

**SUBSTITUTE FOR  
HOUSE BILL NO. 5524**

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2022; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2022, from the following funds:

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**APPROPRIATION SUMMARY**

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<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>184,600,000</b>
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1	Interdepartmental grant revenues:		
2	Total interdepartmental grants and		
3	intradepartmental transfers		0
4	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$</b>	<b>184,600,000</b>
5	Federal revenues:		
6	Total federal revenues		184,600,000
7	Special revenue funds:		
8	Total local revenues		0
9	Total private revenues		0
10	Total other state restricted revenues		0
11	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
12	<b>Sec. 102. DEPARTMENT OF LABOR AND ECONOMIC</b>		
13	<b>OPPORTUNITY</b>		
14	<b>(1) APPROPRIATION SUMMARY</b>		
15	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>61,500,000</b>
16	Interdepartmental grant revenues:		
17	Total interdepartmental grants and		
18	intradepartmental transfers		0
19	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$</b>	<b>61,500,000</b>
20	Federal revenues:		
21	Total federal revenues		61,500,000
22	Special revenue funds:		
23	Total local revenues		0
24	Total private revenues		0
25	Total other state restricted revenues		0
26	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
27	<b>(2) ONE-TIME APPROPRIATIONS</b>		
28	ARP - convention and visitors bureau relief	\$	30,000,000

1	ARP - Michigan stages survival grants	6,500,000
2	ARP - Michigan community development financial	
3	institution fund grants	25,000,000
4	<b>GROSS APPROPRIATION</b>	<b>\$ 61,500,000</b>
5	Appropriated from:	
6	Federal revenues:	
7	Coronavirus state fiscal recovery fund	61,500,000
8	<b>State general fund/general purpose</b>	<b>\$ 0</b>
9	<b>Sec. 103. DEPARTMENT OF TREASURY</b>	
10	<b>(1) APPROPRIATION SUMMARY</b>	
11	<b>GROSS APPROPRIATION</b>	<b>\$ 123,100,000</b>
12	Interdepartmental grant revenues:	
13	Total interdepartmental grants and	
14	intradepartmental transfers	0
15	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 123,100,000</b>
16	Federal revenues:	
17	Total federal revenues	123,100,000
18	Special revenue funds:	
19	Total local revenues	0
20	Total private revenues	0
21	Total other state restricted revenues	0
22	<b>State general fund/general purpose</b>	<b>\$ 0</b>
23	<b>(2) ONE-TIME APPROPRIATIONS</b>	
24	ARP - affected health and fitness industry	
25	business relief	\$ 53,000,000
26	ARP - food law fee refund offset	5,000,000
27	ARP - health occupation license fees credits	
28	and prorations	8,900,000

1	ARP - liquor control commission fee waivers	9,000,000
2	ARP - Michigan movie theater survival grants	18,000,000
3	ARP - occupational code fee credits and	
4	prorations	17,700,000
5	ARP - server training requirement program	10,000,000
6	ARP - skilled trades regulation act fee credits	
7	and prorations	1,500,000
8	<b>GROSS APPROPRIATION</b>	<b>\$ 123,100,000</b>
9	Appropriated from:	
10	Federal revenues:	
11	Coronavirus state fiscal recovery fund	123,100,000
12	<b>State general fund/general purpose</b>	<b>\$ 0</b>

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

17 Sec. 201. Pursuant to section 30 of article IX of the state  
18 constitution of 1963, total state spending from state sources under  
19 part 1 for the fiscal year ending September 30, 2022 is \$0.00 and  
20 total state spending from state sources to be paid to local units  
21 of government is \$0.00.

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

27 Sec. 203. Funds appropriated in part 1 are subject to  
28 applicable federal audit and reporting requirements. Prompt action  
29 must be taken if instances of noncompliance are identified,

1 including noncompliance identified in an audit finding. If any  
2 instance of noncompliance is identified, including noncompliance  
3 identified in an audit finding, the state budget director shall  
4 take necessary and immediate action to rectify it. The state budget  
5 director shall notify the senate and house appropriations  
6 committees and the senate and house fiscal agencies when an  
7 instance of noncompliance is identified.

8       Sec. 204. Funds appropriated in part 1 from the federal  
9 American rescue plan act of 2021, Public Law 117-2, must be  
10 allocated and expended in a manner consistent with federal rules  
11 and regulations.

12       Sec. 205. The state budget director shall report on the status  
13 of funds appropriated in part 1, and all funds appropriated related  
14 to the coronavirus relief effort, to the senate and house  
15 appropriations committees and the senate and house fiscal agencies  
16 on a monthly basis until all funds are exhausted.

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18 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

19       Sec. 301. (1) From the funds appropriated in part 1 for ARP -  
20 convention and visitors bureau relief, \$30,000,000.00 shall be  
21 awarded to a statewide nonprofit organization representing  
22 Michigan's convention and visitors bureaus to provide grants to all  
23 convention and visitors bureaus for the purpose of mitigating  
24 losses due to the COVID-19 pandemic and promoting hospitality,  
25 tourism, and travel.

26       (2) The statewide nonprofit organization representing  
27 Michigan's convention and visitors bureaus must develop a method of  
28 allocating 100% of the available funds to each convention and  
29 visitors bureau based on each convention and visitors bureau's size

1 relative to the size of all convention and visitors bureaus.

