

Act No. 327
Public Acts of 2004
Approved by the Governor*
September 17, 2004
Filed with the Secretary of State
September 17, 2004
EFFECTIVE DATE: September 17, 2004

*Item Vetoes

Sec. 307.

Entire Section. (Page 19)

Sec. 309.

The words: "Any unexpended funds at the end of the fiscal year are carried forward for expenditure in the following fiscal year up to the maximum authorization of \$1,000,000.00." (Page 19)

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Rep. Shulman

ENROLLED HOUSE BILL No. 5517

AN ACT to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2005; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL GENERAL GOVERNMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	48.0	
Full-time equated classified positions	6,995.4	
GROSS APPROPRIATION		\$ 2,597,002,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		556,704,500
ADJUSTED GROSS APPROPRIATION		\$ 2,040,297,900
Federal revenues:		
Total federal revenues		50,531,800
Special revenue funds:		
Total local revenues		20,532,800
Total private revenues		550,100
Total other state restricted revenues		1,633,621,300
State general fund/general purpose		\$ 335,061,900

Sec. 102. DEPARTMENT OF ATTORNEY GENERAL

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	558.0	
GROSS APPROPRIATION		\$ 62,835,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		12,545,500
ADJUSTED GROSS APPROPRIATION		\$ 50,290,200
Federal revenues:		
Total federal revenues		8,301,300
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		10,485,000
State general fund/general purpose		\$ 31,503,900

(2) ATTORNEY GENERAL OPERATIONS

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	558.0	
Attorney general		\$ 124,900
Unclassified positions—5.0 FTE positions		476,300
Attorney general operations—518.0 FTE positions		57,219,100
Child support enforcement—25.0 FTE positions		2,234,400
Prosecuting attorneys coordinating council—15.0 FTE positions		1,610,900
PACC, training project		325,000
GROSS APPROPRIATION		\$ 61,990,600

Appropriated from:

Interdepartmental grant revenues:		
IDG from FIA		2,742,400
IDG from MDCH, health services		1,622,200
IDG from MDLEG, financial and insurance services		996,200
IDG from MDLEG, public utility assessments		1,780,100
IDG from MDMB, risk management revolving fund		1,194,900
IDG from MDOT, comprehensive transportation fund		138,900
IDG from MDOT, state aeronautics fund		133,800
IDG from MDOT, state trunkline fund		2,725,100
IDG from MDSP, Michigan justice training fund		325,000
IDG from Michigan gaming control board		886,900
Federal revenues:		
DAG, state administrative match grant/food stamps		349,500
DED-OPSE, student loan, federal lender allowance		289,400
DOL-ETA, unemployment insurance		1,415,800
DOL-OSHA, occupational safety and health		248,200
EPA, multiple grants		254,300
Federal funds		1,879,800
HHS, medical assistance, medigrant		568,100
HHS-OS, state Medicaid fraud control units		3,296,200
Special revenue funds:		
Antitrust enforcement collections		566,300
Attorney general's operations fund		758,800
Auto repair facilities fees		204,100
Collections revenue		618,500
Corporate fees and security fees		133,500
Environmental response fund		688,500
Franchise fees		255,800
Game and fish protection fund		670,700
Liquor purchase revolving fund		897,900
Manufactured housing fees		199,100
Michigan state housing development authority fees		499,700

	For Fiscal Year Ending Sept. 30, 2005
Oil and gas privilege fee revenue	\$ 151,700
Prisoner reimbursement.....	400,000
Prosecuting attorneys training fees	326,800
Real estate enforcement fund	200,000
Retirement funds.....	650,100
Second injury fund	930,800
Self-insurers security fund.....	158,100
Silicosis and dust disease fund	466,500
State building authority revenue.....	85,800
State hospital authority.....	323,300
State lottery fund	216,900
Tobacco settlement trust fund	368,200
Utility consumers fund	488,000
Waterways fund.....	87,500
Worker's compensation administrative revolving fund.....	138,400
State general fund/general purpose	\$ 30,658,800
(3) INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 845,100
GROSS APPROPRIATION.....	\$ 845,100
Appropriated from:	
State general fund/general purpose	\$ 845,100
 Sec. 103. DEPARTMENT OF CIVIL RIGHTS	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions	5.0
Full-time equated classified positions.....	136.0
GROSS APPROPRIATION.....	\$ 12,693,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 12,693,000
Federal revenues:	
Total federal revenues	934,000
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 11,759,000
(2) CIVIL RIGHTS OPERATIONS	
Full-time equated unclassified positions	5.0
Full-time equated classified positions.....	136.0
Unclassified positions—5.0 FTE positions.....	\$ 254,100
Civil rights operations—136.0 FTE positions	11,587,500
Human resources optimization user charges.....	29,500
GROSS APPROPRIATION.....	\$ 11,871,100
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts.....	600,000
HUD, grant.....	334,000
State general fund/general purpose	\$ 10,937,100
(3) INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 821,900
GROSS APPROPRIATION.....	\$ 821,900
Appropriated from:	
State general fund/general purpose	\$ 821,900
 Sec. 104. DEPARTMENT OF CIVIL SERVICE	
(1) APPROPRIATION SUMMARY	
Full-time equated classified positions.....	240.5
GROSS APPROPRIATION.....	\$ 35,146,700

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 5,370,900
ADJUSTED GROSS APPROPRIATION	\$ 29,775,800
Federal revenues:	
Total federal revenues	4,779,100
Special revenue funds:	
Total local revenues	1,700,000
Total private revenues.....	150,000
Total other state restricted revenues	15,474,600
State general fund/general purpose	\$ 7,672,100
(2) CIVIL SERVICE OPERATIONS	
Full-time equated classified positions.....	240.5
Agency services—70.0 FTE positions	\$ 5,976,600
Human resources/administrative support—87.5 FTE positions	14,347,200
Employee benefits—31.0 FTE positions	5,572,700
Audit and compliance—22.0 FTE positions.....	2,398,000
Training	1,000,000
Human resources optimization—30.0 FTE positions.....	2,000,000
GROSS APPROPRIATION	\$ 31,294,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges	1,000,000
IDG, 1% special funds.....	1,300,000
IDG, human resources optimization user charges.....	2,000,000
Federal revenues:	
Federal funds 1%	3,637,100
Special revenue funds:	
Local funds 1%	1,700,000
Private funds 1%.....	150,000
Freedom of information fees	1,100
State restricted funds 1%.....	6,366,700
State sponsored group insurance.....	2,650,000
State sponsored group insurance, flexible spending accounts, and COBRA.....	5,572,700
State general fund/general purpose	\$ 6,916,900
(3) INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 3,852,200
GROSS APPROPRIATION	\$ 3,852,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG, human resources optimization user charges.....	1,070,900
Federal revenues:	
Federal funds 1%	1,142,000
Special revenue funds:	
State restricted funds 1%.....	744,700
State sponsored group insurance, flexible spending accounts, and COBRA.....	139,400
State general fund/general purpose	\$ 755,200
Sec. 105. EXECUTIVE OFFICE	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions	10.0
Full-time equated classified positions.....	74.2
GROSS APPROPRIATION	\$ 5,205,500
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 5,205,500
Federal revenues:	
Total federal revenues	0

