

FY 2022-23: LICENSING AND REGULATORY AFFAIRS
Summary: Conference Report
Article 9, House Bill 5783 (H-2) CR-1



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IDG/IDT	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: Conference From FY 2021-22 YTD	
						Amount	%
Federal	\$45,079,800	\$47,026,900	\$47,026,900	\$47,026,900	\$47,026,900	\$1,947,100	4.3
Local	29,030,900	29,659,200	29,659,200	29,659,200	29,659,200	628,300	2.2
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	258,929,800	248,065,900	246,058,500	250,045,900	249,325,900	(9,603,900)	(3.7)
Gross	184,195,900	188,593,500	214,693,500	182,013,500	213,822,400	29,626,500	16.1
FTEs	\$517,236,400	\$513,345,500	\$537,438,100	\$508,745,500	\$539,834,400	\$22,598,000	4.4
	1,857.9	1,874.9	1,857.9	1,556.5	1,879.9	22.0	1.2

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Licensing and Regulatory Affairs (LARA) is the state's primary regulatory entity. The department oversees regulation across a variety of sectors, including commercial and occupational activities, construction and fire safety, health care and human services, public utilities, liquor control, and marijuana. Units within LARA also conduct and adjudicate administrative hearings, oversee rules promulgation, provide support for the Michigan Indigent Defense Commission and the Unarmed Combat Commission, and administer multiple grant programs, including Michigan Indigent Defense Commission grants.

Major Budget Changes from FY 2021-22 YTD Appropriations

1. Low Carbon Energy Infrastructure Enhancement and Development

House includes \$25.0 million GF/GP (one-time) for grants to businesses, nonprofit organizations, and local government units for planning, developing, designing, acquiring, or constructing low carbon energy facilities, which could include natural gas facilities, combined heat and power facilities, and electrification programs. Senate does not include. Conference concurs with the House but includes the funding as ongoing, rather than one-time.

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change
Gross	NA	\$25,000,000
GF/GP	NA	\$25,000,000

2. Marijuana Treatment Research

Executive removes \$20.0 million of state restricted Marijuana Regulation Fund (adult-use) authorization that supported clinical trials researching the efficacy of marijuana for treating medical conditions afflicting veterans and for preventing veteran suicide. The Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, required expenditures for this purpose until 2022 or for at least two years. This requirement has been fulfilled. House concurs. Senate concurs. Conference concurs.

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change
Gross	\$20,000,000	(\$20,000,000)
Restricted	20,000,000	(20,000,000)
GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 YTD Appropriations	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change	
3. Michigan Saves Green Bank	Gross	\$1,500,000	\$1,000,000
<u>Executive</u> includes an additional \$3.5 million GF/GP (one-time) for Michigan Saves, a non-profit green bank. Funding would be used to offer credit enhancement tools intended to incentivize lending at lower rates and under better terms for renewable energy and energy efficiency improvement loans to commercial, residential, and public entities. Such credit enhancement tools would include a loan loss reserve fund. <u>House</u> includes an additional \$2.0 million GF/GP for Michigan Saves. <u>Senate</u> reduces the current appropriation by \$500,000 GF/GP. <u>Conference</u> includes an additional \$1.0 million GF/GP for Michigan Saves.	GF/GP	\$1,500,000	\$1,000,000
4. Corporations Online Filing System Modernization	Gross	NA	\$2,343,600
<u>Executive</u> includes \$2.3 million of state restricted funding authorization from Corporation Fees (one-time) to modernize the Corporations Online Filing System. The modernization project would improve system reliability and security, increase online functionality, and simplify the public portal. The system is used to process and store approximately 2.7 million records, of which 1.0 million are for active entities and 1.6 million are for inactive entities. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	NA	2,343,600
	GF/GP	NA	\$0
5. Urban Search and Rescue	Gross	NA	\$1,000,000
<u>Executive</u> includes an additional \$1.0 million GF/GP (one-time) for Urban Search and Rescue, which provides grant funding to the Michigan Mutual Aid Alarm System for costs associated with supervisory and essential functions at incidents where technical rescue expertise and equipment are required for effective rescue operations. <u>House</u> includes \$2.0 million GF/GP for this purpose. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the Executive.	GF/GP	NA	\$1,000,000
6. Nursing Home State Surveyors – Education and Consultation	FTE	NA	10.0
<u>Executive</u> includes \$1.6 million GF/GP and authorization to hire an additional 10.0 state surveyors to increase the department's ability to provide education and consultative services to approximately 450 nursing homes across the state. State surveyors have greater flexibility in interactions that they have with licensed facilities compared to federal surveyors, thus additional state surveyors could take a holistic focus on care and services, allowing the state to fill an advisory role. <u>House</u> concurs on the funding but does not include the increased FTE authorization. <u>Senate</u> concurs on the funding but does not include the increased FTE authorization. <u>Conference</u> concurs with the Executive.	Gross	NA	\$1,580,000
	GF/GP	NA	\$1,580,000
7. Bureau of Fire Services	FTE	79.0	0.0
<u>House</u> includes an additional \$1.1 million GF/GP to support the activities of the Bureau of Fire Services. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	Gross	\$12,455,000	\$1,100,000
	Federal	1,397,300	0
	Restricted	7,080,500	0
	GF/GP	\$3,977,200	\$1,100,000
8. Bureau of Fire Services – Smoke Detectors	Gross	NA	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP (one-time) for the Bureau of Fire Services to purchase and distribute smoke detectors to residents of this state. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	GF/GP	NA	\$1,000,000