2 (3) Program guidelines and rules for administering the program  
3 and awarding grants must be developed by the statewide nonprofit  
4 organization representing Michigan's convention and visitors  
5 bureaus and be made available on a publicly accessible internet  
6 site.

7 (4) Not more than 1% of the funds appropriated in part 1 for  
8 ARP - convention and visitors bureau relief may be used by the  
9 statewide nonprofit organization representing Michigan's convention  
10 and visitors bureaus for administrative costs related to this  
11 section.

12 (5) The Michigan strategic fund must ensure that the statewide  
13 nonprofit organization representing Michigan's convention and  
14 visitors bureaus submits a report that includes, but is not limited  
15 to, the amount awarded to each convention and visitors bureau, a  
16 statement of economic losses realized by the grantee due to the  
17 COVID-19 pandemic, and a detailed plan for the use of the funds by  
18 the grantee. The report must be submitted to the Michigan strategic  
19 fund not later than September 1, 2022. After receipt of the report,  
20 the Michigan strategic fund shall submit the report to the senate  
21 and house appropriations committees, the senate and house fiscal  
22 agencies, and the state budget office by September 30, 2022.

23 (6) As used in this section, "convention and visitors bureau"  
24 means an entity that receives funds under any of the following  
25 acts:

26 (a) 1974 PA 263, MCL 141.861 to 141.867, commonly known as the  
27 accommodations tax act.

28 (b) Convention and tourism marketing act, 1980 PA 383, MCL  
29 141.881 to 141.889.

1 (c) Community convention or tourism marketing act, 1980 PA  
2 395, MCL 141.871 to 141.880.

3 (d) State convention facility development act, 1985 PA 106,  
4 MCL 207.621 to 207.640.

5 (e) Regional tourism marketing act, 1989 PA 244, MCL 141.891  
6 to 141.900.

7 (f) Regional convention and tourism promotion act, 2010 PA  
8 254, MCL 141.1431 to 141.1437.

9 (g) Convention and tourism promotion act, 2007 PA 25, MCL  
10 141.1321 to 141.1328.

11 Sec. 302. (1) From the funds appropriated in part 1 for ARP -  
12 Michigan stages survival grants, not more than \$6,500,000.00 shall  
13 be used by the Michigan strategic fund to create and operate a  
14 Michigan stages survival grant program to provide Michigan stages  
15 survival grants to eligible businesses in this state.

16 (2) The Michigan stages survival grant program shall be used  
17 to provide grants to eligible live music and entertainment venues  
18 and promoters that have realized a significant financial hardship  
19 as a result of the COVID-19 emergency. Grant applications shall be  
20 accepted, reviewed, and approved by a statewide organization  
21 representing independent live music and entertainment venues and  
22 the Michigan strategic fund shall distribute the funds based on the  
23 recommendation of that organization. Grant applicants must have the  
24 opportunity to correct technical errors after submitting their  
25 applications, if necessary. The statewide organization representing  
26 independent live music and entertainment venues administering the  
27 Michigan stages survival grant program may receive up to 2.2% of  
28 the funds appropriated in part 1 for ARP - Michigan stages survival  
29 grants for administration of the Michigan stages survival grant

1 program. The Michigan strategic fund shall not utilize any of the  
2 funds appropriated in part 1 for ARP - Michigan stages survival  
3 grants for administration.

4 (3) Grants made available to eligible businesses under the  
5 program must meet all of the following conditions:

6 (a) Must not exceed \$100,000.00.

7 (b) Must be used only for working capital to support payroll  
8 expenses, rent, mortgage payments, utility expenses, or costs  
9 related to normal business operations.

10 (c) Must not be awarded to a convention center in a city with  
11 a population over 500,000 that was eligible for funds under the  
12 state convention facility development act, 1985 PA 106, MCL 207.621  
13 to 207.640.

14 (4) The Michigan strategic fund must develop and post on the  
15 Michigan strategic fund website application, program operation,  
16 award, and reporting criteria for the program.

17 (5) The Michigan strategic fund shall submit a monthly report  
18 to the senate and house appropriations committees, the senate and  
19 house fiscal agencies, and the state budget office that provides a  
20 listing of grants awarded in the previous month and the name of the  
21 recipient of each grant provided under the program. The Michigan  
22 strategic fund shall submit a summary of all grants awarded under  
23 the program, by industry, over the course of the current fiscal  
24 year by September 30, 2022.

25 (6) As used in this section:

26 (a) "Eligible business" means a business that meets all of the  
27 following criteria:

28 (i) Received at least 33% of 2019 gross revenue from the sale  
29 of tickets for live music or entertainment events or receives at



1 least 70% of its earned revenue through cover charges or ticket  
2 sales, production fees or production reimbursements, nonprofit  
3 educational initiatives, or the sale of event beverages, food, or  
4 merchandise.

5 (ii) Certifies that second quarter revenue from April 1 through  
6 June 30, 2020 was not greater than 25% of second quarter revenue  
7 from April 1 through June 30, 2019.

8 (iii) If the business is a live venue operator, must not have,  
9 or be majority owned or controlled by an entity with any of the  
10 following:

11 (A) Securities listed on a national securities exchange as an  
12 issuer.

