental grants and		
7	intradepartmental transfers		
8	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$</b>	<b>0</b>
9	Federal revenues:		
10	Total federal revenues		
11	Special revenue funds:		
12	Total local revenues		
13	Total private revenues		
14	Total other state restricted revenues		
15	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
16	<b>(2) ONE-TIME APPROPRIATIONS</b>		
17	ARP - missing middle gap program	\$	(50,000,000)
18	ARP - missing middle gap program		50,000,000
19	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>0</b>
20	Appropriated from:		
21	Federal revenues:		
22	Coronavirus state fiscal recovery fund		
23	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
24	<b>Sec. 156. DEPARTMENT OF MILITARY AND VETERANS</b>		
25	<b>AFFAIRS</b>		
26	<b>(1) APPROPRIATION SUMMARY</b>		
27	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>150,000</b>
28	Interdepartmental grant revenues:		



1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$</b>	<b>150,000</b>
4	Federal revenues:		
5	Total federal revenues		150,000
6	Special revenue funds:		
7	Total local revenues		0
8	Total private revenues		0
9	Total other state restricted revenues		0
10	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
11	<b>(2) MICHIGAN VETERANS AFFAIRS AGENCY</b>		
12	Michigan veterans affairs agency administration	\$	62,000
13	Veterans service grants		(62,000)
14	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>0</b>
15	Appropriated from:		
16	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
17	<b>(3) MICHIGAN VETERANS' FACILITY AUTHORITY</b>		
18	Chesterfield Township home for veterans	\$	500,000
19	D.J. Jacobetti home for veterans		(1,700,000)
20	Grand Rapids home for veterans		1,200,000
21	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>0</b>
22	Appropriated from:		
23	Federal revenues:		
24	HHS-HCFA, title XIX, Medicaid		1,800,000
25	USDVA-VHA		(1,800,000)
26	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
27	<b>(4) ONE-TIME APPROPRIATIONS</b>		
28	COVID-19 special maintenance veterans homes	\$	150,000



1	<b>GROSS APPROPRIATION</b>	\$	<b>150,000</b>
2	Appropriated from:		
3	Federal revenues:		
4	USDVA-VHA		150,000
5	<b>State general fund/general purpose</b>	\$	<b>0</b>
6	<b>Sec. 157. DEPARTMENT OF STATE POLICE</b>		
7	<b>(1) APPROPRIATION SUMMARY</b>		
8	<b>GROSS APPROPRIATION</b>	\$	<b>6,386,366</b>
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and		
11	intradepartmental transfers		0
12	<b>ADJUSTED GROSS APPROPRIATION</b>	\$	<b>6,386,366</b>
13	Federal revenues:		
14	Total federal revenues		6,386,366
15	Special revenue funds:		
16	Total local revenues		0
17	Total private revenues		0
18	Total other state restricted revenues		0
19	<b>State general fund/general purpose</b>	\$	<b>0</b>
20	<b>(2) FIELD SERVICES</b>		
21	Post operations	\$	<b>0</b>
22	<b>GROSS APPROPRIATION</b>	\$	<b>0</b>
23	Appropriated from:		
24	Federal revenues:		
25	Coronavirus state fiscal recovery fund		6,386,366
26	<b>State general fund/general purpose</b>	\$	<b>(6,386,366)</b>
27	<b>(3) ONE-TIME APPROPRIATIONS</b>		
28	Federal ineligible expenses	\$	6,386,366



1	<b>GROSS APPROPRIATION</b>	<b>\$ 6,386,366</b>
2	Appropriated from:	
3	<b>State general fund/general purpose</b>	<b>\$ 6,386,366</b>
4	<b>Sec. 158. DEPARTMENT OF TREASURY</b>	
5	<b>(1) APPROPRIATION SUMMARY</b>	
6	<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
7	Interdepartmental grant revenues:	
8	Total interdepartmental grants and	
9	intradepartmental transfers	0
10	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 0</b>
11	Federal revenues:	
12	Total federal revenues	0
13	Special revenue funds:	
14	Total local revenues	0
15	Total private revenues	0
16	Total other state restricted revenues	0
17	<b>State general fund/general purpose</b>	<b>\$ 0</b>
18	<b>(2) REVENUE SHARING</b>	
19	City village, and township revenue sharing	\$ (102,875)
20	Financially distressed cities, villages, or	
21	townships	102,875
22	<b>GROSS APPROPRIATION</b>	<b>\$ 0</b>
23	Appropriated from:	
24	Special revenue funds:	
25	Sales tax	0
26	<b>State general fund/general purpose</b>	<b>\$ 0</b>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS



FOR FISCAL YEAR 2022-2023

**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, 2023 is \$1,500,000.00 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 part and part 1, 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 part and part 1 for the particular department, board, commission, office, or institution.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

**GENERAL SECTIONS**

Sec. 1201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1A for the fiscal year ending September 30, 2022 is \$11,050,000.00 and total state spending from state sources to be paid to local units of government is \$0.00.





1           Sec. 1202. The appropriations made and expenditures authorized  
2 under this part and part 1A and the departments, commissions,  
3 boards, offices, and programs for which appropriations are made  
4 under this part and part 1A are subject to the management and  
5 budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

6           Sec. 1203. If the state administrative board, acting under  
7 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount  
8 appropriated under this part and part 1A, the legislature may, by a  
9 concurrent resolution adopted by a majority of the members elected  
10 to and serving in each house, inter-transfer funds within this part  
11 and part 1A for the particular department, board, commission,  
12 office, or institution.

13           Sec. 1204. Funds appropriated in part 1A must be allocated and  
14 expended in a manner consistent with federal rules and regulations.

15           Sec. 1205. Funds appropriated in part 1A are subject to  
16 applicable federal audit and reporting requirements. Prompt action  
17 shall be taken if instances of noncompliance are identified,  
18 including noncompliance identified in an audit finding. If any  
19 instance of noncompliance is identified, including noncompliance  
20 identified in an audit finding, the state budget director shall  
21 take necessary and immediate action to rectify it. The state budget  
22 director shall notify the senate and house appropriations  
23 committees and the senate and house fiscal agencies when an  
24 instance of noncompliance is identified.

25           Sec. 1206. The state budget director shall report on the  
26 status of funds appropriated in part 1A, and all funds appropriated  
27 related to the coronavirus relief effort, to the senate and house  
28 appropriations committees and the senate and house fiscal agencies  
29 on a monthly basis until all funds are exhausted.



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**DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

3           Sec. 1301. (1) From the funds appropriated in part 1A for ARP  
4 - missing middle gap program, \$50,000,000.00 must be used by the  
5 Michigan state housing development authority to create a missing  
6 middle housing program to increase the supply of housing stock, in  
7 response to the negative economic impacts of the pandemic, for  
8 employees by providing cost defrayment to developers investing in,  
9 constructing, or substantially rehabilitating properties that are  
10 targeted to missing middle households.

11           (2) As used in this section:

12           (a) "Agreement" means an agreement between a developer and the  
13 authority pursuant to subsection (6).

14           (b) "Agreement counterparty" means the counterparty to an  
15 agreement, including the developer or any transferee or assignee of  
16 the developer's rights and obligations under an agreement pursuant  
17 to subsection (6).

18           (c) "Attainable" means rent or a sale price resulting in a  
19 final mortgage payment no higher than 30% of the gross annual  
20 income of a missing middle household.

21           (d) "Authority" means the Michigan state housing development  
22 authority created by the state housing development authority act of  
23 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

24           (e) "Final mortgage payment" means a mortgage payment  
25 calculated by the developer that must include principal, interest,  
26 taxes, insurance, private mortgage insurance, association fees or  
27 lease payments, or fees related to participation in a community  
28 land trust in accordance with financing assumptions consistent with  
29 market conditions as determined by the program administrator.



1 (f) "Housing unit" means a dwelling of less than 2,000 square  
2 feet, available for sale or lease on a permanent or year-round  
3 basis, that has a permanent foundation, electrical, heating and  
4 cooling, plumbing, bathing and restroom facilities, kitchen, and  
5 sleeping spaces, all of which meet building code requirements  
6 sufficient to achieve a certificate of occupancy.

