

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN OFFICE OF THE GOVERNOR LANSING

GARLIN GILCHRIST II LT. GOVERNOR

September 30, 2019

Michigan House of Representatives State Capitol Lansing, MI 48909-7514

Representatives,

I have signed and filed with the secretary of state Enrolled House Bill 4239, which makes appropriations for the Department of Licensing and Regulatory Affairs for the fiscal year ending September 30, 2020.

To provide direction regarding the implementation of this appropriations act, I note the following:

- Section 515, and subsection (2) of section 513, violate article 4, section 25 of the Michigan Constitution of 1963, and are therefore unenforceable.
- Section 216 violates article 4, section 24 of the Michigan Constitution of 1963, as well as the separation of powers required by article 3, section 2, among other provisions of the Michigan Constitution of 1963, and is therefore unenforceable.
- Finally, those provisions of this bill that express merely the intent, advice, preferences, or wishes of the legislature do not impose conditions upon appropriations and are non-binding.

Thank you for your attention to these matters.

Sincerely,

Gretchen Whitmer

Governor

cc:

Michigan Senate

The Honorable Jocelyn Benson

FILED WITH SECRETARY OF STATE

ON 9/30/19 AT 7.26 PM.

STATE OF MICHIGAN 100TH LEGISLATURE REGULAR SESSION OF 2019

Introduced by Reps. Yaroch and Hernandez

ENROLLED HOUSE BILL No. 4239

AN ACT to make appropriations for the department of licensing and regulatory affairs for the fiscal year ending September 30, 2020; and to provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of licensing and regulatory affairs for the fiscal year ending September 30, 2020, from the following funds:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

APPROPRIATION SUMMARY	
Full-time equated unclassified positions	
Full-time equated classified positions	
GROSS APPROPRIATION	\$ 566,294,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	49,014,200
ADJUSTED GROSS APPROPRIATION	\$ 517,279,800
Federal revenues:	
Total federal revenues	91,988,300
Special revenue funds:	, ,
Total local revenues	100,000
Total private revenues	111,800
Total other state restricted revenues	301,049,000
State general fund/general purpose	\$ 124,030,700
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT	
Full-time equated unclassified positions57.5	
Full-time equated classified positions	
Unclassified salaries—57.5 FTE positions	\$ 5,443,200
Administrative services—77.0 FTE positions	9,041,700
Executive director programs—24.0 FTE positions	3,337,000
FOIA coordination—3.0 FTE positions	319,400
Property management	11,874,900
1 - 0	,5.2,000

	ď4	232,700
Worker's compensation	\$ \$	30,248,900
GROOM ATTEM MANAGEMENT	ψ	50,240,500
Appropriated from:		
Interdepartmental grant revenues: IDG from DIFS, accounting services		150,000
IDG from LEO, unemployment hearings		625,400
Federal revenues:		,
DED, vocational rehabilitation and independent living		921,600
DOL, occupational safety and health		713,600
EPA, underground storage tanks		29,000
HHS - Medicaid, certification of health care providers and suppliers		405,200
HHS - Medicare, certification of health care providers and suppliers		589,300
Special revenue funds:		
Aboveground storage tank fees		92,400
Accountancy enforcement fund		60,900
Asbestos abatement fund		150,900
Boiler inspection fund		280,300
Builder enforcement fund		101,700
Construction code fund		772,600
Corporation fees		5,757,100
Elevator fees		304,200
Fire alarm fees		7,300
Fire safety standard and enforcement fund		2,100
Fire service fees		459,300 60,100
Fireworks safety fund		1,625,900
Health professions regulatory fund		244,200
Health systems fees		902,400
Licensing and regulation fund		300,000
Liquor license revenue		3,647,200
Liquor purchase revolving fund		727,500
Marihuana registry fund		21,000
Marihuana regulation fund		534,000
Marihuana regulatory fund		5,900
Mobile home code fund		283,800
Nurse professional fund		38,200
PMECSEMA fund		45,800
Private occupational school license fees		55,500
Property development fees		7,400
Public utility assessments		2,998,500
Radiological health fees		284,900
Real estate appraiser education fund		2,600
Real estate education fund		11,100
Real estate enforcement fund		11,400
Refined petroleum fund		173,300
Restructuring mechanism assessments		32,300
Safety education and training fund		828,300
Second injury fund		272,800
Securities fees		3,639,400
Securities investor education and training fund		9,300
Security business fund		7,000 150,000
Self-insurers security fund		
Silicosis and dust disease fund		111,300 97,600
Survey and remonumentation fund		825,300
Tax tribunal fund		54,000
Utility consumer representation fund		90,100
Worker's compensation administrative revolving fund	2	727,900
State general fund/general purpose	Ψ	,

