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Article 17

DEPARTMENT OF STATE

PART 1

LINE-ITEM APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS

Sec. 17-101. Subject to the conditions set forth in this article, the amounts listed in this part for the department of state are appropriated for the fiscal year ending September 30, 2027, and are anticipated to be appropriated for the fiscal year ending September 30, 2028, from the funds indicated in this part. The following is a summary of the appropriations and anticipated appropriations in this part:

	For Fiscal Year Ending Sept. 30, 2027	For Fiscal Year Ending Sept. 30, 2028
1	DEPARTMENT OF STATE	
2	APPROPRIATION SUMMARY	
3	6.0	6.0
4	1,601.0	1,601.0
5	\$ 299,487,300	\$ 299,487,300
6		
7	20,000,000	20,000,000
8	\$ 279,487,300	\$ 279,487,300
9	1,460,000	1,460,000
10	0	0
11	50,100	50,100
12	266,798,000	266,798,000
13	\$ 11,179,200	\$ 11,179,200
14	<i>State general fund/general purpose schedule:</i>	
15	11,179,200	11,179,200
16	0	0
17	Sec. 17-102. DEPARTMENTAL ADMINISTRATION AND SUPPORT	
18	6.0	6.0
19	126.0	126.0
20	\$ 112,500	\$ 112,500
21	853,100	853,100
22	5,246,600	5,246,600
23	27,404,800	27,404,800
24	11,668,900	11,668,900
25	<u>125,400</u>	<u>125,400</u>
26	\$ 45,411,300	\$ 45,411,300
27	Appropriated from:	
28	Special revenue funds:	
29	44,126,900	44,126,900
30	\$ 1,284,400	\$ 1,284,400
31	Sec. 17-103. LEGAL SERVICES	
32	179.0	179.0

	For Fiscal Year Ending Sept. 30, 2027	For Fiscal Year Ending Sept. 30, 2028
1 Operations-179.0 FTE positions	\$ 26,008,500	\$ 26,008,500
2 GROSS APPROPRIATION	\$ 26,008,500	\$ 26,008,500
3 Appropriated from:		
4 Special revenue funds:		
5 Other state restricted revenues	25,802,700	25,802,700
6 State general fund/general purpose	\$ 205,800	\$ 205,800
7 Sec. 17-104. CUSTOMER DELIVERY SERVICES		
8 Full-time equated classified positions.....	1,216.0	1,216.0
9 Branch operations-888.0 FTE positions	\$ 102,019,600	\$ 102,019,600
10 Central operations-326.0 FTE positions	54,862,100	54,862,100
11 Digital ID	100,000	100,000
12 Motorcycle safety education administration-2.0		
13 FTE positions	657,600	657,600
14 Motorcycle safety education grants	2,100,000	2,100,000
15 Organ donor program	<u>129,100</u>	<u>129,100</u>
16 GROSS APPROPRIATION	\$ 159,868,400	\$ 159,868,400
17 Appropriated from:		
18 Interdepartmental grant revenues:		
19 IDG from department of transportation	20,000,000	20,000,000
20 Federal revenues:		
21 Other federal revenues	1,460,000	1,460,000
22 Special revenue funds:		
23 Private revenues	50,100	50,100
24 Other state restricted revenues	137,270,900	137,270,900
25 State general fund/general purpose	\$ 1,087,400	\$ 1,087,400
26 Sec. 17-105. ELECTION REGULATION		
27 Full-time equated classified positions.....	80.0	80.0
28 County clerk education and training fund	\$ 100,000	\$ 100,000
29 Election administration and services-80.0 FTE		
30 positions	28,820,800	28,820,800
31 Fees to local units	<u>109,800</u>	<u>109,800</u>
32 GROSS APPROPRIATION	\$ 29,030,600	\$ 29,030,600

	For Fiscal Year Ending Sept. 30, 2027	For Fiscal Year Ending Sept. 30, 2028	
1	Appropriated from:		
2	Special revenue funds:		
3	Other state restricted revenues	20,555,500	20,555,500
4	State general fund/general purpose	\$ 8,475,100	\$ 8,475,100
5	Sec. 17-106. INFORMATION TECHNOLOGY		
6	Information technology services and projects	\$ <u>39,168,500</u>	\$ <u>39,168,500</u>
7	GROSS APPROPRIATION	\$ 39,168,500	\$ 39,168,500
8	Appropriated from:		
9	Special revenue funds:		
10	Other state restricted revenues	39,042,000	39,042,000
11	State general fund/general purpose	\$ 126,500	\$ 126,500

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FISCAL YEAR 2027

GENERAL SECTIONS

Sec. 17-201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2027 is \$277,977,200.00 and state spending from state sources to be paid to local units of government for fiscal year 2027 is \$11,416,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE

Motorcycle safety education grants.....	\$	1,415,900
Election administration and services.....		10,000,000
Fees to local units.....		<u>500</u>
TOTAL	\$	11,416,400

Sec. 17-202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 17-203. As used in this article:

(a) "Department" means the department of state.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated.