7 (g) "Local support" means 1 or a combination of the following  
8 forms of support provided by a local unit of government:

9 (i) Financial contributions or grants in an amount equal to or  
10 exceeding \$5,000.00.

11 (ii) A tax abatement provided to a project in accordance with  
12 state law.

13 (iii) Tax increment revenues captured by a local unit of  
14 government and committed to a project in accordance with a tax  
15 increment finance and development plan.

16 (iv) Land transferred from the local unit of government at a  
17 cost of not more than \$1,000.00 per housing unit.

18 (v) Any other form of support provided by a local unit of  
19 government determined by the program administrator to constitute  
20 local support for purposes of this section.

21 (h) "Local unit of government" means a city, village,  
22 township, county, or any intergovernmental, metropolitan, or local  
23 department, agency, or authority, or other local political  
24 subdivision.

25 (i) "Missing middle household" or "missing middle households"  
26 means a household or households as defined by the authority. The  
27 authority's definition must be supported by housing data and comply  
28 with rules and regulations established by the American rescue plan  
29 act of 2021, Public Law 117-2, specifically all regulations and



1 requirements around the use of the state fiscal recovery fund.

2 (j) "Program administrator" means the executive director of  
3 the authority.

4 (k) "Project" means the construction or substantial  
5 rehabilitation of 1 or more housing units made available at a price  
6 or lease rate that is attainable to a missing middle household.

7 (l) "Rural community" means any geography designated by the  
8 United States Department of Agriculture Office of Rural Development  
9 as rural for purposes of its single-family housing guaranteed loan  
10 program.

11 (m) "Substantial rehabilitation" means rehabilitation of a  
12 housing unit that requires a financial investment of at least  
13 \$25,000.00.

14 (3) All of the following apply regarding the missing middle  
15 housing program:

16 (a) The missing middle housing program is created under the  
17 jurisdiction and control of the authority and may be administered  
18 by the authority in accordance with the provisions of this section.  
19 In developing program guidelines and design, the authority must  
20 receive the concurrence of the executive director of the state land  
21 bank.

22 (b) The authority must expend funds under this section only  
23 for the purposes of making awards as provided in subsection (4) and  
24 paying the costs of administering the program.

25 (c) The authority must develop and implement the use of forms,  
26 applications, agreements, and any other documents necessary or  
27 appropriate to implement this section and carry out its duties  
28 under this section.

29 (d) At least 30% of the dollar amount of awards under this



1 section must be allocated to projects in rural communities,  
2 including, but not limited to, projects located in the Upper  
3 Peninsula.

4 (e) Not more than 15% of the dollar amount of awards under  
5 this section must be allocated to projects in any single city,  
6 village, or township.

7 (4) All of the following conditions apply to a grant award  
8 under this section:

9 (a) To qualify for a grant under this section, a project must  
10 meet all of the following conditions, as determined by the program  
11 administrator:

12 (i) The project must consist of new construction, substantial  
13 rehabilitation, or a combination of both.

14 (ii) The developer must demonstrate site control, identify the  
15 project general contractor, and provide a preliminary budget  
16 reflecting the ability to complete the project.

17 (iii) The construction quality, design, and location of the  
18 project must be appropriate for the area in which the project will  
19 be developed. The program administrator may require preapproval of  
20 designs and plans and may condition approval on certain minimum  
21 design and quality of construction standards.

22 (iv) The developer must demonstrate that it has not received  
23 and will not receive low-income housing tax credits for the  
24 project.

25 (v) The developer must demonstrate that the project has  
26 received or will receive local support.

27 (vi) The developer must propose a method or methods by which it  
28 will ensure to the satisfaction of the program administrator that  
29 each housing unit will remain attainable for a period of 10 years



1 for rental deals and 5 years for for-sale deals following the  
 2 disbursement of funds to the developer. The program administrator  
 3 shall work with developers to make efforts to keep properties  
 4 developed under this program attainable for missing middle  
 5 households beyond these initial timelines.