Special revenue funds:		
Total local revenues	\$	0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	5,205,500
(2) EXECUTIVE OFFICE OPERATIONS		
Full-time equated unclassified positions		10.0
Full-time equated classified positions		74.2
Governor.....	\$	177,000
Lieutenant governor		123,900
Executive office—74.2 FTE positions.....		4,054,800
Unclassified positions—8.0 FTE positions.....		849,800
GROSS APPROPRIATION	\$	<u>5,205,500</u>
Appropriated from:		
State general fund/general purpose	\$	5,205,500

Sec. 106. DEPARTMENT OF INFORMATION TECHNOLOGY

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions		6.0
Full-time equated classified positions.....		1,756.4
GROSS APPROPRIATION	\$	360,738,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		360,738,600
ADJUSTED GROSS APPROPRIATION	\$	0

Federal revenues:

Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0

(2) ADMINISTRATION

Full-time equated unclassified positions		6.0
Full-time equated classified positions.....		1,756.4
Unclassified positions—6.0 FTE positions.....	\$	300,000
Enterprisewide services—75.0 FTE positions.....		26,580,900
Health and human services—775.6 FTE positions.....		198,030,200
Education services—38.9 FTE positions.....		3,262,800
Public protection—296.0 FTE positions		35,806,400
Resources services—171.1 FTE positions		16,367,800
Transportation services—107.0 FTE positions		26,808,400
General services—292.8 FTE positions.....		53,582,100
GROSS APPROPRIATION	\$	<u>360,738,600</u>

Appropriated from:

Interdepartmental grant revenues:		
IDG from department of agriculture		1,589,600
IDG from department of attorney general		845,100
IDG from department of civil rights.....		821,900
IDG from department of civil service.....		3,852,200
IDG from department of community health.....		30,481,900
IDG from department of corrections		14,789,900
IDG from department of education		2,521,800
IDG from department of environmental quality.....		6,743,300
IDG from family independence agency.....		128,695,300
IDG from Michigan gaming control board		1,100,600
IDG from department of history, arts, and libraries		998,600
IDG from department of labor and economic growth.....		42,159,400
IDG from bureau of state lottery		4,236,700

	For Fiscal Year Ending Sept. 30, 2005
IDG from department of management and budget.....	\$ 25,506,100
IDG from department of military and veterans affairs.....	1,172,000
IDG from department of natural resources.....	8,603,800
IDG from department of state	21,954,700
IDG from department of state police.....	21,236,100
IDG from department of transportation	26,827,300
IDG from department of treasury.....	16,602,300
State general fund/general purpose	\$ 0

Sec. 107. LEGISLATURE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ 126,731,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	1,801,500
ADJUSTED GROSS APPROPRIATION.....	\$ 124,930,400
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	400,000
Total other state restricted revenues.....	2,356,500
State general fund/general purpose	\$ 122,173,900

(2) LEGISLATURE

Senate	\$ 28,963,800
Senate automated data processing.....	2,538,900
Senate fiscal agency	3,082,800
House of representatives	44,846,300
House automated data processing.....	2,010,700
House fiscal agency	2,982,900
Legislative auditor general.....	15,233,800
GROSS APPROPRIATION.....	\$ 99,659,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCS.....	107,900
IDG from MDLEG, liquor purchase revolving fund.....	11,300
IDG from MDOT, comprehensive transportation fund	25,200
IDG from MDOT, Michigan transportation fund.....	204,300
IDG from MDOT, state aeronautics fund	19,600
IDG from MDOT, state trunkline fund	474,600
IDG, single audit act	958,600
Special revenue funds:	
Construction lien fund	7,200
Contract audit administration fees.....	52,700
Correctional industries revolving fund.....	31,300
Game and fish protection fund	21,400
Marine safety fund	1,900
Michigan economic development corporation.....	41,200
Michigan education trust fund.....	30,000
Michigan state fair revolving fund	33,000
Michigan state housing development authority fees.....	22,100
Michigan strategic fund.....	37,500
Michigan veterans' trust fund	24,400
Motor transport revolving fund	4,700
Office services revolving fund.....	6,800
State services fee fund	926,900
Waterways fund.....	5,600
State general fund/general purpose	\$ 96,611,000

(3) LEGISLATIVE COUNCIL

Legislative council	\$	10,078,300
Legislative service bureau automated data processing		1,383,600
e-Law, legislative council technology enhancement project		500
Worker's compensation		133,900
National association dues		98,500
GROSS APPROPRIATION	\$	<u>11,694,800</u>

Appropriated from:

Special revenue funds:

Private - gifts and bequests revenues		400,000
State general fund/general purpose	\$	11,294,800

(4) LEGISLATIVE RETIREMENT SYSTEM

General nonretirement expenses	\$	4,384,400
GROSS APPROPRIATION	\$	<u>4,384,400</u>

Appropriated from:

Special revenue funds:

Court fees		1,109,800
State general fund/general purpose	\$	3,274,600

(5) PROPERTY MANAGEMENT

Capitol building	\$	2,260,500
Cora Anderson building		7,807,300
Farnum building and other properties		925,700
GROSS APPROPRIATION	\$	<u>10,993,500</u>

Appropriated from:

State general fund/general purpose	\$	10,993,500
--	----	------------

Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
Full-time equated classified positions	725.0
GROSS APPROPRIATION	\$ 213,410,100

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	143,075,200
ADJUSTED GROSS APPROPRIATION	\$ 70,334,900

Federal revenues:

Total federal revenues	444,600
------------------------------	---------

Special revenue funds:

Total local revenues	0
Total private revenues	0
Total other state restricted revenues	33,206,100
State general fund/general purpose	\$ 36,684,200

(2) MANAGEMENT AND BUDGET SERVICES

Full-time equated unclassified positions	6.0
Full-time equated classified positions	583.5
Unclassified positions—6.0 FTE positions	\$ 570,800
Executive operations—21.0 FTE positions	2,241,500
Administrative services—64.5 FTE positions	5,960,600
Budget and financial management—113.5 FTE positions	9,926,600
Office of the state employer—24.0 FTE positions	2,604,800
Design and construction services—40.0 FTE positions	4,751,500
Business support services—88.5 FTE positions	7,404,900
Building operation services—232.0 FTE positions	75,921,100
Building occupancy charges, rent, and utilities	3,798,700
Human resources optimization user charges	29,500
Motor vehicle fleet	56,500,000
GROSS APPROPRIATION	\$ <u>169,710,000</u>

Appropriated from:

Interdepartmental grant revenues:

