

**DEPARTMENT OF TREASURY INCLUDING REVENUE SHARING
PART 1: LINE ITEM DETAIL**

**2025 PA 22
FY 2025-26
Initial**

Sec. 108 (1) Appropriation Summary

1.	<u>Unclassified full-equated (FTE) positions</u> – Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, and a limited number of policy-making positions in departments.	10.0
2.	<u>Classified FTE positions</u> – All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	1,955.5
3.	GROSS APPROPRIATION – Total appropriations	2,656,345,100
4.	<u>Interdepartmental grants (IDGs)</u> – Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	11,670,700
5.	ADJUSTED GROSS APPROPRIATION – Gross appropriations less IDGs	2,644,674,400
6.	<u>Federal revenue</u> – Funding allocated to the State by the Federal government.	25,254,000
7.	<u>Local revenue</u> – Funds paid by local units of government that support State services and programs.	15,311,600
8.	<u>Private revenue</u> – Available appropriated funds from private sources, including from non-governmental agencies.	3,040,300
9.	<u>State restricted revenue</u> – Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purposes funds, such as fee revenue used to support licensing programs.	2,317,513,100
10.	<u>State general fund/general purpose (GF/GP)</u> – Revenue that has no constitutional or statutory restrictions on how it is used.	327,800,400
11.	<u>Payments to locals</u> – State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	2,113,349,400

Sec. 108 (2) Departmental Administration and Support

12.	<u>Unclassified positions</u> Unclassified FTE positions	\$1,311,100 10.0
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The positions funded through this line are the State Treasurer, three Deputy State Treasurers, an additional Treasury position, Tax Commission Chair, two Tax Commission members, the Executive Director of the Gaming Control Board, and the Lottery Commissioner.

This line funds only salaries. Most positions are funded from the General Fund, except the salary of the Executive Director of the Gaming Control Board is supported by the State Services Fee Fund and the salary of the Lottery Commissioner is supported by the State Lottery Fund.

The cost of benefits for these unclassified positions is appropriated in the Executive Direction and Operations line item.

13.	<u>Bureau of accounting and financial services</u> Classified FTE positions	9,683,900 72.0
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This Bureau was first created in FY 2022-23 by combining the Office of Accounting Services and the Office of Financial Services.

The Office of Accounting Services included the Finance and Accounting Division, which supported activities like maintenance of accounting records, processed payments, and prepared year-end financial reports. The Office of Financial Services was responsible for supporting the Receipts Processed Division, which provided statewide cash receipting policies and practices and served as a clearinghouse for all State revenue.

In FY 2023-24, \$660,400 Gross (\$168,000 GF/GP) and 4.0 FTEs were transferred to the Bureau of Executive Direction.

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| 14. <u>Bureau of operational excellence</u> | 4,056,900 |
| Classified FTE positions | 25.0 |

The Bureau of Operational Excellence was created in FY 2025-26. \$3.8 million and 24.0 FTEs included in other line items for FY 2024-25 was allocated to the new Bureau for the new line item. The purpose of the Bureau is "to centralize continuous improvement and project management services" in one office rather than in other individual areas.

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| 15. <u>Collection services bureau</u> | 29,067,700 |
| Classified FTE positions | 190.0 |

This line supports activities pertaining to the collection of taxes by Treasury, as well as debt payments. 2.0 FTEs and \$187,500 in Medical Marihuana Excise Fund revenue were originally added to administer the Fund. In FY 2019-20, 10.0 FTEs and \$1.8 million were included to support administration of Proposal 1.

In FY 2022-23, 5.0 FTEs and \$376,200 were transferred to the Department Services line item, while in FY 2023-24, \$200,800 Restricted was transferred to Tax and Economic Policy.

In FY 2025-26, \$1.1 million and 7.0 FTEs were moved from this line due to a multi-line adjustment to realign appropriations with the department's organizational chart. A further \$507,3000 and 4.0 FTEs were shifted to the new Bureau of Operational Excellence line item.

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| 16. <u>Department services</u> | 7,697,000 |
| Classified FTE positions | 64.0 |

This line supports administrative functions including creation and processing of forms, publications, and mail operations. It also includes some personnel information management. In FY 2017-18, 13.0 unfunded FTE positions were eliminated. In FY 2022-23, \$376,200 and 5.0 FTEs were transferred from Collection Services, while in FY 2023-24 \$2.2 million and 15.0 FTEs were transferred to the Office of Security and Data Risk Management.

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In FY 2025-26, 1.0 FTE and \$45,300 were moved as part of a larger FTE and funding re-alignment within the department, and \$507,300 and 4.0 FTEs were also moved to the new Bureau of Operational Excellence.

17. Executive direction and operations 8,715,100
Classified FTE positions 55.5

This line item funds all the executive office of the Department and the cost of fringe benefits for all of the unclassified positions.

In FY 2021-22, the budget increased 8.0 FTEs and \$2.0 million Gross to create the Financial Review Commission. In FY 2015-16, the Office of Tax Plan Implementation and Testing Division was created using an existing 24.0 FTEs and \$3.55 million Gross from within the department as well as an additional 4.0 FTEs and \$750,000 Gross in new dollars to the department. In FY 2025-26, a net change of negative \$31,500 and negative 5.0 FTEs was made to this line due to FTE/funding alignment, the creation of the Bureau of Operational Excellence, and a general FTE reduction. In FY 2025-26, funds and FTEs were shifted to other lines as part of an overall realignment and the creation of the new Bureau of Operational Excellence.

18. Office of security and data risk management 3,070,900
Classified FTE positions 20.0

This line was created in FY 2023-24 by shifting 15.0 FTEs and \$2.2 million of delinquent tax revenue from Department Services. The Office is charged with improving the department's ability to secure information and protect against cyber threats.

19. Property management 8,044,600

This line supports the rent and building occupancy charges for all units by the Department, except the Bureau of Investments, whose rent is included in the Investments line item. The central office of the Department of Treasury is in the Austin Building in downtown Lansing. Additional offices are located in the Hannah Building and in regional field offices.

20. Unclaimed property 5,738,100
Classified FTE positions

This line supports the Unclaimed Property Division which administers the Uniform Unclaimed Property Act of 1995. The FTEs increased by 5.0 in FY 2011-12 due to workload associated with the revised escheats law.

In FY 2024-25, \$517,100 and 4.0 FTEs were added to improve processing efficiency in accordance with statute.

21. Worker's compensation 44,400

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This line supports workers' compensation insurance costs incurred by the Department. Costs related to the Lottery and Gaming Control Board are not included in this item.

Unit Gross Appropriation	\$77,429,700
Classified FTE positions	7,400,100
Interdepartmental grants revenue	1,060,000
Federal revenues	0
State restricted funds	54,159,900
State general fund/general purpose	14,809,700

Sec. 108 (4) Local Government Programs

22. <u>Local finance</u>	\$2,593,400
Classified FTE positions	18.0

This line supports the Local Audit and Finance Division which oversees the finances of local units of government. A number of statutes set financial requirements and guidelines for local units of government. This Division monitors collection of State taxes by local government, audits units of local government for internal controls and compliance with State requirements, and monitors local debt issuance and deficit elimination plans.

In an FTE true-up, 3.0 unfunded FTE positions were eliminated from the line in FY 2017-18.

23. <u>Michigan infrastructure council</u>	3,066,000
Classified FTE positions	3.0

This line item supports the Michigan Infrastructure Council. This was first included as a line item in the Department of Treasury budget bill in FY 2020-21. Prior to this, the council was funded through work project appropriations from supplemental funding in FY 2017-18. In FY 2020-21, the council was funded at \$850,000, of which, \$250,000 was funded with Michigan Infrastructure Funds (as an IDG from DTMB) and \$600,000 GF/GP and included 3.0 FTE positions. In FY 2021-22, the line item was increased \$3.0 million Gross and GF/GP.

In FY 2025-26, this line was reduced by \$800,000 GF/GP as part of overall cost reduction measures.

24. <u>Property tax assessor training</u>	1,051,600
Classified FTE positions	1.0

This line funds the training and certification of assessors. This responsibility is carried out by the Assessment and Certification Division. MCL 211.10e requires the State Tax Commission to develop manuals and for assessors to use an official assessor's manual. Section 907 in Part 2 of this bill establishes the Assessor Certification and Training Fund and limits examination and certification fees. This line is supported entirely by local revenue from assessor training fees.

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The State Assessors Board was abolished by Executive Order 2009-51 and all of its functions were transferred to the new State Tax Commission, created by the same Executive Order. In an FTE true-up, 3.0 unfunded FTE positions were eliminated from the line in FY 2017-18.

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| 25. Supervision of the General Property Tax Law
Classified FTE positions | 18,586,800
81.0 |
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This line includes the Property Services Division. This Division administers the General Property Tax Act of 1893, MCL 211.1 – 211.157 under the authority of the State Tax Commission. The Division is responsible for the foreclosure and sale of delinquent properties, determines the tax on public utilities, administers special tax exemptions, handles the deferment of special assessments, and establishes the property tax base by determining the taxable value and State Equalized Value of properties.

The line also funds the Assessment and Certification Division which provides staff support to the State Tax Commission and provides for uniform statewide property tax assessments through equalization of assessments. The State Tax Commission also serves as the State Board of Equalization and assumed all of the functions of the former State Assessors Board, which was abolished by EO 2009-51.

The Office of Fiscal Responsibility, which assists local governments in financial distress is funded in this line beginning with a FY 2011-12 supplemental funding and 10.0 FTEs provided in 2012 P.A. 89. Funding and 2.0 FTEs were added in FY 2015-16 for Personal Property Tax and Essential Services Assessment Administration.

In FY 2020-21, funding was increased by \$1.2 million to partially restore a reduction of \$2.5 million that occurred in FY 2019-20. In FY 2023-24, \$463,400 and 2.0 FTEs were transferred to Tax and Economic Policy, while \$665,000 and 4.0 FTEs were added for Workforce Housing Administration.

In FY 2025-26, 2.0 FTEs and \$673,700 were removed from this line as part of an overall departmental organizational chart alignment adjustment, and due to the creation of the Bureau of Operational Excellence.

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| 26. <u>Flint settlement payment</u> | 35,000,000 |
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This line was first included in FY 2021-22 for debt service payments towards the Flint Settlement Agreement bond totaling \$600.0 million, which was deposited into the Special Purpose FWC Settlement Entity. The annual \$25.0 million payment is deposited into the Flint Settlement Trust Fund. The first debt service payment began in FY 2021-22 and was appropriated in the Department of Labor and Economic Opportunity budget. The payment will continue until FY 2050-51.

Unit Gross Appropriation	\$60,297,800
Classified FTE positions	103.0
Interdepartmental grants	254,700
Local revenues	1,815,100
State restricted revenues	4,340,500
State general fund/general purpose	53,887,500

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Sec. 108 (4) TAX PROGRAMS

27. Bottle act implementation \$250,000

This line supports the administration of the Bottle Deposit Fund using dollars from the Fund itself. Deposits are made from unredeemed beverage container deposits. Accompanying boilerplate section 910 authorizes disbursements from the Fund.

28. Home heating assistance 3,131,400

The Department administers the Federal Low Income Heat and Energy Assistance Program (LIHEAP) on behalf of the State. The funding for this line is part of a grant made by the U.S. Department of Health and Human Services Office of Community Services. This line is for the federally funded cost of administration. The funding for the actual grants is appropriated in the budget for the Michigan Department of Health and Human Services (DHHS).

29. Insurance provider assessment program 2,242,600
8.0

This line item was added by PA 89 of 2012 and continued with full-year funding in FY 2012-13 for administration of the Health Insurance Claims Fund created by PA 142 of 2011. In an FTE true-up, 2.0 unfunded FTE positions were eliminated from the line in FY 2017-18. In FY 2023-24, 3.0 FTEs were transferred from this line, with one each moved to Accounting and Financial Services, Revenue and Tax Analysis, and Tax and Economic Policy.

30. Living donor tax credit 750,000

This line item was created in FY 2024-25 to support Public Act 156 of 2024, which permitted living organ donors to claim a one-time tax credit of up to \$10,000. The funds were included to offset some of the resulting lost General Fund revenue, although actual losses were expected to total \$350,000 annually at the time of enactment.

31. Office of revenue and tax analysis 4,881,200
Classified FTE positions 25.0

This line item was created in FY 2017-18 when the office was separated from the Office of Tax and Economic Policy. The office, known as ORTA, forecasts and analyzes revenues to the state and also calculates local government revenue sharing.

The office began with 19.0 FTEs and \$3.6 million. In FY 2018-19, 1.0 FTE and \$214,300 was included to implement MI Thrive and the revenue sharing/grant division was transferred to Accounting Services. In FY 2019-20, the revenue sharing/grant division was transferred back from Accounting Services.

In FY 2023-24, 1.0 FTE was moved from the Insurance Provider Assessment Program line item and there was a \$157,700 increase for the Qualified Heavy

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Equipment Rental Program, as well as a \$594,500 and 3.0 FTE increase for a systems upgrade.

32. Tax and economic policy 14,097,800
Classified FTE positions 73.0

This line supports the Bureau of Tax Policy, Hearings, and Policy Communication Division. Its employees perform policy research and development related to tax compliance, customer service, tax processing, assistance to field staff, rule promulgation, and the Office of the Taxpayer Advocate.