Sec. 103. PUBLIC SERVICE COMMISSION		
Full-time equated classified positions		
Public service commission—188.0 FTE positions	\$	32,308,100
GROSS APPROPRIATION		32,308,100
Appropriated from:	Ψ	32,300,100
Federal revenues:		
DOT, gas pipeline safety		2,233,500
Special revenue funds:		,,-
Public utility assessments		29,512,800
Restructuring mechanism assessments		561,800
State general fund/general purpose	\$	0
C. 104 TIQUOD COMEDOT COMMISSION		
Sec. 104. LIQUOR CONTROL COMMISSION		
Full-time equated classified positions145.0 Liquor licensing and enforcement—116.0 FTE positions	ø	16 049 700
Management support services—29.0 FTE positions	Ф	16,243,700
GROSS APPROPRIATION	Ф -	$\frac{4,564,100}{20,807,800}$
Appropriated from:	Φ	40,007,000
Special revenue funds:		
Direct shipper enforcement revolving fund		302,300
Liquor control enforcement and license investigation revolving fund		175,000
Liquor license fee enhancement fund		76,400
Liquor license revenue		7,690,000
Liquor purchase revolving fund.		12,564,100
State general fund/general purpose	¢	12,504,100
- Source general rand general purpose minimum	Ψ	v
Sec. 105. OCCUPATIONAL REGULATION		
Full-time equated classified positions		
Adult foster care and camps licensing and regulation—92.0 FTE positions	\$	12,842,300
Bureau of community and health systems administration—80.0 FTE positions		13,126,500
Bureau of construction codes—189.0 FTE positions		24,761,600
Bureau of fire services—79.0 FTE positions		12,119,700
Bureau of professional licensing—205.0 FTE positions		40,091,000
Childcare licensing and regulation—113.0 FTE positions		16,913,200
Corporations, securities, and commercial licensing bureau—112.0 FTE positions		14,791,200
Health facilities regulation—140.9 FTE positions		21,332,100
Marihuana treatment research		20,000,000
Medical marihuana facilities licensing and tracking—95.0 FTE positions		10,856,500
Medical marihuana program—25.0 FTE positions		5,033,000
Nurse aide program—1.0 FTE position		600,000
Recreational marihuana regulation—30.0 FTE positions		5,979,000
Urban search and rescue	_	600,000
GROSS APPROPRIATION	\$	199,046,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDE, child care licensing		18,096,700
Federal revenues:		
DHS, fire training systems		528,000
DOT, hazardous materials training and planning		60,000
EPA, underground storage tanks		804,400
HHS - Medicaid, certification of health care providers and suppliers		8,497,200
HHS - Medicare, certification of health care providers and suppliers		13,854,500
Special revenue funds:		
Aboveground storage tank fees		223,000
Accountancy enforcement fund		694,800
Adult foster care facilities licenses fund		410,000
Boiler inspection fund		3,397,700
Builder enforcement fund		644,000

Corporation fees.....

9,761,700

		For Fiscal Year Ending Sept. 30, 2020
Michigan business enterprise program fund	\$	350,000
Radiological health fees		2,841,900
Safety education and training fund		10,071,800
Second injury fund		2,363,100
Securities fees		8,933,800
Self-insurers security fund		1,604,000
Silicosis and dust disease fund		698,500
Worker's compensation administrative revolving fund		1,702,900
State general fund/general purpose	\$	10,778,500
Sec. 107. MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES Full-time equated classified positions		
Michigan office of administrative hearings and rules—222.0 FTE positions	¢	39,568,100
Michigan compensation appellate commission—18.0 FTE positions	Ψ	4,660,500
GROSS APPROPRIATION	\$	44,228,600
Appropriated from:	Ψ	44,220,000
Interdepartmental grant revenues:		
IDG from LEO, unemployment hearings		4,317,700
IDG revenues, administrative hearings and rules		25,824,400
Federal revenues:		,,
DOL, occupational safety and health		154,200
Special revenue funds:		,
Construction code fund		26,100
Corporation fees		4,058,500
Health professions regulatory fund		400,100
Health systems fees		157,400
Licensing and regulation fund		866,500
Liquor purchase revolving fund		972,300
Marihuana regulatory fund		50,000
Public utility assessments		2,574,200
Safety education and training fund		62,600
Securities fees		2,432,500
Tax tribunal fund		852,300
Worker's compensation administrative revolving fund		139,300
State general fund/general purpose	\$	1,340,500
Sec. 108. COMMISSIONS		
Full-time equated classified positions		
Asian Pacific American affairs commission—1.0 FTE position	\$	137,400
Commission on Middle Eastern American affairs—1.0 FTE position	Ψ.	125,000
Hispanic/Latino commission of Michigan—1.0 FTE position		290,700
Michigan indigent defense commission—16.0 FTE positions		2,449,200
Michigan unarmed combat commission		126,200
GROSS APPROPRIATION	\$ -	3,128,500
Appropriated from:		, ,
Special revenue funds:		
Michigan unarmed combat fund		126,200
State general fund/general purpose	\$	3,002,300
Sec. 109. DEPARTMENT GRANTS		
Firefighter training grants	Φ	9 900 000
Liquor law enforcement grants	\$	2,300,000
Medical marihuana operation and oversight grants		8,400,000
Michigan indigent defense commission grants		3,000,000
Remonumentation grants		80,999,600
Subregional libraries state aid		7,300,000
If tility consumer representation		451,800
Utility consumer representation	Ф	750,000
MAYOON 111 1 1VOI WAXALION	\$	103,201,400