(d) "IDG" means interdepartmental grant.

(e) "Standard report recipients" means the senate and house appropriations subcommittees on the department, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 17-204. A department or agency shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single

1 archivable location. The department or agency shall also transmit all required reports for
2 the current fiscal year to the standard recipients and any other required recipients by
3 email.

4 Sec. 17-205. To the extent permissible under section 261 of the management and budget
5 act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds
6 appropriated in part 1:

7 (a) The funds must not be used for the purchase of foreign goods or services, or
8 both, if competitively priced and of comparable quality American goods or services, or
9 both, are available.

10 (b) Preference must be given to goods or services, or both, manufactured or provided
11 by Michigan businesses, if they are competitively priced and of comparable quality.

12 (c) Preference must be given to goods or services, or both, that are manufactured or
13 provided by Michigan businesses owned and operated by veterans, if they are competitively
14 priced and of comparable quality.

15 Sec. 17-206. (1) The department shall maximize utilization of its in-person state
16 workforce. The department shall prioritize occupancy utilization of office space for each
17 division within the department. Employees with job responsibilities that require the
18 employees to serve in their capacities outside of an office shall be monitored each pay
19 period to ensure all work hours reported on the timesheet were actually worked.

20 (2) The department shall comply with requirements set forth by the office of the
21 state employer on in-person work and utilization and occupancy rates of state buildings to
22 ensure in-person work is optimized and occupancy rates are 80 percent or higher, subject to
23 market conditions.

24 (3) The department shall adhere to civil service rules and regulations that state the
25 standard biweekly work period for a full-time employee in the classified service of this
26 state is the equivalent of 80.0 hours of work. The department shall establish policies and
27 processes to ensure all employees are working their jobs during agreed upon business hours.

28 Sec. 17-207. Consistent with section 217 of the management and budget act, 1984 PA
29 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall
30 prepare a report on out of state travel expenses not later than January 1. The report must
31 list all travel by classified and unclassified employees outside this state in the previous
32 fiscal year that was funded in whole or in part with funds appropriated in the department's

1 or agency's budget. The department or agency shall submit the report to the standard report
2 recipients and to the house and senate appropriations committees. The report must include
3 all of the following information:

4 (a) The dates of each travel occurrence.

5 (b) The total transportation and related expenses of each travel occurrence and the
6 proportions funded with state general fund/general purpose revenues, state restricted
7 revenues, federal revenues, and other revenues.

8 Sec. 17-208. Not later than 6 months after the state budget office issues work
9 project letters, a department, agency and the legislature shall submit an annual report
10 that summarizes all work project accounts. The report must include all of the following:

11 (a) A list of all work project accounts.

12 (b) The status of all work project accounts, including amounts expended, amounts
13 encumbered, and available balances for each account.

14 (c) The amount of funds that lapsed from any previously designated work project
15 accounts, the name and description of the work project account, and the funds that received
16 the lapsed amounts.

17 Sec. 17-209. Not later than December 15, the state budget office shall prepare and
18 submit a report that provides for estimates of the total general fund/general purpose
19 appropriation lapses at the close of the previous fiscal year. The report must summarize
20 the projected year-end general fund/general purpose appropriation lapses by major
21 departmental program or program areas. The state budget office shall submit the report to
22 the standard report recipients and the chairpersons of the senate and house appropriations
23 committees.

24 Sec. 17-210. (1) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$1,500,000.00 for federal contingency funds. These
26 funds are not available for expenditure until they have been transferred to another line
27 item in this article under section 393(2) of the management and budget act, 1984 PA 431,
28 MCL 18.1393.