In FY 2013-15, the budget transferred \$248,000 for the Office of the Taxpayer Advocate to this line and added \$3.0 million for digital tobacco tax stamps. In FY 2014-15, \$1.6 million and 9.0 FTE positions were added for a new tax systems testing office. In FY 2015-16, the budget transferred 15.0 FTEs to Tax Processing, and funding and 7.0 FTEs were added for Personal Property Tax and Essential Services Assessment administration. In an FTE alignment, 13.0 unfunded positions were eliminated in FY 2017-18. The Office of Revenue and Tax was also rolled out of this line item for a total transfer out of \$3.6 million and 19.0 FTE positions.

In FY 2022-23, \$151,900 GF/GP and 1.0 FTE position was included to support ongoing administrative costs of the flow-through entity tax and \$150,000 Restricted revenue and 1.0 FTE position was included to support heavy equipment tax implementation. In FY 2023-24, \$463,400 and 2.0 FTEs were transferred from the Supervision of General Property Tax Law line item along with \$200,800 from Collections Services Bureau, and 1.0 FTE from the Insurance Provider Assessment Program line.

33. Tax compliance 45,116,200
Classified FTE positions 289.0

This line item supports the Audit Division and the Discovery and Tax Enforcement Division involving tax audit functions, discovery and tax enforcement, and the Multi-State Tax Commission.

In FY 2014-15, \$250,000 and 2.0 FTE were appropriated for a new system to improve data quality and availability at the State's data storage warehouse. \$600,000 and 6.0 FTE positions were also included to expand the Technical Issues Resolution Unit to address changes in tax statutes.

In an FTE true-up, 20.0 unfunded FTE positions were eliminated from the line in FY 2017-18. The FY 2017-18 budget also included \$30,000 in Medical Marihuana Excise Fund revenue for tax enforcement of PA 281 of 2016, the Medical Marihuana Facilities Licensing Act.

In FY 2022-23, \$135,000 GF/GP and 1.0 FTE position was included to support ongoing administrative costs of the flow-through entity tax.

In FY 2025-26, \$2.1 million Gross was shifted from this line to the Tax processing line as part of overall General Fund reductions. 25.0 FTE positions were also removed.

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34. Tax processing 43,736,200
 Classified FTE positions 325.0

This line item was created in FY 2014-15 by transferring 126.0 FTEs and \$12.2 million from the former Customer Contact line item. The line item supports taxpayer assistance, customer service improvement projects, call center operations, and website content. The line also supports the processing of tax refunds, postage costs, IRS match projects, and the administration of the Homestead Affidavit Program.

26.0 FTEs were transferred to create the City Income Tax Administration line item in FY 2015-16.

In FY 2017-18, the budget included 2.0 FTEs and \$187,500 from the Medical Marihuana Excise Fund to enforce the Medical Marihuana Facilities Licensing Act (PA 281 of 2016). In FY 2019-20, tax collection began for recreational marihuana, resulting in an appropriations increase of \$12.4 million for the changes associated with Proposal 1, including replacing medical marihuana-related funding with recreational-related funding.

In FY 2022-23, \$1.1 million GF/GP and 8.0 FTE positions were included to support ongoing administrative costs for the flow-through entity tax and \$250,000 Restricted was included to support heavy equipment tax implementation.

In FY 2023-24, a \$262,500 increase was included for the Qualified Heavy Equipment Rental Program.

In FY 2025-26, \$2.1 million was transferred to this line from Tax Compliance. As this was part of a General Fund reduction effort, this GF/GP was swapped for Restricted Delinquent Tax Collection revenue. An additional \$300,000 was also allocated as part of this transfer, and a further \$500,000 was included for administration of the Comprehensive Road Funding Fund as a result of tax changes under Public Act 23 of 2025.

35. Tobacco tax enforcement 1,632,800
 Classified FTE position 11.0

This line item supports enforcement of the tobacco tax. The Department of Attorney General and the Michigan State Police also receive funds for this purpose.

In FY 2011-12, the Governor determined that related boilerplate was unenforceable and the appropriation was not spent. 2.0 unfunded FTEs were removed from the line FY 2017-18.

Unit Gross Appropriation \$115,838,200
 Classified FTE positions 731.0
 Interdepartmental grants 2,966,300
 Federal revenues 3,131,400
 State restricted funds 87,641,200
 State general fund/general purpose 22,099,300

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Sec. 108 (5) FINANCIAL PROGRAMS

36. Investments \$22,858,500
Classified FTE positions 81.0

This line item funds the Bureau of Investments. The Bureau oversees the investment of pension funds, common cash, and State restricted funds on behalf of the State. The Bureau is supported by fees from pension trust funds and State restricted funds. Rent expenses for the Bureau are included in this line.

37. State and authority finance 4,779,500
Classified FTE positions 20.0

This line item was created in FY 2020-21 when the Michigan Finance Authority line was divided into State and Authority Finance and the Student Financial Assistance Program line items. The Michigan Finance Authority was created by Executive Order 2010-2 to combine many of the State government and state authorities' bonding and borrowing functions within one body and under a single board. It was first included as a line item in FY 2010-11 and appropriated funds that were previously appropriated off-budget as boilerplate appropriations.

The State Finance Division issues state debt. General obligation bonds are issued on behalf of the State and the Division carries out the bonding process, with assistance of bond counsels, financial consultants, and banking firms. The State's required debt service payments are determined and paid by this division. The State Finance Division also administers the School Bond Loan program and the Michigan Underground Storage Tank Financial Assurance Act.

This line also supports the receipt of Federal and local funds.

38. Student financial assistance programs 20,472,400
Classified FTE positions 34.0

The Bureau of Student Financial Services administers a number of financial assistance programs for students. Many distribute both Federal and State funding. Programs include: Michigan Education Trust, the Tuition Incentive Program, the Postsecondary Access Student Scholarship Program, the Higher Education Student Loan Authority, and the Higher Education Assistance Authority.

Executive Order 2002-12 consolidated the administration and support services of the Higher Education Student Loan Authority and the Higher Education Student Loan Authority with that of three other Authorities and into the Tax Authority Assistance Division. Prior to this move, the Student Loan and Assistance Authorities and fiscal support had been managed by the Bureau of Student Financial Services. Executive Order 2010-2 consolidated

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the governance and administration of the bonding aspects of these programs within the new Michigan Finance Authority.

In FY 2011-12, the budget moved funding for the Michigan Guaranty Agency from this line to the line item for the Michigan Finance Authority, consistent with Executive Order 2010-2. In a FY 2017-18 FTE true-up, 4.5 unfunded FTE positions were eliminated. In FY 2020-21, 45.0 FTEs and \$22.4 million Gross/Federal were transferred from the MFA. In FY 2022-23, an additional \$2.9 million GF/GP and 5.0 FTE positions were included for the Office of Postsecondary Financial Planning.

In FY 2024-25, the line item was decreased \$5.9 million Gross and 33.0 FTEs from FY 2023-24 due to the transfer of program functions to MiLEAP. \$159,800 Federal was added to this line in FY 2025-26 to align funding within the Department with revenues and uses.

Unit Gross Appropriation	\$48,110,400
Classified FTE positions	135.0
Interdepartmental grant revenues	215,200
Federal revenues	20,472,400
State restricted funds	26,875,400
State general fund/general purpose	547,400

Sec. 108 (6) Debt Service

39. Clean Michigan Initiative 24,203,000

This line supports the debt service payments for a general obligation bond approved by voters in 1994. The proceeds for Clean Michigan Initiative (CMI) bonds are used for environmental cleanup, pollution prevention, and redevelopment projects, including nonpoint source pollution control and waterfront redevelopment. Voters authorized the issuance of \$675.0 million in bonds. As of September 30, 2021, there is no authorization remaining and the outstanding principal on the Clean Michigan Initiative bonds was \$154.2 million.

40. Great Lakes Water Quality Bond 62,560,000

This line supports the debt service payments for a general obligation bond approved by voters in 2002. The proceeds are used for sewage treatment projects, storm water projects, and reducing nonpoint source water pollution. Voters authorized the issuance of \$1.0 billion in bonds of which \$200.0 million remains available as of September 30, 2019. The outstanding principal on the Great Lakes Water Quality bonds was \$573.9 million as of September 30, 2021.

Spending authority for these bonds are under the Strategic Water Quality Initiative Fund (SWQIF) within DEQ. The bonds are issued under Proposal 2 of 2002 and can be spent on grants and loans to municipalities for groundwater and storm water management. The increases are due to changes in the statute that establishes the SWQIF that makes the grants and loans more attractive to municipalities.

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In FY 2025-26, an additional payment reduction of \$5.0 million was made in addition to the regular, schedule-adjusted payment increase of \$1.1 million for a net change in appropriation of \$3.9 million.

41. Quality of Life Bond 3,118,000

This line supports the debt service payments for two general obligation bonds approved by voters in 1988, one for Environmental Protection purposes and one for Recreation purposes.

The FY 2014-15 budget eliminated the use of the Refined Petroleum Fund to pay debt service on the Quality of Life Bond by increasing the GF/GP revenue by \$3.0 million. This is the final fund shift in a three-year phase out of the use of the Refined Petroleum Fund and all future funding for this line item is anticipated to come from the General Fund.

Recreation Bond:

Voters authorized the issuance of \$140.0 million in general obligation bonds to support the development of recreation activities and facilities. Bonds have been issued for this entire amount leaving zero in remaining authorization. The enabling legislation for this bond issue is PA 329 of 1988. As of September 30, 2017, the outstanding principal on the Recreation bonds was eliminated.

Environmental Protection Bond:

Voters authorized the issuance of \$660.0 million in general obligation bonds to support environmental protection activities. There is no authorization remaining as of September 30, 2019. The enabling legislation for this bond issue is PA 326 of 1988. As of September 30, 2021, the outstanding principal on the Environmental Protection bonds was \$14.0 million.

Unit Gross Appropriation

89,881,000

General fund/general purpose

89,881,000

Sec. 108 (7) Grants

42. Convention facility development distribution 128,730,700

The Convention Facility Development Fund was established by the State Convention Facility Act, Public Act 106 of 1985, to assist local governments in the financing of major convention facilities. Revenue for the Fund is generated by a statewide 4% Liquor Excise tax and an Accommodations tax in Wayne, Oakland, and Macomb counties. The revenue is used to pay the debt service on Cobo Hall in Detroit, make payments to the Detroit Regional Convention Facility Authority, and for payments to Michigan's 83 counties. For FY 2005-06, \$1.0 million was earmarked for the Sports Tourism Fund to offset costs for the Super Bowl (HB 5480). In FY 2009-10, \$9.0 million was appropriated from the 21st Century Jobs Trust Fund related to the transfer of Cobo Hall to a regional authority, which began annual support for operations. In FY 2015-16, statute was modified to distribute all remaining dollars in the fund be distributed to provide additional debt service payments for the authority. In FY 2021- 22 the center would receive \$8.0 million for administration, which would decrease \$1.0 each year until a final \$5.0 million distribution in FY 2024-25.

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In FY 2018-19, funding was increased \$14.4 million to align with current spending and projections. Beginning in FY 2019-20, \$5.0 million was annually appropriated to the Street Railway System (Q-Line) which is scheduled to end in FY 2021-22.

In FY 2019-20, \$10.0 million was deposited into the General Fund.

In FY 2020-21, \$4.4 million was distributed to publicly-owned convention center in the State with at least 10,000 square feet.

In FY 2020-21, funding was increased \$2.5 million to align with current spending and projections.

In FY 2022-23, funding was increased \$10.7 million to align with current spending and projections.

In FY 2023-24, funding was increased \$10.1 million to align with current spending and projections.

43. Election administration support fund 20,255,500

This line item was created to support costs associated with implementation of Ballot Proposals 1 and 2 of 2022, including early and absentee voting, ballot drop boxes, campaign finance reporting, and other voter access and transparency levels. Although supporting Department of State functions, this line item is included in the Department of Treasury appropriations.

In FY 2024-25, the line item was moved from one-time to ongoing. There was a \$49,100 adjustment to reflect defined calculations in the Department of State Budget. An additional \$1.4 million was included for election/financial disclosure investments for the Secretary of State.

44. Emergency 911 payments 49,118,600

The revenue appropriated to this line is generated by a fee included on all phone bills. The funds are used to establish and maintain 9-1-1 emergency response capabilities. Fee proceeds are distributed to counties, the State Police, and suppliers. The program was established by Public Acts 78 and 79 of 1999 through amendments to the Emergency Telephone Service Enabling Act, PA 32 of 1986 (MCL 484.1101 to 484.1717).

The line was increased by \$21.8 million in FY 2018-19 to reflect the implementation of PA 51 of 2018, which increased the fees and distribution.

45. Health and safety fund grants 1,220,900

The fund was established in P.A. 264 of 1987 in the Health and Safety Fund Act in conjunction with an increase to the cigarette tax. Four cents from the cigarette tax is deposited in the fund which is distributed pursuant to statute. This line is for the distribution to counties that have never received a loan authorized under Section 3(2) or (3) of the Emergency Municipal Loan Act. The distribution is made on a per capita basis. Counties are required to use 12/17ths of the distribution for public health prevention programs and services

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and 5/17ths for county jail or juvenile facility operations, maintenance, equipment, or construction, or for court operations. In FY 2017-18, the line item was reduced \$7.5 million to reflect current revenue and expenditures. Revenue has not been distributed since Fiscal Year 2022-23 due to lowered revenue.