13 (B) Venues owned and operated with offices in more than 1  
14 county.

15 (C) Venues owned and operated in more than 2 states.

16 (D) Venues employing more than 30 employees, determined on a  
17 full-time basis.

18 (iv) Is a business located in Michigan that was in existence on  
19 February 29, 2020.

20 (b) "Michigan stages survival grant" or "grant" means a  
21 Michigan stages survival grant made to an eligible business under  
22 this section.

23 Sec. 303. The entity administering the distribution of the  
24 grant or award under section 301 or 302 shall, to the extent  
25 practicable, reduce the grant or award provided under section 301  
26 or 302 by an amount equal to the grant or award received under  
27 section 401 of 2021 PA 132.

28 Sec. 304. (1) From the money appropriated in part 1 for ARP -  
29 Michigan community development financial institution fund grants,

1 \$25,000,000.00 is appropriated and transferred to the Michigan  
2 community development financial institutions fund, which is created  
3 by this section, for grants to eligible community development  
4 financial institutions under this section. The legislature finds  
5 and declares that the appropriation described in this section is  
6 for a public purpose, including promoting community economic  
7 revitalization and community development through community  
8 financial institutions.

9 (2) Within 84 days of the effective date of this act, the  
10 Michigan strategic fund shall develop a grant application,  
11 approval, agreement, and compliance process consistent with this  
12 section adopted by a resolution of the board and published and  
13 available on the Michigan strategic fund's website.

14 (3) The application required under subsection (2), must  
15 include all of the following:

16 (a) The name of the community development financial  
17 institution applying for a grant from the CDFI fund.

18 (b) The location of the principal office of the applicant.

19 (c) Documentation indicating whether the applicant is a  
20 Michigan CDFI or a multistate CDFI.

21 (d) The amount of the grant sought, not exceeding the maximum  
22 eligible amount of the grant under subsections (4) to (6).

23 (e) If the community development financial institution is a  
24 depository institution, the net assets of the depository  
25 institution.

26 (f) If the community development financial institution is not  
27 a depository institution, the amount of qualifying commitments made  
28 by the community development financial institution during the 3  
29 calendar years preceding the calendar year in which the application

1 is submitted.

2 (g) A description of the applicant's eligibility for funding  
3 under subsections (4) to (6).

4 (h) A description of the proposed use of the grant award by  
5 the applicant for eligible activities consistent with the  
6 requirements of this act and the community development banking and  
7 financial institutions act of 1994, 12 USC 4701 to 4719.

8 (i) Documentation of the applicant's certification as a  
9 community development financial institution that meets the  
10 eligibility requirements under 12 CFR 1805.201 by the community  
11 development financial institutions fund established under section  
12 104 of the community development banking and financial institutions  
13 act of 1994, 12 USC 4703. The documentation required by this  
14 subsection may include the list of community development financial  
15 institutions in good standing maintained and published by the  
16 federal fund.

17 (j) A statement that the applicant is in compliance with all  
18 requirements applicable to the applicant under the community  
19 development banking and financial institutions act of 1994, 12 USC  
20 4701 to 4719.

21 (4) A community development financial institution that is a  
22 depository institution is eligible for a grant award in the  
23 following amount:

24 (a) Up to \$2,000,000.00 if the depository institution has  
25 total net assets of less than \$500,000,000.00.

26 (b) Up to \$3,000,000.00 if the depository institution has  
27 total net assets of \$500,000,000.00 to \$999,999,999.99.

28 (c) Up to \$4,000,000.00 if the depository institution has  
29 total net assets of \$1,000,000,000.00 to \$1,999,999,999.99.

1 (d) Up to \$5,000,000.00 if the depository institution has  
2 total net assets of \$2,000,000,000.00 or more.

3 (5) Except as otherwise provided in subsection (6), a  
4 community development financial institution is eligible for a grant  
5 award in the following amount:

6 (a) Up to \$1,000,000.00 if the community development financial  
7 institution made qualifying commitments in an amount that averaged  
8 less than \$1,000,000.00 per year during the 3 calendar years  
9 preceding the calendar year in which an application for a grant is  
10 submitted.

11 (b) Up to \$3,000,000.00 if the community development financial  
12 institution made qualifying commitments in an amount that averaged  
13 from \$1,000,000.00 to \$3,999,999.99 per year during the 3 calendar  
14 years preceding the calendar year in which an application for a  
15 grant is submitted.

16 (c) Up to \$5,000,000.00 if the community development financial  
17 institution made qualifying commitments in an amount that averaged  
18 from \$4,000,000.00 to \$5,999,999.99 per year during the 3 calendar  
19 years preceding the calendar year in which an application for a  
20 grant is submitted.

21 (d) Up to \$7,000,000.00 if the community development financial  
22 institution made qualifying commitments in an amount that averaged  
23 from \$6,000,000.00 to \$9,999,999.00 per year during the 3 calendar  
24 years preceding the calendar year in which an application for a  
25 grant is submitted.

26 (e) Up to \$8,000,000.00 if the community development financial  
27 institution made qualifying commitments in an amount that averaged  
28 at least \$10,000,000.00 per year during the 3 calendar years  
29 preceding the calendar year in which an application for a grant is

1 submitted.