IDG from building occupancy and parking charges	78,664,200
---	------------

	For Fiscal Year Ending Sept. 30, 2005
IDG from department of labor and economic growth.....	\$ 100,000
IDG from MDCH.....	235,000
IDG from MDOT, comprehensive transportation fund	58,400
IDG from MDOT, state aeronautics fund	33,300
IDG from MDOT, state trunkline fund	1,193,300
IDG from motor transport fund.....	56,500,000
IDG from user fees.....	4,892,800
Federal revenues:	
Federal funds	430,500
Special revenue funds:	
Game and fish protection fund	218,200
Health management funds	1,577,400
Marine safety fund	22,200
Pension trust funds	1,413,700
Special revenue, internal service, and pension trust funds	5,394,200
State building authority revenue.....	530,500
State lottery fund	122,700
Waterways fund.....	50,700
State general fund/general purpose	\$ 18,272,900
(3) STATEWIDE APPROPRIATIONS	
Professional development fund - AFSCME.....	\$ 400,000
Professional development fund - MPES.....	105,000
GROSS APPROPRIATION.....	\$ 505,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions	505,000
State general fund/general purpose	\$ 0
(4) SPECIAL PROGRAMS	
Full-time equated classified positions.....	141.5
Building occupancy charges - property management services for executive/legislative building occupancy	\$ 1,712,300
Retirement services—127.5 FTE positions	14,697,400
Office of children’s ombudsman—14.0 FTE positions.....	1,279,300
GROSS APPROPRIATION.....	\$ 17,689,000
Appropriated from:	
Special revenue funds:	
Deferred compensation.....	1,445,700
Pension trust funds	13,251,700
State general fund/general purpose	\$ 2,991,600
(5) INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 25,506,100
GROSS APPROPRIATION.....	\$ 25,506,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy and parking charges	655,700
IDG from MDOT, comprehensive transportation fund	2,100
IDG from MDOT, state aeronautics fund	1,100
IDG from MDOT, state trunkline fund	47,500
IDG from user fees.....	186,800
Federal revenues:	
Federal funds	14,100
Special revenue funds:	
Deferred compensation.....	2,600
Game and fish protection fund	9,800
Health management funds	41,700
Marine safety fund	900
MAIN user charges.....	3,964,000
Pension trust funds	2,739,200

For Fiscal Year
Ending Sept. 30,
2005

Special revenue, internal service, and pension trust funds	\$	2,404,600
State building authority revenue.....		9,700
State lottery fund		4,600
Waterways fund.....		2,000
State general fund/general purpose	\$	15,419,700

Sec. 109. DEPARTMENT OF STATE

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	1,851.8	
GROSS APPROPRIATION.....		\$ 187,179,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		20,000,000
ADJUSTED GROSS APPROPRIATION.....		\$ 167,179,500
Federal revenues:		
Total federal revenues		1,391,000
Special revenue funds:		
Total local revenues		0
Total private revenues.....		100
Total other state restricted revenues		141,878,500
State general fund/general purpose		\$ 23,909,900

(2) EXECUTIVE DIRECTION

Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	29.2	
Secretary of state		\$ 124,900
Unclassified positions—5.0 FTE positions.....		459,200
Operations—29.2 FTE positions.....		2,256,400
GROSS APPROPRIATION.....		\$ 2,840,500
Appropriated from:		
Special revenue funds:		
Auto repair facilities fees		52,900
Driver fees		102,600
Expedient service fees.....		45,300
Look-up fees		605,700
Parking ticket court fines.....		7,200
Personal identification card fees.....		10,600
Reinstatement fees - operator licenses.....		114,800
Transportation administration collection fund		1,286,200
Vehicle theft prevention fees		31,100
State general fund/general purpose		\$ 584,100

(3) DEPARTMENT SERVICES

Full-time equated classified positions.....	174.3	
Operations—165.8 FTE positions		\$ 22,192,900
Assigned claims assessments—6.5 FTE positions.....		674,600
Motorecycle safety education administration—2.0 FTE positions		353,800
Motorecycle safety education grants		1,000,800
Motorecycle safety equipment		200,000
GROSS APPROPRIATION.....		\$ 24,422,100
Appropriated from:		
Federal revenues:		
Federal funds		52,100
Special revenue funds:		
Assigned claims assessments		674,600
Auto repair facilities fees		388,600
Child support clearance fees.....		32,100
Driver fees		1,123,400
Expedient service fees.....		232,400
Look-up fees		7,193,200

	For Fiscal Year Ending Sept. 30, 2005
Marine safety fund	\$ 69,800
Motorecycle safety fund	1,554,600
Off-road vehicle title fees	7,200
Parking ticket court fines.....	49,200
Personal identification card fees.....	77,700
Reinstatement fees - operator licenses.....	502,600
Scrap tire fund	64,200
Snowmobile registration fee revenue	16,500
Transportation administration collection fund	12,130,000
Vehicle theft prevention fees	227,800
State general fund/general purpose	\$ 26,100
(4) REGULATORY SERVICES	
Full-time equated classified positions.....	251.1
Operations—251.1 FTE positions	\$ 20,806,900
County clerk education and training.....	100,000
GROSS APPROPRIATION.....	\$ 20,906,900
Appropriated from:	
Federal revenues:	
Federal funds	92,300
Special revenue funds:	
Auto repair facilities fees	4,183,400
Commercial driver training school fees.....	63,500
Driver fees	930,500
Expedient service fees.....	29,900
Look-up fees	3,962,400
Notary education and training fund.....	100,000
Notary fee fund.....	300,000
Parking ticket court fines.....	8,200
Personal identification card fees.....	42,900
Reinstatement fees - operator licenses.....	1,535,400
Transportation administration collection fund	7,898,700
Vehicle theft prevention fees	1,423,800
State general fund/general purpose	\$ 335,900
(5) CUSTOMER DELIVERY SERVICES	
Full-time equated classified positions.....	1,368.7
Branch operations—958.4 FTE positions.....	\$ 66,719,900
Central records—239.4 FTE positions	14,704,500
Customer services administration—154.7 FTE positions	16,555,200
Commemorative license plates—16.2 FTE positions.....	2,147,300
Specialty license plates.....	1,922,000
Olympic center plate	75,700
Organ donor program	104,100
GROSS APPROPRIATION.....	\$ 102,228,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	20,000,000
Federal revenues:	
Federal funds	1,246,600
Special revenue funds:	
Private funds	100
Auto repair facilities fees	83,600
Child support clearance fees.....	358,900
Driver fees	12,270,100
Expedient service fees.....	2,629,800
Look-up fees	17,109,700
Marine safety fund	1,031,600
Michigan state police auto theft fund	105,600
Mobile home commission fees.....	428,900

	For Fiscal Year Ending Sept. 30, 2005
Off-road vehicle title fees	\$ 110,600
Parking ticket court fines.....	1,457,900
Personal identification card fees	1,379,700
Reinstatement fees - operator licenses.....	1,045,600
Snowmobile registration fee revenue	302,100
Transportation administration collection fund	28,680,400
Vehicle theft prevention fees	190,500
State general fund/general purpose	\$ 13,797,000
(6) ELECTION REGULATION	
Full-time equated classified positions.....	28.5
Election administration and services—25.5 FTE positions	\$ 2,743,300
Fees to local units.....	69,800
Qualified voter file—3.0 FTE positions	1,773,500
GROSS APPROPRIATION.....	\$ 4,586,600
Appropriated from:	
State general fund/general purpose	\$ 4,586,600
(7) DEPARTMENTWIDE APPROPRIATIONS	
Building occupancy charges/rent	\$ 9,513,000
Worker's compensation.....	727,000
GROSS APPROPRIATION.....	\$ 10,240,000
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees	147,500
Driver fees	453,800
Expedient service fees.....	15,000
Look-up fees	1,968,300
Parking ticket court fines.....	489,200
Transportation administration collection fund	4,463,400
State general fund/general purpose	\$ 2,702,800
(8) INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 21,954,700
GROSS APPROPRIATION.....	\$ 21,954,700
Appropriated from:	
Special revenue funds:	
Administrative order processing fee.....	10,900
Auto repair facilities fees	176,500
Child support clearance fees.....	15,900
Driver fees	1,279,600
Expedient service fees.....	442,700
Look-up fees	2,650,700
Parking ticket court fines.....	81,400
Personal identification card fees.....	848,000
Reinstatement fees - operator licenses.....	457,900
Transportation administration collection fund	13,945,600
Vehicle theft prevention fees	168,100
State general fund/general purpose	\$ 1,877,400
Sec. 110. DEPARTMENT OF TREASURY	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions	9.0
Full-time equated classified positions.....	1,653.5
GROSS APPROPRIATION.....	\$ 1,593,061,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	13,172,800
ADJUSTED GROSS APPROPRIATION.....	\$ 1,579,888,600
Federal revenues:	
Total federal revenues	34,681,800