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| 46. <u>Qualified heavy equipment rental personal property exemption reimbursement distribution</u> | 4,500,000 |
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This line item was first included in FY 2023-24. The Qualified Heavy Equipment Rental Personal Property Exemption Reimbursement Distribution program was created by Public Act 35 of 2022. Certain heavy equipment rental personal property is taxable as of January 1, 2023. Qualified owners can apply for an exemption from their local assessor on an annual basis.

Revenue generated from the tax is distributed to local units in order to reimburse them for revenue lost due to QHERPP exemptions.

In FY 2025-26, this line was increased by \$1.5 million to reflect increased revenue.

- | | |
|---|-------------|
| 47. <u>Recreational marihuana grants</u> | 105,600,000 |
| 48. <u>Senior citizen cooperative housing tax exemption program</u> | 12,125,100 |
| 49. <u>Wrongful imprisonment compensation fund</u> | 10,000,000 |

Unit Gross Appropriation	331,550,800
State restricted funds	289,170,200
General fund/general purpose	42,380,600

Sec. 108 (8) BUREAU OF STATE LOTTERY

- | | |
|---|-----------|
| 50. <u>Lottery information technology services and projects</u> | 3,857,800 |
|---|-----------|

This line item supports information technology services provided to Lottery by DTMB. In FY 2022-23, \$1.4 million was transferred from this line to Lottery Operations.

- | | |
|---|---------------------|
| 51. <u>Lottery operations</u>
Classified FTE positions | 34,271,500
210.0 |
|---|---------------------|

The lottery is an autonomous agency in the Department of Treasury. Article IV, Section 41 of the Michigan Constitution of 1963 authorized lotteries. The Michigan Bureau of State Lottery was established in the McCauley-Traxler-Law-Bowman-McNeely Lottery Act, Public Act 239 of 1972 (MCL 432.1 – 432.47). The Lottery Commissioner is appointed by the Governor with the advice and consent of the Senate.

The Bureau is charged with producing “the maximum amount of net revenues for the state consonant with the general welfare of the people” (MCL 432.9). It operates games on a statewide basis and participates in joint enterprises with other states. MCL 432.12 requires that not less than 45% of the revenue be

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awarded in prizes. In FY 2023-24, approximately 61% of lottery sales revenue was awarded in prizes.

All revenues are deposited into the State Lottery Fund, which is the sole fund source for the Bureau. After the payment of prizes, operations of the Bureau, and \$1.0 million to the Compulsive Gambling Prevention Fund, the net revenue in the State Lottery Fund is credited to the State School Aid Fund for the benefit of K-12 schools.

The Charitable Gaming Division is housed within the State Lottery. It was established by Public Act 382 of 1972 (MCI 432.101-432.120). This Division regulates bingo games, raffles, and progressive jackpots which are conducted for charitable purposes. It issues licenses for eligible non-profit organizations to conduct the games. Fees are established in statute. After deducting the costs of prizes and operations, any remaining funds are deposited into the General Fund. The charitable gaming deposit into the General Fund was approximately \$11.3 million in FY 2009-10.

Notable Changes to Appropriations

In FY 2017-18, the line item increased 8.0 FTEs and \$716,300 due to increased demand from iLottery games. In FY 2020-21, an additional 4.0 FTEs and \$508,700 were included due to increased iLottery game demands.

In FY 2022-23, 11.0 FTE positions were transferred to this line from DTMB and \$1.4 million from Lottery Information Technology Services and Projects to support iLottery games.

In FY 2023-24, 1.0 FTE position and \$155,300 were transferred from DTMB to Lottery Operations. The line was also increased \$1.0 million to support online and retail sales.

In FY 2024-25, the line item was increased by \$1.0 million for sales and promotions efforts and by an additional \$510,000 and 4.0 FTEs were included for improvements to the iLottery website and app.

Unit Gross Appropriation	38,129,300
State restricted funds	38,129,300
General fund/general purpose	0

Sec. 108 (9) Casino Gaming

52. <u>Casino gaming control operations</u>	42,660,500
Classified FTE positions	197.0

All operational expenses for Casino Gaming are funded through this line. The agency regulates the operation of the three Detroit casinos, including licensing for vendors, security oversight, testing of slot machines, and inspections of the premises. In addition, EO 2012-4 transferred oversight of millionaire parties, a charitable gaming activity, from the Bureau of State Lottery to the Michigan Gaming Control Board. It works in conjunction with the Departments of Attorney General and State Police.

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The agency is supported with annual assessments from the three casinos that are deposited in the State Services Fee Fund. Statute requires that money in the Fund is spent on regulatory and enforcement costs, compulsive gambling programs, casino-related programs and activities, casino-related legal services provided by the attorney general, and the casino-related expenses of the department of state police. Funds must be appropriated by the Legislature and do not revert to the General Fund at the end of the year. Additional fees are also levied on millionaire parties and are deposited into the State Lottery fund as a separate account, however, the agency cannot expend more from the fund for oversight than is deposited into the fund from those additional fees.

Duties of the agency related to Indian casinos are limited to overseeing the State- Indian compact provisions. The staff inspects facilities, test gambling machines, and conduct financial audits of the Indian casinos. The agency has two staff persons assigned to this area. The Board members are not involved in this function. In FY 2016-17, administration was increased by 1.0 FTE position to ensure that every Indian Tribal casino has an annual audit. In FY 2017-18, the administration was increased by 1.0 FTE position to increase security and internal control.

In FY 2019-20, FTEs overseeing Millionaire Party Regulation were transferred to the Millionaire Party Regulation Line Item.

In FY 2020-21, 38.0 FTEs and \$4.6 million was included for administration of online sports and internet gaming activity, which was introduced from PA 157, 158, and 159 of 2019.

In FY 2021-22, the \$2.0 million deposit into the Compulsive Gaming Prevention Fund was moved to boilerplate appropriations.

In FY 2022-23, an additional \$2,375,000 and 18.0 FTE positions were included to support internet gaming regulation and enforcement.

In FY 2024-25, an additional 14.0 FTEs and \$1.9 million was added due to increased needs related to the rapid growth in internet gaming and sports betting. Another \$795,100 Restricted was added for services related to internet gaming and betting performed by the Attorney General and Department of State Police.

53. Gaming information technology services and projects

Supports information technology services provided by the Department of Technology, Management, and Budget.

In FY 2020-21, \$850,000 was included for online sports and internet gaming. In FY 2022-23, \$1,801,400 was included to support internet gaming regulation and upgrade network connection speeds.

54. Horse racing

Classified FTE positions

2,160,100
6.0

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Executive Orders 2009-45 and 2009-54 transferred horse racing regulation from Department of Agriculture to the Gaming Control Board within the Department of Treasury. The position of Racing Manager is an unclassified position appropriated in the Executive Direction unit. This commission is funded by the Equine Development Fund. In FY 2016-17, the budget transferred horse testing from the Department of Agriculture and Rural development and will contract the testing services with a private provider in the future.

In FY 2025-26, 4.0 FTE position authorizations were removed due to budgetwide FTE reduction efforts.

55. Michigan gaming control board 113,600

The Michigan Gaming Control Board was established in the Gaming Control and Revenue Act, (MCL 432.201-432.226), also known as Initiated Law 1 of 1996. The law was the result of a vote of the electorate to establish casino gaming in Michigan. It was modified subsequently by Public Act 69 of 1997. Casino gaming is limited to three casinos in the City of Detroit. The Michigan Gaming Control Board supervises and regulates these casinos. Gaming on Indian Reservations does not fall under the direct oversight of the Board. The Michigan Gaming Control Board has five members who are appointed by the Government to alternating 4-year terms. This line item supports travel, hotel, meeting room, and per diem expenses for the five Board members.

56. Millionaire party regulation 3,258,500
 Classified FTE positions 20.0

The line item was created in FY 2019-20 by transferring 20.0 FTEs from Casino Gaming Control Administration and \$3.0 million from boilerplate appropriations. Though this increased line item appropriations, it did not increase appropriations to Millionaire Party Regulation. In FY 2022-23, Lawful Internet Gaming Revenue was used to support Millionaire Party Regulation.

Unit Gross Appropriation 53,562,800
 State restricted funds 53,562,800
 State general fund/general purpose 0

Sec. 108 (10) Payments in Lieu of Taxes

57. Commercial forest reserves 3,603,900

Part 511 of the Natural Resources and Environmental Protection Act, Act 451 of 1994 (MCL 324.51101-324.51120), provides a tax incentive to private landowners who retain and manage forest land for long-term timber production, and who apply for and are granted certification as a commercial forest. Commercial forests are exempt from ad valorem property taxes. The owner and the State instead each pay \$1.25 per acre. This rate increased from \$1.20 to \$1.25 in 2012 for FY 2012-13 payments. Pursuant to statute the rate will increase by five cents every five years thereafter. The State payments were first prorated in FY 2009-10. Proration is prohibited beginning in FY 2012-13 due to changes in 2012 PA 604.

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58. Purchased lands

12,910,600

Article I, Part 21, Subpart 14 of the Natural Resources and Environmental Protection Act, Act 451 of 1994 (MCL 324.2152-324.2154) requires the Department to make ad valorem tax payments, characterized as payments in lieu of taxes, on Department-owned lands purchased on or after January 1, 1933. Public Acts 603 and 604 of 2012 revised several key elements of the program:

- Proration of payments was prohibited beginning in FY 2012-13, however, appropriation of funds is required.
- Beginning in FY 2013-14, the taxable value used for the properties in the program will be the greater of the taxable value computed according to the General Property Tax Act (the value as of the prior December 31) or the lagged taxable value under the purchased land statute. Beginning in FY 2013-14, the millage rate used to calculate payments will be the current rate including special assessments.
- Beginning in FY 2013-14, there is the potential for penalties (reductions in payments) to locals for late filing and State-paid penalties for incomplete State payments.

These changes reversed several provisions enacted in 2004 to address the rising cost of the program at that time. Historically, annual increases in the taxable value of property accounted for approximately 65% of the annual increase required to fully fund this obligation and prior to 2004 supplemental appropriations were often required to provide sufficient funding. To address some of these issues, statutory changes enacted in 2004 froze for 5 years the valuation of the lands at their 2004 taxable value, for future land purchases, the value at the time of purchase. The taxable values began adjusting again in 2009 with changes limited to the lesser of the prior year increase in general price level or 5%. The enacted changes also capped the mills that were permitted to be assessed on the DNR-owned property at the amount paid in 2004.

After 2011, payments on land purchased with the Natural Resources Trust Fund are paid entirely from that fund for both school and non-school assessments. Payments on land purchased from other fund sources will be made as before, with school charges from the School Aid Fund, and remaining payments split between relevant restricted funds and GF/GP revenue.

Public Act 31 of 2010 amended the statute to provide for proration of payments in FY 2009-10 only. It also simplified administration of the program by requiring property tax statements to be bundled by county prior to submission. Public Act 118 of 2011 changed the fund sources beginning in 2012 and permitted proration of payments from all fund sources except the Natural Resources Trust Fund. Public Act 603 of 2012 applied penalties to the State for partial payments, essentially reinstating the prohibition on proration.

In FY 2017-18 the line item was increased 3% or \$252,800 (96,600 GF/GP) beyond the statutory requirement to allow the DNR to purchase additional

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land. In FY 2020-21 the line item was increased 7.4% or \$640,600 due to new land purchased by the DNR. In FY 2021-22 the line item was increased 6.5% or \$651,600 (\$243,900 GF/GP) to account for increased property values on purchased lands.

59. Swamp and tax reverted lands 21,798,000

Article I, Part 21, Subpart 13 of the Natural Resources and Environmental Protection Act, Act 451 of 1994, (MCL 324.2150-324.2151) requires the Department to make payments in lieu of taxes to counties and townships in which there are tax reverted, recreation, and forest lands under the control of the Department, which were purchased prior to January 1, 1933, tax reverted before 1999, or are from a gift or bequest. The payments are set in MCL 324.2150 at a specific rate per acre, with 50% payable to counties, and 50% payable to townships. Public Act 603 of 2012 revised the rate per acre from the current \$2.00 per acre to \$3.00 per acre in FY 2014-15 and \$4.00 per acre in FY 2015-16. Subsequent years would increase by an inflationary adjustment of up to 5%. Statute requires that the payments be made from the General Fund. Much of the swamp and tax reverted land is State forest land. This program covers about 3.5 million acres of land owned by the Department of Natural Resources.

The program was first appropriated in the Treasury budget in FY 2008-09. In prior years, funding was appropriated in the budget for the former Department of Natural Resources. The line item was prorated from FY 2009-10 to FY 2011-12. Supplemental in FY 2012- 13 is estimated to eliminate proration in that year. PA 603 prohibited proration of these payments, however, funds must be appropriated annually.

In FY 2017-18 the line item was reduced \$300,000 due to significant lapses in previous fiscal years.