2 (6) A grant to a multistate CDFI under subsection (5) must not  
3 exceed \$5,000,000.00.

4 (7) The Michigan strategic fund shall accept initial  
5 applications for a grant under this act until April 30, 2022. The  
6 Michigan strategic fund shall approve or deny a grant application  
7 within 63 days after the receipt of an administratively complete  
8 application as determined by the Michigan strategic fund. If the  
9 application complies with the requirements of this section, the  
10 Michigan strategic fund shall approve the award of the grant in the  
11 amount requested by the applicant. The Michigan strategic fund may  
12 deny a grant application submitted under this section only for the  
13 following reasons:

14 (a) The applicant does not satisfy all of the requirements  
15 described in this section.

16 (b) Subject to subsection (9), there is insufficient money in  
17 the CDFI fund to pay the grant amount requested.

18 (c) The applicant is not in compliance with applicable  
19 requirements under the community development banking and financial  
20 institutions act of 1994, 12 USC 4701 to 4719.

21 (8) If the Michigan strategic fund denies an application under  
22 subsection (7), the applicant may provide additional information to  
23 the Michigan strategic fund within 7 days of the notice of denial.  
24 The Michigan strategic fund shall review and reconsider the  
25 application and additional information within 28 days.

26 (9) If there is an insufficient amount of money in the CDFI  
27 fund to pay the grants approved, the amount of each grant shall be  
28 reduced proportionately by the Michigan strategic fund based upon  
29 the amount of money available in the CDFI fund.

1 (10) Upon approval of an application, the Michigan strategic  
2 fund and the applicant shall sign a written grant agreement  
3 providing the terms of the grant agreement. A grant agreement must  
4 include all of the following:

5 (a) A requirement that at least 80% of the grant award be used  
6 for financial products and financial services.

7 (b) A restriction that no more than 10% of the grant award be  
8 used for technical assistance activities described in 12 CFR  
9 1805.303.

10 (c) A restriction that no more than 10% of the grant award be  
11 used for administration and operations.

12 (d) A requirement that a grant award be committed under a loan  
13 agreement or funding agreement or disbursed by the recipient within  
14 3 years of the date that the recipient receives the grant award.

15 (e) A requirement that the entire amount of the grant award be  
16 expended within this state.

17 (f) A requirement that the grant award recipient maintain its  
18 certification as a community development financial institution  
19 under 12 CFR 1805.201 while the grant agreement is in effect.

20 (g) A requirement that the grant award recipient comply with  
21 all requirements applicable under the community development banking  
22 and financial institutions act of 1994, 12 USC 4701 to 4719, while  
23 the agreement is in effect.

24 (h) Provisions authorizing the Michigan strategic fund to  
25 enforce the terms of the grant agreement, including a requirement  
26 that a noncompliant recipient of a grant award repay the award for  
27 deposit in the CDFI Fund.

28 (i) A requirement for the grant award recipient to report on  
29 activities consistent with the requirements of subsection (14).

1           (11) A grant agreement may provide for the community  
2 development financial institution that is the recipient of a grant  
3 award to serve as an intermediary lender to another community  
4 development financial institution consistent with the purposes of  
5 this act.

6           (12) A grant agreement must permit a grant award recipient to  
7 assign the award to an affiliate and for the affiliate to assume  
8 the obligations of the grant award recipient if the affiliate  
9 satisfies all of the following:

10           (a) Is a community development financial institution.

11           (b) Is organized in the same manner as the grant award  
12 recipient.

13           (c) Is controlled by the grant award recipient in 1 or both of  
14 the following ways:

15           (i) The grant award recipient owns a majority of the stock of  
16 the affiliate.

17           (ii) A majority of the members of the board of the affiliate  
18 also are members of the board of the grant award recipient.

19           (13) Except as otherwise provided in subsection (14), the  
20 Michigan strategic fund shall require the recipient of a grant  
21 award under this act to report annually to the Michigan strategic  
22 fund regarding its activities under this section beginning on the  
23 May 1 following the calendar year in which the grant award was  
24 received by the recipient. The Michigan strategic fund shall  
25 publish on its website a standard form for the report. Except as  
26 otherwise provided in subsection (14), the report must include all  
27 of the following information:

28           (a) A copy of the recipient's most recent confirmation of  
29 recertification as a community development financial institution

1 issued by the community development financial institutions fund  
2 under 12 CFR 1805.201, which may include the list of community  
3 development financial institutions in good standing maintained and  
4 published by the federal fund.

5 (b) A list of financial products and services provided during  
6 the prior calendar year that includes all of the following:

7 (i) The name of each transaction.

8 (ii) A transition tracking number for each transaction.

9 (iii) The date of each transaction.

10 (iv) The amount of each transaction.

11 (v) The total project cost for each transaction if other  
12 funding was involved.

13 (vi) The physical address of the borrower or customer for each  
14 transaction.

15 (vii) The census tract of the borrower or customer for each  
16 transaction.

17 (viii) An indication of whether the census tract in which the  
18 transaction is located is an eligible investment area.

19 (ix) A description of the projected economic impact of the  
20 transaction.

21 (x) A description of any financial products or financial  
22 services provided.