Special revenue funds:		
Total local revenues	\$	18,832,800
Total private revenues.....		0
Total other state restricted revenues		1,430,220,600
State general fund/general purpose	\$	96,153,400
(2) EXECUTIVE DIRECTION		
Full-time equated unclassified positions		9.0
Full-time equated classified positions		5.0
Unclassified positions—9.0 FTE positions	\$	800,900
Office of the director—5.0 FTE positions		648,200
GROSS APPROPRIATION	\$	1,449,100
Appropriated from:		
Special revenue funds:		
State lottery fund		141,300
State services fee fund		159,300
State general fund/general purpose	\$	1,148,500
(3) DEPARTMENTWIDE APPROPRIATIONS		
Travel.....	\$	1,415,900
Rent and building occupancy charges - property management services		4,605,000
Worker's compensation insurance premium		541,300
GROSS APPROPRIATION	\$	6,562,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, state aeronautics fund		2,500
IDG, state agency collection fees.....		16,900
Special revenue funds:		
Delinquent tax collection revenue		3,284,700
Municipal finance fees		10,600
Treasury fees.....		17,800
Waterways fund.....		2,200
State general fund/general purpose	\$	3,227,500
(4) LOCAL GOVERNMENT PROGRAMS		
Full-time equated classified positions		129.0
Supervision of the general property tax law—68.0 FTE positions.....	\$	10,915,900
Property tax assessor training—4.0 FTE positions		374,100
Local finance—19.0 FTE positions		2,099,300
Personal property tax auditors—38.0 FTE positions		3,500,000
State compliance audits		60,000
Pari-mutuel audits		240,000
GROSS APPROPRIATION	\$	17,189,300
Appropriated from:		
Special revenue funds:		
Local - assessor training fees		374,100
Local - audit charges		497,200
Local - equalization study charge-backs.....		40,000
Local - revenue from local government.....		50,000
Land reutilization fund		6,485,700
Municipal finance fees		256,800
State education tax collections		50,000
State services fee fund		240,000
State general fund/general purpose	\$	9,195,500
(5) TAX PROGRAMS		
Full-time equated classified positions		715.0
Customer contact—178.0 FTE positions	\$	12,292,700
Tax compliance—339.0 FTE positions		27,243,600
Tax policy—37.0 FTE positions		3,688,800
Tax processing—157.0 FTE positions.....		14,363,600
Home heating assistance		2,000,000

	For Fiscal Year Ending Sept. 30, 2005
Bottle bill implementation.....	\$ 250,000
New hire reporting.....	1,545,000
Tobacco tax collection—4.0 FTE positions	232,000
GROSS APPROPRIATION	\$ 61,615,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG, data/collection services fees	250,900
IDG from FIA	1,545,000
IDG from MDCH	232,000
IDG from MDOT, Michigan transportation fund.....	7,417,700
IDG from MDOT, state aeronautics fund	43,100
Federal revenues:	
HHS-SSA, low-income energy assistance.....	2,000,000
Special revenue funds:	
Bottle deposit fund.....	250,000
Delinquent tax collection revenue	45,155,100
Tobacco tax revenue	335,900
Waterways fund.....	56,200
State general fund/general purpose	\$ 4,329,800
(6) BANKING AND MANAGEMENT SERVICES	
Full-time equated classified positions.....	325.5
Human resources optimization user charges.....	\$ 44,300
Human resources, program management, and purchasing—32.0 FTE positions.....	2,950,800
Mail operations—20.0 FTE positions.....	1,849,500
Office of revenue and tax analysis—15.5 FTE positions.....	1,170,900
Unclaimed property—19.0 FTE positions	2,801,600
Collections—167.0 FTE positions	15,307,700
Finance and accounting—32.0 FTE positions	1,604,500
Receipts processing—40.0 FTE positions.....	2,531,600
GROSS APPROPRIATION	\$ 28,260,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG from FIA, title IV-D.....	542,500
IDG from MDOT, state aeronautics fund	16,900
IDG, levy/warrant cost assessment fees	1,810,800
IDG, receipt, warrant and cash processing fees	222,300
IDG, state agency collection fees.....	492,600
Special revenue funds:	
Delinquent tax collection revenue	13,474,700
Escheats revenue.....	2,801,600
Garnishment fees	460,700
Justice system fund.....	550,000
Treasury fees.....	159,700
Waterways fund.....	17,500
State general fund/general purpose	\$ 7,711,600
(7) FINANCIAL PROGRAMS	
Full-time equated classified positions.....	208.0
Retirement investments—72.0 FTE positions.....	\$ 12,345,000
Michigan education savings program.....	1,000,000
Michigan merit award administration—6.0 FTE positions.....	1,580,400
Common cash investments and debt management—11.5 FTE positions.....	1,100,700
Student financial assistance programs—118.5 FTE positions.....	34,232,900
GROSS APPROPRIATION	\$ 50,259,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees.....	158,500
Federal revenues:	
DED-OPSE, federal lenders allowance	9,851,300
DED-OPSE, higher education act of 1965, insured loans	22,309,400

Special revenue funds:	
College work-study	\$ 46,300
Michigan merit award trust fund.....	2,965,500
Retirement funds.....	12,345,000
School bond fees.....	435,300
Treasury fees.....	248,300
State general fund/general purpose	\$ 1,899,400

(8) DEBT SERVICE

Water pollution control bond and interest redemption	\$ 2,650,400
Quality of life bond	59,700,000
Clean Michigan initiative.....	19,100,000
GROSS APPROPRIATION	\$ 81,450,400

Appropriated from:

Special revenue funds:	
Cleanup and redevelopment funds	10,887,300
Refined petroleum fund.....	28,114,500
State general fund/general purpose	\$ 42,448,600

(9) GRANTS

Grants to counties in lieu of taxes.....	\$ 10,000
Convention facility development distribution	53,500,000
Senior citizen cooperative housing tax exemption program.....	16,700,000
Commercial mobile radio service payments	29,000,000
Health and safety fund grants	23,500,000
Qualified agricultural loan payments	2,000,000
Renaissance zone reimbursement.....	1,968,000
Special grants	442,300
GROSS APPROPRIATION	\$ 127,120,300

Appropriated from:

Special revenue funds:	
Commercial mobile radio service fees.....	29,000,000
Convention facility development fund	53,500,000
Health and safety fund	23,500,000
State general fund/general purpose	\$ 21,120,300

(10) BUREAU OF STATE LOTTERY

Full-time equated classified positions.....	165.0
Lottery operations—165.0 FTE positions.....	\$ 17,167,100
Human resources optimization user charges.....	29,500
Promotion and advertising.....	18,622,000
Lottery information technology services and projects.....	4,236,700
GROSS APPROPRIATION	\$ 40,055,300

Appropriated from:

Special revenue funds:	
State lottery fund	40,055,300
State general fund/general purpose	\$ 0