In FY 2021-22 the line was increased 10.0% or \$1,530,600 due to increased per acre costs on swamp and tax reverted lands, which had increased 15% since 2016.

Unit Gross Appropriation	38,312,500
Private revenues	40,300
State restricted revenues	8,044,300
State general fund/general purpose	30,227,900

Sec. 108 (11) Revenue Sharing

60. City, village, and township revenue sharing 33,547,3000

This line item distributes nonconstitutional (often called "statutory") revenue sharing to cities, villages, and townships (CVTs). The revenue sharing payment is determined in two portions. First, from the first \$299,126,400 appropriated for CVT revenue sharing in part 1, each CVT is to receive the same payment for which they were eligible under section 952 of Article 5, 2023 PA 119. Second, the remaining amount of payment is determined by a "three-factor formula": 1/3 distributed as a taxable value payment, 1/3 distributed as a unit type population payment, and 1/3 as a yield equalization

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payment. The calculation of each of these amounts is described in boilerplate section 952, detailed in the boilerplate section of this document.

Previously, for FY 2023-24, a CVT that complied with accountability and transparency criteria under Sec. 952 would receive 104.0% of its total eligible CVT payment under section 108(11) or Article 5 of 2022 PA 166, rounded to the nearest dollar, as well as an additional 1.0% of that amount if it had fully obligated, expended, or declined its allocation under the American Rescue Plan Act of 2021. Furthermore, an amount equal to 2.0% of its eligible payment under section 108(11) mentioned above for local public safety initiatives. Additional criteria, payment dates, and other specifications were provided in boilerplate. Funds were also appropriated in the one-time appropriations section.

In FY 2014-15 two alternative payment calculations for statutory revenue sharing were available for CVTs. An eligible CVT could receive the higher of the two calculations, assuming compliance with accountability and transparency requirements. For a CVT that received at least \$4,500 in statutory revenue sharing in FY 2009-10, the payment in FY 2014-15 was equal to 78.51044% of in FY 2009- 10 payments. Alternatively, a local unit with a population of more than 7,500 was eligible to receive a payment of \$2.64659 per capita. A local unit that met both prior payment and population criteria was eligible to receive the higher of those amounts. Qualifying for full payment required compliance with accountability and transparency requirements described in Sec. 952, which were simplified with the elimination of EVIP in FY 2014-15. The budgets for FY 2015-16 through FY 2017-18 made a CVT eligible for the same amount for which it had been eligible in FY 2014-15, effectively continuing the FY 2014-15 calculation. In FY 2018-19, a CVT that received at least \$1,000 in statutory revenue sharing in FY 2009-10 (down from \$4,500) was eligible for payment, but the amount of payments remained the same. In FY 2019-20, all local units that received a payment in FY 2018-19 received 102.3% of their total payment from that year. In FY 2020-21, all local units that received a payment in FY 2019-20 received 100.0% of their initial appropriation from that year. In FY 2023-24, CVTs received 104.0% of its payment and an additional 1%, contingent on the CVT fully expending or declining the total federal funds it received under the ARPA - Coronavirus State & Local Fiscal Recovery Funds.

For FY 2011-12 through FY 2013-14, nonconstitutional revenue sharing for eligible CVTs was distributed through the EVIP program. Under EVIP, a CVT that received at least \$4,500 in statutory revenue sharing in FY 2009-10, was eligible to receive a percentage of the prior year payment. An eligible CVT qualified for payment by completing requirements in the categories of accountability and transparency, consolidation of services, and unfunded liabilities. The unfunded liabilities category replaced the employment compensation category for FY 2013-14.

61. Constitutional state general revenue sharing grants

1,010,082,900

Article IX, Section 10 of the Michigan Constitution designates 15% of collections of a 4% sales tax to townships, cities, and villages (not counties). This percentage translates into 10% of the current 6% sales tax. Payment is

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made in an equal amount per capita based on population as of the decennial federal census. The Constitution states that the Legislature may exclude "persons who are wards, patients, or convicts in any tax supported institution." The Glenn Steil State Revenue Sharing Act, PA 140 of 1971, MCL 141.903, specifies that 50% of the population of such institutions shall be counted for the purpose of determining the grant for a local unit of government.

The initial appropriation for constitutional revenue sharing for FY 2024-25 is based on the sales tax estimate from the May 2024 Consensus Revenue Estimating Conference. The annual payment is estimated at \$106.66 per capita. Actual payments are based on actual sales tax collections. Payments are made six times per year on the last business day of October, December, February, April, June, and August. Each payment is calculated based on the sales tax collected from the two-month period that ends on the prior August 31, October 31, December 31, February 28, April 30, and June 30.

In FY 2025-26, the expected Constitutional payment was reduced due to tax changes.

62. County revenue sharing 291,111,400

In FY 2024-25, the three-factor formula was implemented for both CVT and county revenue sharing. The revenue sharing payment is determined in two portions. First, from the first \$261,069,700 appropriated for county revenue sharing in part 1, each county is to receive the same payment for which they were eligible under section 952 of Article 5, 2023 PA 119. Second, the remaining amount of payment is determined by a "three-factor formula": 1/3 distributed as a taxable value payment, 1/3 distributed as a unit type population payment, and 1/3 as a yield equalization payment. The calculation of each of these amounts is described in boilerplate section 952, detailed in the boilerplate section of this document.

Previously, revenue sharing payments to eligible counties are calculated according to a statutory formula and boilerplate sections 952 and 955. In FY 2023- 24, each eligible county that meets all accountability and transparency criteria will receive 116.459281856% of the payment provided in statute. In addition, a county that certified that it had fully obligated, expended, or declined its American Rescue Plan dollars could receive an additional 1.0% of that payment. Another 2.0% of the payment was allocated to local public safety initiatives. Additional criteria pertaining to reporting and underfunded retirement systems, among other items, were also included in boilerplate. Counties could also receive funding from the County Incentive Program, and funds also were appropriated as one-time dollars.

More detailed information on these criteria can be found in the boilerplate section below.

63. Financially distressed cities, villages, or townships 2,500,000

This program was established in FY 2014-15. It provides grants of up to \$2.0 million to a city, village, or township that meets conditions of probable

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financial stress as determined by the Department of Treasury. The grants are for projects that move the local government toward financial stability by reducing unfunded accrued liability, repairing or replacing critical infrastructure, to reducing debt, for costs associated with a transition to shared services, or other projects.

64. Public safety revenue sharing grants 50,000,000

In FY 2025-26, \$50.0 million GF/GP was appropriated for Public Safety Revenue Sharing Grants. \$3.25 million is to be administered by the Department of Health and Human Services to create grants for community violence intervention programs.

\$35,062,500 is to be distributed to each city, village, or township for public safety assistance payments. The payment is calculated by determining the average violent crime count for each CVT from the 3 most recently available annual crime reports published by MSP and dividing by 2, then summing all the violent crime counts for each CVT. The proportional factor for each CVT is determined by dividing its average crime count as described above and dividing it by the statewide count. The total of \$35.1 million is then multiplied by the proportional factor for each CVT and rounded to the nearest dollar. Not less than 75% of the payment must be used to fund a law enforcement agency or law enforcement officers. Not more than 25% of the payment must be used to fund other non-law-enforcement-related public safety purposes, including training programs, medical or fire fighter services, or capital improvements to public safety buildings or structures. Subgrants are permissible but uses for payments towards debts, claims payments, or OPEB costs are not. Also prohibited are certain equipment and weapons.

\$11,687,500 is to be distributed to counties for public safety assistance payments. The payment is calculated by dividing the \$11.7 million total by the total statewide adjusted taxable value population used in section 955(3)(e) and multiplying the result by the adjusted taxable value population for each county as under section 955(3)(d). Not less than 75% of the payment must be used to fund a law enforcement agency or law enforcement officers. Not more than 25% of the payment must be used to fund other non-law-enforcement-related public safety purposes, including training programs, medical or fire fighter services, or capital improvements to public safety buildings or structures. Subgrants are permissible but uses for payments towards debts, claims payments, or OPEB costs are not. Also prohibited are certain equipment and weapons.

Unit Gross Appropriation	\$1,687,241,000
State restricted funds (Sales Tax only)	1,687,241,000
General fund/general purpose	0

Sec. 108 (12) State Building Authority

The State Building Authority is authorized to issue and sell bonds and notes for the acquisition and construction of facilities and State equipment. The debt service on the bonds is payable from lease revenue paid by the State pursuant to provisions of the leases. Appropriations for this lease revenue are

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contained in State Building Authority Rent in the Department of Technology, Management, and Budget (DTMB) while the administrative functions are funded in the Department of Treasury.

65. State building authority \$1,026,200
 Classified FTE positions 4.0

First included in the FY 2014-15 budget for the administrative functions of the SBA. These functions were transferred to the Department of Treasury from the DTMB pursuant to Executive Order 2013-8. In an FTE true-up, 1.0 unfunded FTE position was eliminated from the line in FY 2017-18. 1.0 FTE and \$250,000 were added in FY 2024-25 to meet programmatic needs and assist with long-term financial modeling. \$50,000 for the total was requested to meet costs associated with contracted providers and the Auditor General and Attorney General.

Unit Gross Appropriation 1,026,200
 Classified FTE positions 4.0
 State restricted funds 1,026,200
 State general fund/general purpose 0

Sec. 108 (13) City Income Tax Administration Program

66. City income tax administration program 11,222,000
 Classified FTE positions 77.0

The FY 2015-16 budget included 50.0 FTEs and \$5.85 million to create the city income tax administration program. The purpose of this program is to allow cities that levy a local city income tax to join the state system. This allows cities to reduce administrative costs while still providing e-file for local income tax returns and verifying personal tax information with the state system. Cities that choose to enter the program pay the city income tax fund for the costs of administering the program for the city and the state then appropriates those funds. The funds cover the total costs for administering the program and no additional General Fund is needed. Starting in FY 2015-16, only the City of Detroit was active in this program for individual income tax return processing.

In FY 2016-17, the program included tax withholding operations for the City of Detroit. The line item was increased 23.0 FTEs and \$3,782,100 in ongoing appropriations and \$1.5 million in one-time appropriations to allow an additional city to join the program, which includes both ongoing support and the one-time IT costs. The additional cost is all paid for with local revenue.

Unit Gross Appropriation 11,222,000
 Classified FTE positions 77.0
 Local revenues 11,222,000
 General fund/general purpose 0

Sec. 108 (14) Information Technology

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 50,587,800**

67. Information technology services and projects

This line funds information technology projects, primarily through charges paid to DTMB. Executive Order 2001-3 centralized technology-related positions and functions into a new department, the Department of Information Technology (DIT). At that time, 140.0 FTEs were transferred to the new department from Treasury. Beginning in FY 2003-04, information technology costs for Lottery and the Gaming Control Board were shown in their respective appropriations unit. Executive Order 2009-55 transferred DIT's responsibilities to DTMB.

In FY 2016-17, this line was increased by \$1.6 million to transition the DTMB payment model from an hourly basis to a Rate Service payment model. This model charges departments based on the services needed, including the number of activities required. In FY 2021-22, the line item was increased \$4.6 million, \$2.6 million for increased mainframe costs and \$2.0 million for legacy system upgrades. In FY 2022-23, the line item was again increased for mainframe costs by \$1.25 million and by a further \$3.2 million to support the implementation of Senate Bills 248 and 178.

In FY 2024-25, an additional \$420,800 GF/GP was included as a CSB adjustment due to IT cost increases. In FY 2025-26, a similar \$264,000 Gross increase was included.

Unit Gross Appropriation	50,587,800
Interdepartmental grant revenues	834,400
Federal revenues	590,200
Local revenues	2,274,500
Private revenues	0
State restricted revenues	20,121,700
State general fund/general purpose	26,767,000

Sec. 108 (15) One-Time Appropriations

68. Public safety constituency grants 25,000,000

This item was included in FY 2025-26 for distribution to offices of county prosecutors for the purpose of reducing caseloads per attorney (\$17.0 million) and to local units of government for the purchase of fire gear and fire equipment (\$7.0 million). Accompanying boilerplate outlined eligibility and distribution requirements.

69. Public safety revenue sharing grants 20,000,000

This item was included in FY 2025-26. Accompanying boilerplate directs the use of the funds for the following purposes: \$10.0 million to be administered by MCOLEs for police academy scholarships, \$7.5 million to cities, villages, and townships, and \$2.5 million to counties. The latter two distributions are to be made in the same manner as the \$50.0 million appropriation in ongoing revenue sharing.

70. Financial literacy 3,000,000

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This item was included in FY 2025-26 to utilize \$3.0 million in private funding for a financial literacy program.

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| 71. <u>Prosecuting attorneys coordinating council</u> | 2,655,100 |
| Classified FTE positions | 14.0 |

The Prosecuting Attorneys Coordinating Council (PACC) was created as an autonomous entity within the Department of Attorney General by the Prosecuting Attorneys Coordinating Office Act (1972 PA 203). The statute provides that the Council shall keep prosecuting attorneys and assistant prosecuting attorneys of the State informed on changes in legislation, law, and matters pertaining to their office with a goal toward a uniform system of conduct, duty and procedure being established in each county of the State. The PACC provides continuing professional education for prosecutors and their staff, assists with legal research, and information technology services. In particular, the PACC operates the case tracking system that tracks and communicates arrest and conviction information among courts, law enforcement, Department of Corrections, victims, and other agencies. It also generates warrants, subpoenas, and notices, including victims' rights notices. This software is used by 79 counties.

Background: This line item was transferred from the Attorney General budget in FY 2025-26.

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| 72. <u>Comprehensive roads funding administration</u> | 2,500,000 |
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This item was included in FY 2025-26 to support implementation costs associated with sales tax changes, primarily the administration of the Comprehensive Roads Funding Fund.

Unit Gross Appropriation	53,155,100
Private revenues	3,000,000
State restricted revenues	2,955,100
State general fund/general purpose	47,200,000

Department of Treasury
Boilerplate Detail
Public Act 22 of 2025

- 901 **Contingency Funds.** Provides that a limited amount of Federal, State Restricted, local, and private revenues that come in during the year, such as a new Federal grant, can be appropriated upon approval of a contingency fund transfer to a line item by the Appropriations Committees of both houses of the Legislature. Contingency authorization transfers are limited to the following revenue amounts: \$500,000 Federal, \$10,000,000 State Restricted, \$100,000 local, and \$20,000 private.
Background: This section has been Included since FY 2007-08. In FY 2019-20 the Federal, Local, and Private contingency funds were reduced in half.
- 902 **Debt Service Appropriation.** Appropriates amounts needed for interest, fees, rebates, and costs associated with issuance and repayment of notes and bonds, cash flow borrowing, and debt service on the School Bond Loan Fund. Also authorizes the State Treasurer to use repayments on loans from the School Bond Loan Fund to pay debt service on bonds or notes issued by the School Bond Loan Fund Program. These repayments are at the determination of the State Treasurer, unless use of the repayments is directed by statute.
Background: This section authorizes the State Treasurer to pay debt service costs on general obligation bonds or notes.
- 902a **Notification of Bond Refinancing or Restructuring.** Requires the department to notify the Legislature, the fiscal agencies, and the State Budget Office, within 30 days after issuance of any refunding or restructuring bond issue. The notification is required to include a comparison of the debt service before and after the issuance, the change in the principal and interest for the duration of the debt, and the change in the present value of the debt service due to the refinancing and restructuring.
Background: This section was added in FY 2011-12 due to concerns raised over the large increase in debt service appropriations in that budget due to prior restructuring of bonds to achieve debt service reductions in FY 2010-11.
- 902b **Unappropriated Funds Report.** The section requires a report by the department 30 days after the CAFR is completed on the various funds controlled or administered by the department that are not appropriated in part 1. The report includes the starting balance, revenue, expenditures, and ending balance for each unappropriated fund in the previous fiscal year.
Background: First included in FY 2018-19 after \$100 million that had been generated in the Student Loan Operating Fund over eight years was appropriated for the Talent Investment Fund for the Marshall Plan. This fund was not appropriated in part 1 appropriations and therefore not included in the annual state restricted fund report. This section was included to ensure that all funds will be included in the annual restricted fund report.
- 903 **Tax Collection Contracts.** (1) Allows the Department to contract with private collection agencies to collect taxes and other accounts due to the State and cities in the City Tax Administration program. Limit's collection costs and fees, including infrastructure, to 25% or 2.5% of operating costs. (2) Allows the Department to contract with private agencies or law firms to collect defaulted student loans, and other accounts due to the State. Limits collection costs to 24.34% (3) Requires annual report due November 30. (4) requires a separate RFP to be issued for secondary placement collections services in the event that an RFP is issued for general collection services.
Background: This program began in early 1980s. The contract is bid every 5 years. In FY 2003-04, language was added providing for contractual authority to collect defaulted student loans. The section was modified in FY 2011-12 to increase the limit on collection costs for defaulted student loans from 23% to 24.36%, consistent with the allowable costs under Federal policy. In FY 2017-18, the RFP for secondary placement collections was added to this section. In FY 2018-19, the language for secondary placement collection services was modified to ensure that if an RFP is issued for general collection services, a separate RFP is also issued for secondary placement collection services.
In FY 2021-22, included cities in the City Tax Administration Program.

- 904 **Investment Service Fee.** Allows the Department to charge an investment service fee against retirement funds. Authorizes use of this fee revenue up to the appropriated amount for salaries, wages, and other costs of administering the State retirement funds. Also appropriates, in addition to amounts appropriated in Part 1, sufficient amounts from retirement funds for costs necessary to pay for outside consulting services needed for prudent management of retirement funds (including costs of money managers, investment advisors, consultants, and other outside professionals). Requires an annual report for each advisor's portfolio performance. Requires a report by November that identifies service fees assessed against each retirement system and the methodology used.
Background: Allows additional funds to be expended for portfolio management beyond what is already appropriated. Originally targeted for consultants for international investments, but broadened to include all types of investments. All advisors are outside contractors and a report is required on the performance of each contractor.
- In FY 2021-22 the section was modified to include a report on the fees assessed on retirement systems.
- 904a **Financial Services.** Appropriates sufficient funds in boilerplate to pay fees for financial services provided by banks under MCL 21.181. These are funded by restricted revenues from common cash interest earnings, investment earnings, and miscellaneous revenue.
Background: First added in 2006-07. MCL 21.181 reads: "That it shall be the duty of the state treasurer to keep the accounts of the treasurer with all banks or depositories where any moneys of the state may be kept or deposited upon the regular books of his office so that each item of all such accounts shall appear therein." This section ensures payment of fees associated with these accounts. The FY 2016-17 budget included miscellaneous revenue to support financial services.
- 905 **Municipal Finance Fee Fund.** This section creates a revolving fund to receive fees under the Municipal Finance Act. The Fund carries forward and does not lapse to the General Fund.
Background: This section was added in FY 2012-13 to provide a mechanism for receiving and spending fee revenue related to the Municipal Finance Act.
- 906 **Audit Charges.** Requires the Department to charge for audits as permitted by State or Federal law and for annual report. Designates source of funding for audits appropriated in Part 1. Audits may be performed by Department auditors or by independent contracted CPAs. A report of audits performed and audit charges is required by November 30. Creates a revolving fund for audit charges collected pursuant to contracts with locals. The fund may carry forward.
Background: This section refers to the line item "Local finance" in the Local Government Programs Unit in Part 1. The line is partially funded by appropriated revenue from local audit charges. This section requires the Department to bill for audits as permitted by law. The Department does not charge State departments or agencies for the performance of audits. The charges received are from local units of government. Financial audits may be performed by independent CPAs; however, Department staff perform the compliance audits. Revenue received from local units of government for audits averages around \$300,000 to \$400,000 per year. The section was modified in FY 2012- 13 to create the Audit Charges Revolving Fund. Revenue from audit charges is deposited into the Audit Charges Fund where it can carry forward for future appropriation. The FY 2015-16 budget modified the section to cap the audit charges to the exact cost of performing the audit.
- 907 **Assessor Certification and Training Fund.** Creates the Assessor Certification and Training Fund, a revolving fund to operate the assessor certification and training program. Limits examination fees to \$50 and certification fees to \$175. Fee revenue is deposited into the revolving fund.
Background: This section refers to a fund source in the Local Government Unit. The fees collected in the Fund are administered by the New State Tax Commission which assumed the responsibilities of the State Assessors Board pursuant to Executive Order 2009-51. In FY 2004-05 the language was modified to provide for the first fee increase since October 1, 1988. The exam fee was increased from \$25 to \$50, the initial certification fee from \$35 to \$50, Level 1 and Level 2 renewal fees from \$50 to \$75, and Level 3 and 4 renewal fees from \$95 to \$125. In FY 2013-14, the section was changed so that instead of setting the assessor fees, it capped the fees. The State

Tax Commission interprets R 209.145 (adopted in 2010) as authority to set fees for assessor exams and certifications.

The renewal fee was increased by the State Tax Commission to \$150 in FY 2012-13 and up to \$175 in FY 2013-14.

908 **Heating Assistance Program.** Specifies that the Home Heating Assistance program appropriation covers costs of program administration.

Background: The Department of Treasury administers the Federally funded home heating credit which assists low income residents with heating costs. The Treasury budget includes \$3,099,200 in Federal funds for the costs of administering this program. Funds for the credits are appropriated in the budget for the Department of Human Services. There have been transfers and supplemental appropriations in the past related to one-time Special Energy Allowances made available by the Federal government.

909 **Airport Parking Tax Act.** Appropriates revenue from the Airport Parking Tax Act for distribution pursuant to that Act.

Background: This section appropriates revenue received under the Airport Parking Tax Act and authorizes the pass-through of those funds. The Airport Parking Tax was established in 1987 to provide financial assistance to Wayne County and the City of Romulus. Public Act 680 of 2002 revised the distribution. MCL 207.377a requires the deposit of the first \$6.0 million of revenue per year in the State Aeronautics Fund, \$1.5 million per year to the City of Romulus, and the remaining funds to Wayne County. The State Aeronautics Fund can be used for airport security and safety projects, to provide State match for Federal airport security funds, and to reimburse the Comprehensive Transportation Fund for debt service on bonds issued through 2007. The distribution to Wayne County is required to be used for indigent health care. The funding must be appropriated.

Airport Parking Tax Distributions				
Fiscal Year	Total Distributions	Aeronautics Fund	City of Romulus	Wayne County
1998-99	\$14,676,840	\$6,000,000	\$1,059,825	\$13,617,014
1999-2000	16,774,530	6,000,000	1,248,667	15,525,863
2000-01	17,521,750	6,000,000	1,299,746	16,222,004
2001-02	14,117,938	6,000,000	1,086,745	13,031,194
2002-03	14,359,024	6,000,000	1,669,036	6,689,988
2003-04	14,727,758	6,000,000	1,500,000	7,227,758
2004-05	17,670,273	6,000,000	1,500,000	10,170,273
2005-06	20,196,145	6,000,000	1,500,000	12,696,145
2006-07	21,366,308	6,000,000	1,500,000	13,866,308
2007-08	22,775,662	6,000,000	1,500,000	15,275,662
2008-09	20,052,504	6,000,000	1,500,000	12,552,504
2009-10	19,590,612	6,000,000	1,500,000	12,090,612
2010-11	20,185,300	6,000,000	1,500,000	12,685,300
2011-12	20,584,767	6,000,000	1,500,000	13,084,767
2012-13	21,164,664	6,000,000	1,500,000	13,664,664
2013-14	22,274,834	6,000,000	1,500,000	14,774,834
2014-15	24,809,678	6,000,000	1,500,000	17,309,678
2015-16	27,321,972	6,000,000	1,500,000	19,321,972
2016-17	28,489,028	6,000,000	1,500,000	20,989,028
2017-18	29,885,000	6,000,000	1,500,000	22,385,000
2018-19	31,275,128	6,000,000	1,500,000	23,775,128
2019-20	18,766,000	6,000,000	1,500,000	11,266,000
2020-21	19,233,000	6,000,000	1,500,000	11,733,000
2021-22	30,654,000	6,000,000	1,500,000	23,154,000
2022-23	36,625,000	6,000,000	1,500,000	29,125,000
2023-24	39,730,000	6,000,000	1,500,000,	32,230,000

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury/Annual Reports

- 910 **Bottle Deposit Fund.** Appropriates the disbursement from the Bottle Deposit Fund to dealers.
Background: This section authorizes payment of revenue from the Bottle Deposit Fund to retailers that handle deposit returns. The Bottle Deposit Fund Consists of unclaimed beverage container deposits. Of the total unredeemed deposits, 75% goes to the Cleanup and Redevelopment Trust Fund in the Department of Environmental Quality and 25% is returned proportionately to dealers based on the number of empty containers handled. This section appropriates the payments to retailers as required by Initiated Law 1 of 1976 (MCL 445.571-445.576). The amounts shown below are the payments to retailers pursuant to this section.
- 911 **Refundable Tax Credits.** Appropriates an amount sufficient to pay refundable tax credits, tax refunds, and interest from tax revenue. Funding is supported by restricting tax revenue in an amount sufficient to record the necessary expenditures.
Background: This section authorizes a pass-through of funds toward paying tax credits and refunds and the State does not realize any of this revenue. Without the section, the state would have to appropriate the amount necessary to pay refundable tax credits and tax returns.
- 912 **Writ of Garnishment.** (a) Requires that a \$6.00 fee be paid at the time a writ of garnishment of periodic payments is served upon the State Treasurer. (b) The fee is reduced to \$5.00 if writs of garnishment for individual income tax refunds and credits are filed by magnetic media.
Background: Part (a) is in statute, MCL 4012(3), "Except as otherwise provided by statute, a plaintiff shall pay a fee of \$6.00 at the time a writ to the garnishee of garnishment of periodic payments is served upon the garnishee." Part (b) is not in statute. It serves as an incentive for local governmental units to use magnetic media for filing.
- 913(1) **Senior Citizen Cooperative Housing Appraisals and Assessments.** Allows the Department to contract with a private firm to appraise and appeal assessments of senior citizen cooperative housing units. Authorizes the Department to pay for the service out of savings from the appeal process.
Background: This section ties to the line item for Senior Citizen Cooperative Housing, a program where the State pays the property tax for qualified housing. This section provides authorization to appeal assessments and spend part of the program funds for that purpose.
- 913(2) **Senior Citizen Cooperative Housing Program Audit.** Requires a portion of the senior citizens cooperative housing tax exemption program to be used for a program audit. Authorizes up to 1% of program funds to be used for administration and auditing.
Background: The section allows for an audit of the entire program, whereas the above section only addresses appeals of assessments. This is a function of the Internal Audit office. The FY 2011-12 budget modified this language from a required audit, to a permissive authority to audit, and required that if an audit is completed, the audit shall be provided to the Legislature.
- 914 **Rosenthal Prize for Interns.** Provides for a \$200 annual prize from the Ehlers Internship Award Account to the runner-up of the Rosenthal prize for interns.
Background: The Rosenthal prize of \$500 is awarded to a college intern who worked for the Legislature. The person must be nominated by a legislative office and enrolled in a Michigan college or university. The Ehlers Award is \$200 and given to the runner-up for the Rosenthal prize. A list of prior recipients is available from The Department of Treasury.
- 915 **State Campaign Fund.** Provides for the appropriation and carry forward of designated amounts to the State Campaign Fund pursuant to the Michigan Campaign Finance Act. Any balance in excess of \$10,000,000 reverts to the General Fund on December 31 of each year.
Background: The State Campaign Fund receives the revenue from the \$3 contribution check-off taxpayers may choose on their income tax forms. This section appropriates revenue pursuant to statute. In accordance with MCL 169.261, funds in excess of \$10.0 million revert to the General Fund at the end of the calendar year of a gubernatorial election.
- 916 **Unclaimed Property Listings.** Provides for sale of customized unclaimed property listings of non-confidential information. Sets fees and deposits revenue. Requires an annual report due June 1.

Background: This section provides authorization for the Department of Treasury to charge and collect a fee from companies who charge consumers a finder's fee for searching unclaimed property records.

- 917 **Write-Offs and Advances.** Appropriates funds for write-offs and advances for departmental programs, not to exceed current year authorizations that would lapse to the General Fund. Requires an annual report that states the amounts appropriated for write-offs and advances and an explanation for each write-off or advance that occurred.
Background: This section was first included in FY 2001-02 in response to a problem regarding Delinquent Property Tax Administration Fund. It was modeled after a section in the Family Independence Agency budget.

Modified in FY 2019-20 to include an explanation for each write-off or advance that occurs in the previous fiscal year.
- 919 **Private Auditing and Collection of Unclaimed Property.** (1) Allows the Department to contract with private auditing firms to audit and collect unclaimed property on behalf of the State. Appropriates collection costs up to 12% of revenues collected. (2) Requires an annual report on November 30 on the amount and cost of collections.
Background: This section was first included in FY 2002-03. The Department does contract with private firms for collection. The companies are not paid until they identify and remit unclaimed property that are owed to Michigan residents.
- 920 **Local Community Stabilization Notification.** Requires that the Department list all reimbursement payments in the current fiscal year that are to be distributed by the local community stabilization authority by June 30.
Background: This section was first included in FY 2017-18. The concern was that local units of government were unaware that future personal property tax reimbursement payments can be adjusted if errors were found in previous payments made and the payment distribution. Modified in FY 2019-20 to change the date from September 30 to June 30 and replaced a notice about changes to payments with a report that lists the reimbursement payments due to statutory changes to the program.
- 921 **Notification of Implementation Bulletins.** Requires notification from the department to the legislature when any revenue administrative bulletins, administrative rules involving tax collection, or interpretation of tax law are posted. The notification is required to include a summary of the proposed changes, identifying the industries who will be affected, the possible fiscal implications, and the reason for the change.
Background: First included in FY 2020-21 to notify the legislature when the department makes changes to tax collection.
- 924 **Principal Residence Audit Fund.** Appropriates Principal Residence Audit Fund revenue for the administration of homestead property tax exemption audits pursuant to the General Property Tax Act. Requires a report by December 31 of the amount of exemptions denied and the revenue received
Background: This section was first included in FY 2003-04. Modified in FY 2005-06 from Homestead Property Tax Exemption Audit Fund to Principal Residence Audit Fund. Modified in FY 2010-11 to specify the reporting elements.
- 927 **Essential Assessment Audit Report.** Requires an annual report on essential service assessment audits that includes the number of audits, revenue generates, and the number of complaints received by the Department.
Background: Moved to this section in FY 2010-11 to report on personal property tax audit. Previously the report was in Section 947(1). Modified in FY 2018-19 to include essential service assessment audits. Modified in FY 2020-21 to remove personal property tax audits since those audits no longer occur.
- 928 **Services to State Departments and Agencies.** Allows the Department to provide cash processing, cash handling, warrant processing, writ of garnishment, or other user services on a contractual basis to State departments and State agencies. Appropriates funds for services

provided to support costs incurred by the Department. Unobligated funds (e.g. garnishment fees) revert to the General Fund.

Background: This refers to the department operations in the Departmental Administration and Support unit. It authorizes a chargeback of the above services provided to other departments by the Department of Treasury. There are written contracts with some of the departments for these services, although some pay the bills without a contract agreement. To date, there has not been revenue remaining at the end of the fiscal year to revert to the General Fund.

930 **Accounts Receivable Collection Services.** Requires the Department to provide accounts receivable collections services to other departments, State agencies, and cities in the City Income Tax Administration. Provides for fee and requires annual report by November 30.

Background: This service is provided through a contract with GC Services. This is a chargeback for collection services provided to other departments.

In FY 2021-22 the section was modified to include cities in the City Income Tax Administration program.

931 **Treasury Fees.** Provides for receipt and expenditure of investment fees for current and new restricted funds that receive common cash earnings or other investment income. Fees are to cover all costs of investing the funds. Investment fees assessed against restricted funds will be based on the absolute value of the average daily cash balance, the market value of investments in the prior fiscal year, and the level of effort necessary to maintain the restricted fund. Requires an annual report on November 30, identifying the fees assessed against each fund.

Background: A list of the Treasury fees fund sources included in Part 1 was previously included in this section. In FY 2002-03, the section was amended to require the list in an annual report instead of including it in this appropriation bill. Modified FY 2005-06 to provide for receipt and expenditure of investment fees and assessing fees against restricted funds.

932 **Michigan Education Trust Act.** Revenue received under the Michigan Education Trust Act may be used for salaries, supplies, contracted services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Background: This use of funds is one of the authorized purposes under MCL 390.1429.

934 **Michigan Finance Authority.**

Authorizes the Department to expend revenue received for various bonding programs for necessary expenses of the programs. Requires a report by January 31 on expenditures made from funds received in addition to those appropriated in Part 1 and a listing of revenue reimbursed by the MFA.

Background: This section was new in FY 2010-11. It reflects Executive Order 2010-2 which combined most bonding programs under the Michigan Finance Authority Board and centralized administration in the Department of Treasury. It also moved funding for the program from boilerplate to a line item, leaving this receive and expend authority. The Michigan Finance Authority covers responsibilities under the Hospital Finance Authority Act, the Shared Credit Rating Act, the Higher Education Facilities Authority Act, the Michigan Public Educational Facilities Authority, the Michigan Tobacco Settlement Authority Act, Land Bank Fast Track Act, the Natural Resources and Environmental Protection Act, and the Michigan State Housing Development Authority Act. The FY 2011-12 budget changed the report date to January 31, 2012 for prior fiscal year activity.

935 **Dual Enrollment.** Requires the distribution of appropriations for dual enrollment for eligible nonpublic school students pursuant to the statutory authority for the program.

Background: This section was added in FY 2013-14 to link the appropriation in Part 1 with the Post- Secondary Enrollment Options Act, MCL 388.511 to 388.524, and the Career and Technical Preparation Act, MCL 388.1901 to 388.1913, which allows for the reimbursement of dual enrollment for nonpublic school students.

937 **Michigan Accounts Receivable Collection Systems Report.** Requires a new report on Michigan's accounts receivable collection system for long term delinquent accounts. The report includes, information on the effectiveness of vendors, amounts referred to vendors, the liquidation

rate, amount of delinquent accounts, long term strategies, and a summary of the strategies that other states use to track delinquent accounts.

Background: First included in FY 2016-17 budget.

941 **MEGA Report.** Requires cooperation with the Department of Labor and Economic Opportunity on an annual report due November 1, on the projected costs of the various outstanding tax credits. The report includes the total original credit amounts issued for each year, total adjustments made to credits, the actual and projected value for each year from 1995 to the expiration of the programs. Each year shall include the amount claimed, certified, and pending. Projections will be based on the estimates of employees, wages, and benefits.

Background: First included in the FY 2016-17 budget.

944 **Pension Plan Consultant.** Requires that any report given to the department by a pension plan consultant be provided to the subcommittees on general government, the fiscal agencies and the state budget director. The Department must also include a rationale for needing a pension plan consultant if one is used by the department.

Background: First included FY 2008-09. Modified in FY 2010-11 to change the timing of the report to annually (instead of within 30 days). Modified in FY 2015-16 to require that the reports be retained and made available upon request by the legislature while removing the reporting requirement. In FY 2017-18, the requirement that a rationale be included when a pension plan consultant is used was added to this section.

945 **Assessment Adjustment.** Provides that Treasury conduct audits of local unit assessment administration practices, procedures, and records for every jurisdiction a minimum of once every five years in accordance to section 10g of the General Property Tax Act (MCL 211.10g).

Background: First included in FY 2005-06. Modified the audit in FY 2015-16 from a 14-point review audit to an audit of minimum assessing requirements review for each county. In FY 2017-18, the assessment time was modified from one jurisdiction in each county every year to every jurisdiction once every five years. Modified in FY 2019-20 to ensure that audits are conducted in accordance to PA 660 of 2018.

946 **Convention Facility Development Fund.** This language requires collections into the fund to be distributed according to Sections 8, 9, and 10 of the State Convention Facility Development Act, 1985 PA 106 (MCL 207.628, 207.629, and 207.630).

Background: First included in FY 2014-15.

947 **Financial Independence Team.** This language creates a financial independence team to cooperate with the office of fiscal responsibility, located in the supervision of general property tax line item, to coordinate and streamline efforts in identifying and addressing fiscal emergencies in local and intermediate school districts.

Background: First included in FY 2014-15.

948 **Legacy Costs.** This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs and an estimate of the pension-related and health care legacy costs.

Background: First included in 2014-15 and removed in FY 2023-24. Reinserted in FY 2025-26.

949 **Income Tax Fraud Prevention.** Allows \$1.5 million in delinquent tax revenue to be used towards contracting with a private agency or fund operations that prevent the disbursement of fraudulent tax refunds. Of the funds that have been prevented from being disbursed to fraudulent returns, up to \$1.5 million can be used towards this effort. Also, requires a report to the Legislature on the amount of fraudulent tax returns that were stopped due to this effort.

Background: First included as supplemental funding in FY 2014-15 to allow the department to contract for fraud detection services for tax returns. The FY 2015-16 budget moved the funding to this boilerplate section as well as adding the reporting requirement. In FY 2017-18, the total funding allowable for this contract was reduced from \$1.6 million to \$1.2 million to reflect actual spending on the contract. In FY 2020-21, the amount was increased from \$1.2 million to \$1.5 million.

949a **City Income Tax Administrative Program.** This language allows the Department to work with an additional city to administer individual income tax returns on behalf of a city that leverages a local

city income tax. Allows expansion to additional cities that establish service level agreements with Treasury for the purpose of joining the program. Local funds received are appropriated for the administration and staffing of the program.

Background: First included in FY 2015-16. In FY 2017-18, the language was modified to reflect the potential of an additional city entering the program. Modified in FY 2020-21 from "shall" to "may." Modified in FY 2023-24 to allow expansion to additional cities. The department currently only operates the income tax services for the City of Detroit.

- 949b **Good Jobs for Michigan Program.** Requires that funds expended for the administration of the Michigan Farmland and Open Space Preservation Program be expended in coordination with the Department of Agriculture and Rural Development to improve the timely processing and issuance of tax credits for the program.
Background: This section was first included in FY 2021-22.
- 949d **Financial Review Commission.** This section requires that funds used for the Financial Review Commission be used to ensure that the city of Detroit and the community school district does not reenter financial distress, it also includes benchmarks that should be used to measure progress. The section also requires an updated metric report on the commission by March 15.
Background: First included in FY 2015-16 to require that metrics be established. PA 183 of 2014 created the Financial Review Commission as part of the Detroit bankruptcy package to ensure that the City of Detroit follows statute. In FY 2017-18, the section was modified to require an update to the metrics that were established for the commission and to include the school district.
- 949e **Essential Services Assessment Program.** This section requires that the funds used for the Essential Services Assessment Program be used to phase-in the new state essential services assessment.
Background: First included in FY 2015-16. The state essential services assessment is the replacement for the locally collected personal property tax.
- 949f **Tobacco Tax Revenue.** Allows tobacco revenue that is collected from Wayne County to be distributed according to PA 327 of 1993.
Background: First included in FY 2015-16. Tobacco tax revenue had been used in Wayne County to support an indigent care program in the county. That program's Federal funding had been removed and this language was added to allow the funds to be moved to a different indigent care program in the county.
- 949h **Medical Marihuana Excise Fund.** Requires that the Medical Marihuana Excise Fund be distributed and used in accordance with statute (PA 281 of 2016).
Background: First included in FY 2017-18 when Medical Marihuana Excise Fund and grants were included in the Department's budget.
- 949i **Marihuana Regulation and Taxation.** Requires that revenue generated under the Michigan Regulation and Taxation of Marihuana Act be appropriated and distributed pursuant to the initiative law.
Background: This section was first included in FY 2021-22.
- 949j **Wrongful Imprisonment Compensation Fund.** Requires that all funds in the Wrongful Imprisonment Compensation Fund be used in accordance with statute as passed in PA 343 of 2016, which created the fund and outlines the distribution of funds.
Background: First included in FY 2016-17 by supplemental appropriations from Article XX in PA 107 of 2017, which deposited \$5.0 million GF/GP into the fund and was continued into FY 2017-18. The fund provides reimbursement to those wrongfully imprisoned and qualify for reimbursement. The reimbursement rate is \$50,000 per year in prison plus legal fees. Payments can be made in a lump-sum or over no more than ten years in annual payments. If the ten-year annual payment option is chosen then 20% of the total amount owed is required in the first year. A court determines if a lump-sum or annual payments shall be made. At the time that the \$5.0 million deposit was made, there was estimated to be around \$13.9 million in total, qualified reimbursements that will need to be made. Since then, additional deposits have been made into the fund to support additional claims being awarded.

- 949k **Transformational Brownfield Zones.** Requires that the department appropriate the amount sufficient to recognize and pay an amount equal to the tax captured revenues that are due under approved transformational brownfield plans as provided by law.
Background: First included in FY 2018-19 to ensure that the department appropriates the amount sufficient to recognize and pay an amount equal to the tax captured revenues that are due under approved transformational brownfield plans as provided by law.
- 949m **Michigan Infrastructure Council.** Requires that the funds appropriated for the Michigan Infrastructure Council be used to plan, conduct, and contract for asset management improvement activities including: infrastructure data collection, asset manager training, development of a 30-year asset management plan, assist in improvement projects such as asset management portals, and other projects to improve the assessment management for infrastructure in Michigan.
Background: First included in FY 2021-22.
- 949n **Fostering Futures Scholarship Fund.** Deposits gifts and donations made under the Foster Futures Scholarship Trust Fund Act and allows for expenditures in accordance with the Act.
Background: First included in FY 2022-23. Removed in FY 2023-24, but reinstated in FY 2024-25 to ensure use of the funds.

Revenue Sharing

- 950 **Constitutional Revenue Sharing.** States that the appropriation in part 1 for constitutional revenue sharing payments is in accordance with Article IX, Section 10 of the Michigan Constitution and appropriates additional revenue in excess of the amount appropriated in part 1 for constitutional revenue sharing to meet the constitutional obligation. Under the Constitution, 15% of sales tax revenue received at a tax rate of 4% is distributed on a per-capita basis to cities, villages, and townships (CVTs).
Background: Prior to FY 2011-12, this section included direction for statutory revenue sharing, which in recent years has been adjusted annually in boilerplate. That boilerplate was removed in FY 2011-12 and replaced with Sec. 952 which describes the Economic Vitality Incentive Program in effect from FY 2011-12 through FY 2013-14 and the City, Village, and Township Revenue Sharing program in effect for FY 2014-15 through FY 20123-24. A further substantial modification of the CVT Revenue Sharing program was made in FY 2024-25.
- 952 **Nonconstitutional Cities, Villages, and Townships Revenue Sharing.**
- 952(1) States that the funds appropriated for city, village, and township (CVT) revenue sharing are for grants to CVTs and are to be distributed as provided in this section.
- 952(2) States that from the first \$299,126,400 appropriated for CVT revenue sharing, CVTs are to receive 100% of the revenue sharing they were eligible to receive under Sec. 952 of Public Act 119 of 2023, rounded to the nearest dollar. States that this is due regardless of whether the CVT satisfied all of the eligibility criteria under that section.
- 952(3) States that the remaining amount appropriated for CVT revenue sharing must be distributed as follows:
(a) 1/3 as taxable value payments as under (4)
(b) 1/3 as unit type population payments as under (5)
(c) 1/3 as yield equalization payments as under (6)
- 952(4) Describes calculation of taxable value portion of the formula:
(a) Per capita taxable value of each CVT: Divide the taxable value of the CVT by its population.
(b) Statewide per capita taxable value: Divide the total taxable value all CVTs by total population of CVTs.
(c) Per capita taxable value ratio for each CVT: Divide the statewide per capita value by the per capita taxable value for that CVT.
(d) Adjustable taxable value population for each CVT: Multiply per capita taxable value ratio from (c) for the CVT by its population.
(e) Total statewide adjustable value population: Sum all adjustable taxable value populations for all CVTs.
(f) Taxable value payment rate: Divide amount to be distributed under (4) by the total statewide adjustable taxable value population from (e).

(g) Taxable value payment for each CVT: Multiply the result from (f) by the CVT's adjustable taxable value population.
952(5) States that a unit type population payment must be made according to the criteria under this subsection (5).

(a) States that determination of the unit type population weight factor for each CVT is as follows:
(i) - (xiii) These subsections provide the weight factor for various unit types and population sizes.
(xix) States that for a township of at least 10,000 that provides documentation to Treasury that the township provides fire services, 24-hour police services, water services to 50% or more of its residents, and sewer services to 50% or more of its residents, the weight factor is to be the same for a city with the same population.
(b) Adjusted unit type population for each CVT: Multiply unit type population weight factor for the CVT under (a) by its population.
(c) Total statewide adjusted unit type population: Sum adjusted unit type population for all CVTs.
(d) Unit type population payment rate: Divide the amount to be distributed under this subsection by the total statewide adjusted unit type population determined under (c).
(e) Unit type population payment for each CVT: Multiply the result under (d) by the adjusted unit type population payment for that CVT.
952(6) States that a yield equalization payment must be made to each CVT that does not exceed 0.02 but is sufficient to provide the guaranteed tax base for a local tax effort. States that the payment must be determined by the following:

(a) States that the guaranteed tax base is the maximum combined state and local per capita taxable value that can be guaranteed in a fiscal year to each CVT for a local tax effort, not to exceed 0.02, if an amount equal to an amount described in (3)(c) is distributed to CVTs whose per capita taxable value is below the guaranteed tax base.
(b) The full yield equalization payment to each CVT is the product of:
(i) An amount equal to the difference between the guaranteed tax base determined in (a) and the per capita taxable value of the CVT, if greater than zero.
(ii) The local tax effort of the CVT, not to exceed 0.02, multiplied by the CVT's population.
952(7) States in the case that a CVT merges with another CVT, it must be treated as a single entity. Payments under section 952 of 2023 PA 119 are summed for calculation purposes.
Background: This section was added in FY 2024-25 to revise the revenue sharing formula.

History: Revenue Sharing and Incentive Programs Prior to FY 2024-25 Changes

Prior to FY 2024-25, the revenue sharing formula was largely based on uniform increases using different base amounts and The section below describes previous changing to revenue sharing and associated programs to provide background to the three-factor formula approach included in FY 2024-25:

The Economic Vitality Incentive Program (EVIP) program was added in FY 2011-12 to replace statutory revenue sharing for cities, villages, and townships with a program to encourage accountability and transparency, consolidation of services, and plans for limiting some types of employee compensation (the employee compensation category was replaced in FY 2013-14 by a plan to reduce unfunded accrued liabilities). The EVIP was renamed to City, Village, and Township Revenue Sharing in FY 2014-15 and the requirements were simplified.

The incentive program was expanded to eligible counties in FY 2012-13. The share of revenue sharing payments to counties distributed according to the incentive program is determined by the appropriations for the incentive program and the county revenue sharing program. For FY 2012-13 to FY 2015-16, 20% of the total State revenue sharing payments to counties was distributed through the County Incentive Program. This is changed slightly since FY 2016-17 as the appropriation for County Revenue Sharing increased and the amount for the CIP stayed the same as in FY 2015-16.

In FY 2011-12:

- The section allocated \$5.0 million from the EVIP appropriation to the Competitive Grant Assistance Program for competitive grants to encourage mergers, interlocal agreements,

and consolidation of services. The Competitive Grant Assistance Program was moved to Sec. 951 for FY 2012-13 and FY 2013-14, and eliminated in FY 2014-15.

- Sec. 1201 made one-time appropriations for EVIP in FY 2011-12.
- Mid-year revisions amended the incentive program requirements and deadlines.

In FY 2012-13, counties were added to the incentive program.

In FY 2013-14:

- Replaced the Employment Compensation category with the Unfunded Liabilities category.
- Expanded the debt service reporting requirements of Category 1.
- Added innovation and privatization projects as eligible projects under consolidation of services.
- Mid-year revisions extended a certification date from October 1 to December 1 and revised the requirements for the unfunded accrued liability plan.

In FY 2015-16:

- Specified that debt service payments must be reported for each year until maturity of the debt.
- Required that eligible local governments include the internet address or physical location of transparency reports in any general interest mailing to local residents.

In FY 2016-17:

- The CIP payment was calculated as 20% of the formula amount under the Glenn Steil State Revenue Sharing Act. This is slightly less than 20% of the total appropriations for counties because total appropriations for revenue sharing payments to counties were 100.976% of the statutory formula amount.

In FY 2017-18, language was added to allow local governments to use the online citizen's guide to local finances developed by the Department of Treasury.

In FY 2018-19, minimum payment threshold for CVTs was reduced from \$4,500 received in FY 2009-2010 to \$1,000 received in FY 2009-2010.

In FY 2019-20, language required any CVT or county with an underfunded retirement system to dedicate any increase in funding from FY 2018-19 to fund that retirement system.

In FY 2020-21, removed requirements to dedicate additional funding to an underfunded retirement system

In FY 2023-24, local public safety initiative portion and definition; modified citizens' guide and dashboard requirements to debt service report and projected budget report.

In FY 2024-25, revenue sharing was significantly revised in order to implement the change to the three-factor formula.

954 **Payment Distribution Dates and Underfunded Retirement Pension Benefit System.**

954(1) States that CVTs receiving a payment under 952(2) and counties receiving a payment under 955(2) are to receive 1/6th of their total payment on the last business days of October, December, February, April, June, and August. States that CVTs receiving payments under 952(3) and counties receiving a payment under section 955(3) are to receive 50% of their estimated payment to be received under section 952(3) or 955(3) on the last business day of February 2025, and that on the last business day of June 2025, those CVTs will receive any payment remaining.

954(2) States that payments distributed under section 952 or section 955 may be held in accordance with sections 17a and 21 of the Glenn Steil State Revenue Sharing, 1971 PA 140.

954(3) If a CVT that receives a payment under section 952 is determined to have a retirement pension benefit system in underfunded must allocate to its liability an amount equal to 50% of the difference between its current year payment under section 952 and the amount it would have been

eligible to receive for nonconstitutional revenue sharing in FY 2023-24 according to section 952 of Article 5, 2023 PA 119. Exempts a CVT that has issued a municipal security under the Revised Municipal Finance Act, 2001 PA 34.

- 954(4) States the same requirements as (3) but the allocation required is an amount equal to 50% of the difference between its current year payment under section 955 and the amount the county would have been eligible to receive under 955 of Article 5, 2023 PA 119, regardless of whether any limitation or eligibility criteria under that section was satisfied. Includes same municipal security exemption under (3).

955 **County Revenue Sharing Grants.**

- 955(1) States that the funds appropriated for county revenue sharing are for grants to counties and are to be distributed as provided in this section.
- 955(2) States that from the first \$261,069,700 appropriated for county revenue sharing, counties are to receive 100% of the revenue sharing they were eligible to receive under Sec. 952 of Public Act 119 of 2023, rounded to the nearest dollar. States that this is due regardless of whether the county satisfied all of the eligibility criteria under that section.
- 955(3) States that the remaining amount appropriated for county revenue sharing must be distributed as follows:
- (a) Per capita taxable value of each county: Divide the taxable value of the county by its population.
 - (b) Statewide per capita taxable value: Divide the total taxable value all counties by total population of counties.
 - (c) Per capita taxable value ratio for each county: Divide the statewide per capita value by the per capita taxable value for that county.
 - (d) Adjustable taxable value population for each county: Multiply per capita taxable value ratio from (c) for the county by its population.
 - (e) Total statewide adjustable value population: Sum all adjustable taxable value populations for all counties.
 - (f) Taxable value payment rate: Divide amount to be distributed under this subsection by the total statewide adjustable taxable value population from (e).
 - (g) Taxable value payment for each county: Multiply the result from (f) by the county's adjustable taxable value population.

Background: This section was first included in FY 2004-05. At that time, counties were required to accelerate property tax collections and use the proceeds to create a revenue sharing reserve fund. Counties make withdrawals from their reserve funds to replace State revenue sharing payments. When the reserve fund is exhausted, a county returns to State-paid revenue sharing. The timing of a county's return to State-paid revenue sharing varies considerably depending on a county's relative reliance on local property taxes and revenue sharing payments in the county budget. Withdrawal amounts from the reserve fund are established annually by Treasury. During the period where a county makes reserve fund withdrawals, withdrawal amounts increase by inflation. For counties in State-paid revenue sharing, no inflationary increases are required by statute.

The section was revised in FY 2016-17 to specify that a county is eligible for more than the payment amount specified by statute. The language was added that calculated the payment as the difference between 100.976% of the statutory amount and the amount the county is eligible for under the County Incentive Program. The percentage has been increased in subsequent years.

In FY 2011-12, 50 counties were in the State-paid county revenue sharing program. An additional 12 counties returned to revenue sharing in FY 2012-13 and one in FY 2013-14. Another 11 counties re- entered State-paid revenue sharing in FY 2014-15, two in FY 2015-16, two in FY 2016-17, 3 in FY 2018-19, and 1 in FY 2020-21, making 82 of 83 counties eligible for State payments in FY 2020-21.

In FY 2022-23, all counties are eligible for State payments at 113.04552% of the statutory amount. For FY 2023-24, the amount is 116.459281856%.

In FY 2024-25, county revenue sharing was revised to be based on the taxable value payment calculated through taxable values and population size as described above.

- 956 **Financially Distressed Cities, Villages, or Townships.** Directs Treasury to make grants of up to \$2.0 million to cities, villages, or townships that have signs of probable financial distress determined by the Department of Treasury. No city, village, or township can receive more than \$2.0 million under the program. The funds are for projects that move the local government toward financial stability, including: reductions in debt, reductions in unfunded accrued liabilities, repair or replacement of critical infrastructure owned or maintained by the local government, or costs associated with a transition to shared services with another jurisdiction. The Department is required to report by March 31 on approved awards and projects. Unused funds would remain in a work project through September 30, 2030. Sec. 952 allocates unused funds from the City, Village, and Township Revenue Sharing Program and the County Incentive Program to the line item for Financially Distressed Cities, Villages, or Townships upon approval of a legislative transfer.
Background: Added in FY 2014-15. In FY 2017-18, language was added to allow a CVT “to administer other projects that move the city, village, or township toward financial stability.”
- 957 **Definition of Terms.** States that the terms used in sections 950 through 956 are used as defined in the Glenn Steil State Revenue Sharing Act.
Background: First included in FY 2024-25 to ensure accuracy for new taxable value formulation.
- 959 **Public Safety Revenue Sharing Grants.** This section describes how the \$50.0 million part 1 appropriation for Public Safety Revenue Sharing Grants is to be distributed. \$3.25 million is to be distributed to MDHHS to establish and administer a grant program for community violence intervention programs; \$35.1 million is to be distributed as public safety assistance payments to each city, village, or township based on a violent crime rate-based formula. \$11.7 million to be distributed to each county as public safety assistance payments based on the inverse taxable value formula used for general revenue sharing. The latter two distributions have limitations restricting use of the money for certain public safety purposes.
Background: This section was first included in FY 2024-25 to address ongoing Legislative interest in supporting public safety for local units.

Bureau of Lottery

- 960 **Lottery Operations Additional Appropriations.** Appropriates Lottery revenue to implement and operate lottery games under the McCauley-Traxler-Law-Bowman-McNeely Lottery Act, 1972 PA 239, MCL 432.1 to 432.47 and the Traxler-McCauley-Law-Bowman-McNeely Lottery Act, 1972 PA 382, MCL 432.101 to 432.120. Lottery costs include contractually mandated vendor commissions, payment for instant tickets for resale, costs of providing online communications network and incentives, and bonus payments to lottery retailers.
Background: This section provides the authority for expenditures related to sales volume. The Bureau of Lottery maintains individual accounts for each purpose listed in this section. In FY 2012-13 the statutory references were added.
- 964 **Lottery Promotion.** This section allows the Bureau to use up to 1% of gross lottery sale revenue from the previous year towards lottery promotion and advertisement.
Background:

Casino Gaming

- 971 **Compulsive Gaming Prevention Fund.** (1) Provides that the revenue collected by the Gaming Control Board from the total annual assessment of each casino licensee is appropriated and must be distributed in accordance with Section 12a(5) of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.212a.
(2) States that the revenue collected in the Internet Sports Betting Fund is appropriated and must be distributed in accordance with the Lawful Sports Betting Act, 2019 PA 149, MCL 432.401 to 432.419.
(3) States that the revenue collected in the Internet Gaming Fund is appropriated and must be distributed in accordance with the Lawful Internet Gaming Act, 2019 PA 152, MCL 432.301 to 432.322, and the Traxler-McCauley-Law-Bowman Bingo Act, 1972 PA 382, MCL 432.101 to 432.152.

Background: This section is pursuant to the Michigan Gaming Control and Revenue Act, MCL 432.212a, which requires an appropriation into the Compulsive Gaming Prevention Fund. This Fund is used for programs combating gambling addiction.

The section was modified in FY 2020-21 to include (2) and (3) to make deposits from the Internet Sports Betting and Internet Gaming Funds into the Compulsive Gaming Prevention Fund and First Responder Presumed Coverage Fund. This aligned with enactment of internet sports and internet gaming in Michigan. In FY 2025-26.

- 972 **School Aid Fund Deposit.** After all other required expenditures described in section 16(3) of the fantasy contests consumer protection act, 2019 PA 157, MCL 432.516; section 16(4) of the lawful internet gaming act, 2019 PA 152, MCL 432.316; and section 16(4) of the lawful sports betting act, 2019 PA 149, MCL 432.416 are made, any money remaining in the fantasy contest fund, internet gaming fund, and internet sports betting fund are appropriated and shall be deposited into the state school aid fund as described in section 16(3)(b) of the fantasy contests consumer protection act, 2019 PA 157, MCL 432.516; section 16(4) of the lawful internet gaming act, 2019 PA 152, MCL 432.316; and section 16(4) of the lawful sports betting act, 2019 PA 149, MCL 432.416.
Background: First included in FY 2022-23 to align appropriation language with statute.
- 973 **Native American Gaming Compacts.** (1) Allows funds from the Local Government Programs section to be used to assist local revenue sharing boards. (2) Requires local revenue sharing boards to comply with the Open Meetings Act and the Freedom of Information Act. (3) Authorizes county treasurers to receive and administer funds on behalf of the local revenue sharing board. Funds appropriated in part 1 for local government programs may be used for audits of local revenue sharing board funds. Local units are not limited by this language in entering into agreements with federally recognized tribes for financial assistance or shared services. (4) Requires a local revenue sharing board to comply with an agreement under the Indian Gaming Regulatory Act (IGRA), Public Law 100-497, including the disbursement of tribal casino payments pursuant to a gaming compact. (5) The directors of State Police and Michigan Gaming Control Board (MGCB) may assist local revenue sharing boards in determining allocations to local public safety organization. (6) Requires the Michigan Gaming Control Board to report by September 30 on receipts and distribution of revenue.
Background: This section was first included in FY 2000-01. It only applies to Indian gaming compacts with local revenue sharing boards. The language responded to local concerns over the way the 2% revenue from the casinos to local units was being allocated. The three board members are all local government officials and not from the tribe. The language is intended to clarify the spending authority of the boards. Modified in FY 2005-06 to include the state budget director on the list of report recipients. Revised in FY 2011-12 to add (4), which require compliance with an agreement under IGRA, including payments pursuant to a contract. Modified in FY 20014-15 to change reporting from the Department of Treasury to the Michigan Gaming Control Board.
- 974 **State Services Fee Fund Shortfall.** In the case of a shortfall in the state services fee fund (revenue insufficient to support appropriations from the fund), available revenues are to fund casino gaming regulation before any distribution is made to other agencies. The amount of shortfall shall be distributed proportionally among other agencies.
Background: This section was first included in FY 2002-03. This section prioritizes the needs of the MGCB above those of other departments or agencies for distributions from the State Services Fee Fund. Any shortfall would be divided among the other departments and not incurred by the MGCB. It is unclear what impact this section would have on appropriations from the State Services Fee Fund in the Department of Agriculture budget, which is included in a separate appropriation bill. Appropriations from the State Service Fee Fund are authorized by the Michigan Gaming Control and Revenue Act, MCL 432.212a.
- 975 **Responsible Gaming Advertising.** States that it is the intent of the Legislature that the Gaming Control Board coordinate with DHHS on addiction prevention strategies and education using funds for advertising for responsible gaming appropriated in part 1. Requires a report on expenditures and programming funded by September 1 of the current fiscal year.
Background: First included in FY 2023-24.

- 976 **Horse Racing Rewards.** Allows the Director of the Michigan Gaming Control Board to pay rewards of up to \$5,000 out of the Office of Racing Commission line item for information that results in a criminal conviction for a crime that involves the horse racing industry.
Background: Transferred to the budget in FY 2010-11 from the Department of Agriculture due to Executive Order 45/54. Revised in FY 2011-12, to update references to the programs as it exists in Treasury after implementation of the executive order. In addition the reward amount was reduced from \$5,800 to \$5,000.
- 977 **Horse Racing Proration.** Requires all appropriations from the Equine Industry Development Fund except Racing Commission to be prorated proportionally in the case of a revenue shortfall.
Background: New in FY 2010-11. In FY 2017-18, the Laboratory Analysis unit was removed from the proration exemption list in the event of revenue shortfalls.
- 978 **Determination of Horse Racing Regulatory Costs.** Requires the calculation of the regulatory costs of racing. Limits reimbursement to the MGCB to the actual regulatory cost. Provides for consultation between the MGCB and certified horsemen's organizations in the case of a revenue shortfall. Allows race dates to be reduced in the case of a shortfall.
Background: This language was included in 2010 PA 66, and then added to the budget for FY 2010-11. In FY 2009-10, a contingency fund transfer was used to appropriate a contribution from a horseman's organization to cover regulatory costs needed to continue scheduled race dates. Modified in FY 2023-24 to remove reference to certified horsemen's organizations' funding and change to MGCB.
- 979 **Millionaire Party Oversight.** Authorizes the amount appropriated in part 1 for the Millionaire Party line item be used towards the licensing and regulation of millionaire parties (part of charitable gaming activities) in accordance to statute. Caps spending to the amount appropriated in part 1 and that expenses shall not exceed appropriation and the fees and revenue brought in under the Traxler- McCauley-Law-Bowman Bingo Act and the Lawful Internet Gaming Act. Requires a report to the Legislature by March 1 on regulatory spending, enforcement actions, and steps to ensure that charities receive the revenue due to them.
Background: This section was added in FY 2012-13. Regulation of millionaire parties was transferred from the Bureau of State Lottery to the Michigan Gaming Control board by EO 2012-4. In FY 2017-18, the cap was lowered from \$4.0 to \$3.0 million to reflect actual revenue and expenditures. Modified in FY 2019-20 to move the boilerplate appropriations to Part 1 appropriations. Modified in FY 2022-23 to include Lawful Internet Gaming Revenue to support administrative costs.

One-Time Appropriations

- 991 **Public Safety Constituency Grants.** This section requires that the part 1 one-time appropriation of \$25.0 million for Public Safety Constituency Grants be allocated as follows: \$17.0 million to offices of county prosecutors according to certain criteria; \$8.0 million to local units of government for the purchase of firefighter gear or equipment, predominantly on-call, part-time, or volunteer departments.
Background: This section was first added in FY 2025-26. Nearly identical language for local prosecutor support grants was included in FY 2024-25 as a one-time appropriation.
- 992 **Public Safety Revenue Sharing Grants.** This section requires that the part 1 one-time appropriation of \$20.0 million for Public Safety Revenue Sharing Grants be allocated as follows: \$10.0 million to be administered by MCOLES for a competitive public safety academy assistance grant program to provide scholarships or pay salaries for qualifying recruits; \$7.5 million to cities, villages, and townships for public safety assistance payments distributed as under section 959(1))b) of the article; and \$2.5 million to be distributed to counties for public safety assistance payments as distributed under section 959(9) of the article.
Background: This section was first added in FY 2025-26.

1101 **State Building Authority – Advances.** Provides for advances from the General Fund prior to the sale of bonds.

Background: Transferred to the Treasury budget in FY 2014-15 from DTMB to coincide with the transfer of the funding for the administrative functions of the SBA to Treasury pursuant to Executive Order 2013-8. The appropriations for SBA rent to pay debt service on State-financed construction projects is still contained in the DTMB budget.

1102 **State Building Authority – Excess Revenues.**

Background: Transferred to the Treasury budget in FY 2014-15 from DTMB to coincide with the transfer of the funding for the administrative functions of the SBA to Treasury pursuant to Executive Order 2013-8. The appropriations for SBA rent to pay debt service on State-financed construction projects is still contained in the DTMB budget.

1103 **State Building Authority – Report.** Requires SBA to provide the Joint Capital Outlay Committee and the fiscal agencies with an annual report on the status of construction projects as of September 30 each year. The report shall be submitted by October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold.

Background: Transferred to the Treasury budget in FY 2014-15 from DTMB to coincide with the transfer of the funding for the administrative functions of the SBA to Treasury pursuant to Executive Order 2013-8. The appropriations for SBA rent to pay debt service on State-financed construction projects is still contained in the DTMB budget.

Revenue Statement

1201 **Fund Balances and Estimated Revenues.** Provides an estimate of revenues and balances for all operating funds, pursuant to Article V, Section 18 of the Michigan Constitution.

Background: Longstanding boilerplate section in the Treasury budget to meet the constitutional revenue reporting requirement.