23 (c) A description of technical assistance provided during the  
24 prior calendar year.

25 (d) A summary of expenditures for administration and  
26 operations provided during the prior calendar year that includes  
27 all of the following:

28 (i) A description of administration and operations costs  
29 incurred.



1 (ii) Professional fees and expenses incurred.

2 (iii) A summary of any other eligible expenses for  
3 administration and operation.

4 (14) A grant award recipient is not required to provide a  
5 report under this section for any calendar year in which it did not  
6 loan or otherwise commit or disburse grant award money. The  
7 Michigan strategic fund shall not include information in the report  
8 required under subsection (13) if information that otherwise would  
9 be included in a report under subsection (13) is either of the  
10 following:

11 (a) Exempt from disclosure or confidential as proprietary  
12 business or financial information under the community development  
13 banking and financial institutions act of 1994, 12 USC 4701 to  
14 4719.

15 (b) Exempt from disclosure under the freedom of information  
16 act, 1976 PA 442, MCL 15.231 to 15.246.

17 (15) Except as otherwise provided in subsection (3), not more  
18 than 4% of the appropriation provided from the CDFI fund may be  
19 used for administering the programs and activities incurred in  
20 administering this section.

21 (16) The unexpended portion of money in the CDFI fund provided  
22 for grants under this section is considered a work project  
23 appropriation in accordance with section 451a of the management and  
24 budget act, 1984 PA 431, MCL 18.1451a. The following apply to the  
25 project:

26 (a) The purpose of the project is to provide grants to  
27 eligible community development financial institutions under this  
28 section.

29 (b) All grants will be distributed in accordance with this

1 section and the grant guidelines as part of the application process  
2 and grant agreements between the Michigan strategic fund and grant  
3 recipients.

4 (c) The estimated cost of the work project is identified in  
5 the appropriation line item.

6 (d) The tentative completion date for the work project is  
7 September 30, 2025.

8 (17) As used in this section:

9 (a) "CDFI fund" means the Michigan community development  
10 financial institutions fund created in subsection (1).

11 (b) "Community development financial institution" means that  
12 term as defined in section 103 of the community development banking  
13 and financial institutions act of 1994, 12 USC 4702, but is limited  
14 to a community development financial institution that satisfies all  
15 of the following:

16 (i) Is an entity that meets the eligibility requirements  
17 described in 12 CFR 1805.200.

18 (ii) Is certified as a community development financial  
19 institution that meets the eligibility requirements under 12 CFR  
20 1805.201 by the community development financial institutions fund  
21 established under section 104 of the community development banking  
22 and financial institutions act of 1994, 12 USC 4703.

23 (iii) Maintains 1 or more physical offices within this state.

24 (iv) Employs 2 or more individuals at a physical office within  
25 this state, including employees of an affiliate of the community  
26 development financial institution that provides services to the  
27 community development financial institution.

28 (v) Is a Michigan CDFI or a multistate CDFI.

29 (c) "Depository institution" means any of the following:

1           (i) A bank as that term is defined in section 3(a) of the  
2 federal deposit insurance act, 12 USC 1813(a).

3           (ii) A savings association as that term is defined in section  
4 3(b) of the federal deposit insurance act, 12 USC 1813(b).

5           (iii) A credit union as that term is defined in section 102 of  
6 the credit union act, 2003 PA 215, MCL 490.102.

7           (iv) A depository institution holding company as that term is  
8 defined in 12 CFR 1805.104.

9           (d) "Eligible activities" means activities described in 12 CFR  
10 1805.301, and includes credit enhancements, loan loss reserves, and  
11 equity investments.

12           (e) "Federal fund" means the federal community development  
13 financial institutions fund within the United States Department of  
14 Treasury.

15           (f) "Financial products" means that term as defined in 12 CFR  
16 1805.104.

17           (g) "Financial services" means that term as defined in 12 CFR  
18 1805.104.

19           (h) "Michigan CDFI" means a community development financial  
20 institution that satisfies all of the following:

21           (i) Is certified as a community development financial  
22 institution that meets the eligibility requirements under 12 CFR  
23 1805.201 by the community development financial institutions fund  
24 established under section 104 of the community development banking  
25 and financial institutions act of 1994, 12 USC 4703.

26           (ii) Is headquartered at an address in this state, as  
27 recognized by the federal fund.

28           (iii) Has a target market that includes this state, as  
29 recognized by the federal fund.

1 (iv) Serves 1 or more targeted populations located within this  
2 state.

3 (i) "Multistate CDFI" means a community development financial  
4 institution that is not a Michigan CDFI but is a community  
5 development financial institution that committed under a loan  
6 agreement or other funding agreement of at least \$10,000,000.00 in  
7 financial products and financial services to a target market within  
8 this state under the community development banking and financial  
9 institutions act of 1994, 12 USC 4701 to 4719, during the 5  
10 calendar years preceding the calendar year in which an application  
11 for a grant is submitted.

12 (j) "Qualifying commitment" means funding committed by a  
13 community development financial institution under a loan agreement  
14 or other funding agreement in target markets or targeted  
15 populations in this state that is either of the following:

16 (i) Financial products or financial services committed under  
17 the community development banking and financial institutions act of  
18 1994, 12 USC 4701 to 4719.

19 (ii) An additional credit enhancement, loan loss reserve, or  
20 equity investment committed by the community development financial  
21 institution or an affiliate of the community development financial  
22 institution.

23 (k) "Target market" means that term as defined in 12 CFR  
24 1805.104.

25 (l) "Targeted population" means that term as defined in 12 CFR  
26 1805.104.

27

28 **DEPARTMENT OF TREASURY**

29 Sec. 401. (1) From the funds appropriated in part 1 for ARP -

1 affected health and fitness industry business relief,  
2 \$53,000,000.00 shall be used by the department of treasury to  
3 create and operate an affected health and fitness industry business  
4 relief program to provide grants to affected health and fitness  
5 industry businesses in this state that have realized a financial  
6 hardship as a result of the COVID-19 emergency. The department of  
7 treasury shall provide grants to affected health and fitness  
8 industry businesses as defined in this section to be utilized for  
9 purposes described in subsection (2)(d). The Michigan department of  
10 treasury shall oversee the grant application, review, and approval  
11 process.

12 (2) Grants made available to affected health and fitness  
13 industry businesses under the program must meet all of the  
14 following conditions:

15 (a) Subject to subdivisions (b) and (c), must not exceed the  
16 lesser of an amount equal to the financial hardship of the affected  
17 health and fitness industry business or \$250,000.00 per physical  
18 location.

19 (b) An affected health and fitness industry business that was  
20 in operation on October 1, 2019 must be subject to the following  
21 grant limitations:

22 (i) Affected health and fitness industry businesses that submit  
23 a completed grant application and certify a decline in total sales  
24 in Michigan of 20% or more for calendar year 2020 when compared to  
25 calendar year 2019 are eligible to receive a grant equal to 100% of  
26 the amount calculated in subdivision (a) subject to subsection (5).

27 (ii) Affected health and fitness industry businesses that  
28 submit a completed grant application and certify a decline in total  
29 sales in Michigan greater than or equal to 15%, but less than 20%,

1 for calendar year 2020 when compared to calendar year 2019 are  
2 eligible to receive a grant equal to 75% of the amount calculated  
3 in subdivision (a) subject to subsection (5).

4 (iii) Affected health and fitness industry businesses that  
5 submit a completed grant application and certify a decline in total  
6 sales in Michigan greater than or equal to 10%, but less than 15%,  
7 for calendar year 2020 when compared to calendar year 2019 are  
8 eligible to receive a grant equal to 50% of the amount calculated  
9 in subdivision (a) subject to subsection (5).

10 (iv) Affected health and fitness industry businesses that  
11 submit a completed grant application and certify a decline in total  
12 sales in Michigan greater than or equal to 5%, but less than 10%,  
13 for calendar year 2020 when compared to calendar year 2019 are  
14 eligible to receive a grant equal to 25% of the amount calculated  
15 in subdivision (a) subject to subsection (5).

16 (c) An affected health and fitness industry business that was  
17 not in operation on October 1, 2019, but started operations before  
18 June 1, 2020, is eligible to receive a grant equal to 25% of the  
19 amount calculated in subdivision (a) subject to subsection (5) if  
20 the affected health and fitness industry business submits a  
21 completed grant application and certifies that it was closed or  
22 partially closed due to an executive order or epidemic order issued  
23 by the Michigan department of health and human services.

24 (d) Grant awards must be used in compliance with federal  
25 guidelines.

26 (3) An affected health and fitness industry business is  
27 considered to have qualified for a grant under this section if, and  
28 only if, the affected health and fitness industry business submits  
29 a completed grant application, submits any supporting documentation

1 required by the department of treasury to verify financial  
2 hardship, and certifies and attests, under penalty of perjury, to 1  
3 of the following:

4 (a) The business was in operation on October 1, 2019, and was  
5 either an eligible self-employed individual, independent  
6 contractor, or sole proprietorship with no employees, or the  
7 business had employees for which it paid salaries or wages and  
8 payroll taxes or paid independent contractors, and the affected  
9 health and fitness industry business was adversely impacted by the  
10 COVID-19 pandemic as indicated by a decline in total sales in  
11 Michigan of at least 5% for calendar year 2020 when compared to  
12 calendar year 2019.

13 (b) The business was not in operation on October 1, 2019, but  
14 started operations before June 1, 2020, and was either an eligible  
15 self-employed individual, independent contractor, or sole  
16 proprietorship with no employees, or had employees for which it  
17 paid salaries or wages and payroll taxes or paid independent  
18 contractors, and the affected health and fitness industry business  
19 was adversely impacted by the COVID-19 pandemic through a closure  
20 or partial closure due to an executive order or epidemic order  
21 issued by the Michigan department of health and human services.

22 (4) Any affected health and fitness industry business that  
23 falsifies certification under subsection (3) shall forfeit any  
24 payments under this section and shall repay this state all payments  
25 it has received under this section.

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 affected health and  
29 fitness industry businesses that qualified for a grant under this

1 section. The department of treasury may make the proration  
2 calculation after April 1, 2022.

3 (6) The department of treasury must develop and post on the  
4 department website the application affected health and fitness  
5 industry businesses must use to apply for a grant, including the  
6 certification language under subsection (3), and program operation,  
7 award, and reporting criteria for the program not later than March  
8 1, 2022. Affected health and fitness industry businesses shall have  
9 until April 1, 2022 to submit program grant applications. The  
10 department of treasury shall disburse grant awards not later than  
11 July 1, 2022.

12 (7) Any funds not awarded by July 1, 2022 must be reallocated  
13 and redistributed to the grant recipients in an amount equal to the  
14 grantees proportionate share of the initial award under this  
15 section. The total amount awarded after distributions under this  
16 subsection may exceed the total under subsection (2) (a).

17 (8) Not more than 1% of the funds appropriated in part 1 for  
18 ARP - affected health and fitness industry business relief, or an  
19 amount equal to actual costs incurred, whichever is less, may be  
20 used by the department for administrative costs related to this  
21 section.

22 (9) The department of treasury shall submit a report to the  
23 senate and house appropriations committees, the senate and house  
24 fiscal agencies, and the state budget office that provides a  
25 listing of the grant amounts awarded, the prorated percentage, and  
26 the name of the recipient of each grant provided under this  
27 section. The department of treasury shall submit a summary of all  
28 grants awarded under this section, by industry, by September 30,  
29 2022.



1 (10) As used in this section:

2 (a) "Affected health and fitness industry business" means a  
3 business that is not tax exempt under the internal revenue code of  
4 1986, 26 USC 1 to 9834, that is not a government entity, that is  
5 not permanently closed, and that is any of the following:

6 (i) An exercise facility.

7 (ii) A health club.

8 (iii) A pilates studio.

9 (iv) A yoga studio.

10 (v) A cross fit studio.

11 (vi) A rowing club.

12 (vii) A cycling club.

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

16 (c) "Financial hardship" means an amount equal to an affected  
17 health and fitness industry business's decline in total sales in  
18 Michigan capped at an amount equal to the sum of modified occupancy  
19 costs, including rent, common area maintenance, insurance, and  
20 personal property taxes paid during calendar year 2020. Rent and  
21 personal property taxes may include deferred rent and personal  
22 property taxes if the affected health and fitness industry business  
23 provides documented proof of the deferred rent and personal  
24 property taxes agreed to by the landlord.

25 (d) "Total sales in Michigan" means total sales by the  
26 affected health and fitness industry business in this state plus  
27 apportioned Paycheck Protection Program receipts.

28 (e) "Apportioned Paycheck Protection Program receipts" means  
29 forgiven loans received under the Paycheck Protection Program

1 established under the coronavirus aid, relief, and economic  
2 security act, Public Law 116-136, the paycheck protection program  
3 and health care enhancement act, Public Law 116-139, the paycheck  
4 protection program flexibility act of 2020, Public Law 116-142, the  
5 consolidated appropriations act, 2021, Public Law 116-260, and the  
6 PPP extension act of 2021, Public Law 117-6, multiplied by a  
7 fraction the numerator of which is total sales of the affected  
8 health and fitness industry business in Michigan in the calendar  
9 year and the denominator is total sales of the affected health and  
10 fitness industry business everywhere during the calendar year.

11       Sec. 402. (1) The funds appropriated in part 1 for ARP - food  
12 law fee refund offset must be deposited in the dairy and food  
13 safety fund created in section 4117 of the food law, 2000 PA 92,  
14 MCL 289.4117, to offset any resulting revenue reduction due to the  
15 enactment of House Bill No. 4561 of the 101st Legislature.

16       (2) Funds appropriated in part 1 for ARP - food law fee refund  
17 offset shall not be expended unless House Bill No. 4561 of the  
18 101st Legislature is enacted into law.

19       Sec. 403. (1) The funds appropriated in part 1 for ARP -  
20 health occupation license fees credits and prorations must be  
21 deposited in the following funds to offset any revenue reductions  
22 resulting from license and certification fee credits and prorations  
23 due to the enactment of House Bill No. 4558 of the 101st  
24 Legislature:

25       (a) The health professions regulatory fund created in section  
26 16315 of the public health code, 1978 PA 368, MCL 333.16315.

27       (b) The nurse professional fund created in section 16315 of  
28 the public health code, 1978 PA 368, MCL 333.16315.

29       (c) The pain management education and controlled substances

1 electronic monitoring and antidiversion fund created in section  
2 16315 of the public health code, 1978 PA 368, MCL 333.16315.

3 (2) Funds appropriated in part 1 for ARP - health occupation  
4 license fees credits and prorations shall not be expended unless  
5 House Bill No. 4558 of the 101st Legislature is enacted into law.

6 Sec. 404. (1) The funds appropriated in part 1 for ARP -  
7 liquor control commission fee waivers must be used to offset  
8 revenue reductions resulting from fee waivers or prorations due to  
9 the enactment of House Bill No. 4557 of the 101st Legislature.  
10 Funds appropriated in part 1 must be proportionally allocated based  
11 on revenue loss to the funds and purposes associated with the fees  
12 as provided for in the Michigan liquor control code of 1998, 1998  
13 PA 58, MCL 436.1101 to 436.2303.

14 (2) Funds appropriated in part 1 for ARP - liquor control  
15 commission fee waivers shall not be expended unless House Bill No.  
16 4557 of the 101st Legislature is enacted into law.

17 Sec. 405. (1) From the funds appropriated in part 1 for ARP -  
18 Michigan movie theater survival grants, \$18,000,000.00 shall be  
19 used by the department of treasury to create and operate a Michigan  
20 movie theater survival grant program to provide Michigan movie  
21 theater survival grants to eligible businesses in this state.

22 (2) The Michigan movie theater survival grant program shall be  
23 used to provide grants to eligible movie theaters that have  
24 realized a significant financial hardship as a result of the COVID-  
25 19 emergency. Grant applications shall be accepted, reviewed, and  
26 approved by the department of treasury. The department of treasury  
27 shall not utilize any of the funds appropriated in part 1 for ARP -  
28 Michigan movie theater survival grants for administration.

29 (3) Grants made available to eligible businesses under the

1 program must meet all of the following conditions:

2 (a) Must equal \$15,000.00 per movie theater screen.

3 (b) Must be used only for working capital to support payroll  
4 expenses, rent, mortgage payments, utility expenses, or costs  
5 related to normal business operations.

6 (4) The department of treasury must develop and post on the  
7 department of treasury website application, program operation,  
8 award, and reporting criteria for the program.

9 (5) 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 eligible business, over the course of the current  
16 fiscal year by September 30, 2022.

17 (6) As used in this section:

18 (a) "Eligible business" means a movie theater located in this  
19 state.

20 (b) "Michigan movie theater survival grant" or "grant" means a  
21 Michigan movie theater survival grant made to an eligible business  
22 under this section.

23 Sec. 406. (1) The funds appropriated in part 1 for ARP -  
24 occupational code fee credits and prorations must be deposited in  
25 the following funds to offset any resulting revenue reductions due  
26 to the enactment of House Bill No. 4559 of the 101st Legislature:

27 (a) The licensing and regulation fund created in section 3 of  
28 the state license fee act, 1979 PA 152, MCL 338.2203.

29 (b) The accountancy enforcement fund created in section 11 of

1 the state license fee act, 1979 PA 152, MCL 338.2211.

2 (c) The real estate education fund created in section 37 of  
3 the state license fee act, 1979 PA 152, MCL 338.2237.

4 (d) The real estate enforcement fund created in section 37 of  
5 the state license fee act, 1979 PA 152, MCL 338.2237.

6 (e) The real estate appraiser education fund created in  
7 section 38 of the state license fee act, 1979 PA 152, MCL 338.2238.

8 (2) Funds appropriated in part 1 for ARP - occupational code  
9 fee credits and prorations shall not be expended unless House Bill  
10 No. 4559 of the 101st Legislature is enacted into law.

11 Sec. 407. (1) From the funds appropriated in part 1 for ARP -  
12 server training requirement program, \$10,000,000.00 shall be  
13 awarded to a statewide nonprofit organization representing  
14 Michigan's beverage alcohol industry to provide reimbursements to  
15 individuals or businesses seeking server training as required by  
16 the Michigan liquor control commission. The purpose of the program  
17 is to aid Michigan's restaurants, bars, and taverns in their  
18 recovery from the COVID-19 pandemic. The statewide nonprofit  
19 organization representing Michigan's beverage alcohol industry must  
20 establish program guidelines and an application process for  
21 individuals and businesses seeking reimbursement for the costs  
22 associated with a server training requirement and make them  
23 available on a publicly accessible internet site. Grant awards must  
24 not exceed the cost of the certification.

25 (2) Not more than 1% of the funds appropriated in part 1 for  
26 ARP - server training requirement program may be used by the  
27 statewide nonprofit organization representing Michigan's beverage  
28 alcohol industry for administrative costs related to this section.

29 (3) The department of treasury must ensure that the statewide

1 nonprofit organization representing Michigan's beverage alcohol  
2 industry submits a report that includes, but is not limited to,  
3 aggregate data on the number of individuals and businesses that  
4 applied for and received reimbursement under this program. The  
5 report must be submitted to the department of treasury not later  
6 than September 1 each year the program is in operation. After  
7 receipt of the report, the department of treasury shall submit the  
8 report to the senate and house appropriations committees, the  
9 senate and house fiscal agencies, and the state budget office by  
10 September 30.

11 (4) Any funds not awarded by the statewide nonprofit by  
12 December 31, 2024 must revert back to the department of treasury.

13 Sec. 408. (1) The funds appropriated in part 1 for ARP -  
14 skilled trades regulation act fee credits and prorations must be  
15 deposited in the state construction code fund created in section 22  
16 of the Stille-DeRossett-Hale single state construction code act,  
17 1972 PA 230, MCL 125.1522, to offset any resulting revenue  
18 reduction due to the enactment of House Bill No. 4560 of the 101st  
19 Legislature.

20 (2) Funds appropriated in part 1 for ARP - skilled trades  
21 regulation act fee credits and prorations shall not be expended  
22 unless House Bill No. 4560 of the 101st Legislature is enacted into  
23 law.

24 Sec. 409. The entity administering the distribution of the  
25 grant or award under section 401 or 405 shall, to the extent  
26 practicable, reduce the grant or award provided under section 401  
27 or 405 by an amount equal to the grant or award received under  
28 section 401 of 2021 PA 132.