(11) CASINO GAMING

Full-time equated classified positions.....	106.0
Michigan gaming control board.....	\$ 50,000
Casino gaming control administration—106.0 FTE positions	17,163,000
Human resources optimization user charges.....	14,800
Casino gaming information technology services and projects.....	1,100,600
GROSS APPROPRIATION	\$ 18,328,400

Appropriated from:

Special revenue funds:	
Casino gambling agreements.....	383,500
State services fee fund	17,944,900
State general fund/general purpose	\$ 0

(12) REVENUE SHARING

Constitutional state general revenue sharing grants	\$ 681,000,000
---	----------------

	For Fiscal Year Ending Sept. 30, 2005
Statutory state general revenue sharing grants	\$ 445,300,000
County revenue sharing payments.....	17,868,500
GROSS APPROPRIATION	\$ 1,144,168,500
Appropriated from:	
Special revenue funds:	
Sales tax	1,126,300,000
Local revenue	17,868,500
State general fund/general purpose	\$ 0
(13) INFORMATION TECHNOLOGY	
Treasury operations information technology services and projects.....	\$ 16,602,300
GROSS APPROPRIATION	\$ 16,602,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	421,100
Federal revenues:	
DED-OPSE, higher education act of 1965, insured loans	521,100
Special revenue funds:	
Local - assessor training fees	3,000
Delinquent tax collection revenue	9,555,900
Land reutilization fund.....	20,000
Michigan merit award trust fund.....	393,000
Retirement funds.....	616,000
State general fund/general purpose	\$ 5,072,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$1,968,683,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$1,237,361,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE

Fees to local units.....	\$ 69,800
Motorcycle safety education grants	776,900
Subtotal	\$ 846,700

DEPARTMENT OF TREASURY

Senior citizen cooperative housing tax exemption	\$ 16,700,000
Grants to counties in lieu of taxes.....	10,000
Health and safety fund grants	23,500,000
Constitutional state general revenue sharing grants	681,000,000
Statutory state general revenue sharing grants	445,300,000
Convention facility development fund distribution	53,500,000
Commercial mobile radio service payments	14,094,000
Renaissance zone reimbursements	1,968,000
Special grants	442,300
Subtotal	\$ 1,236,514,300
TOTAL GENERAL GOVERNMENT	\$ 1,237,361,000

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 is estimated at \$26,037,225,700.00 in the 2004-2005 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2004-2005 is estimated at \$15,503,841,401.00. The state-local proportion is estimated at 59.54% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2004-2005 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2004-2005 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2004-2005.

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

Sec. 203. As used in this act:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (c) "CPI" means consumer price index.
- (d) "DAG" means the United States department of agriculture.
- (e) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (f) "DOL-ETA" means the United States department of labor, employment and training administration.
- (g) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (h) "EEOC" means the United States equal employment opportunity commission.
- (i) "EPA" means the United States environmental protection agency.
- (j) "FIA" means the Michigan family independence agency.
- (k) "FTE" means full-time equated.
- (l) "GF/GP" means general fund/general purpose.
- (m) "HHS" means the United States department of health and human services.
- (n) "HHS-OS" means the HHS office of the secretary.
- (o) "HHS-SSA" means the HHS social security administration.
- (p) "HUD" means the United States department of housing and urban development.
- (q) "IDG" means interdepartmental grant.
- (r) "MAIN" means the Michigan administrative information network.
- (s) "MCL" means the Michigan Compiled Laws.
- (t) "MDA" means the Michigan department of agriculture.
- (u) "MDCH" means the Michigan department of community health.
- (v) "MDCS" means the Michigan department of civil service.
- (w) "MDLEG" means the Michigan department of labor and economic growth.
- (x) "MDMB" means the Michigan department of management and budget.
- (y) "MDOT" means the Michigan department of transportation.
- (z) "MDSP" means the Michigan department of state police.
- (aa) "MPES" means the Michigan professional employees society.
- (bb) "PA" means public act.
- (cc) "PACC" means the prosecuting attorneys coordinating council.

Sec. 204. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The attorney general and secretary of state may grant exceptions to the hiring freeze for their respective departments pursuant to the same criteria that the state budget director is able to grant exceptions under this subsection. The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional

expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 208. Unless otherwise specified, departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, that provides for a transfer of state general funds into the countercyclical budget and economic stabilization fund, there is appropriated into the countercyclical budget and economic stabilization fund the sum of \$0.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2003	2004
Michigan personal income (millions).....	\$306,820	\$316,945
less: transfer payments.....	48,374	51,373
Subtotal	258,446	265,572
Divided by: Detroit CPI for 12 months ending June 30	1.814	1.839
Equals: Real adjusted Michigan personal income	\$142,473	\$144,380
Percentage change		1.3%
Percentage change in excess of 2%		0.0%
Multiplied by: estimated GF/GP revenue in FY 2003-2004 (millions)		7,866.4
Equals: countercyclical budget and economic stabilization fund calculation for the fiscal year ending September 30, 2005.....		\$0.00

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 213. Funds appropriated in part 1 shall not be used by this state, a department, an agency, or an authority of this state to purchase an ownership interest in a casino enterprise or a gambling operation as those terms are defined in the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 217. General fund appropriations in this act shall not be expended for items in cases where federal funding is available for the same expenditures.

DEPARTMENT OF ATTORNEY GENERAL

Sec. 302. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.

(2) The attorney general shall defend judges of all state courts if a claim is made or a civil action is commenced for injuries to persons or property caused by the judge through the performance of the judge's duties while acting within the scope of his or her authority as a judge.

(3) The attorney general shall perform the duties specified in 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to 14.102, and as otherwise provided by law.

Sec. 303. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.

Sec. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 305. In addition to the funds appropriated in part 1, not more than \$400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the family independence agency, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that once earned by this state, the funds become state funds.

Sec. 306. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.

Sec. 307. In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed \$1,000,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases. Any unexpended funds from antitrust, securities fraud, and consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, are carried forward for expenditure in the following fiscal year up to the maximum authorization of \$1,000,000.00.

Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated up to \$500,000.00 from litigation expense reimbursements awarded to the state.

(2) The funds may be expended for the payment of litigation settlements or attorney fees assessed against the governor or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year are carried forward for expenditure in the following year, up to a maximum authorization of \$500,000.00.

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$400,000.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners. Any unexpended funds at the end of the fiscal year are carried forward for expenditure in the following fiscal year up to the maximum authorization of \$1,000,000.00.

Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the family independence agency, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court ordered child support.

DEPARTMENT OF CIVIL RIGHTS

Sec. 402. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend funds from local or private sources for all of the following purposes:

(a) Developing and presenting training for employers on equal employment opportunity law and procedures.

(b) The publication and sale of civil rights related informational material.

(c) The provision of copy material made available under freedom of information requests.

(d) Other copy fees, subpoena fees, and witness fees.

(e) Developing, presenting, and participating in mediation processes for certain civil rights cases.

(f) Workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.

(2) The department of civil rights shall annually report to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies the amount of funds received and expended for purposes authorized under this section.

Sec. 403. The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential contractors and may charge for and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

DEPARTMENT OF CIVIL SERVICE

Sec. 502. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the department of civil service on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2004 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The 1% financing from restricted sources shall be credited to the department of civil service by the end of the second fiscal quarter.