29 (2) In addition to the funds appropriated in part 1, there is appropriated an amount
30 not to exceed \$1,500,000.00 for state restricted contingency funds. These funds are not
31 available for expenditure until they have been transferred to another line item in this
32 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

1 (3) In addition to the funds appropriated in part 1, there is appropriated an amount
2 not to exceed \$50,000.00 for local contingency funds. These funds are not available for
3 expenditure until they have been transferred to another line item in this article under
4 section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

5 (4) In addition to the funds appropriated in part 1, there is appropriated an amount
6 not to exceed \$100,000.00 for private contingency funds. These funds are not available for
7 expenditure until they have been transferred to another line item in this article under
8 section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

9 Sec. 17-211. A department or agency shall cooperate with the department of
10 technology, management and budget to maintain a searchable website accessible by the public
11 at no cost that includes, but is not limited to, all of the following for each department
12 or agency:

13 (a) Fiscal year-to-date expenditures by category.

14 (b) Fiscal year-to-date expenditures by appropriation unit.

15 (c) Fiscal year-to-date payments to a selected vendor, including the vendor name,
16 payment date, payment amount, and payment description.

17 Sec. 17-212. (1) Funds appropriated in part 1 must not be used to restrict or impede
18 a marginalized community's access to government resources, programs, or facilities.

19 (2) From the funds appropriated in part 1, local governments shall report any action
20 or policy that attempts to restrict or interfere with the duties of a local health officer.

21 Sec. 17-213. To the extent permissible under the management and budget act, 1984 PA
22 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving
23 appropriations in part 1 shall take all reasonable steps to ensure geographically
24 disadvantaged business enterprises compete for and perform contracts to provide services or
25 supplies, or both. Each director shall strongly encourage firms with which the department
26 or agency contracts to subcontract with certified geographically disadvantaged business
27 enterprises for services, supplies, or both. As used in this section, "geographically
28 disadvantaged business enterprises" means that term as defined in Executive Directive No.
29 2023-1.

30 Sec. 17-214. The department must provide an annual report to the standard report
31 recipients detailing significant federal policy changes that do, or are expected to
32 significantly impact the operations of the department, including reductions in federal

1 revenue and/or changes that are likely to lead to a reduction in the department's ability
2 to safeguard the health or welfare of the public.

3 Sec. 17-215. (1) Within 30 days of enactment of this act, the house and senate fiscal
4 agencies shall provide to the state budget office a jointly agreed upon list of
5 legislatively directed spending items funded in part 1 as defined in Public Acts 32 and 33
6 of 2025. The list must include all information and documents pertaining to the funded items
7 as publicly disclosed in accordance with Public Acts 32 and 33 of 2025.

8 (2) In accordance with section 364(4) of the Management and Budget Act, the
9 department or agency administering the grant shall post a report in a publicly accessible
10 location on its website beginning March 15 of the current fiscal year. The department or
11 agency shall update the report and shall post an updated report not later than June 15 of
12 the current fiscal year and again not later than September 15 of the current fiscal year.
13 The department shall include in the report the most comprehensive information the
14 department has available at the time of posting for grants awarded.

15 Sec. 17-216. On a quarterly basis, a department or agency receiving appropriations in
16 part 1 shall report on the number of FTEs in pay status by type of staff and civil service
17 classification, including comparison by line item of the number of FTEs authorized from
18 funds appropriated in part 1 to the actual number of FTE positions employed by the
19 department or agency at the end of the reporting period. The report must be submitted to
20 the senate and house appropriations committees and to the standard report recipients.

21 Sec. 17-217. The state budget director shall take steps to ensure that all state
22 fiscal recovery funds allocated to this state under the American rescue plan act of 2021,
23 Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal
24 recovery funds that would otherwise lapse after September 30, 2026, are automatically
25 reappropriated for the same purpose as originally authorized and available for expenditure
26 through December 31, 2026, and any subsequent financial close out period.

27 Sec. 17-218. (1) The state budget director shall take steps to ensure that all state
28 fiscal recovery funds allocated to this state under the American rescue plan act of 2021,
29 Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget
30 director may reallocate appropriated funds for the purpose of fully utilizing state fiscal
31 recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons
32 that may include, but are not limited to, completed projects coming in under budget or

1 funds unable to be fully used by subrecipients. The state budget director shall reallocate
2 any of the funds reallocated under this subsection to the programs or purposes specified in
3 this section. Any funds reallocated are unappropriated and immediately reappropriated for
4 the following purposes:

5 (a) To reclassify general fund/general purpose appropriations for payroll and covered
6 benefits for eligible public health and safety employees at the department of corrections.

7 (b) To reclassify general fund/general purpose appropriations for payroll and covered
8 benefits for eligible public health and safety employees at the department of state police.

9 (2) All applicable guidance, implementation, and reporting provisions of Public Law
10 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under
11 subsection (1).

12 (3) The state budget director shall notify the senate and house appropriations
13 committees not later than 10 business days after making any reallocations under subsection
14 (1). The notification must include the authorized program under which funds were originally
15 appropriated, the amount of the reallocation, the program, or programs, or purpose, and the
16 department to which the funds are being reallocated under subsection (1), and the amount
17 reallocated to each program or purpose.

18

19 **DEPARTMENT OF STATE**

20 Sec. 17-705. (1) The department may accept gifts, donations, contributions, and
21 grants of money and other property from any private or public source to underwrite, in
22 whole or in part, the cost of a departmental publication that is prepared and disseminated
23 under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public
24 funding source may receive written recognition in the publication and may furnish a traffic
25 safety message, subject to approval of the department, for inclusion in the publication.
26 The department may reject a gift, donation, contribution, or grant. The department may
27 furnish copies of a publication underwritten, in whole or in part, by a private source to
28 the underwriter at no charge.

29 (2) The department may sell and accept paid advertising for placement in a
30 departmental publication that is prepared and disseminated under the Michigan vehicle code,
31 1949 PA 300, MCL 257.1 to 257.923. The department may charge and receive a fee for any
32 advertisement appearing in a departmental publication and shall review and approve the

1 content of each advertisement. The department may refuse to accept advertising from any
2 person or organization. The department may furnish a reasonable number of copies of a
3 publication to an advertiser at no charge.

4 (3) Pending expenditure, the funds received under this section must be deposited in
5 the Michigan department of state publications fund created in section 211 of the Michigan
6 vehicle code, 1949 PA 300, MCL 257.211. Funds given, donated, or contributed to the
7 department from a private source are appropriated and allocated for the purpose for which
8 the revenue is furnished. Funds granted to the department from a public source are
9 allocated and may be expended on receipt by the department. The department shall not accept
10 a gift, donation, contribution, or grant if receipt is conditioned on a commitment of state
11 funding at a future date. Revenue received from the sale of advertising is appropriated and
12 may be expended on receipt by the department.

13 (4) Any unexpended revenues received under this section must be carried over into
14 subsequent fiscal years and are available for appropriation for the purposes described in
15 this section.

16 (5) If the department receives a gift, contribution, donation, or grant of money as
17 authorized under section 705 of article 5 of 2025 PA 22, not later than March 1, the
18 department shall submit a report to the standard report recipients that includes all of the
19 following information for the immediately preceding fiscal year:

20 (a) The amount of gifts, contributions, donations, and grants of money received by
21 the department under section 705 of article 5 of 2025 PA 22.

22 (b) A list of the expenditures made from the amounts received by the department as
23 reported in subdivision (a).

24 (c) A list of any gift, donation, contribution, or grant of property other than
25 funding received by the department under section 705 of article 5 of 2025 PA 22.

26 (d) The total revenue received from the sale of paid advertising accepted under this
27 section and a statement of the total number of advertising transactions.

28 (6) In addition to copies delivered without charge as the secretary of state
29 considers necessary, the department may sell copies of manuals and other publications
30 regarding the sale, ownership, or operation or regulation of motor vehicles, with
31 amendments, at prices to be established by the secretary of state. As used in this
32 subsection, the term "manuals and other publications" includes videos and proprietary

1 electronic publications. All funds received from sales of these manuals and other
2 publications must be credited to the Michigan department of state publications fund created
3 in section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211.

4 Sec. 17-707. Funds collected by the department under section 211 of the Michigan
5 vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to
6 provide for the costs of the publication described in section 211 of the Michigan vehicle
7 code, 1949 PA 300, MCL 257.211. Funds are allocated for expenditure when they are received
8 by the department of treasury and do not lapse to the general fund at the end of the fiscal
9 year.

10 Sec. 17-708. From the funds appropriated in part 1, the department shall use
11 available balances at the end of the state fiscal year to provide payment to the department
12 of state police in the amount of \$332,000.00 for the services provided by the traffic
13 accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

14 Sec. 17-709. From the funds appropriated in part 1, the department may restrict funds
15 from miscellaneous revenue to cover cash shortages created from normal branch office
16 operations. The restricted amount must not exceed \$50,000.00 of the total funds available
17 in miscellaneous revenue.

18 Sec. 17-710. The department shall delegate all responsibility for the procurement,
19 development, and maintenance of all information technology services and products to the
20 department of technology, management and budget unless otherwise delegated the
21 responsibility by law in an effort to streamline the procurement process and to ensure
22 compliance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

23 Sec. 17-711. Collector plate and fund-raising registration plate revenues collected
24 by the department are appropriated and allotted for distribution to the recipient
25 university or public or private agency overseeing a state-sponsored goal when received.
26 Distributions must occur on a quarterly basis or as otherwise authorized by law. Any
27 revenues remaining at the end of the fiscal year do not lapse to the general fund and
28 remain available for distribution to the university or agency in the next fiscal year.

29 Sec. 17-713. (1) The department, in collaboration with the Gift of Life Michigan or
30 its successor federally designated organ procurement organization, may develop and
31 administer a public information campaign concerning the Michigan organ donor program.

32 (2) The department may solicit funds from any private or public source to underwrite,

1 in whole or in part, the public information campaign authorized by this section. The
2 department may accept gifts, donations, contributions, and grants of money and other
3 property from private and public sources for this purpose. A private or public funding
4 source underwriting the public information campaign, in whole or in substantial part, shall
5 receive sponsorship credit for its financial backing.

6 (3) Funds received under this section, including grants from state and federal
7 agencies, do not lapse to the general fund at the end of the fiscal year and remain
8 available for expenditure for the purposes described in this section.

9 (4) Funding appropriated in part 1 for the organ donor program must be used to
10 produce a pamphlet regarding organ donations and to distribute the pamphlet with driver
11 licenses and personal identification cards. The pamphlet must do both of the following:

12 (a) Explain the organ donor program and encourage people to become donors by marking
13 a checkoff on driver license and personal identification card applications.

14 (b) Include a return reply form addressed to the gift of life organization.

15 (5) Funding appropriated in part 1 for the organ donor program must be used to pay
16 for return postage costs of the return reply form described in subsection (4) (b) .

17 (6) In addition to the appropriations in part 1, the department may receive and
18 expend funds from the organ and tissue donation education fund for administrative expenses.

19 Sec. 17-715. (1) Any service assessment collected by the department from the user of
20 a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, may be used by the
21 department for necessary expenses related to that service and may be remitted to a credit
22 or debit card company, bank, or other financial institution.

23 (2) The service assessment imposed by the department for credit and debit card
24 services may be based on a percentage of each individual credit or debit card transaction
25 or a flat rate per transaction, or both, scaled to the amount of the transaction. However,
26 the department shall not charge any amount for a service assessment that exceeds the costs
27 billable to the department for the service assessment.

28 (3) If there is a balance of service assessments received from credit and debit card
29 services remaining on September 30, the balance may be carried forward to the following
30 fiscal year and appropriated for the same purpose.

31 (4) As used in this section, "service assessment" means costs associated with service
32 fees imposed by credit and debit card companies and processing fees imposed by banks and

1 other financial institutions.

2 Sec. 17-717. (1) The department may accept gifts, donations, or contributions of
3 property from any private or public source to support, in whole or in part, the operation
4 of a departmental function relating to licensing, regulation, or safety. The department may
5 recognize a private or public contributor for making the contribution. The department may
6 reject a gift, donation, or contribution. Any revenues received under this subsection may
7 be expended for the departmental functions relating to licensing, regulation, or safety.

8 (2) The department shall not accept a gift, donation, or contribution under
9 subsection (1) if receipt of the gift, donation, or contribution is conditioned on a
10 commitment of future state funding.

11 (3) If the department receives a gift, donation, or contribution of property as
12 authorized under this section, not later than March 1, the department shall submit a report
13 to the standard report recipients. The report must include a list of each gift, donation,
14 or contribution received by the department under subsection (1) for the immediately
15 preceding calendar year.

16 Sec. 17-718. From the funds appropriated in part 1 for election regulation, all money
17 must be spent in accordance with the Michigan election law, 1954 PA 116, MCL 168.1 to
18 168.992, and the instructions, orders, and guidance of the secretary of state regarding the
19 proper method for the conduct and administration of elections.

20 Sec. 17-719. Not later than February 1, the department shall submit a report to the
21 standard report recipients on all funding allocated to counties, cities, and townships from
22 funds appropriated in part 1 for election administration and services. The report must
23 include the amount and purpose of each payment provided to a county, city, or township.