6 (b) Application for approval under this subsection must be  
 7 made in the form and manner prescribed by the program  
 8 administrator.

9 (5) To receive a distribution of funds from a grant approved  
 10 under subsection (4), a project must meet all of the following  
 11 conditions, as applicable:

12 (a) A project must secure a certificate of occupancy within 24  
 13 months from the date of execution of the agreement for the project.

14 (b) The developer may seek an extension of the time periods  
 15 described in this subsection, not to exceed a total development  
 16 time frame of 36 months, from the program administrator.

17 (c) The developer must have implemented the method or methods  
 18 approved to ensure a project is attainable as described in  
 19 subsection (4) (a) (vi).

20 (6) The terms and conditions for the distribution of awarded  
 21 funds must be set forth in an agreement between the agreement  
 22 counterparty and the program administrator as follows:

23 (a) The agreement may contain continuing obligations of the  
 24 agreement counterparty for the term of the agreement to ensure that  
 25 the project is attainable as described in subsection (4) (a) (vi).

26 (b) A developer may convey the project and transfer or assign  
 27 the developer's rights and obligations under the related agreement  
 28 to a third party only after the developer has satisfied the  
 29 conditions of subsection (5) and received the distribution of grant



1 funds.

2 (c) The agreement must require that the agreement counterparty  
3 provide all of the following information to the program  
4 administrator as of the date of the certificate of occupancy for  
5 the project:

6 (i) Total number of total housing units developed within the  
7 project.

8 (ii) Number of housing units in the project qualifying for the  
9 grant.

10 (iii) Total square footage of project.

11 (iv) Total project costs.

12 (v) Total project costs not arising from a grant under this  
13 section.

14 (d) The agreement must require that the agreement counterparty  
15 provide the following information annually during the term of the  
16 agreement:

17 (i) For a project consisting of housing units for sale, the  
18 price of each housing unit within the project sold during the  
19 reporting year.

20 (ii) For a project consisting of housing units for rent, each  
21 of the following:

22 (A) A statement of the rental rate of each housing unit for  
23 rent within the project during the reporting year.

24 (B) A statement of the income stated on tenant applications  
25 for the project during the reporting year.

26 (C) A statement of the occupancy rate of the project during  
27 the reporting year.

28 (7) The program administrator may in any year adjust any  
29 dollar amount provided in this section by a percentage equal to or



1 less than the Consumer Price Index for that year.

2 (8) The unexpended funds appropriated in part 1A for ARP -  
 3 missing middle gap program are designated as a work project  
 4 appropriation. Any unencumbered or unallotted funds shall not lapse  
 5 at the end of the fiscal year and shall be available for  
 6 expenditures for projects under this section until the projects  
 7 have been completed. The following is in compliance with section  
 8 451a(1) of the management and budget act, 1984 PA 431, MCL  
 9 18.1451a:

10 (a) The purpose of the project is to expand access to housing  
 11 stock for missing middle households.

12 (b) The project will be accomplished by utilizing state  
 13 employees or contracts with service providers, or both.

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

15 (d) The tentative completion date is September 30, 2026.

16

17 **DEPARTMENT OF STATE POLICE**

18 Sec. 1501. The unexpended funds appropriated in part 1A for  
 19 federal ineligible expenses are designated as a work project  
 20 appropriation, and any unencumbered or unallotted funds shall not  
 21 lapse at the end of the fiscal year and shall be available for  
 22 expenditures for projects under this section until the projects  
 23 have been completed. The following is in compliance with section  
 24 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

25 (a) The purpose of the project is to support expenses that are  
 26 determined to be ineligible for federal reimbursement.

27 (b) The project will be accomplished by utilizing state  
 28 employees, contracts with vendors, or local partners.

29 (c) The estimated cost of the project is \$6,386,366.00.





1 (d) The tentative completion date is September 30, 2026.

2

3 **REPEALERS**

4 Sec. 1601. Section 353 of 2022 PA 53 is repealed.