Sec. 503. Except where specifically appropriated for this purpose, 1% of the financing from restricted sources shall be credited to the department of civil service. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy departmental operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 504. The appropriation in part 1 to the department of civil service, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the department of civil service. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the department of civil service. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

Sec. 505. The department of civil service, in cooperation with the office of the state employer, shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government by January 15, 2005 regarding the feasibility of establishing quality child care centers to accommodate the needs of state employees in either state or privately owned buildings. The study shall provide information, including, but not limited to, the possible locations, including state or privately owned buildings, the potential number of children that the centers would serve, possible federal funding sources available, the benefits of work behavior and attitudes to employees and employers, and the estimated cost of the program. The estimated costs shall be funded from fees charged to employees who utilize the child care services provided by the centers.

INFORMATION TECHNOLOGY

Sec. 573. (1) The department of information technology may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection will be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

(2) Funds accepted by the department of information technology under subsection (1) are appropriated and allotted when received and may be expended upon receipt.

(3) The privacy policy adopted by the department of information technology shall include the following provisions:

(a) Instruction on how visitors can set their browsers to be warned before each cookie is written to a visitor's computer.

(b) The e-Michigan office will also include instructions for visitors to inform them how to view and remove cookies on their personal computers.

(4) By April 1, the department of information technology shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies that a statement of the total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions are available on the department's website.

Sec. 574. The department of information technology may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of information technology may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of information technology may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department will provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 575. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 576. When used in this act, "information technology services" means services involving all aspects of managing and processing information including, but not limited to, all of the following:

- (a) Application development and maintenance.
- (b) Desktop computer support and management.
- (c) Mainframe computer support and management.
- (d) Server support and management.
- (e) Local area network support and management.
- (f) Information technology contract, project, and procurement management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.
- (i) Software and software licensing.

Sec. 577. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

(2) The department of information technology shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

(3) All money received by the department of information technology under this section shall be deposited to the state general fund pursuant to section 443 of the management and budget act, 1984 PA 431, MCL 18.1443.

(4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and deposited to the state general fund for the immediately preceding 6-month period.

Sec. 578. The department of information technology shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

(a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.

(b) A listing of the expenditures made from the amounts received by the department of information technology, as reported in subdivision (a).

Sec. 579. The department of information technology shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated \$3,450,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds are carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2008.

LEGISLATURE

Sec. 600. The senate, the house of representatives, or an agency within the legislative branch may receive, expend, and transfer funds in addition to those authorized in part 1.

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.

(2) Funds appropriated within the legislative branch, to a legislative council component, shall not be expended by any agency or other subgroup included in that component without the approval of the legislative council.

Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Farnum building and other properties.

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council.

Sec. 604. (1) The appropriation in part 1 to the legislative council includes funds to operate the legislative parking facilities in the capitol area. The legislative council shall establish rules regarding the operation of the legislative parking facilities.

(2) The legislative council shall collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees shall be allocated by the legislative council.

Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is considered a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for use in paying the associated biennial costs of publication of the Michigan manual.

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds, along with funds previously appropriated for property management, are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2006.

Sec. 606a. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds, along with funds previously appropriated for automated data processing, are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2006.

Sec. 607. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30 shall not lapse at the close of the fiscal year, and shall be carried forward for expenditure in the following fiscal years.

Sec. 608. Funds appropriated in part 1 for e-Law, the legislative council's technology enhancement project, shall be used to support technology improvements for legislative functions performed by the legislative council agencies and to provide greater access to the public regarding legislative information. These funds, along with funds previously appropriated for the legislative session integration system, are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$3,992,750.00, and the tentative completion date is September 30, 2006.

Sec. 609. The funds appropriated in part 1 shall not be used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

Sec. 611. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Sec. 612. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

(2) The auditor general shall strongly encourage firms with which the auditor general contracts to perform audits of the principal executive departments and state agencies to subcontract with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities.

(3) The auditor general shall compile an annual report regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities. The auditor general shall deliver the report to the state budget director and the senate and house of representatives standing committees on appropriations subcommittees on general government by November 1 of each year.

Sec. 613. From the funds appropriated in part 1 to the legislative auditor general, the legislative auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 614. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators should include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general will determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of auditor general policy on responding to legislative requests.

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 702. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of management and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Sec. 704. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch, or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.

(2) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, and engineering services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch.

(3) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for mail pickup and delivery services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

(4) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for purchasing services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

Sec. 705. (1) The appropriation in part 1 to the department of management and budget, for statewide appropriations from employer contributions, represents amounts included within the various appropriations for longevity and insurance, whether appropriated as a single line item or commingled with program line items, throughout state government for the current fiscal year for purposes of funding the child care information and referral services, severance pay funds, and professional development funds included within statewide appropriations. Deposits against the interdepartmental grant from employer contributions shall be made from assessments levied against the longevity and insurance appropriations during the current fiscal year in a manner prescribed by the department of management and budget. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

(2) From the funds appropriated in part 1 to the department of management and budget for professional development funds and child care information and referral services, the department of management and budget may expend funds for staff support associated with administration of the professional development funds and child care

information and referral services in amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process.

(3) In addition to the funds appropriated in part 1 for severance pay funds, the department of management and budget may receive and expend funds from other state agencies for staff support associated with the administration of these funds.

(4) In addition to the funds appropriated in part 1 to the department of management and budget, for statewide appropriations from employer contributions, the department of management and budget may receive and expend funds in such additional amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process in the same manner and subject to the same conditions as prescribed in subsections (1), (2), and (3).

Sec. 706. To the extent a specific appropriation is required for a detail source of financing included in part 1 for the department of management and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 707. In addition to the funds appropriated in part 1 to the department of management and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement donated annual leave and administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of management and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 708. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 709. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of management and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

(2) Appropriations in part 1 to the department of management and budget, for management and budget services from building occupancy charges and parking charges, may be increased to return excess revenue collected to state agencies.

Sec. 710. The department of management and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.

Sec. 711. The department of management and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 712. The department of management and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 713. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 714. Funds collected by the department of management and budget under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the costs of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 715. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of management and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department. Revenue in excess of the amount appropriated in part 1 from the motor transport fund and any unencumbered funds are restricted revenues and may be carried over into the succeeding fiscal year.

(3) It is the intent of the legislature that the department of management and budget have the authority to determine the appropriateness of vehicle assignment, to include year, make, model, size, and price of vehicle. The department shall have the authority to assign motor vehicles, permanently or temporarily, to state agencies and to institutions of higher education.

(4) It is the intent of the legislature that the department of management and budget complete a project plan which results in the reduction of expenditures related to vehicle travel services, to include a reduction in the number of state vehicles in the motor vehicle fleet. The department shall report quarterly to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the status of the project plan to reduce vehicle travel service expenditures and the number of cars in the motor vehicle fleet.

(5) It is the intent of the legislature that the department determine the feasibility of using driver record information upon the issuance of state cars to state employees in order to ensure responsibility and safety.

Sec. 716. The department of management and budget shall adopt policies and procedures necessary for compliance by the department, other state departments and agencies, and state vendors and subcontractors, with the requirement under subsection (1) of section 261 of the management and budget act, 1984 PA 431, MCL 181.261, to provide a purchasing preference for products manufactured or services offered by Michigan-based firms.

Sec. 717. In determining whether the purchase, contracting for, providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and other items needed by state departments or agencies is in the best interests of this state, and in making all discretionary decisions concerning the solicitation, award, amendment, cancellation, or appeal of state contracts, the department of management and budget shall consider all of the following:

(a) Whether a proposal by a vendor to provide services to this state using employees, contractors, subcontractors, or other individuals who are not citizens of the United States, legal resident aliens, or individuals with a valid visa would be detrimental to the state of Michigan, its residents, or the state's economy.