Major Budget Changes from FY 2021-22 YTD Appropriations		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change
9. Michigan Task Force on Foreign Trained Medical Professional Licensing		Gross	NA
Executive includes \$1.0 million of state restricted Health Professions Regulatory Fund authorization (one-time) to cover costs associated with the Michigan Task Force on Foreign Trained Medical Professional Licensing and to implement the task force's recommendations. The task force will include a variety of stakeholders focused on proposals to reduce licensure barriers for medical professionals who were trained outside of the United States. <u>House</u> does not include. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the Executive.		Restricted	NA
		GF/GP	NA
			\$1,000,000
			1,000,000
			\$0
10. Cannabis Regulatory Agency Staffing Increase		FTE	34.0
Executive includes \$813,700 in state restricted Marihuana Regulation Fund (adult-use) authorization and authorization to hire 5.0 additional Cannabis Regulatory Agency staff. FTE positions would include 3 Regulation Agents, 1 Financial Analyst, and 1 Departmental Analyst. Additional staff would conduct investigations, monitor financial compliance, and review applications in the expanding adult-use sector. <u>House</u> does not include. <u>Senate</u> concurs on the funding but does not include the increased FTE authorization. <u>Conference</u> concurs with the Executive but also includes an additional \$760,000 in state restricted funding authorization and authorization for 5.0 FTE positions to conduct inspections of licensed marihuana processors.		Gross	\$6,482,300
		Restricted	6,482,300
		GF/GP	\$0
			\$1,573,700
			1,573,700
			\$0
11. Liquor Control Commission Staffing Increase		FTE	116.0
Executive includes \$600,000 of state restricted funding authorization (\$282,000 from Liquor License Revenue and \$318,000 from the Liquor Purchase Revolving Fund) to be used for hiring additional Liquor Control Commission (LCC) staff. Four departmental analysts would be hired and would function as licensing staff, reviewing and processing application and renewal materials and preparing commission dockets. Additional staff would assist LCC in processing increased filing volumes, facilitating LCC compliance with statutory requirements for timely processing established in the Liquor Control Code. <u>House</u> does not include. <u>Senate</u> does not include. <u>Conference</u> concurs with the Executive.		Gross	\$16,492,000
		Restricted	16,492,000
		GF/GP	\$0
			\$600,000
			600,000
			\$0
12. Cannabis Market Taxation and Regulatory Compliance Analysis Pilot Program		Gross	NA
Conference includes \$500,000 of state restricted funding authorization from the Marihuana Regulation Fund (one-time) to conduct a pilot program to analyze tax reporting, collection, and regulatory compliance within the Michigan cannabis market.		Restricted	NA
		GF/GP	NA
			\$500,000
			500,000
			\$0
13. Bureau of Construction Codes Carnival-Amusement and Ski Are Safety Inspections		Gross	\$500,000
Conference includes \$400,000 GF/GP to increase the number of inspections and other enforcement activities that the Bureau of Construction Codes conducts with respect to the Carnival-Amusement Safety Act, 1966 PA 225, and the Ski Area Safety Act, 1962 PA 199.		GF/GP	\$500,000
			\$400,000
			\$400,000

Major Budget Changes from FY 2021-22 YTD Appropriations		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change
14. Public Service Commission Community Education and Outreach	FTE	188.0	2.0
<u>Executive</u> includes \$282,600 of state restricted funding authorization from Public Utility Assessments and authorization for 2.0 FTE positions to hire an Outreach and Education Specialist and an Outreach and Education Analyst within the Public Service Commission (PSC). The positions would expand the PSC's interactions with community organizations and customers, raising public awareness about the PSC and opportunities to participate in PSC processes and proceedings, educating consumers about energy programs and utility assistance, and supporting other PSC community activities (town halls, public hearings, etc.). <u>House</u> does not include. <u>Senate</u> concurs on the funding but does not include the increased FTE authorization. <u>Conference</u> concurs with the Executive.	Gross	\$33,215,100	\$282,600
	Federal	2,625,800	0
	Restricted	30,589,300	282,600
	GF/GP	\$0	\$0
15. Bureau of Professional Licensing Activity Reduction	FTE	205.0	0.0
<u>House</u> includes a \$250,000 state restricted funding authorization reduction from the Licensing and Regulation fund to reflect a decrease in licensing and regulatory activities for the professions of barbering and cosmetology in the Bureau of Professional Licensing line. <u>Senate</u> does not include. <u>Conference</u> does not include.	Gross	\$40,564,600	\$0
	Restricted	39,835,700	0
	GF/GP	\$728,900	\$0
16. Bureau of Fire Services – Public Assemblies	Gross	NA	\$228,900
<u>House</u> includes \$228,900 GF/GP for the Bureau of Fire Services to conduct additional inspections at places of public assembly. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	GF/GP	NA	\$228,900
17. Customer Service and Business Ethics Training	Gross	NA	\$0
<u>House</u> includes \$210,000 in state restricted funding authorization from Corporation Fees for the department to conduct customer service and business ethics for every classified and unclassified employee within the department. <u>Senate</u> does not include. <u>Conference</u> does not include.	Restricted	NA	0
	GF/GP	NA	\$0
18. Utility Consumer Representation Increase	Gross	\$750,000	\$100,000
<u>Executive</u> includes an additional \$100,000 of state restricted funding authorization from the Utility Consumer Representation Fund for the Utility Consumer Representation line item, which supports grants administered by the Utility Consumer Participation Board (UCPB) and awarded on an application basis to interest groups for residential consumer advocacy in utility rate cases and other proceedings. In FY 2020-21, the UCPB funded 23 intervenor cases. Additional funding would allow support to be offered for more cases. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	750,000	100,000
	GF/GP	\$0	\$0
19. Cannabis Regulatory Agency Alignment	FTE	NA	0.0
<u>Executive</u> includes net to zero adjustments of state restricted funding and FTE position authorization for line items that support Cannabis Regulatory Agency activities. Adjustments are made to reflect changing market trends in the adult-use and medical marijuana sectors. Specific line item changes include:	Gross	NA	\$0
<ul style="list-style-type: none"> Medical Marijuana Facilities Licensing and Tracking – reduce state restricted Marijuana Regulatory Fund authorization by \$5.3 million and reduce authorization for FTE positions authorization by 49.0. Medical Marijuana Program – reduce state restricted Marijuana Registry Fund authorization by \$200,000. Recreational Marijuana Regulation – increase state restricted Marijuana Regulation Fund authorization by \$5.5 million and increase FTE position authorization by 49.0. 	Restricted	NA	0
<u>House</u> concurs. <u>Senate</u> concurs with the fund shifts but does not include the Executive's proposal for FTE adjustments. <u>Conference</u> concurs.	GF/GP	NA	\$0

<u>Major Budget Changes from FY 2021-22 YTD Appropriations</u>		<u>FY 2021-22 Year-to-Date (as of 2/9/22)</u>	<u>FY 2022-23 Conference Change</u>
20. <i>Marihuana Operation and Oversight Grants</i>			
<u>Executive</u> includes a net to zero fund shift of \$3.0 million in state restricted funding authorization from the Marihuana Registry Fund (patient registry cards) to the Marihuana Regulation Fund (adult-use). This shift is necessary due to declining revenues to the Marihuana Registry Fund. The grant funding currently supports grants awarded to counties, on an application basis, for education and outreach under the Michigan Medical Marihuana Act of 2008. Changes included in boilerplate and a technical change to the line item name would allow grants to be used for education and outreach regarding the Michigan Regulation and Taxation of Marihuana Act of 2018, in addition to the Michigan Medical Marihuana Act of 2008. <u>House</u> concurs in part, but retains \$100 in state restricted funding authorization from the Marihuana Registry Fund. <u>Senate</u> does not include the fund shift. <u>Conference</u> concurs with the House.	Gross Restricted GF/GP	\$3,000,000 3,000,000 \$0	\$0 0 \$0
21. <i>FTE Authorization Reductions</i>			
<u>Senate</u> includes reductions to FTE authorizations for numerous line items, resulting in a total reduction of 11.0 unclassified FTE positions and 290.4 classified FTE positions. <u>Conference</u> does not include.	FTE Gross GF/GP	NA NA NA	0.0 \$0 \$0
22. <i>Removal of FY 2021-22 One-Time Appropriations</i>			
<u>Executive</u> removes \$2.4 million in one-time GF/GP funding that was included in the FY 2021-22 budget to support nursing facility infection control surveys, a renewable natural gas study, and Urban Search and Rescue equipment upgrades. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross GF/GP	\$2,350,000 \$2,350,000	(\$2,350,000) (\$2,350,000)

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change
Major Budget Changes from FY 2021-22 YTD Appropriations		
23. Technical Adjustments		
<u>Executive</u> includes numerous net to zero state restricted funding authorization adjustments to align funding with revenue estimates and program expenditures. Also includes the following adjustments:	FTE	NA
	Gross	NA
	IDG/IDT	NA
	Federal	NA
	Restricted	NA
	GF/GP	NA
		0.0
		\$1,068,400
		1,078,600
		0
		(10,200)
		\$0

- Increases IDG authorization by \$1.1 million for the Michigan Office of Administrative Hearings and Rules line item to reflect anticipated revenues from other departments for administrative hearings.
- Reduces state restricted Marihuana Regulatory Fund (medical) authorization by \$10,200 for the Health Facilities Regulation line item.
- Internally transfers \$93,400 of state restricted Division on Deafness Fund authorization from the Bureau of Professional Licensing line item to the Health Facilities Regulation line item to reflect transfer of the Deaf Interpreter Program.
- Internally shifts \$50,000 of federal funding authorization from the Bureau of Fire Services line item to the Health Facilities Regulation line item to align funding authorization with program expenditures where they are incurred.

House concurs with the Executive, but also replaces the entire \$728,900 GF/GP appropriation in the Bureau of Professional Licensing line with an identical amount of state restricted funding authorization from Corporation Fees.

Senate concurs with the Executive, but also includes the following adjustments:

- Internally transfers \$138,500 GF/GP from the Michigan Indigent Defense Commission line (funding for the Commission) to the Michigan Indigent Defense Commission Grants line (funding for MIDC grants).
- Replaces \$2.6 million GF/GP with state restricted funding authorization in 5 line items.

Conference concurs with the Executive and also includes an internal shift of 10.0 FTE positions from the Michigan Office of Administrative Hearings and Rules line to the Child Care Licensing and Regulation line.

24. Economic Adjustments	Gross	NA	\$6,170,800
<u>Executive</u> reflects increased costs of \$6.2 million Gross (\$667,600 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG/IDT	NA	868,500
	Federal	NA	628,300
	Restricted	NA	4,006,400
	GF/GP	NA	\$667,600

Major Boilerplate Changes from FY 2021-22

Sec. 206. Communication with the Legislature – RETAINED

Prohibits LARA from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 208. Hiring of External Legal Counsel – RETAINED

Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or services authorized by the attorney general. Executive retains. House retains. Senate revises to allow hiring of external legal counsel and to allow requests to the Office of the Attorney General for reimbursement. Conference retains.

Major Boilerplate Changes from FY 2021-22

Sec. 210. Contingency Authorization – RETAINED

Appropriates up to \$1.0 million in federal, \$1.5 million in state restricted, \$200,000 in local, and \$100,000 in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to appropriate \$10.0 million in federal, \$25.0 million in state restricted, \$1.0 million in local, and \$500,000 in private contingency authorization. House retains. Senate deletes. Conference retains.

Sec. 216. FTE Vacancies and Remote Work Reports – RETAINED

Requires LARA to submit quarterly reports containing FTE volumes and a comparison of actual and authorized FTE position counts; requires an annual report on the number of employees engaged in remote work in 2021, number of employees authorized to work remotely and the actual number working remotely, and estimated net cost savings and reduced use of office space achieved by remote work. Executive deletes. House retains with updated year reference. Senate retains with updated year reference. Conference retains with update year reference.

Sec. 217. Work Project Usage – RETAINED

Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 218. State Administrative Board Transfers – RETAINED

Stipulates that the legislature may intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 219. Retention of Reports – RETAINED

Requires LARA to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 220. Report on Policy Changes for Public Act Implementation – RETAINED

Requires LARA to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 221. Severance Pay Reporting – RETAINED

Requires LARA to report any severance pay for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires LARA to maintain an internet site posting any severance pay in excess of 6 weeks of wages; requires report on total amount of severance pay remitted and number of LARA employees receiving severance pay in FY 2020-21. Executive deletes. House retains with updated fiscal year references. Senate retains with updated fiscal year references. Conference retains with updated fiscal year references.

Sec. 222. COVID-19 Vaccine Stipulations – RETAINED

Prohibits requiring proof of having received a COVID-19 vaccine as a condition of accessing any facility or services, except as required by federal law; prohibits producing, developing, issuing, or requiring a COVID-19 vaccine passport; prohibits developing a database or making an existing database publicly available to access an individual's COVID-19 vaccine status; prohibits requiring proof of having received a COVID-19 vaccine as a condition of employment, with exceptions for hospitals and medical facilities; prohibits adverse employment consequences due to an individual's COVID-19 vaccination status; requires that exemptions be created for individuals who medically cannot receive the vaccine or who have religious or consistently held objections to vaccination if a federal mandate requires establishment of a COVID-19 vaccine policy. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 223. Remote Work – NEW

Prohibits LARA from permitting employees who were not working remotely prior to the COVID-19 pandemic to work remotely in FY 2022-23. Executive does not include. House includes new language. Senate does not include. Conference revises House language to express legislative intent that LARA maximize efficiency of the state workforce, and where possible, prioritize in-person work; requires LARA to post its in-person, remote, or hybrid work policy on its website.

Sec. 225. Private Grant Funded Projects – RETAINED

Authorizes appropriation of private grant revenues, subject to a limit of \$1.5 million; requires report to the legislature within 10 days of receiving grants from private entities. Executive retains. House retains. Senate deletes. Conference retains.

Sec. 226. Informational, Training, and Special Events Revenues and Expenditures – RETAINED

Authorizes LARA to charge registration fees for events sponsored by LARA; requires fees to reflect the costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to \$500,000. Executive retains. House retains. Senate deletes. Conference retains.

Major Boilerplate Changes from FY 2021-22

Sec. 227. Fees for Customized Listings – RETAINED

Authorizes LARA to provide customized lists of non-confidential information to interested parties and to charge reasonable fees; requires funds to lapse to appropriate restricted fund accounts. Executive retains. House retains. Senate deletes. Conference retains.

Sec. 228. Sale of Documents – RETAINED

Authorizes LARA to sell various agency documents at cost of production; requires revenue to carry forward; appropriates funds collected under 1969 PA 306 for cost of publication and distribution. Executive retains. House retains. Senate deletes. Conference retains.

Sec. 230. Employee Performance Monitoring Process – REVISED

Expresses legislative intent that LARA establish a consistent employee performance monitoring process and requires a report on planned or implemented changes to that process and the number of evaluations performed. Executive deletes. House revises to quarterly reporting frequency. Senate retains. Conference revises to quarterly reporting frequency.

Sec. 233. Pending Litigation – RETAINED

Stipulates that pending litigation related to a licensee must not delay LARA investigations and licensing actions, unless prohibited by law. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 234. Publication of Employee Training Materials – NEW

Requires LARA to post, on a publicly available website, materials that department personnel are required to review to complete mandatory training; requires notification to the subcommittees if LARA determines that posting the materials poses a cybersecurity risk. Executive does not include. House does not include. Senate includes new language. Conference revises Senate language to require LARA to post a report describing training materials and requires training materials be made available to subcommittee members or their designees.

Sec. 235. Customer Service and Business Ethics Training – NEW

Requires LARA to provide 1 hour of customer service and business ethics training to all classified employees and 2 hours of training to unclassified employees; establishes general requirements for the training and reporting requirements. Executive does not include. House includes new language. Senate does not include. Conference revises House language to require each employee to complete 2 hours of customer service and business ethics training; establishes general requirements for the training and reporting requirements.

Sec. 302. Low Carbon Energy Infrastructure Enhancement and Development – NEW

Requires funding to be used only for grants to businesses, nonprofit organizations, and local government units for planning, developing, designing, acquiring, or constructing low carbon energy facilities, which may include natural gas and combined heat and power facilities and electrification programs; requires the Public Service Commission to develop and implement a grant application process within 6 months and establishes prioritization for grant approvals; establishes requirements for grant applicants, including submission of an impact study and proposal with a cost-benefit analysis and emissions details; establishes further requirements for grant applicants for renewable natural gas infrastructure projects; provides for a 45-day review period for affected entities to review and comment on an application and a 15-day period for an applicant to modify their initial proposal; requires the PSC to award grants to applicants who have met the grant criteria; requires grant recipients to report to the PSC on how the money was used within 30 days after a project's completion; designates unexpended funding as a work project appropriation. Executive does not include. House includes new language. Senate does not include. Conference includes new language.

Sec. 401. Investigation of Direct Shipments of Wine and Report – RETAINED

Requires MLCC to use funds appropriated from Direct Shipper Enforcement Fund, as required under Section 203(11) of the Michigan Liquor Control Code, 1998 PA 58, to investigate illegal direct shipments of wine; requires notice to be sent to entities found to have illegally shipped wine into the state; requires MLCC to submit report detailing activities to investigate illegal shipping of wine. Executive revises to delete language prioritizing enforcement on unlicensed out of state retailers and third-party marketers, to delete requirement for referral of unlicensed out of state retailers and third-party marketers to the attorney general, to delete items in the report, and to delete language requiring notice to out of state entities that illegally shipped wine into Michigan. House retains. Senate retains. Conference retains.

Sec. 509. Masking Requirement Prohibition – RETAINED

Prohibits LARA from enforcing masking requirements for children under 5 years of age and from taking any licensing or administrative action against licensees for not enforcing such a requirement. Executive deletes. House retains. Senate retains. Conference retains.

Major Boilerplate Changes from FY 2021-22

Sec. 510. Carnival-Amusement Safety and Ski Area Safety Inspections – REVISED

Requires that at least \$500,000 from the appropriation for the Bureau of Construction Codes be allocated for additional inspections and enforcement activity related to the Carnival-Amusement Safety Act of 1966. Executive retains. House retains. Senate retains. Conference revises to increase the earmark to \$900,000 and expands the inspections and enforcement activity LARA must conduct to include responsibilities under the Ski Area Safety Act, 1962 PA 199.

Sec. 511. Homeowner Construction Lien Recovery Fund – NEW

Appropriates unexpended funds in the Homeowner Construction Lien Recovery Fund for payments of court-ordered construction lien judgments entered prior to the repeal of the fund on August 23, 2010. Executive includes new language. House includes new language. Senate includes new language. Conference includes new language.

Sec. 512. Bureau of Fire Services Inspections – NEW

Requires BFS to allocate \$228,900 to increase the number of inspections it conducts at places of public assembly. Executive does not include. House includes new language. Senate does not include. Conference includes new language.

Sec. 514. Bureau of Professional Licensing Activity Reduction – NOT INCLUDED

Requires the BPL to reduce licensing and regulatory activities for barbering and cosmetology professions, prohibits the department from utilizing another fund source to support these activities. Executive does not include. House includes new language. Senate does not include. Conference does not include.

Sec. 602. Marijuana Activity Law Enforcement Referrals – NEW

Requires the Cannabis Regulatory Agency to post a quarterly list of referrals made to law enforcement agencies regarding suspected illegal or irregular activities of entities under the agency's purview. Executive does not include. House does not include. Senate includes new language. Conference revises Senate language to require CRA to report various metrics and information related to investigations, complaints, and suspected illegal or irregular activity.

Sec. 603. Hemp Regulation Report – NEW

Requires LARA to submit a report on all programs administered by the Cannabis Regulatory Agency related to hemp, which must include information on licensure volumes, revenues, expenditures, and other topics. Executive does not include. House includes new language. Senate does not include. Conference includes new language.

Sec. 604. Marihuana Processor Inspections – NEW

Requires the Cannabis Regulatory Agency to utilize 5.0 FTEs to conduct in-person, no-notice inspections of licensed marihuana processors, with priority given to facilities that produce distillate or concentrates and facilities that produce the highest volume; requires reporting on the inspections and specifies reporting requirements. Executive does not include. House does not include. Senate does not include. Conference includes new language.

Sec. 801. Michigan Indigent Defense Commission Receipt of Federal Funding – RETAINED

Authorizes the MIDC to receive and expend up to \$250,000 in federal Byrne grant funding and up to \$300,000 in other federal grant funding, if made available from the U.S. Department of Justice. Executive retains. House retains. Senate deletes. Conference retains.

Sec. 803. MIDC Construction Expenses Prohibition – RETAINED

Prohibits an MIDC grant from being used by recipient to support construction expenses for new structures. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 901. Medical Marihuana Operation and Oversight Grants – REVISED

Requires LARA to award Medical Marihuana Operation and Oversight Grants to counties; requires LARA to post a listing of available grant funds; requires report submission by counties and LARA pertaining to amounts, recipients, and uses of grants. Executive revises to allow grants to be expended for adult-use program education and outreach, in addition to current purposes, and to reflect the new funding source for grants. House revises to allow grants to be expended for adult-use program education and outreach, in addition to current purposes, and to reflect the new fund sourcing for grants. Senate revises to allow grants to be expended for adult-use program education and outreach, in addition to current purposes, and to reflect the new funding source for grants. Conference concurs with the House.

Sec. 1001. Bureau of Fire Services – Smoke Detectors – NEW

Requires the Bureau of Fire Services to purchase and distribute sealed-battery smoke detectors to Michigan residents; allows for purchase of smoke detectors with additional capabilities for individuals who require an accommodative technology. Executive does not include. House includes new language. Senate does not include. Conference includes new language.

Major Boilerplate Changes from FY 2021-22

Sec. 1002. Cannabis Market Taxation and Regulatory Compliance Analysis Pilot Program – NEW

Requires the Cannabis Regulatory Agency to award a grant to conduct an analysis of tax reporting, collection, and regulatory compliance in the Michigan cannabis market; stipulates criteria the agency must consider when awarding the grant; requires reporting and establishes reporting requirements. Executive does not include. House does not include. Senate does not include. Conference includes new language.

Sec. 1003. Michigan Saves Appropriation Use – REVISED

Allows PSC to award a \$1.5 million grant to a nonprofit green bank to make loans more affordable for families, businesses, and public entities in Michigan; authorizes grant funds to be used for a loan loss reserve fund or similar financial instrument. Executive revises to reflect \$5.0 million appropriation amount. House revises to reflect \$3.5 million appropriation amount. Senate revises to reflect \$1.0 million appropriation amount. Conference revises to reflect \$2.5 million appropriation amount.

FY 2021-22 Supplemental Appropriation Items
Article 15, House Bill 5783 (H-2) CR-1

**Appropriation
Change**

1. COVID-19 Survey Activities

Appropriates \$625,000 in federal funds to offset costs associated with increased survey workloads during the COVID-19 pandemic. Funding would be used for COVID-19 surveys and related work to ensure that health care providers and suppliers are able to fulfill community health needs during the pandemic.

Gross	\$625,000
Federal	625,000
GF/GP	\$0

2. Michigan-Indiana Border Survey

Reflects the transfer of \$500,000 GF/GP from DTMB for conducting a cost estimate of the administration and remonumentation of the Michigan-Indiana border and other requirements established in 2022 PA 81 and 2022 PA 82.

Gross	\$500,000
GF/GP	\$500,000

FY 2019-20 Supplemental Boilerplate Items
Article 15, House Bill 5783 (H-2) CR-1

Sec. 651. Michigan-Indiana Border Study

Requires appropriation to be used to conduct a study of the administration and remonumentation of the Michigan-Indiana border and specifies the costs that must be estimated; designates unexpended funds as a work project appropriation.

Sec. 652. Homeowner Construction Lien Recovery Fund

Appropriates unexpended funds in the Homeowner Construction Lien Recovery Fund for payments of court-ordered homeowner construction lien recovery fund judgments entered prior to the repeal of the fund on August 23, 2010.