Survey and remonumentation fund

Tax tribunal fund

74,100

183,500

1,325,800

	For Fiscal Year Ending Sept. 30, 2020
 \$	10,000
	520,000
 \$	530,000
	520 000

Sec. 111. ONE-TIME APPROPRIATIONS

Marihuana education	*********	\$	10,000
Refugee services database	*********		520,000
GROSS APPROPRIATION		\$ -	530,000
Appropriated from:			,
Federal revenues:			
HHS, refugee assistance program fund			520,000
Special revenue funds:			,
Marihuana regulation fund			10,000
State general fund/general purpose		\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2019-2020

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 fiscal year 2019-2020 is \$425,079,700.00 and state spending from state sources to be paid to local units of government for fiscal year 2019-2020 is \$102,451,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Firefighter training grants	\$ 2,300,000
Liquor law enforcement grants	8,400,000
Medical marihuana operation and oversight grants	3,000,000
Michigan indigent defense commission grants	80,999,600
Remonumentation grants	7,300,000
Subregional libraries state aid	451,800
Total department of licensing and regulatory affairs	102,451,400

Sec. 202. The appropriations authorized 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. As used in this part and part 1:

- (a) "DED" means the United States Department of Education.
- (b) "Department" means the department of licensing and regulatory affairs.
- (c) "DHS" means the United States Department of Homeland Security.
- (d) "DIFS" means the department of insurance and financial services.
- (e) "Director" means the director of the department.
- (f) "DOE" means the United States Department of Energy.
- (g) "DOL" means the United States Department of Labor.
- (h) "DOT" means the United States Department of Transportation.
- (i) "EPA" means the United States Environmental Protection Agency.
- (j) "FOIA" means the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (k) "FTE" means full-time equated.
- (1) "HHS" means the United States Department of Health and Human Services.
- (m) "IDG" means interdepartmental grant.
- (n) "IT" means information technology.
- (o) "LEO" means the Michigan department of labor and economic opportunity.

- (p) "MDE" means the Michigan department of education.
- (q) "PMECSEMA" means pain management education and controlled substances electronic monitoring and antidiversion.
- (r) "Subcommittees" means the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

Sec. 204. The department and agencies receiving appropriations in this part and part 1 shall use the internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an internet or intranet site.

Sec. 205. Funds appropriated in this part and part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. (1) Out-of-state travel shall be limited to situations when travel is approved by a departmental employee's immediate supervisor and in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
 - (d) The travel is necessary to comply with federal requirements.
 - (e) The travel is necessary to secure specialized training for staff that is not available within this state.
 - (f) The travel is financed entirely by federal or nonstate funds.
- (2) The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 individual from the department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.
- (3) Not later than January 1, the department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following information:
- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
 - (b) The destination of each travel occurrence.
 - (c) The dates of each travel occurrence.
 - (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
 - (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 208. Funds appropriated in this part and part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

- Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.
- Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department and each agency:
 - (a) Fiscal year-to-date expenditures by category.
 - (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
 - (d) The number of active department employees by job classification.
 - (e) Job specifications and wage rates.
- Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2019 and September 30, 2020.
- Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.
- Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2020 are estimated at \$54,351,800.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$26,421,700.00. Total agency appropriations for retiree health care legacy costs are estimated at \$27,930,100.00.
- Sec. 215. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.
- Sec. 216. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.
- Sec. 217. The department shall not use any of the funds appropriated in this part or part 1 to contract with a third-party vendor to develop or produce a television or radio production.
- Sec. 220. The department, in conjunction with the department of health and human services, shall maintain an accounting structure within this state's accounting system that will allow expenditures associated with the administration of the Healthy Michigan plan to be identified.
- Sec. 221. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local

institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. Within 14 days after the receipt of federal pass-through funds, the department shall notify the house and senate chairpersons of the subcommittees, the senate and house fiscal agencies, and the state budget director of pass-through funds appropriated under this section.

- Sec. 222. (1) Grants supported with private revenues received by the department are appropriated upon receipt and are available for expenditure by the department, subject to subsection (3), for purposes specified within the grant agreement and as permitted under state and federal law.
- (2) Within 10 days after the receipt of a private grant appropriated in subsection (1), the department shall notify the house and senate chairpersons of the subcommittees, the senate and house fiscal agencies, and the state budget director of the receipt of the grant, including the fund source, purpose, and amount of the grant.
 - (3) The amount appropriated under subsection (1) shall not exceed \$1,500,000.00.
- Sec. 223. (1) The department may charge registration fees to attendees of informational, training, or special events sponsored by the department, and related to activities that are under the department's purview.
 - (2) These fees shall reflect the costs for the department to sponsor the informational, training, or special events.
- (3) Revenue generated by the registration fees is appropriated upon receipt and available for expenditure to cover the department's costs of sponsoring informational, training, or special events.
- (4) Revenue generated by registration fees in excess of the department's costs of sponsoring informational, training, or special events shall carry forward to the subsequent fiscal year and not lapse to the general fund.
 - (5) The amount appropriated under subsection (3) shall not exceed \$500,000.00.
- Sec. 224. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees. The department may establish and collect a reasonable charge to provide this service. The revenue received from this service is appropriated when received and shall be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year shall lapse to the appropriate restricted fund.
- Sec. 225. (1) The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. In addition to the funds appropriated in part 1, these funds are available for expenditure when they are received by the department of treasury. This subsection applies only for the following documents:
- (a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(6) of the business corporation act, 1972 PA 284, MCL 450.2060.
 - (b) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.
- (c) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2350; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703.
 - (d) Worker's compensation health care services rules.
 - (e) Construction code manuals.
 - (f) Copies of transcripts from administrative law hearings.
- (2) In addition to the funds appropriated in part 1, funds appropriated for the department under sections 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution.
- (3) Unexpended funds at the end of the fiscal year shall carry forward to the subsequent fiscal year and not lapse to the general fund.
- Sec. 226. (1) Not later than March 1, the department shall submit a report to the subcommittees and the senate and house fiscal agencies pertaining to licensing and regulatory programs during the previous 3 fiscal years for the following agencies:
 - (a) Public service commission.
 - (b) Liquor control commission.
 - (c) Bureau of fire services.
 - (d) Bureau of construction codes.
 - (e) Corporations, securities, and commercial licensing bureau.

- (f) Bureau of professional licensing.
- (g) Bureau of community and health systems.
- (h) Michigan occupational safety and health administration.
- (i) Marijuana regulatory agency.
- (2) The report shall be in a format that is consistent between the agencies listed in subsection (1) and shall provide, but is not limited to, the following information for the 3 previous fiscal years, as applicable, for each agency in subsection (1):
 - (a) Revenue generated by and expenditures disbursed for each regulatory product.
 - (b) Number of applications, both initial and renewal, for each regulatory product.
 - (c) Number of applications, both initial and renewal, approved for each regulatory product.
 - (d) Number of applications, both initial and renewal, denied for each regulatory product.
- (e) Average amount of time, both tolled and untolled, to approve or deny applications, both initial and renewal, for each regulatory product.
 - (f) Number of examinations proctored for initial applications for each regulatory product.
 - (g) Number of complaints received pertaining to each regulated activity.
 - (h) Number of investigations opened pertaining to each regulated activity.
 - (i) Number of investigations closed pertaining to each regulated activity.
 - (j) Average amount of time to close investigations pertaining to each regulated activity.
 - (k) Number of enforcement actions pertaining to each regulated activity.
 - (l) Number of administrative hearings pertaining to each regulated activity.
 - (m) Number of administrative hearing adjudications pertaining to each regulated activity.
 - (n) The type and amount of each fee charged to support each regulated activity.
- (3) As used in subsection (2), "regulatory product" means licensure, certification, registration, inspection, review, permitting, approval, or any other regulatory service provided by the agencies specified in subsection (1) for each regulated activity. As used in this subsection and subsection (2), "regulated activity" means the particular activities, entities, facilities, and industries regulated by the agencies specified in subsection (1).

Sec. 227. It is the intent of the legislature that the department establish an employee performance monitoring process that is consistent throughout the department in addition to current civil service commission evaluations. By April 1, the department shall submit a report to the state budget office, the subcommittees, and the senate and house fiscal agencies on changes to the employee performance monitoring process that are planned or implemented, as well as the number of employee evaluations performed.

PUBLIC SERVICE COMMISSION

Sec. 301. The public service commission administers the low-income energy assistance grant program on behalf of the Michigan department of health and human services via an interagency agreement. Funds supporting the grant program are appropriated in the department upon awarding of grants and may be expended for grant payments and administrative related expenses incurred in the operation of the program.

LIQUOR CONTROL COMMISSION

Sec. 401. (1) From the appropriations in part 1 from the direct shipper enforcement fund, the liquor control commission shall expend these funds as required under section 203(11) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1203, to investigate and audit unlawful direct shipments of wine by unlicensed wineries and retailers, with priority directed toward unlicensed out-of-state retailers and third-party marketers. The commission shall use shipping records available to it under section 203(21) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1203, to assist with this effort. The liquor control commission must refer all unlicensed out-of-state retailers and third-party marketers identified with the shipping records to the attorney general.

- (2) By February 1, the liquor control commission shall provide a report to the legislature, the subcommittees, and the state budget director detailing the commission's activities to investigate and audit the illegal shipping of wine and the results of these activities. The report shall include the following:
- (a) Work hours spent, specific actions undertaken, and the number of FTEs dedicated to identify and stop unlicensed out-of-state retailers, third-party marketers, and wineries that ship illegally in Michigan.
- (b) General overview of expenditures associated with efforts to identify and stop unlicensed out-of-state retailers, third-party marketers, and wineries that ship illegally in Michigan.
- (c) Number of out-of-state entities found to have illegally shipped wine into Michigan and total number of bottles (750 ml), number of cases with 750 ml bottles, number of liters, or number of gallons of illegally shipped wine. These items must be broken down by total number of retailers and total number of wineries.
 - (d) Suggested areas of focus on how to address direct shipper enforcement and illegal importation in the future.
- (e) Number of unlicensed out-of-state entities found to have illegally shipped wine into Michigan identified with the shipping records under subsection (1).
 - (f) Number of notices sent under subsection (3).
- (3) From the appropriations in part 1 from the direct shipper enforcement fund, the liquor control commission shall send a notice to each unlicensed out-of-state entity found to have illegally shipped wine into Michigan that has been identified via the shipping records under subsection (1). The notice must include all of the following:
- (a) Notification that shipping wine into Michigan by retailers and third-party marketers is illegal, and wineries shipping into Michigan must obtain a direct shipper license.
- (b) Under section 909 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1909, making unlawful shipments of wine into Michigan may be a felony punishable by imprisonment for not more than 4 years or a fine of not more than \$5,000.00, or both.
 - (c) Notice that the matter has been referred to the attorney general.

OCCUPATIONAL REGULATION

Sec. 501. Money appropriated under this part and part 1 for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

Operation and maintenance inspection fee

Facility type	Facility size	$\underline{ ext{Fee}}$		
Hospitals	Any	\$8.00 per bed		

Plan review and construction inspection fees for hospitals and schools

Project cost range	$\overline{\mathrm{Fee}}$
\$101,000.00 or less	minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00
\$10,000,001.00 or more	\$1.10 per \$1,000.00
	or a maximum fee of \$60,000.00.

Sec. 502. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in the Michigan Administrative Code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year.

Sec. 503. Not later than February 15, the department shall submit a report to the subcommittees, the senate and house fiscal agencies, and the state budget director providing the following information:

(a) The number of veterans who were separated from service in the Armed Forces of the United States with an honorable character of service or under honorable conditions (general) character of service, individually or if a majority interest of a corporation or limited liability company, that were exempted from paying licensure, registration, filing, or any other fees collected under each licensure or regulatory program administered by the bureau of construction codes, the bureau of professional licensing, and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.

- (b) The specific fees and total amount of revenue exempted under each licensure or regulatory program administered by the bureau of construction codes, the bureau of professional licensing, and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.
- (c) The actual costs of providing licensing and other regulatory services to veterans exempted from paying licensure, registration, filing, or any other fees during the preceding fiscal year and a description of how these costs were calculated.
- (d) The estimated amount of revenue that will be exempted under each licensure or regulatory program administered by the bureau of construction codes, the bureau of professional licensing, and the corporations, securities, and commercial licensing bureau in both the current and subsequent fiscal years and a description of how the exempted revenue was estimated.
- Sec. 504. Funds remaining in the homeowner construction lien recovery fund are appropriated to the department for payment of court-ordered homeowner construction lien recovery fund judgments entered prior to August 23, 2010. Pursuant to available funds, the payment of final judgments shall be made in the order in which the final judgments were entered and began accruing interest.

Sec. 505. The department shall submit a report by January 31 to the standing committees on appropriations of the senate and house of representatives, the senate and house fiscal agencies, and the state budget director that includes all of the following information for the prior fiscal year regarding the medical marihuana program under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430:

- (a) The number of initial applications received.
- (b) The number of initial applications approved and the number of initial applications denied.
- (c) The average amount of time, from receipt to approval or denial, to process an initial application.
- (d) The number of renewal applications received.
- (e) The number of renewal applications approved and the number of renewal applications denied.
- (f) The average amount of time, from receipt to approval or denial, to process a renewal application.
- (g) The percentage of initial applications not approved or denied within the time requirements established in section 6 of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26426.
- (h) The percentage of renewal applications not approved or denied within the time requirements established in section 6 of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26426.
- (i) The percentage of registry identification cards for approved initial applications not issued within the time requirements established in section 6 of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26426.
- (j) The percentage of registry identification cards for approved renewal applications not issued within the time requirements established in section 6 of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26426.
- (k) The number of registry identification cards issued to or renewed for patients residing in each county as of September 30 of the preceding fiscal year under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.
- (l) The amount collected from the medical marihuana program application and renewal fees authorized in section 5 of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26425.
- (m) The costs of administering the medical marihuana program under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

Sec. 506. If the revenue collected by the department for health systems administration or radiological health administration and projects from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 507. Not later than February 1, the department shall submit a report to the subcommittees, the senate and house fiscal agencies, and state budget director providing the following information:

- (a) The total amount of reimbursements made to local units of government for delegated inspections of fireworks retail locations pursuant to section 11 of the Michigan fireworks safety act, 2011 PA 256, MCL 28.461, from the funds appropriated in part 1 for the bureau of fire services during the preceding fiscal year.
- (b) The amount of reimbursement for delegated inspections of fireworks retail locations for each local unit of government that received reimbursement from the funds appropriated in part 1 for the bureau of fire services during the preceding fiscal year.

- Sec. 508. (1) Beginning October 1, for the purpose of defraying the costs associated with responding to false final inspection appointments and to discourage the practice of calling for final inspections when the project is incomplete or noncompliant with a plan of correction previously provided by the bureau of fire services, the bureau of fire services may assess a fee not to exceed \$200.00 for responding to a second or subsequent confirmed false inspection appointment. Fees collected under this section shall be deposited into the restricted account referenced by section 2c(2) of the fire prevention code, 1941 PA 207, MCL 29.2c, and explicitly identified within the statewide integrated governmental management applications system.
- (2) Not later than September 30, the department shall prepare a report that provides the amount of the fee assessed under subsection (1), the number of fees assessed and issued per region, the cost allocation for the work performed and reduced as a result of this section, and any recommendations for consideration by the legislature. The department shall submit this information to the state budget director, the subcommittees, and the senate and house fiscal agencies.
- Sec. 510. The department shall submit a report on the Michigan automated prescription system to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director by November 30. The report shall include, but is not limited to, the following:
 - (a) Total number of licensed health professionals registered to the Michigan automated prescription system.
 - (b) Total number of dispensers registered to the Michigan automated prescription system.
 - (c) Total number of prescribers using the Michigan automated prescription system.
 - (d) Total number of dispensers using the Michigan automated prescription system.
- (e) Number of cases related to overprescribing, overdispensing, and drug diversion where the department took administrative action as a result of information and data generated from the Michigan automated prescription system.
- (f) The number of hospitals, doctor's offices, pharmacies, and other health facilities that have integrated the Michigan automated prescription system into their electronic health records systems.
 - (g) Total number of delegate users registered to the Michigan automated prescription system.
- Sec. 511. From the amount appropriated in part 1 for the bureau of community and health systems, upon receipt of the order of suspension of a licensed adult foster care home, home for the aged, or nursing home, the department shall serve the facility and provide contemporaneous notice to the offices of legislators representing a district where the licensed facility is situated.
- Sec. 512. The department shall submit a report regarding the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, to the standing committees on appropriations of the senate and house, the senate and house fiscal agencies, and the state budget director by March 1. The report shall include, but is not limited to, the following for each act:
 - (a) The number of initial license applications received for each license category.
 - (b) The number of initial applications approved and the number of initial license applications denied.
 - (c) The number of license renewals for each license category.
 - (d) The average amount of time, from receipt to approval or denial, to process an initial application.
 - (e) The total number of license applications approved by license category and by county.
 - (f) The total amount collected from application fees.
 - (g) The total amount collected from any established regulatory assessment.
 - (h) The costs of administering the licensing program under that act.
- Sec. 513. (1) From the funds appropriated in part 1, the department must prepare and submit a report to the subcommittees and the senate and house fiscal agencies providing the addresses of all facilities licensed under the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.
- (2) Upon the written request of the governing body of a city, village, or township containing 3 or more licensed facilities, the department must coordinate with the local entity to interface with local elected officials, law enforcement, the prosecutor's office, service agencies, and any school systems to prepare a community impact statement. This impact statement must contain information on whether there have been increases or decreases in total crimes, reported drug addictions, homelessness rates, domestic violence incidents, abuse and neglect cases, truancy rates, and the community's unemployment rate within the previous year. This impact statement must determine if there is any association with the above metrics and the proximity of medical or recreational marihuana facilities. If a negative impact is determined to exist, the department shall work with the city, village, or township to create a neighbor responsibility plan to alleviate any negative impact. The department shall submit all completed impact statements and neighbor responsibility plans to the subcommittees, the senate and house fiscal agencies, and the respective local units.

- Sec. 514. From the appropriations in part 1, the bureau of community and health systems; bureau of construction codes; bureau of fire services; bureau of professional licensing; corporations, securities, and commercial licensing bureau; and marijuana regulatory agency must submit reports to the subcommittees, senate and house fiscal agencies, and state budget director by December 31. The reports must include all of the following information for the prior fiscal year for each agency or bureau:
- (a) The number of complaints received, with the number of complaints specified for each profession or license type that the agency or bureau regulates.
 - (b) A description of the process used to resolve complaints.
- (c) A description of the types of complaints received with total counts of the number of complaints of that type received.
 - (d) The number of investigations initiated and the number of investigations closed.
- (e) The number and type of enforcement actions taken against licensees and metrics regarding any adverse actions taken against licensees including license revocations, suspensions, and fines.
- Sec. 515. From the funds appropriated in part 1 for health facilities regulation for the purpose of administering licensure activities associated with substance use disorder programs, the residential detoxification programs licensed shall meet the Michigan Medicaid Provider Manual guidelines regarding sub-acute detoxification residential settings and the American Society of Addiction Medicine (ASAM) criteria for residential-based services. Treatment requirements must be based on the least restrictive settings and must not exceed national standards for levels of care.

EMPLOYMENT SERVICES

Sec. 701. (1) The appropriation in part 1 for the bureau of services for blind persons includes funds for case services. These funds may be used for tuition payments for blind clients.

(2) Revenue collected by the bureau of services for blind persons and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 702. The bureau of services for blind persons shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal vocational rehabilitation funds.

Sec. 703. The bureau of services for blind persons may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

Sec. 704. Funds received in excess of the appropriation in part 1 for first responder presumed coverage claims from the first responder presumed coverage fund are appropriated in an amount sufficient to pay approved claims due in the current fiscal year pursuant to section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

COMMISSIONS

Sec. 801. If Byrne formula grant funding is awarded to the Michigan indigent defense commission, the Michigan indigent defense commission may receive and expend Byrne formula grant funds in an amount not to exceed \$250,000.00 as an interdepartmental grant from the department of state police. The Michigan indigent defense commission, created under section 5 of the Michigan indigent defense commission act, 2013 PA 93, MCL 780.985, may receive and expend federal grant funding from the United States Department of Justice in an amount not to exceed \$300,000.00 as other federal grants.

Sec. 802. From the funds appropriated in part 1, the Michigan indigent defense commission shall submit a report by September 30 to the senate and house appropriations subcommittees on licensing and regulatory affairs, the senate and house fiscal agencies, and the state budget director on the incremental costs associated with the standard development process, the compliance plan process, and the collection of data from all indigent defense systems and attorneys providing indigent defense. Particular emphasis shall be placed on those costs that may be avoided after standards are developed and compliance plans are in place.

Sec. 803. The Michigan office for new Americans is to coordinate with the Asian Pacific American affairs commission, the Commission on Middle Eastern American affairs, and the Hispanic/Latino commission of Michigan to produce a report by January 31 that is to be transmitted to the senate and house subcommittee chairpersons, the senate and house fiscal agencies, and the state budget director. The report shall include, but is not limited to, the following:

- (a) Total number of people with whom each commission directly interacts through programming.
- (b) Total number of public events and number of attendees at each event that each commission conducted.
- (c) Description of the activities that the commissions initiated to promote cooperation between the commissions.
- (d) Total number of meetings that each commission held with foreign diplomats.
- (e) Programmatic costs of each commission.
- (f) The number of people that each commission has assisted with specific hurdles that each commission has identified.

Sec. 804. An expenditure of funds appropriated in part 1 by the Asian Pacific American affairs commission, the Commission on Middle Eastern American affairs, or the Hispanic/Latino commission of Michigan for a commission event must directly relate to the mission statement of that commission.

Sec. 805. The Michigan office for new Americans must produce a report by January 31 and transmit the report to the subcommittees, the senate and house fiscal agencies, and the state budget director. The report may include other information, but it must include all of the following:

- (a) The number of education and workforce training programs that the office held during the previous 3 fiscal years and the number of individuals that attended the programs.
 - (b) The number of people that the office has helped navigate the immigration system.
- (c) A description of the activities that the office has conducted to attract and retain international, advanced degree, and entrepreneurial talent.

DEPARTMENT GRANTS

- Sec. 901. (1) The department shall expend the funds appropriated in part 1 for medical marihuana operation and oversight grants for grants to counties for education and outreach programs relating to the Michigan medical marihuana program pursuant to section 6(l) of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26426. These grants shall be distributed proportionately based on the number of registry identification cards issued to or renewed for the residents of each county that applied for a grant under subsection (2). For the purposes of this subsection, operation and oversight grants are for education, communication, and outreach regarding the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430. Grants provided under this section must not be used for law enforcement purposes.
- (2) Not later than December 1, the department shall post a listing of potential grant money available to each county on its website. In addition, the department shall work collaboratively with counties regarding the availability of these grant funds. A county requesting a grant shall apply on a form developed by the department and available on its website. The form shall contain the county's specific projected plan for use of the money and its agreement to maintain all records and to submit documentation to the department to support the use of the grant money.
- (3) In order to be eligible to receive a grant under subsection (1), a county shall apply not later than January 1 and agree to report how the grant was expended and to provide that report to the department not later than September 15. The department shall submit a report not later than October 15 of the subsequent fiscal year to the state budget director, the subcommittees, and the senate and house fiscal agencies detailing the grant amounts by recipient and the reported uses of the grants in the preceding fiscal year.
- Sec. 902. (1) The amount appropriated in part 1 for firefighter training grants shall only be expended for payments to counties to reimburse organized fire departments for firefighter training and other activities required under the firefighters training council act, 1966 PA 291, MCL 29.361 to 29.377.
- (2) If the amount appropriated in part 1 for firefighter training grants is expended by the firefighters training council, established in section 3 of the firefighters training council act, 1966 PA 291, MCL 29.363, for payments to counties under section 14 of the firefighters training council act, 1966 PA 291, MCL 29.374, it is the intent of the legislature that:
- (a) The amount appropriated in part 1 for firefighter training grants shall be allocated pursuant to section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374.
- (b) If the amount allocated to any county under subdivision (a) is less than \$5,000.00, the amounts disbursed to each county under subdivision (a) shall be adjusted to provide for a minimum payment of \$5,000.00 to each county.

- (3) Not later than February 1, the department shall submit a financial report to the subcommittees, the senate and house fiscal agencies, and the state budget director identifying the following information for the preceding fiscal year:
- (a) The amount of the payments that would be made to each county if the distribution formula described by the first sentence of section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374, would have been utilized to allocate the total amount appropriated in part 1 for firefighter training grants.
 - (b) The amount of the payments approved by the firefighters training council for allocation to each county.
 - (c) The amount of the payments actually expended or encumbered within each county.
- (d) A description of any other payments or expenditures made under the authority of the firefighters training council.
- (e) The amount of payments approved for allocations to counties that was not expended or encumbered and lapsed back to the fireworks safety fund.

Sec. 903. (1) The funds appropriated in part 1 for a regional or subregional library shall not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

(2) In order to receive subregional state aid as appropriated in part 1, a regional or subregional library's fiscal agency shall agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the regional or subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

Sec. 904. An indigent criminal defense system's duty of compliance with 1 or more standards within a plan approved by the Michigan indigent defense commission is contingent upon receipt of a grant in an amount sufficient to cover that particular standard or standards, as provided in the Michigan indigent defense commission act, 2013 PA 93, MCL 780.981 to 780.1003.

ONE-TIME APPROPRIATIONS

Sec. 1001. The marijuana regulatory agency must utilize the funds appropriated in part 1 for marihuana education to produce and disseminate educational videos and pamphlets geared toward children and young adults that highlight the potential risks and consequences associated with the use of marihuana.

This act is ordered to take immediate effect.

Clerk of the House of Representatives

Secretary of the Senate

Approved 3:39 pm 9 29/19

FILED WITH SECRETARY OF STATE

ON 9/30/19 AT 7:26PM-

Governor

Recycled Paper