(b) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(c) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(d) Whether the acquisition of goods or services from a vendor that is an expatriated business entity located in a tax haven country or an affiliate of an expatriated business entity located in a tax haven country would be detrimental to the state of Michigan, its residents, or the state's economy. As used in this section, "expatriated business entity" means a corporation or an affiliate of the corporation incorporated in a tax haven country after September 11, 2001, but with the United States as the principal market for the public trading of the corporation's stock, as determined by the director of the department of management and budget. "Tax haven country" means each of the following: Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles.

(e) Whether the provision of services to this state at a location outside of this state or the United States would be detrimental to the privacy interests of Michigan residents, or risk the disclosure of personal information of Michigan residents, such as social security, financial, or medical data.

(f) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

(g) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

Sec. 718. The department of management and budget shall collect from vendors information necessary to comply with the requirements of this act, as determined by the department. The department of management and budget may require vendors to provide any of the following:

(a) Information relating to the location of work performed under a state contract by the vendor and any subcontractors, employees, or other persons performing a state contract.

(b) Information regarding the corporate structure and location of corporate employees and activities of the vendor, its affiliates, or any subcontractors.

(c) Notice of the relocation of the vendor, employees of the vendor, subcontractors of the vendor, or other persons performing services under a state contract outside of the state of Michigan.

Sec. 719. The department of management and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 720. The department of management and budget shall reduce building occupancy general fund expenditures by \$700,000.00. The state budget director is authorized to take any actions necessary to properly record expenditure reductions as part of the financial transactions for the fiscal year ending September 30, 2005.

Sec. 721. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

DEPARTMENT OF STATE

Sec. 802. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 803. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The department shall use the revenue received from the sale of records for necessary expenses as appropriated in part 1. The balance of the fee revenue remaining on September 30 shall revert to the general fund.

Sec. 804. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 805. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

(2) The department of state may sell and accept paid advertising for placement in a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. The department may

charge and receive a fee for any advertisement appearing in a departmental publication and shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization. The department may furnish a reasonable number of copies of a publication to an advertiser at no charge.

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

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

(5) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following information:

(a) The amount of gifts, contributions, donations, and grants of money received by the department under this section for the prior fiscal year.

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

(c) A listing of any gift, donation, contribution, or grant of property other than funding received by the department under this section for the prior year.

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

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term "manuals and other publications" means videos and proprietary electronic publications. All funds received from sales of these manuals and other publications shall be credited to the Michigan department of state publications fund.

Sec. 806. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 807. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$315,900.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 808. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Sec. 809. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the transportation administration collection fund, in addition to the amount appropriated in part 1 to the department of state, shall remain in the transportation administration collection fund and be available for future appropriation.

Sec. 810. Funds or revenues in the Olympic education training center fund are appropriated for distribution to the Olympic education training center at Northern Michigan University. Distributions shall occur on a quarterly basis. Any undistributed revenue remaining at the end of the fiscal year shall be carried over into the next fiscal year.

Sec. 811. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 812. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

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

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

Sec. 813. Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

Sec. 814. (1) Funding appropriated in part 1 for the organ donor program shall be used for producing a pamphlet to be distributed with driver licenses and personal identification cards regarding organ donations. The funds shall be used to update and print a pamphlet that will explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.

(2) The pamphlet shall include a return reply form addressed to the gift of life organization. Funding appropriated in part 1 for the organ donor program shall be used to pay for return postage costs.

Sec. 815. (1) At least 60 days prior to the announcement of secretary of state branch office closings, consolidations, or relocations, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analysis done regarding criteria for changes in the location of branch offices, including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The above written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure.

(2) Prior to November 1, 2004, the department of state shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government regarding the department's branch optimization plan that was announced on April 26, 2004. The report shall include a listing of all closed offices detailing savings by office, including lease, utilities, and all other savings associated with the closed office. The department shall provide the same level of detail regarding costs for new leased facilities and expansions of current leased space.

Sec. 816. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, is appropriated to the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution. Funds are allocated for expenditure when they are received by the department of treasury.

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

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

(4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 818. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

(2) Funds in part 1 for motorcycle safety education grants and administration shall be derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.

(3) Funds in part 1 for motorcycle safety education grants and administration shall be used to provide grants to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, or other governmental agencies located in the state, to help subsidize safety training courses for individuals interested in operating motorcycles.

(4) Funds in part 1 for motorcycle safety education grants and administration may be used by the department of state for administration costs of the motorcycle safety education program, to include, but not be limited to, review and approval or disapproval of grant applications, monitoring eligibility of motorcycle safety instructors, conducting program evaluation, certifying third-party testers, and inspecting training sites.

(5) Funds appropriated in part 1 for motorcycle safety equipment shall be used to purchase motorcycle safety equipment for use by public instructional providers of motorcycle safety education courses.

Sec. 819. (1) From the funds appropriated in part 1 to the department of state, for information technology services and projects, there is appropriated \$3,450,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds are carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2008.

DEPARTMENT OF TREASURY

OPERATIONS

Sec. 902. (1) Amounts needed to pay for interest, fees, principal, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.

(2) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated an amount for fiscal year cash-flow borrowing costs to pay for interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to 12.53.

Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by the contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 22% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

(3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

(2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians, and other outside professionals, the state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations and the state budget office concerning the performance of each portfolio by investment advisor.

Sec. 905. The department of treasury shall sell copies of the state tax manual, uniform accounting procedures manual, general property tax law manual, and other local government assistance manuals with amendments, at a price not to exceed the cost of printing. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

Sec. 906. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.

(3) The state audits shall be performed for the most current county fiscal year in conjunction with the financial single audit. The state audit may be performed either by certified public accountants contracted by the state treasurer or department of treasury staff, independent of the financial single audit, if a state audit has not been performed within the last 3 years.

Sec. 907. A revolving fund known as the assessor certification and training fund is created in the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury an examination fee of \$50.00, an initial certification fee of \$50.00, an annual renewal fee of \$75.00 for levels 1 and 2, and \$125.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

Sec. 908. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Sec. 909. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of the Initiated Law of 1976, MCL 445.573c, is appropriated.

Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) The appropriations under subsection (1) shall be funded by restricting income tax revenue in an amount sufficient to record these expenditures.

Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

(a) A fee of \$6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.

(b) A fee of \$6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to \$5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Sec. 914. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2004. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2006 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the amounts appropriated for write-offs and advances under subsection (1).

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the auditing firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 920. Payments from the appropriation in part 1 to the department of treasury for grants to counties in lieu of taxes for lands transferred to the federal government include a payment for Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901 to 3.910.

Sec. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2004. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury certifies to the department that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

Sec. 923. Notwithstanding any other provision of this act, the department of treasury shall not expend any funds on initiating a new audit of any taxpayer until the department fully and completely complies with section 4(3) of 1941 PA 122, MCL 205.4. This provision shall not require the department to disclose audit selection or processing criteria as provided by section 28(1)(f) of 1941 PA 122, MCL 205.28. The department shall publish the required handbook which informs taxpayers and tax preparers of audit and collection procedures used by the department and procedures which govern departmental communications with taxpayers in the audit and collection process. The department may comply with this publishing requirement by making the audit information available to taxpayers and tax preparers through the department's website on the Internet.

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend homestead property tax exemption audit fund revenue for administration of homestead property tax exemption audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31, stating the amount of revenue appropriated for homestead property tax exemption audits under subsection (1).

Sec. 927. In addition to the funds appropriated in part 1, any unexpended balance from funds authorized in 2003 PA 161 for qualified agricultural loan payments are appropriated and may be used for payments as provided in section 2a of 1855 PA 105, MCL 21.142a.

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 929. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 931. The appropriation in part 1 to the department of treasury, for treasury fees, shall be assessed against all restricted funds that contribute to the total value of state managed investments in the ratio each restricted fund contributes to the total value of state managed investments. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund.

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1444, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 933. (1) The \$1,000,000.00 appropriated in part 1 for the Michigan education savings program is from the Michigan merit award trust fund to fund an incentive program for the Michigan education savings program created under the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

(2) The funds appropriated for the Michigan education savings program shall be used to provide a state match to dollars invested on behalf of each child named as a designated beneficiary in the Michigan education savings program who is 6 years of age or less, who is a Michigan resident, and whose family's income is \$80,000.00 or less.

(3) During the current fiscal year, the state shall provide \$1.00 of matching funds for each \$3.00 of individual contributions to the educational savings accounts. The maximum state match for each designated beneficiary shall be \$200.00.

(4) The state match shall be available only in the first year the child is enrolled in the Michigan education savings program.

Sec. 934. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 935. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 936. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 937. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 939. It is the intent of the legislature that the state treasurer, acting within his or her capacity as the investment fiduciary for public employee pension funds and consistent with 1965 PA 314, MCL 38.1121 to 38.1140m, give appropriate consideration to investments in early stage, university derived life science companies located in Michigan, or investments in venture capital funds that invest in those companies to the extent those investments offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

Sec. 940. The appropriation in part 1 for personal property tax auditors shall be used to hire state classified civil service employees or contractors under the department's supervision to perform personal property tax audits.

REVENUE SHARING

Sec. 950. (1) Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to townships, cities, and villages on a population basis as specified by law. The appropriation in part 1 for statutory state general revenue sharing grants to townships, cities, and villages shall be reduced by an amount equal to any additional constitutional revenue sharing appropriations authorized in this section.

(2) The appropriation in part 1 for statutory state general revenue sharing grants shall be distributed according to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. Undistributed funds shall lapse to the general fund.

Sec. 951. County treasurers shall comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751, to receive funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments. The payment of funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments shall not be withheld if a local unit of government or the department of treasury fails to provide a county treasurer with information necessary to comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751.

Sec. 952. The appropriation in part 1 for special grants to cities shall be used to restore revenue sharing reductions contained in Executive Order No. 2003-23 to a city that had an emergency financial manager appointed pursuant to the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, continuously from December 10, 2003 through September 30, 2005.

Sec. 953. (1) The appropriation in part 1 for county revenue sharing payments shall be distributed on a 1-time basis to counties with a fiscal year ending September 30.

(2) A county with a fiscal year ending September 30 that accrued the October 2003 revenue sharing payment to its 2003 fiscal year shall receive in October 2004 a payment equal to the amount distributed to that county in October 2003 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(3) Not later than March 1, 2005, each county with a fiscal year ending September 30 shall pay to the state treasurer the amount of the distribution received under this section from its revenue sharing reserve fund established under section 44a of the general property tax act, 1893 PA 206, MCL 211.44a.

Sec. 955. (1) There is appropriated to each county an amount equal to the amount distributed to each county for the fiscal year ending September 30, 2004, pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, adjusted by the inflation rate as defined in section 34d of the general property tax act, 1893 PA 206, MCL 211.34d, and reduced by the amount each county is authorized to annually expend in that county's fiscal year beginning after September 30, 2004, from its revenue sharing reserve fund pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

LOTTERY

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Sec. 961. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Sec. 962. (1) The funds appropriated in part 1 to the bureau of state lottery shall not be used to directly or indirectly associate professional or amateur sports figures with the lottery or its products.

(2) The prohibition in subsection (1) does not apply to the use of NASCAR drivers in conjunction with the promotion of instant ticket products. By November 1, 2005, the bureau of state lottery shall provide a report detailing the amount of revenue generated under this subsection to the senate and house of representatives standing committees on appropriations subcommittees on general government. The report shall include the cost of obtaining the use of NASCAR drivers, other administrative costs, and net revenue deposited in the state school aid fund.

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of family independence agency bridge cards cannot be used to purchase lottery tickets.

CASINO GAMING

Sec. 970. Revenue collected by the Michigan gaming control board regarding the wagering tax imposed on adjusted gross receipts received by the licensee from gaming authorized under the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226, at the rate of 8.15% is appropriated and shall be deposited in the state school aid fund to provide additional funds for K-12 classroom education.

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

Sec. 972. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(5) The department of treasury shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 of this act for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

REVENUE STATEMENT

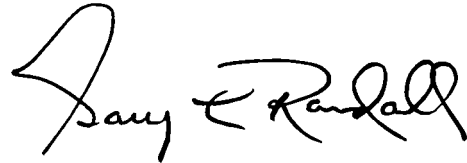
Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

BUDGET RECOMMENDATIONS BY OPERATING FUNDS
(Amounts in millions)
Fiscal Year 2004-2005

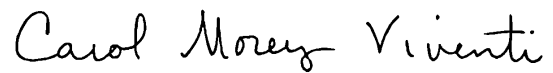
	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
OPERATING FUNDS				
General fund/general purpose.....	0110	0.0	8,622.6	0.0
General fund/special purpose		254.8	12,490.0	6.1
Special Revenue Funds:				
Countercyclical budget and economic stabilization.....	0111	0.0	154.0	0.0
Game and fish protection.....	0112	12.2	62.6	6.4
Michigan employment security act administration.....	0113	1.9	92.7	0.2
State aeronautics.....	0114	3.1	218.1	0.0
Michigan veterans' benefit trust	0115	0.0	2.3	0.0
State trunkline.....	0116	0.0	1,854.8	0.0
Michigan state waterways.....	0117	2.9	24.0	5.1
Blue Water Bridge.....	0118	0.0	13.4	0.0
Michigan transportation.....	0119	0.0	2,037.8	0.0
Comprehensive transportation	0120	0.0	302.8	0.0
School aid.....	0122	0.0	12,441.8	0.0
Marine safety	0123	0.0	4.8	0.0
Game and fish protection trust.....	0124	6.0	10.5	6.0
State park improvement.....	0125	1.9	33.5	0.0
Forest development.....	0126	0.0	22.0	0.0
Michigan civilian conservation corps endowment	0128	0.2	1.0	0.1
Michigan natural resources trust	0129	15.5	38.3	12.6
Michigan state parks endowment	0130	8.9	16.3	10.0
Safety education and training.....	0131	5.2	7.7	5.5
Bottle deposit.....	0136	0.0	20.3	0.0

State construction code.....	0138	11.1	8.4	3.2
Children's trust.....	0139	1.2	3.3	0.0
State casino gaming.....	0140	0.6	30.1	0.6
Homeowner construction lien recovery	0141	3.0	0.4	1.9
Michigan nongame fish and wildlife.....	0143	0.2	0.6	0.1
Michigan merit award trust	0154	0.4	204.1	0.5
Tobacco settlement trust	0155	6.4	68.0	0.5
TOTALS		\$335.5	\$38,786.2	\$58.8

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor