

**Agenda**  
**Tuscola County Board of Commissioners**  
**Committee of the Whole Monday, June 22, 2020 – 8:00 A.M.**  
**HH Purdy Building - 125 W. Lincoln, Caro, MI**

**RESIDENTS OF TUSCOLA COUNTY PLEASE TAKE NOTICE**

Electronic Remote Access - In accordance with Michigan Governor's Executive Order 2020-75, will be implemented in response to COVID-19 social distancing requirements and Michigan Governor's Executive Order 2020-110

*To participate in the Electronic Meeting you can join by phone:*

**1 650-449-9382 PIN: 991 063 211#**

*Join by Hangouts Meet: [meet.google.com/nks-asyv-jpz](https://meet.google.com/nks-asyv-jpz)*

**Finance/Technology**

Committee Leaders-Commissioners Young and Jensen

**Primary Finance/Technology**

1. Updated Wind Park Depreciation Analysis (See A)
2. County Revenue Sharing Projections for FY 2021 (See B)
3. 2020/2021 Estimated Property Tax Revenue (See C)

**On-Going and Other Finance**

**Finance**

1. Preparation of Multi-Year Financial Planning

**Technology**

1. GIS Update
2. Increasing On-Line Services/Updating Web Page

**Personnel**

Committee Leader-Commissioner Vaughan and Bardwell

**Primary Personnel**

1. Senate Bill 690 – Potential Hazard Pay for First Responders (See D)

## On-Going and Other Personnel

1. Strengthen and Streamline Year-End Open Enrollment
2. MAC 7<sup>th</sup> Meeting Updates

## Building and Grounds

Committee Leaders-Commissioners Jensen and Grimshaw

### Primary Building and Grounds

#### 1. Courthouse Space Needs

##### On-Going and Other Building and Grounds

1. State Police Lease
2. County Jail Study
3. ***Legislative Representation RFP Review – Board Tabled Until Meetings Are in Person***
4. Recycling Relocation Update
5. County Physical and Electronic Record Storage Needs – Potential Use of Recycling Pole Building

### Primary Other Business as Necessary

1. 9:00 a.m. – Candice Braddock – Enbridge - Update on Enbridge operations in the area and would like to request a County Resolution of Support for our Line 5 Great Lakes Tunnel project **(See E)**
2. Potential canceling of July 13<sup>th</sup> Committee of the Whole
3. Potential Resolution for Tom Herron **(See F)**

##### On-Going Other Business as Necessary

1. Board Rules of Order – Possible Revisions Within Six Months (1-13-20)
2. Policy Updates
3. **Senate Bill 46 – (See G)**

## Public Comment Period

**Wind Park Depreciation Analysis utilizing the AE Multipliers**

Conservative estimate Actual revenues could be considerably lower.

30% Federal Grant

NAME OF WIND PARK	Tuscola Bay I	Tuscola Wind II	Cross Winds	Cross Winds Phase II	Cross Winds Phase III	Pegasus
TOWNSHIPS	Gilford	Akron, Gilford, Fairgrove, Wisner	Akron, Columbia	Columbia	Columbia	Juniata, Fairgrove, Gilford
OWNER	NextEra	NextEra	Consumers	Consumers	Consumers	NextEra
NUMBER OF WTGS	68	59	62	19	33	
CAPACITY			111 MW	44 MW	76 MW	156 MW

		Akron 10, Fairgrove 37, Gilford 11, Wisner 1	Akron 43, Columbia 19			
TAX YEAR 2013	97,892,650					
TAX YEAR 2014	92,528,250	86,524,600	5,183,800			
TAX YEAR 2015	85,581,500	82,310,400	120,086,600			
TAX YEAR 2016	81,356,400	74,619,050	110,373,800			
TAX YEAR 2017 <i>updated 05.08.17</i>	77,802,700	70,819,700	100,656,200			
TAX YEAR 2018 <i>updated 05.11.18</i>	71,073,500	67,252,380	95,447,100	41,236,200		
TAX YEAR 2019 <i>updated 07.19.19</i>	65,508,000	61,726,700	90,965,600	39,253,000		41,323,600
TAX YEAR 2020 <i>updated 05.07.20</i>	60,508,900	56,965,000	84,567,000	35,727,600	69,264,100	79,252,400
TAX YEAR 2021	60,302,900	52,741,400	75,788,100	32,732,400	61,933,400	92,113,500
TAX YEAR 2022	60,096,800	48,604,400	70,149,400	31,321,600	56,482,900	84,482,100
TAX YEAR 2023	59,890,700	44,390,800	64,626,200	28,522,100	53,617,200	77,923,100
TAX YEAR 2024	59,684,500	42,504,200	58,997,400	26,300,100	51,304,900	74,172,100
TAX YEAR 2025	59,478,400	39,514,300	56,543,100	24,311,700	46,778,100	69,953,400
TAX YEAR 2026	59,272,300	35,252,300	52,495,400	22,346,100	43,176,100	64,011,200
TAX YEAR 2027	59,134,900	30,106,300	46,767,400	20,342,300	39,939,300	59,126,400
TAX YEAR 2028	59,134,900	29,668,700	39,867,800	19,497,500	36,760,800	54,664,600
TAX YEAR 2029	59,134,900	29,663,300	39,426,000	18,073,400	33,521,900	50,174,900
TAX YEAR 2030	32,047,665	29,662,700	39,426,000	16,031,600	32,126,000	46,458,200
TAX YEAR 2031	32,047,665	29,662,700	39,426,000	16,031,600	32,126,000	46,458,200

A)

	<u>TOTAL TAXABLE VALUE ALL PARKS</u>	<u>GENERAL FUND \$\$</u>	<u>SPECIAL VOTED \$\$</u>	<u>Grand Total for G &amp; S</u>
TAX YEAR 2013				\$831,314
TAX YEAR 2014				\$1,380,319
TAX YEAR 2015				\$2,206,520
TAX YEAR 2016				\$2,067,430
TAX YEAR 2017 <i>updated 05.08.17</i>				\$2,072,029
TAX YEAR 2018 <i>updated 05.11.18</i>				\$2,285,904
TAX YEAR 2019 <i>updated 07.19.19</i>	298,776,900	\$1,169,443	\$1,314,021	\$2,483,463
TAX YEAR 2020 <i>updated 05.07.20</i>	386,285,000	\$1,511,958	\$1,698,881	\$3,210,840
TAX YEAR 2021	375,611,700	\$1,470,182	\$1,651,940	\$3,122,122
TAX YEAR 2022	351,137,200	\$1,374,386	\$1,544,301	\$2,918,688
TAX YEAR 2023	328,970,100	\$1,287,622	\$1,446,810	\$2,734,432
TAX YEAR 2024	312,963,200	\$1,224,969	\$1,376,412	\$2,601,381
TAX YEAR 2025	296,579,000	\$1,160,840	\$1,304,354	\$2,465,194
TAX YEAR 2026	276,553,400	\$1,082,458	\$1,216,282	\$2,298,740
TAX YEAR 2027	255,416,600	\$999,726	\$1,123,322	\$2,123,048
TAX YEAR 2028	239,594,300	\$937,796	\$1,053,736	\$1,991,532
TAX YEAR 2029	229,994,400	\$900,221	\$1,011,515	\$1,911,736
TAX YEAR 2030	195,752,165	\$766,194	\$860,918	\$1,627,112
TAX YEAR 2031	195,752,165	\$766,194	\$860,918	\$1,627,112

B)

County Revenue Sharing Projections  
Executive Recommendation  
Fiscal Year 2021



<u>County</u>	<u>County Revenue Sharing (CRS)</u>	<u>County Incentive Program (CIP)</u>	<u>Total County Projected Payment</u>
Luce	\$111,875.01	\$25,666.48	\$137,541.49
Mackinac	\$226,483.40	\$51,960.06	\$278,443.46
Macomb	\$14,325,215.18	\$3,286,506.18	\$17,611,721.36
Manistee	\$475,224.03	\$109,026.41	\$584,250.44
Marquette	\$1,112,081.71	\$255,134.97	\$1,367,216.68
Mason	\$548,295.14	\$125,790.46	\$674,085.60
Mecosta	\$742,344.50	\$170,309.47	\$912,653.96
Menominee	\$462,725.08	\$106,158.88	\$568,883.96
Midland	\$1,721,621.76	\$394,976.31	\$2,116,598.07
Missaukee	\$247,316.72	\$56,739.67	\$304,056.38
Monroe	\$2,706,120.41	\$620,841.04	\$3,326,961.45
Montcalm	\$1,083,165.99	\$248,501.10	\$1,331,667.09
Montmorency	\$188,331.29	\$43,207.17	\$231,538.46
Muskegon	\$3,139,284.04	\$720,217.90	\$3,859,501.94
Newaygo	\$831,755.23	\$190,822.17	\$1,022,577.40
Oakland	\$22,808,557.85	\$5,232,763.73	\$28,041,321.58
Oceana	\$466,857.22	\$107,106.88	\$573,964.10
Ogemaw	\$401,232.37	\$92,051.16	\$493,283.53
Ontonagon	\$151,051.80	\$34,654.47	\$185,706.27
Osceola	\$494,121.09	\$113,361.79	\$607,482.87
Oscoda	\$171,199.60	\$39,276.80	\$210,476.40
Otsego	\$427,887.84	\$98,166.49	\$526,054.33
Ottawa	\$4,086,957.30	\$937,634.11	\$5,024,591.42
Presque Isle	\$273,384.25	\$62,720.11	\$336,104.35
Roscommon	\$442,473.69	\$101,512.79	\$543,986.47
Saginaw	\$3,980,796.78	\$913,278.65	\$4,894,075.44
Sanilac	\$798,689.16	\$183,236.12	\$981,925.28
Schoolcraft	\$161,007.57	\$36,938.53	\$197,946.10
Shiawassee	\$1,256,514.63	\$288,270.93	\$1,544,785.56
St Clair	\$3,272,929.09	\$750,878.89	\$4,023,807.99
St Joseph	\$1,197,365.97	\$274,700.98	\$1,472,066.96
Tuscola	\$956,660.68	\$219,478.12	\$1,176,138.80
Van Buren	\$1,340,876.64	\$307,625.35	\$1,648,501.99
Washtenaw	\$6,022,033.71	\$1,381,581.41	\$7,403,615.12
Wayne	\$43,598,585.27	\$10,002,434.05	\$53,601,019.32
Wexford	\$585,686.90	\$134,368.91	\$720,055.81
<b>Totals</b>	<u>\$188,863,300.00</u>	<u>\$43,329,220.22</u>	<u>\$232,192,520.22</u>

7 28,692  
2.590  
Shirley

**County Revenue Sharing (CRS) and County Incentive Program (CIP)  
Projected Payment Amounts  
Fiscal Year 2020**

Calculated as of October 14, 2019

Note: Amounts are projected based on the FY 2020 appropriation (2019 Public Act 56). Projected amounts may change based on changes made by the legislature and/or changes in the economy.  
Additionally, actual activity in an individual county's revenue sharing reserve fund can affect the projected amounts for all counties and the projected date a county is expected to return to county revenue sharing.

County	Payment Type	Projected October 2019	Projected December 2019	Projected February 2020	Projected April 2020	Projected June 2020	Projected August 2020	Total	Forfeited CIP
Otsego	County Revenue Sharing (CRS)	\$ 62,258.00	\$ 62,258.00	\$ 62,258.00	\$ 62,258.00	\$ 62,258.00	\$ 103,765.02	\$ 415,055.02	
	County Incentive Program (CIP)	\$ 16,361.00	\$ 16,361.00	\$ 16,361.00	\$ 16,361.00	\$ 16,361.00	\$ 16,361.05	\$ 98,166.05	\$ -
	<b>Total</b>	<b>\$ 78,619.00</b>	<b>\$ 78,619.00</b>	<b>\$ 78,619.00</b>	<b>\$ 78,619.00</b>	<b>\$ 78,619.00</b>	<b>\$ 120,126.07</b>	<b>\$ 513,221.07</b>	<b>\$ -</b>
Ottawa	County Revenue Sharing (CRS)	\$ 594,658.00	\$ 594,658.00	\$ 594,658.00	\$ 594,658.00	\$ 594,658.00	\$ 991,094.98	\$ 3,964,384.98	
	County Incentive Program (CIP)	\$ 156,272.00	\$ 156,272.00	\$ 156,272.00	\$ 156,272.00	\$ 156,272.00	\$ 156,269.95	\$ 937,629.95	\$ -
	<b>Total</b>	<b>\$ 750,930.00</b>	<b>\$ 750,930.00</b>	<b>\$ 750,930.00</b>	<b>\$ 750,930.00</b>	<b>\$ 750,930.00</b>	<b>\$ 1,147,364.93</b>	<b>\$ 4,902,014.93</b>	<b>\$ -</b>
Presque Isle	County Revenue Sharing (CRS)	\$ 39,778.00	\$ 39,778.00	\$ 39,778.00	\$ 39,778.00	\$ 39,778.00	\$ 66,295.15	\$ 265,185.15	
	County Incentive Program (CIP)	\$ 10,453.00	\$ 10,453.00	\$ 10,453.00	\$ 10,453.00	\$ 10,453.00	\$ 10,454.83	\$ 62,719.83	\$ -
	<b>Total</b>	<b>\$ 50,231.00</b>	<b>\$ 50,231.00</b>	<b>\$ 50,231.00</b>	<b>\$ 50,231.00</b>	<b>\$ 50,231.00</b>	<b>\$ 76,749.98</b>	<b>\$ 327,904.98</b>	<b>\$ -</b>
Roscommon	County Revenue Sharing (CRS)	\$ 64,381.00	\$ 64,381.00	\$ 64,381.00	\$ 64,381.00	\$ 64,381.00	\$ 107,298.42	\$ 429,203.42	
	County Incentive Program (CIP)	\$ 16,919.00	\$ 16,919.00	\$ 16,919.00	\$ 16,919.00	\$ 16,919.00	\$ 16,917.33	\$ 101,512.33	\$ -
	<b>Total</b>	<b>\$ 81,300.00</b>	<b>\$ 81,300.00</b>	<b>\$ 81,300.00</b>	<b>\$ 81,300.00</b>	<b>\$ 81,300.00</b>	<b>\$ 124,215.75</b>	<b>\$ 530,715.75</b>	<b>\$ -</b>
Saginaw	County Revenue Sharing (CRS)	\$ 579,211.00	\$ 579,211.00	\$ 579,211.00	\$ 579,211.00	\$ 579,211.00	\$ 965,353.34	\$ 3,861,408.34	
	County Incentive Program (CIP)	\$ 152,212.00	\$ 152,212.00	\$ 152,212.00	\$ 152,212.00	\$ 152,212.00	\$ 152,214.59	\$ 913,274.59	\$ -
	<b>Total</b>	<b>\$ 731,423.00</b>	<b>\$ 731,423.00</b>	<b>\$ 731,423.00</b>	<b>\$ 731,423.00</b>	<b>\$ 731,423.00</b>	<b>\$ 1,117,567.93</b>	<b>\$ 4,774,682.93</b>	<b>\$ -</b>
Sanilac	County Revenue Sharing (CRS)	\$ 116,210.00	\$ 116,210.00	\$ 116,210.00	\$ 116,210.00	\$ 116,210.00	\$ 193,685.59	\$ 774,735.59	
	County Incentive Program (CIP)	\$ 30,539.00	\$ 30,539.00	\$ 30,539.00	\$ 30,539.00	\$ 30,539.00	\$ 30,540.31	\$ 183,235.31	\$ -
	<b>Total</b>	<b>\$ 146,749.00</b>	<b>\$ 146,749.00</b>	<b>\$ 146,749.00</b>	<b>\$ 146,749.00</b>	<b>\$ 146,749.00</b>	<b>\$ 224,225.90</b>	<b>\$ 957,970.90</b>	<b>\$ -</b>
Schoolcraft	County Revenue Sharing (CRS)	\$ 23,427.00	\$ 23,427.00	\$ 23,427.00	\$ 23,427.00	\$ 23,427.00	\$ 39,043.78	\$ 156,178.78	
	County Incentive Program (CIP)	\$ 6,156.00	\$ 6,156.00	\$ 6,156.00	\$ 6,156.00	\$ 6,156.00	\$ 6,158.37	\$ 36,938.37	\$ -
	<b>Total</b>	<b>\$ 29,583.00</b>	<b>\$ 29,583.00</b>	<b>\$ 29,583.00</b>	<b>\$ 29,583.00</b>	<b>\$ 29,583.00</b>	<b>\$ 45,202.15</b>	<b>\$ 193,117.15</b>	<b>\$ -</b>
Shiawassee	County Revenue Sharing (CRS)	\$ 182,825.00	\$ 182,825.00	\$ 182,825.00	\$ 182,825.00	\$ 182,825.00	\$ 304,705.38	\$ 1,218,830.38	
	County Incentive Program (CIP)	\$ 48,045.00	\$ 48,045.00	\$ 48,045.00	\$ 48,045.00	\$ 48,045.00	\$ 48,044.65	\$ 288,269.65	\$ -
	<b>Total</b>	<b>\$ 230,870.00</b>	<b>\$ 230,870.00</b>	<b>\$ 230,870.00</b>	<b>\$ 230,870.00</b>	<b>\$ 230,870.00</b>	<b>\$ 352,750.03</b>	<b>\$ 1,507,100.03</b>	<b>\$ -</b>
St Clair	County Revenue Sharing (CRS)	\$ 476,216.00	\$ 476,216.00	\$ 476,216.00	\$ 476,216.00	\$ 476,216.00	\$ 793,690.38	\$ 3,174,770.38	
	County Incentive Program (CIP)	\$ 125,146.00	\$ 125,146.00	\$ 125,146.00	\$ 125,146.00	\$ 125,146.00	\$ 125,145.55	\$ 750,875.55	\$ -
	<b>Total</b>	<b>\$ 601,362.00</b>	<b>\$ 601,362.00</b>	<b>\$ 601,362.00</b>	<b>\$ 601,362.00</b>	<b>\$ 601,362.00</b>	<b>\$ 918,835.93</b>	<b>\$ 3,925,645.93</b>	<b>\$ -</b>
St Joseph	County Revenue Sharing (CRS)	\$ 174,218.00	\$ 174,218.00	\$ 174,218.00	\$ 174,218.00	\$ 174,218.00	\$ 290,365.66	\$ 1,161,455.66	
	County Incentive Program (CIP)	\$ 45,783.00	\$ 45,783.00	\$ 45,783.00	\$ 45,783.00	\$ 45,783.00	\$ 45,784.76	\$ 274,699.76	\$ -
	<b>Total</b>	<b>\$ 220,001.00</b>	<b>\$ 220,001.00</b>	<b>\$ 220,001.00</b>	<b>\$ 220,001.00</b>	<b>\$ 220,001.00</b>	<b>\$ 336,150.42</b>	<b>\$ 1,436,155.42</b>	<b>\$ -</b>
Tuscola	County Revenue Sharing (CRS)	\$ 139,195.00	\$ 139,195.00	\$ 139,195.00	\$ 139,195.00	\$ 139,195.00	\$ 231,994.38	\$ 927,969.38	
	County Incentive Program (CIP)	\$ 36,580.00	\$ 36,580.00	\$ 36,580.00	\$ 36,580.00	\$ 36,580.00	\$ 36,577.14	\$ 219,477.14	\$ -
	<b>Total</b>	<b>\$ 175,775.00</b>	<b>\$ 175,775.00</b>	<b>\$ 175,775.00</b>	<b>\$ 175,775.00</b>	<b>\$ 175,775.00</b>	<b>\$ 268,571.52</b>	<b>\$ 1,147,446.52</b>	<b>\$ -</b>

05.07.20

Estimated Revenue from Summer 2020 Levy for 2020 Budget Year***							
Millage	2020 Levy	Estimated Property Tax Revenue	MINUS Estimated DDA Capture	**MINUS Unpaid Personal	PLUS DNR PILT Payments	PLUS Net IFT Revenue	Net Revenue Estimated
402-253 Current Tax	3.9141	\$6,245,260	\$22,265	\$13,542	\$46,309	\$13,443	\$6,269,205
402-891 Wind Revenue	3.9141	\$1,507,253					\$1,507,253
***General Operating is levied in Summer 2020 and is spent primarily in the 2020 FY.							

Grand Total Net Revenue
\$7,776,458

Net Prior Year	Change
\$6,112,571	\$156,634
\$1,164,019	\$343,234

#7276590  
Original-

↑500,000 est. increase

Estimated Revenue from Winter 2020 Levy for 2021 Budget Year^^^							
Special Funds Millage	2020 Levy	Estimated Property Tax Revenue	MINUS Estimated DDA Capture	MINUS Unpaid Personal	PLUS DNR PILT Payments	PLUS Net IFT Revenue	Net Revenue Estimated
Bridge/Streets	0.4807	\$766,995	\$2,734	\$1,979	\$6,059	\$1,651	\$769,991
from wind	0.4807	\$185,109					\$185,109
Senior Citizens	0.3200	\$510,586	\$1,820	\$1,318	\$4,033	\$1,099	\$512,580
from wind	0.3200	\$123,227					\$123,227
Medical Care	0.2500	\$398,895	\$1,422	\$1,029	\$3,151	\$859	\$400,453
from wind	0.2500	\$96,271					\$96,271
Road Patrol	1.3300	\$2,122,122	\$7,566	\$5,477	\$16,764	\$4,568	\$2,130,412
from wind	1.3300	\$512,160					\$512,160
Primary Road Improvements	0.9657	\$1,540,852	\$5,493	\$3,977	\$12,172	\$3,317	\$1,546,871
from wind	0.9657	\$371,875					\$371,875
Mosquito Abatement	0.6316	\$1,007,768	\$3,593	\$2,601	\$7,961	\$2,169	\$1,011,705
from wind	0.6316	\$243,218					\$243,218
Recycling	0.1500	\$239,337	\$853	\$618	\$1,891	\$515	\$240,272
from wind	0.1500	\$57,762					\$57,762
Veterans	0.1700	\$271,249	\$967	\$700	\$2,143	\$584	\$272,309
from wind	0.1700	\$65,464					\$65,464
MSUE	0.1000	\$159,558	\$569	\$412	\$1,260	\$343	\$160,181
from wind	0.1000	\$38,508					\$38,508
<b>Total Winter Levy</b>	<b>4.3980</b>	<b>\$8,710,956</b>	<b>\$25,018</b>	<b>\$18,110</b>	<b>\$55,435</b>	<b>\$15,105</b>	<b>\$8,738,368</b>
Annual Grand Total	8.3121	\$16,463,469	\$47,283	\$31,652	\$101,744	\$28,549	\$16,514,826
^^^Special fund millages are levied in December 2020 and are spent in the 2021 FY.							

Grand Total Net Revenue
\$955,100
\$635,807
\$496,724
\$2,842,572
\$1,918,746
\$1,254,923
\$298,034
\$337,773
\$198,689

Net Prior Year	Change
\$892,610	\$62,490
\$594,206	\$41,601
\$464,224	\$32,500
\$2,469,670	\$172,902
\$1,793,204	\$125,542
\$1,172,815	\$82,108
\$278,534	\$19,500
\$315,672	\$22,101
\$185,690	\$12,999
\$8,166,625	\$571,743

6,42790

Taxable Values 2020 - ACTUAL

1987953.596 County Taxable Value in thousands  
 385083.000 Wind Farm Taxable Value in thousands  
 1602870.596 County Taxable Value in thousands

7290.400 Ren Zone Taxable Value in thousands  
 1595580.196 Collectible Taxable Value in thousands  
 12604.533 DNR PILT TV in thousands

(Cass City Dairy Farmer's America plant) ^^ Based on Unpaid PP for 2019 GF Levy

①

**FY 2019-20 SUPPLEMENTAL APPROPRIATIONS**  
**Summary: As Passed by the House**  
**Senate Bill 690 (H-3)**



HFA Director: Mary Ann Cleary  
 Associate Director: Robin R. Risko

**FY 2019-20 APPROPRIATIONS SUMMARY**

<b>Budget Area</b>		<b>FY 2019-20 Year-to-Date Appropriations</b>	<b>FY 2019-20 Supplemental Change</b>	<b>% Change</b>
Agriculture and Rural Development	Gross	\$111,717,500	\$1,000,000	0.9
	GF/GP	\$55,979,900	\$0	0.0
Education	Gross	\$421,396,500	\$143,000,000	33.9
	GF/GP	\$87,212,000	\$0	0.0
Health and Human Services	Gross	\$26,965,625,900	\$193,100,000	0.7
	GF/GP	\$4,826,421,900	\$0	0.0
Labor and Economic Opportunity	Gross	\$1,307,357,100	\$214,109,500	16.4
	GF/GP	\$142,308,300	\$0	0.0
Licensing and Regulatory Affairs	Gross	\$435,285,600	\$1,400,000	0.3
	GF/GP	\$111,606,400	\$0	0.0
Treasury - Operations	Gross	\$604,859,800	\$327,500,000	54.1
	GF/GP	\$120,744,700	\$0	0.0
<b>TOTAL</b>	Gross	<b>\$29,846,242,400</b>	<b>\$880,109,500</b>	<b>2.9</b>
	GF/GP	<b>\$5,344,273,200</b>	<b>\$0</b>	<b>0.0</b>

**Overview**

Senate Bill 690 (H-3) contains supplemental appropriation adjustments for various departments for FY 2019-20 to address the COVID-19 pandemic. Primarily, appropriations are funded with federal revenue from the federal Coronavirus Relief Fund. There is one appropriation in the Department of Labor and Economic Opportunity that is funded with federal funding from the Department of Labor, Employment and Training Administration. In sum, adjustments would increase Gross and Federal appropriations by \$880.1 million and the bill would have no impact on the state's General Fund.

Appropriation and boilerplate priorities are identified following this overview.

<b>FY 2019-20 Supplemental Appropriation Items</b>		<b>Appropriation Change</b>
<b>AGRICULTURE AND RURAL DEVELOPMENT</b>		
<b>1. Double Up Food Bucks</b>	<b>Gross</b>	<b>\$1,000,000</b>
Includes \$1.0 million for increasing subsidies to eligible recipients participating in the Double Up Food Bucks program. The program increases the purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program benefits by providing a dollar-for-dollar match of up to \$20 per day to buy fresh fruits and vegetables at participating grocery stores and farmer's markets.	Federal	1,000,000
	GF/GP	\$0
<b>EDUCATION</b>		
<b>2. Child Care Rate Reduction Stipend</b>	<b>Gross</b>	<b>\$125,000,000</b>
Includes \$125.0 million for the department to provide child care rate reduction stipends to child care providers to reduce child care costs to families. All licensed child care providers that received grants from the Child Care Relief Fund would be eligible to receive a child care rate reduction stipend for each of the months of June, July, and August.	Federal	125,000,000
	GF/GP	\$0



<u>FY 2019-20 Supplemental Appropriation Items</u>		<b>Appropriation Change</b>
<b>3. District COVID-19 Costs</b>		
Includes \$18.0 million for the department to allocate to local school districts and public school academies to support instructional recovery programming, benchmark assessments, or health and safety expenditures necessary to provide instruction safely due to COVID-19.	<b>Gross</b>	<b>\$18,000,000</b>
	Federal	18,000,000
	GF/GP	\$0
<b>HEALTH AND HUMAN SERVICES</b>		
<b>4. COVID-19 Direct Care Worker Hazard Pay Adjustment</b>		
Includes \$120.0 million for the department to increase wages paid to direct care workers by \$2 per hour above the rates paid on March 1, 2020 beginning July 1, 2020 and continuing until September 30, 2020.	<b>Gross</b>	<b>\$120,000,000</b>
	Federal	120,000,000
	GF/GP	\$0
<b>5. Food Bank Council of Michigan</b>		
Includes \$9.0 million to support operations of the Food Bank Council of Michigan, which assists in providing food to low-income individuals. Services include the Mobile Food Bank program, the Family Food Box program, and the Michigan Agricultural Surplus System.	<b>Gross</b>	<b>\$9,000,000</b>
	Federal	9,000,000
	GF/GP	\$0
<b>6. Inpatient Behavioral Health Grants</b>		
Includes \$5.1 million for a \$100 per diem increase to the inpatient psychiatric hospital rate adjustment program received in the first quarter of 2020 through the Medicaid prepaid inpatient health plans.	<b>Gross</b>	<b>\$5,100,000</b>
	Federal	5,100,000
	GF/GP	\$0
<b>7. Multicultural Integration Funding</b>		
Includes \$5.0 million to support grants to multicultural contractors and organizations, which provide public assistance and health services to culturally-diverse populations.	<b>Gross</b>	<b>\$5,000,000</b>
	Federal	5,000,000
	GF/GP	\$0
<b>8. Personal Protection Equipment Grants</b>		
Includes \$25.0 million for the department to provide grants to specified priority providers for personal protection equipment, COVID-19 testing, and COVID-19 testing equipment.	<b>Gross</b>	<b>\$25,000,000</b>
	Federal	25,000,000
	GF/GP	\$0
<b>9. Victim Services Continuity and Stability Grants</b>		
Includes \$4.0 million for the Michigan Domestic and Sexual Violence Prevention and Treatment Board to award grants to organizations that provide victim services for victims of domestic violence, sexual assault, and stalking. Grant awards would be capped at \$50,000 per organization, and not less than \$950,000 would be awarded to child advocacy centers.	<b>Gross</b>	<b>\$4,000,000</b>
	Federal	4,000,000
	GF/GP	\$0
<b>10. Water Utility Assistance</b>		
Includes \$25.0 million for the department to reimburse water utility providers for providing bill forgiveness for arrearages and fees incurred by residential water customers during the COVID-19 state of emergency and for providing a 25% discount on the total water bill for eligible customers through the end of December 2020. Reimbursement for each arrearage would be capped at \$700.	<b>Gross</b>	<b>\$25,000,000</b>
	Federal	25,000,000
	GF/GP	\$0
<b>LABOR AND ECONOMIC OPPORTUNITY</b>		
<b>11. MiOSHA COVID-19 Response Grants</b>		
Includes \$10.0 million for the department to allocate for the following purposes: \$8.6 million for a voluntary grant program for employers with 250 or fewer employees under the jurisdiction of MiOSHA to purchase safety and health-related equipment; \$1.0 million for a COVID-19 workplace safety public awareness campaign to educate employers and employees; and \$450,000 to partner with a state university to create a web-based application to enable widespread COVID-19 symptom tracking data to be collected across the state.	<b>Gross</b>	<b>\$10,000,000</b>
	Federal	10,000,000
	GF/GP	\$0
<b>12. Rental Assistance</b>		
Includes \$60.0 million for the department to work with DHHS, the Judiciary, local community action agencies, and legal aid organizations to create a rental assistance program. Funding would be allocated as follows: not more than \$4.0 million to legal aid organizations for legal services; not more than \$4.0 million to local community action agencies for program case management staff and related costs; not more than \$2.0 million for department administrative costs and to support a public awareness campaign; and remaining funding to pay for rent arrearages and rent subsidies to minimize evictions.	<b>Gross</b>	<b>\$60,000,000</b>
	Federal	60,000,000
	GF/GP	\$0

**FY 2019-20 Supplemental Appropriation Items**

**Appropriation  
Change**

**13. Small Business Restart Grants**

Includes \$115.0 million for a small business restart grant program, with not less than \$10.0 million designated for agriculture processing safety grants, not less than \$5.0 million for farming safety grants, and not more than \$100.0 million designated for grants to assist qualifying small businesses or nonprofits with restarting operations. Agriculture processing and farming safety grants would be capped at \$1,000 per employee. Grants awarded to small businesses and nonprofits would be capped at \$20,000 per business or nonprofit.

**Gross** \$115,000,000  
**Federal** 115,000,000  
**GF/GP** \$0

**14. Unemployment Insurance Agency**

Includes \$29.1 million in federal Department of Labor, Employment and Training Administration funding for the department to use with other approved funds to increase capacity by an estimated 500 term-limited employees or contractors for up to 6 months, and to purchase software, equipment, and other supplies necessary for processing unemployment claims, reducing backlogs and time lags, providing customer service to claimants, and any other allowable use under federal guidelines.

**Gross** \$29,109,500  
**Federal** 29,109,500  
**GF/GP** \$0

**LICENSING AND REGULATORY AFFAIRS**

**15. Nursing Facility Infection Control Surveys**

Includes \$1.4 million for limited-term Bureau of Community and Health Systems staff to conduct state COVID-19 infection control surveys in skilled nursing facilities, and, if necessary, to connect nursing facilities with the Public Health Division of DHHS to provide training and education to staff and clinicians to maintain infection control practices to mitigate the spread of COVID-19 infections.

**Gross** \$1,400,000  
**Federal** 1,400,000  
**GF/GP** \$0

**TREASURY**

**16. Device Purchasing Program/Distance Learning**

Includes \$25.0 million to be allocated to the Michigan Association of Intermediate School Administrators (MAISA) to be used for the coordination and incentivizing of strategic purchasing of devices that would be used by students at home and in the school environment and to address immediate access and connectivity issues for students, families, and community members who do not have internet access. MAISA would be required to use the funds to make devices affordable for all K-12 districts through a statewide purchase program.

**Gross** \$25,000,000  
**Federal** 25,000,000  
**GF/GP** \$0



**17. First Responder Hazard Pay Premiums**

Includes \$100.0 million for the payment or reimbursement of first responder hazard pay premiums provided to first responders who performed hazardous duty or work related to COVID-19. First responders would include law enforcement officers, firefighters, emergency medical technicians, paramedics, 9-1-1 operators, local unit of government corrections officers, airport public safety officers, and eligible personnel associated with ambulance operations. No more than \$5.0 million would be awarded to any applicant, and the maximum reimbursement amount would be capped at \$1,000 per eligible first responder.

**Gross** \$100,000,000  
**Federal** 100,000,000  
**GF/GP** \$0

**18. Hospitality Relief Fund**

Includes \$2.5 million to be allocated to the Michigan Restaurant and Lodging Association Educational Foundation to be used to provide grants of up to \$500 to individuals who were employed in the hospitality industry in Michigan as of March 10, 2020 and who can demonstrate need.

**Gross** \$2,500,000  
**Federal** 2,500,000  
**GF/GP** \$0

**19. Local Units of Government**

Includes \$200.0 million for reimbursing counties, cities, villages, and townships for eligible public safety and public health payroll expenditures under the federal CARES Act, Public Law 116-136.

**Gross** \$200,000,000  
**Federal** 200,000,000  
**GF/GP** \$0

**FY 2019-20 Supplemental Boilerplate Items**

**GENERAL SECTIONS**

**Sec. 201. State Spending and State Appropriations Paid to Local Units of Government**

Expresses total state spending from state sources and payments to be made to local units of government.

**Sec. 202. Appropriations Subject to Management and Budget Act**

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

## FY 2019-20 Supplemental Boilerplate Items

### **Sec. 203. State Administrative Board Transfers**

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

### **Sec. 204. Appropriations Subject to Federal Audit and Reporting Requirements**

Subjects appropriations to applicable federal audit and reporting requirements; requires prompt action by the state budget director if instances of noncompliance are identified; requires the state budget director to notify the Senate and House Appropriations Committees and Fiscal Agencies of incidences of noncompliance; authorizes departments to require all sub-recipients of federal funding to comply with federal requirements; authorizes the state budget director to withhold payment of funds or retract funding if recipients are not abiding by requirements.

### **Sec. 205. Report on Status of COVID-19 Appropriations**

Requires the state budget director to report on the status of all funds appropriated related to the coronavirus relief effort on a monthly basis until all funds are exhausted.

## **AGRICULTURE AND RURAL DEVELOPMENT**

### **Sec. 251. Double Up Food Bucks Program**

Requires appropriation to be used for increasing subsidies to eligible recipients; prohibits appropriation from being used for program administration costs.

## **EDUCATION**

### **Sec. 301. Child Care Rate Reduction Stipend**

Requires appropriation to be used by the department to provide child care rate reduction stipends as an add-on to the Child Care Relief Fund grant to reduce child care costs to families; authorizes licensed child care providers that received grants from the Child Care Relief Fund to be eligible to receive a rate reduction stipend for each of the months of June, July, and August; requires the department to reimburse providers up to 30% of the tuition amount charged for each child cared for; requires providers to reduce the monthly billed amount to families; requires the department to take reasonable steps to distribute the stipend within 15 business days of receiving an application unless the provider fails to meet requirements, and to provide notice and information on how to apply for the stipend; requires providers to maintain all billing and refund records; requires the department to prorate payments if funds allocated are insufficient to fully fund the stipend.

### **Sec. 302. District COVID-19 Costs**

Requires appropriation to be allocated statewide to local school districts and public school academies to support instructional recovery programming, benchmark assessments, or health and safety expenditures necessary to provide instruction safely due to COVID-19; defines an instructional recovery program as one specifically designed to enable students to catch up and resume learning that was interrupted due to COVID-19; requires funding to be allocated on an equal per-pupil basis, based on the number of pupils in each district; defines district.

## **HEALTH AND HUMAN SERVICES**

### **Sec. 401. COVID-19 Direct Care Worker Hazard Pay Adjustment**

Requires appropriation to be used to increase wages paid to direct care workers by \$2 per hour above the rates paid on March 1, 2020 beginning July 1, 2020 and continuing until September 30, 2020; lists employees that would be eligible to receive the increased wage; requires contractors and subcontractors to provide documentation of wage increases; prohibits wage increase from being used when determining employees' average compensation; authorizes direct care workers to elect to not receive the wage increase either in writing or electronically.

### **Sec. 402. Inpatient Behavioral Health Grants**

Requires appropriation to be distributed in a manner consistent with a \$100 per diem increase to the inpatient psychiatric hospital rate adjustment program received in the first quarter of 2020 through the Medicaid prepaid inpatient health plans; requires hospitals to use funds for necessary expenditures incurred as a result of COVID-19.

### **Sec. 403. Victim Services Continuity and Stability Grants**

Requires appropriation to be used by the Michigan Domestic and Sexual Violence Prevention and Treatment Board for grants to organizations that provide victim services for victims of domestic violence, sexual assault, and stalking; lists allowable uses of grant funding; caps grant awards at \$50,000 per organization and requires not less than \$950,000 to be awarded to child advocacy centers; requires a report on the number of grant applications received, grants awarded, and grant amounts; designates unexpended funding as a work project appropriation.

### **Sec. 404. Water Utility Assistance**

Requires appropriation to be used to create a residential emergency relief program to provide direct payment assistance for all water and wastewater utilities designed to help households retain water service as an essential public health method of mitigating the spread of COVID-19; requires the department to reimburse water utility providers for providing bill forgiveness for arrearages and fees incurred by residential water customers during the COVID-19 state of emergency and for providing a 25% discount on the total water bill for eligible customers through the end of December 2020; caps reimbursement for each arrearage at \$700; lists eligibility criteria for water utility providers to receive funds; designates unexpended funding as a work project appropriation.

## FY 2019-20 Supplemental Boilerplate Items

### **Sec. 405. Personal Protection Equipment Grants**

Requires appropriation to be used to provide grants for personal protection equipment (PPE), testing, and testing equipment to priority providers; lists priority providers; requires a report on the number of grant applications received, grants awarded, and grantees by county.

## **LABOR AND ECONOMIC OPPORTUNITY**

### **Sec. 501. Unemployment Insurance Agency**

Requires appropriation to be used by the department to increase capacity by an estimated 500 term-limited employees or contractors for up to 6 months, and to purchase software, equipment, and other supplies necessary for processing unemployment claims, reducing backlogs and time lags, providing customer service to claimants, and any other allowable use under federal guidelines; designates unexpended funding as a work project appropriation.

### **Sec. 502. Small Business Restart Grants – Agriculture Processing and Farming Safety Grants**

Requires not less than \$10.0 million of the appropriation for small business restart grants to be used to support agriculture processing safety grants and not less than \$5.0 million for farming safety grants; authorizes grant awards to be used for COVID-19 testing costs, facility and farm needs for protection against the spread of the virus, personal protection equipment, and screening procedures; caps grant awards at \$1,000 per employee; requires the Michigan Strategic Fund to develop guidelines, to obtain expenditure reports from grant recipients, and to report on the results of the expenditure reports; requires a report on the number of grant applications received, grants awarded, and grantees by county; designates unexpended funding as a work project appropriation.

### **Sec. 503. Small Business Restart Grants – Small Businesses**

Requires not more than \$100.0 million of the appropriation for small business restart grants to be provided by the 15 local and nonprofit economic development organizations to support small businesses and nonprofits that have realized a significant financial hardship as a result of the COVID-19 emergency; authorizes a base amount of \$3.5 million to be awarded by each of the 15 local and nonprofit economic development organizations; requires the Michigan Strategic Fund, in consultation with the 15 local and nonprofit economic development organizations, to determine a fair method for distributing the remaining funds; caps grant awards to eligible business and nonprofits at \$20,000; lists authorized uses of grant funding; requires a monthly report on grants awarded in the previous month; designates unexpended funding as a work project appropriation.

### **Sec. 506. Rental Assistance**

Requires appropriation to be used by the department, along with DHHS, the Judiciary, local community action agencies, and legal aid organizations, to create a rental assistance program; allocates not more than \$4.0 million to legal aid organizations for legal services, not more than \$4.0 million to local community action agencies for program case management staff and related costs, not more than \$2.0 million for department administrative costs and to support a public awareness campaign, and the remaining funding to pay for rent arrearages and rent subsidies to minimize evictions; designates unexpended funding as a work project appropriation.

### **Sec. 507. MiOSHA COVID-19 Response Grants**

Requires appropriation to be allocated as follows: \$8.6 million for a voluntary grant program for employers with 250 or fewer employees under the jurisdiction of MiOSHA to purchase safety and health-related equipment, \$1.0 million for a COVID-19 workplace safety public awareness campaign to educate employers and employees, and \$450,000 to partner with a state university to create a web-based application to enable widespread COVID-19 symptom tracking data to be collected across the state; designates unexpended funding as a work project appropriation.

## **LICENSING AND REGULATORY AFFAIRS**

### **Sec. 551. Nursing Facility Infection Control Surveys**

Requires appropriation to be used for limited-term Bureau of Community and Health Systems staff to conduct state COVID-19 infection control surveys in skilled nursing facilities, and, if necessary, to connect nursing facilities with the Public Health Division of DHHS to provide training and education to staff and clinicians to maintain infection control practices to mitigate the spread of COVID-19 infections; designates unexpended funding as a work project appropriation.

## **TREASURY**

### **Sec. 601. First Responder Hazard Pay Premiums**

Requires appropriation to be used for the payment or reimbursement of first responder hazard pay premiums provided to first responders who performed hazardous duty or work related to COVID-19; lists eligible first responders as law enforcement officers, firefighters, emergency medical technicians, paramedics, 9-1-1 operators, local unit of government corrections officers, airport public safety officers, and eligible personnel associated with ambulance operations; prohibits more than \$5.0 million to be awarded to any applicant; caps the reimbursement amount at \$1,000 per eligible employee; requires the department to report on grants awarded; designates unexpended funding as a work project appropriation.

**FY 2019-20 Supplemental Boilerplate Items**

***Sec. 602. Device Purchasing Program/Distance Learning***

Requires appropriation to be allocated to the Michigan Association of Intermediate School Administrators to be used for the device purchasing program and distance learning; requires funding to be used for the coordination and incentivizing of strategic purchasing of devices that would be used by students at home and in the school environment and to address immediate access and connectivity issues for students, families, and community members who do not have internet access; requires an incentive for use of the SPOT bid in purchasing; specifies criteria that districts must meet in order to receive funding under the program; requires recognition of other funding received by districts under the federal CARES Act and corresponding reductions in requested incentives; requires a report on measurable outcomes based on program objectives and devices purchased; designates unexpended funding as a work project appropriation.

***Sec. 603. Hospitality Relief Fund***

Requires appropriation to be used by the Michigan Restaurant and Lodging Association Educational Foundation to provide grants of up to \$500 to individuals who were employed in the hospitality industry in Michigan as of March 10, 2020 and who can demonstrate need; lists eligibility requirements for applicants; requires a report on expenditures, including the total amount of grants awarded and number of individuals that received grant funding.

***Sec. 604. Local Units of Government***

Requires appropriation to be used to reimburse counties, cities, villages, and townships for eligible public safety and public health payroll expenditures under the federal CARES Act; lists process to follow for applying for and receiving grant funding; designates unexpended funding as a work project appropriation.

## A leader in energy delivery

Enbridge is North America's premier energy infrastructure company, transporting **25%** of the crude oil produced in North America and moving about **20%** of all natural gas consumed in the United States.

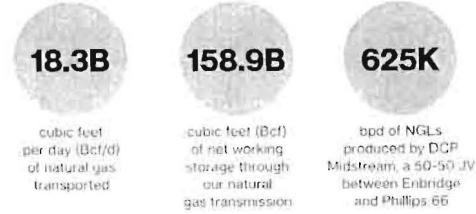
### Liquids pipelines

Enbridge operates the world's longest and most complex crude oil and liquids transportation system, with about **17,000 miles** of active pipe across North America. That includes about **8,600 miles** of active pipe in the U.S.



### Natural gas transmission and midstream

Unrivaled in the industry due to their scale, scope and connectivity, Enbridge's natural gas transmission and midstream pipeline assets cover about **24,500 miles** in 31 American states, five Canadian provinces and offshore in the Gulf of Mexico.



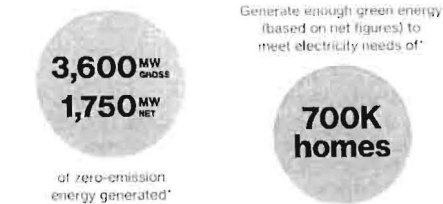
### Natural gas utilities

Enbridge Gas Inc. is North America's largest natural gas utility by throughput and third-largest by customer count, serving about 12 million people through **3.8 million** meter connections in Ontario and Quebec.



### Renewable energy

Since 2002, we've committed more than **\$6 billion** in capital to renewable energy and power transmission projects currently in operation or under construction. Our green energy portfolio includes **20** wind farms, **4** solar energy operations, **5** waste heat recovery facilities and **1** geothermal project, and we're expanding our presence in European offshore wind.



\* projects currently in operation

## Enbridge's economic impact on Michigan



Enbridge, a North American energy delivery leader, was established in 1949 and exists to fuel people's quality of life.

We move a very large slice of North America's oil, natural gas and natural gas liquids, safely and reliably. We operate North America's premium natural gas transmission franchise, crude oil and liquids pipeline business, and natural gas utility business.

These activities **deliver a variety of economic benefits to multiple American states**—and these aspects of our operations also fuel people's quality of life, whether they're:

- well-paying jobs** in towns and cities,
- tax revenue** that can help build schools, hospitals and roads;
- procurement spending** that stimulates local economies; or
- grants and volunteer labor** for community-strengthening projects.

As the world's population grows, we'll need all forms of energy—crude oil, natural gas, renewables—to meet rising global energy demand. As a company with both pipelines and wind turbines, Enbridge is delivering energy security and driving transformation toward a lower-carbon economy.

We're proud to deliver economic benefits in the states where we do business.

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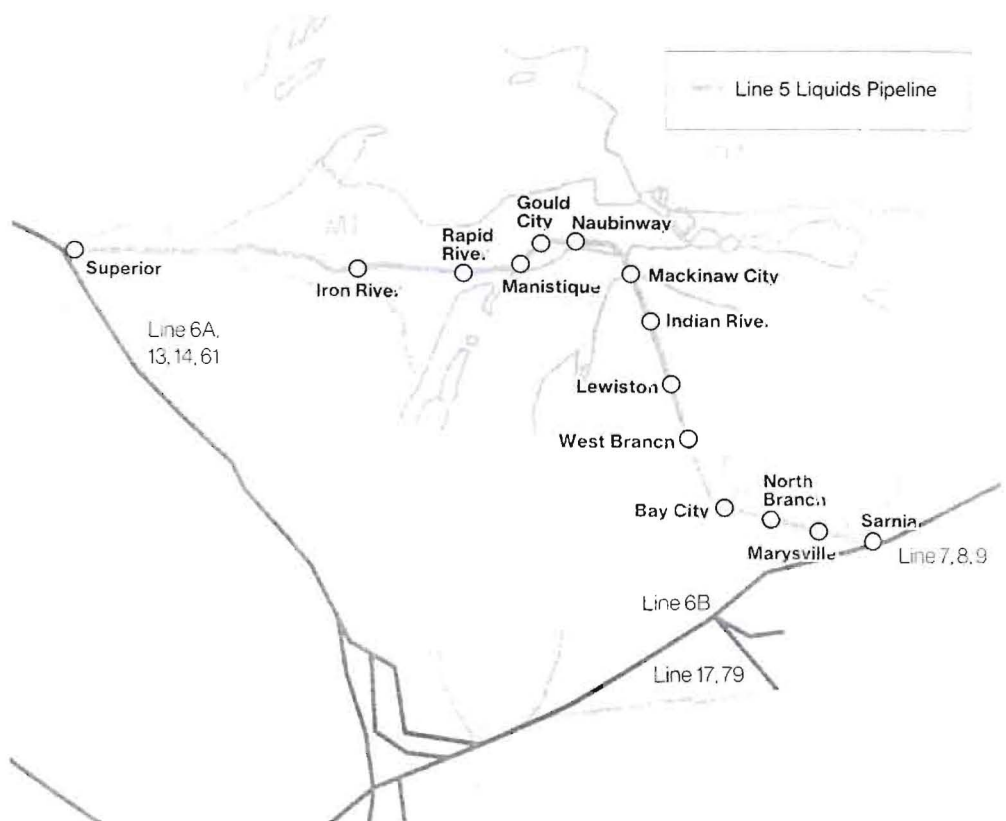
# Investing in Michigan's future

Life takes energy, and Line 5 has delivered it safely for more than 65 years. Line 5 helps heat Michigan homes, schools, hospitals, and businesses, fuels vehicles, and powers industry by safely and reliably transporting light crude oil, light synthetic crude oil and natural gas liquids (NGLs).

Michigan families and businesses rely on the energy transported through the 645-mile, Line 5 pipeline that originates in Superior, Wisconsin, travels through Michigan's Upper and Lower peninsulas, and ends in Sarnia, Ontario, Canada. Area-refineries also rely on Line 5 to produce the fuel that powers the agricultural industry, and the cars, buses, boats, and trucks that keep Michiganders on the go. In addition to manufacturing, product from Line 5 supports tourism, wineries and other businesses residents and tourists alike have come to know.

Consider the transportation alternatives to Line 5:

- 2,000 trucks one way per day.
- 800 rail cars one way per day.





## Great Lakes Tunnel Project

Enbridge is committed to making a safe pipeline even safer. The Great Lakes Tunnel Project represents an approximately \$500 million private investment by Enbridge.

The Great Lakes Tunnel Project will house a replacement segment of Line 5 in the Straits. It also will protect one of the most important natural resources in the world and reduce the chances of a release from Line 5 into the Straits to near zero.

The Great Lakes Tunnel will benefit Michigan residents and businesses providing energy security and enhanced environmental safeguards in the Straits. Enbridge moved one step closer to realizing the tunnel with its recent filing of a permit application seeking authorization to begin construction of the Great Lakes Tunnel Project. Enbridge filed the application April 8, 2020, with the Michigan Department of Environment, Great Lakes and Energy (EGLE) and the U.S. Army Corps of Engineers.

## Partnerships

Under the partnership of the Great Lakes Tunnel Constructors, Enbridge is partnering with two world-class firms. Jay Dee Contractors, Inc. of Livonia, Michigan, and world-renowned tunnel construction firm, Obayashi Corporation, will lead the construction efforts. Enbridge also has selected Arup, a leading engineering and consulting firm with large-scale infrastructure and tunnel design capabilities, to deliver construction design.

The expertise of these firms is shaping the design and construction process. With the guidance of these firms, we have updated some aspects of our plans for the tunnel.



Subsurface data for tunnel design was collected in 2019 from the Highland Eagle, a drilling vessel supporting the required geotechnical work for this effort.

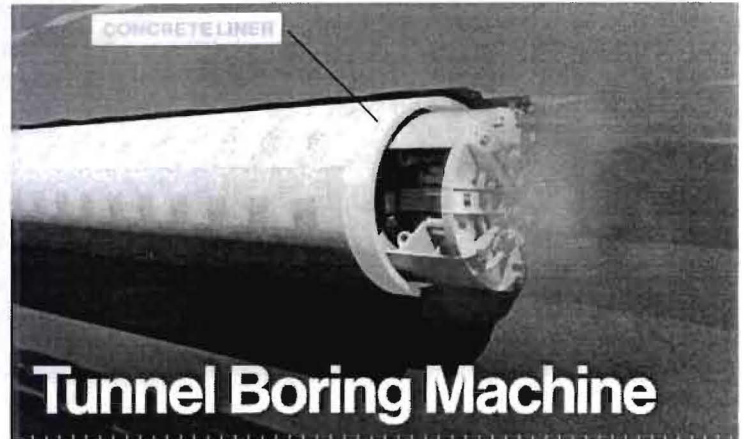
## Economic Impact

As a large construction project in northern Michigan, the tunnel will provide well-paying jobs for Michigan workers. It will also enhance environmental protections while continuing to meet the fuel and other energy needs on which area families, businesses, manufacturers, and tourism, rely.

## Preliminary Design Highlights

The tunnel will be constructed in accordance with the Tunnel Agreement entered between Enbridge and the Mackinac Straits Corridor Authority (Authority).

- Enbridge's and the Authority's teams, including the contractors retained by Enbridge, are developing the design of the tunnel.
- Though the tunnel design has yet to be finalized, Enbridge is envisioning constructing a tunnel with an internal diameter range between 18 feet and 21 feet at a depth that will be no shallower than 60 feet below the lakebed where the tunnel is in soil, and may be up to 250 feet beneath the lakebed which will help protect the lakebed from any disturbance.



The Tunnel will be constructed from from the south side of the Straits and traveling north which will minimize environmental impacts while allowing safe construction, operation and maintenance of the tunnel. Work on the south side would be confined to 25 acres owned by Enbridge and on land owned by other utilities with which Enbridge has easement agreements. Enbridge will maintain an approximately 115-foot buffer from the shoreline of Lake Michigan. There are no wetlands, protected species or significant cultural resources within this proposed workspace.

The tunnel boring will end on the north side of the Straits, using workspace within approximately 16 acres owned by Enbridge. To help minimize the extent of impacts on natural resources, the workspace primarily will be located within uplands to avoid forested wetlands. Enbridge will maintain at least a 50-foot buffer from the shoreline of Lake Michigan. Some protected plant species will be impacted on the north side and we will work with the applicable agencies to offset these impacts.

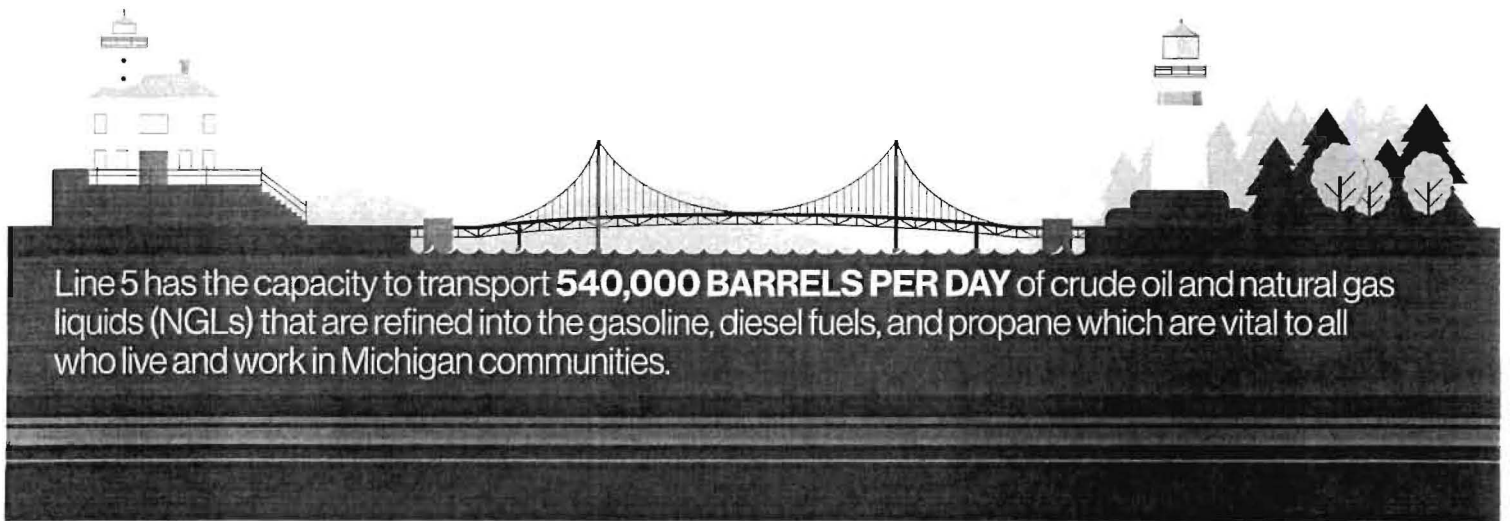
## Environmental

The Tunnel will be designed and constructed to mitigate potential impacts to the environment. In conjunction with its partners, Enbridge is committed to minimizing environmental impacts not only after the replacement Line 5 segment is in operation, but throughout construction.

Contractors will stockpile topsoil and reuse it for site restoration.

Rock cuttings from the tunnel also might be used as structural fill. Cuttings not suitable for reuse will be stockpiled separately and removed from the site.

All water generated as part of the boring activities will be cleaned prior to discharge.



Line 5 has the capacity to transport **540,000 BARRELS PER DAY** of crude oil and natural gas liquids (NGLs) that are refined into the gasoline, diesel fuels, and propane which are vital to all who live and work in Michigan communities.

### Anticipated Schedule

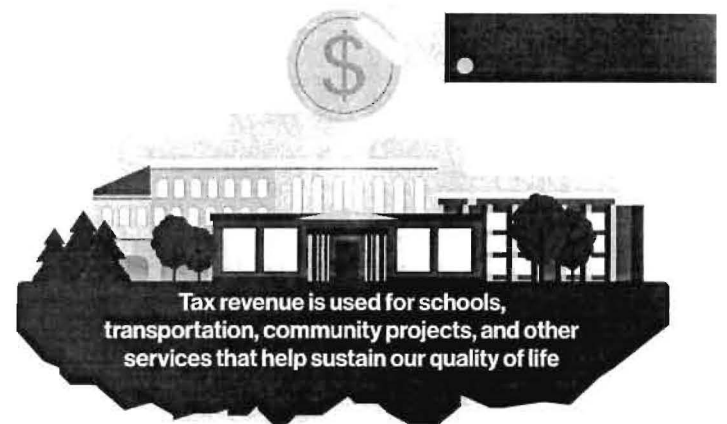
Pending receipt of necessary permits and approvals, Enbridge anticipates beginning construction in 2021 with the replacement segment of Line 5 operational in 2024.

### What Line 5 Makes Possible

From vehicles to hand sanitizers to mobile phones, computers, and aviation fuel supplying more than half of the jet fuel to the Detroit Metropolitan Airport, Line 5 is critical to all aspects of daily living. Product from Line 5 is essential to manufacturing more than 6,000 items, including clothing, medicine, vitamins, shampoo, toothpaste, medical equipment, and other necessities and products used every day.

Additionally, Line 5 meets 55 percent of Michigan's propane needs. Families and businesses in the Upper Peninsula alone rely on Line 5 to meet 65 percent of their propane needs, which in turn heats their homes, provides hot water and helps them prepare warm meals.

Energy shortages impact quality of life from home heating, to transportation of goods and people, as well as business and industry. While we welcome alternative energy solutions, there is a need and a place for reliable North American petroleum supply here in Michigan.



Tax revenue is used for schools, transportation, community projects, and other services that help sustain our quality of life

### Construction Jobs: Tunnel and L5 Straits Pipeline Segment Replacement

We anticipate that over two million work hours will be needed to complete this project and Enbridge is committed to using Michigan labor.



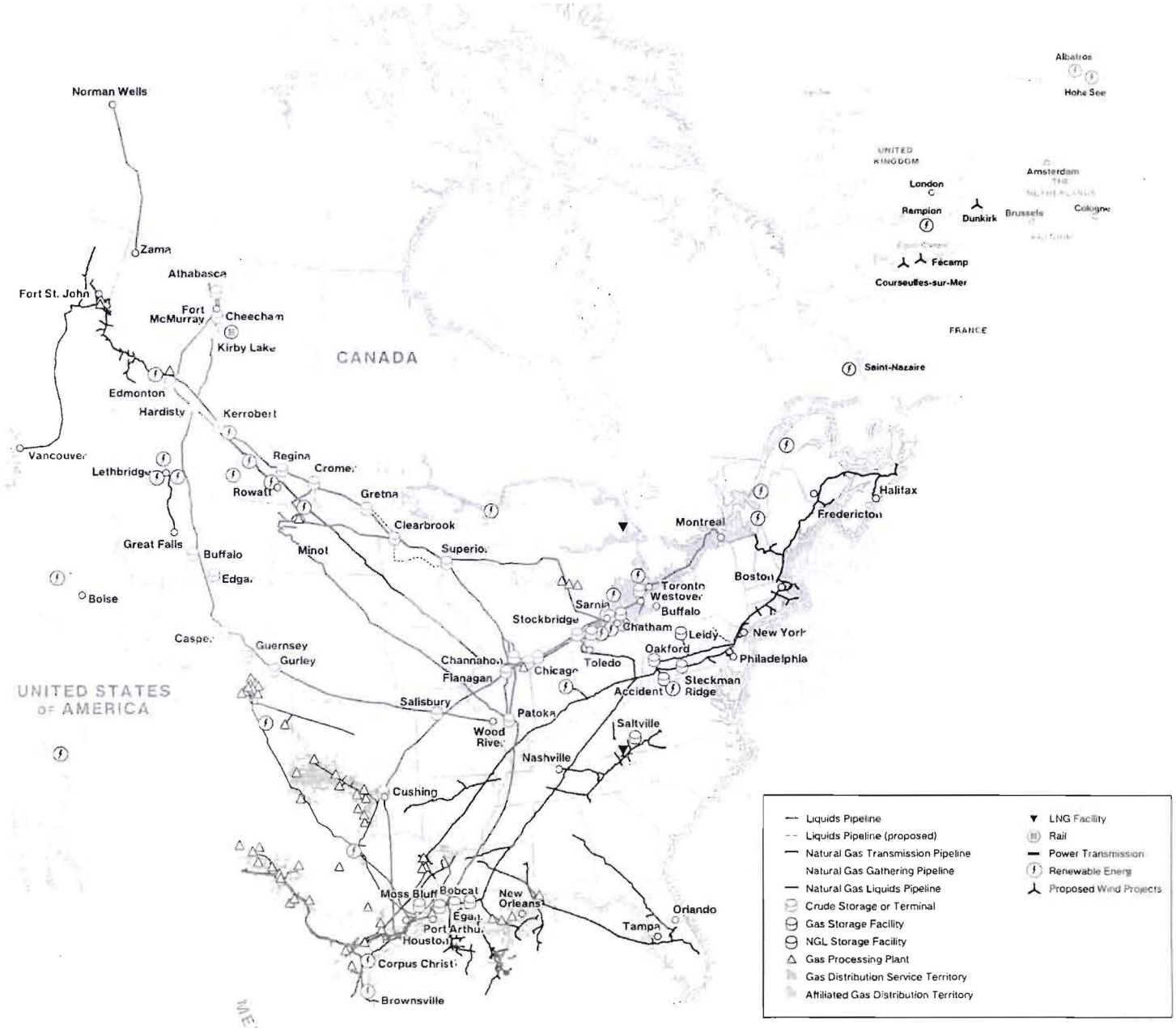
## Energy Diversity

Since our initial investment in wind power in 2002, we've committed more than \$7.8 billion in capital to renewable energy and power transmission projects either in operation or under construction. These projects, include wind, solar, geothermal and waste heat recovery, and have the capacity to generate nearly 1,750 megawatts (MW) net of zero-emission energy. That's enough to meet the electricity needs of nearly 700,000 homes, based on net generation figures.

We believe that working toward lower impact energy solutions is in everyone's best interest. Our portfolio of renewable energy projects is diversified and growing.



## The big picture: Connecting supply with demand



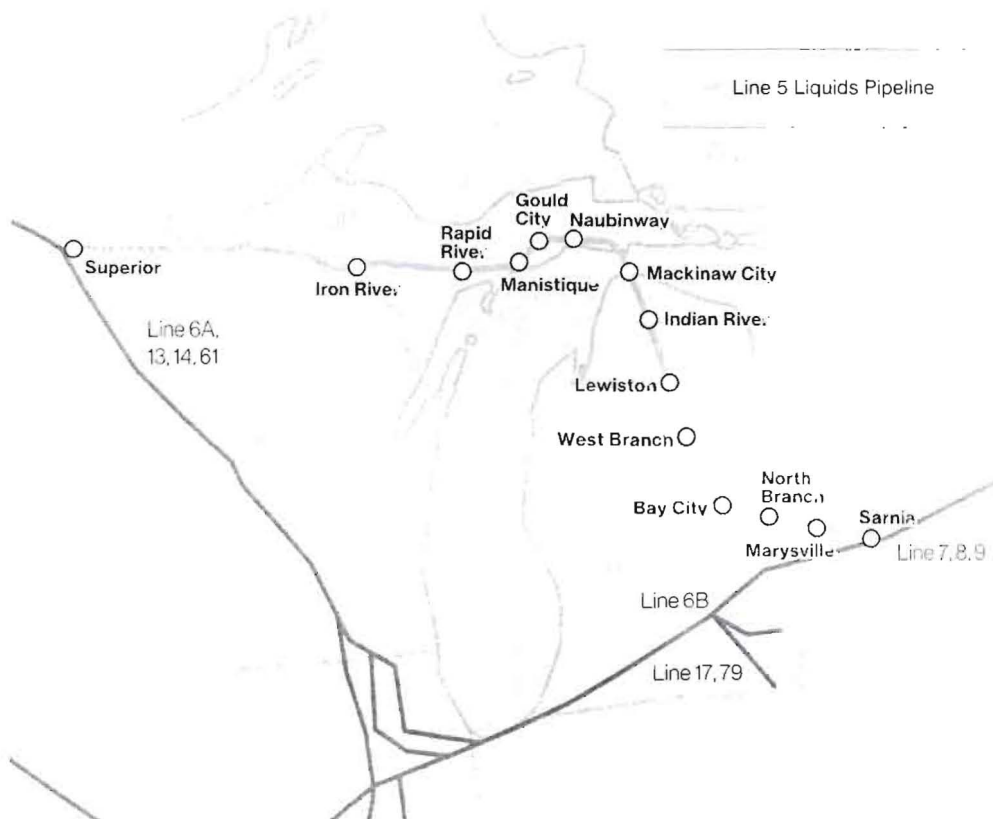
# Investing in Michigan's future

Life takes energy, and Line 5 has delivered it safely for more than 65 years. Line 5 helps heat Michigan homes, schools, hospitals, and businesses, fuels vehicles, and powers industry by safely and reliably transporting light crude oil, light synthetic crude oil and natural gas liquids (NGLs).

Michigan families and businesses rely on the energy transported through the 645-mile, Line 5 pipeline that originates in Superior, Wisconsin, travels through Michigan's Upper and Lower peninsulas, and ends in Sarnia, Ontario, Canada. Area-refineries also rely on Line 5 to produce the fuel that powers the agricultural industry, and the cars, buses, boats, and trucks that keep Michiganders on the go. In addition to manufacturing, product from Line 5 supports tourism, wineries and other businesses residents and tourists alike have come to know.

Consider the transportation alternatives to Line 5:

2,000 trucks one way per day.  
800 rail cars one way per day.



## Great Lakes Tunnel Project

Enbridge is committed to making a safe pipeline even safer. The Great Lakes Tunnel Project represents an approximately \$500 million private investment by Enbridge.

The Great Lakes Tunnel Project will house a replacement segment of Line 5 in the Straits. It also will protect one of the most important natural resources in the world and reduce the chances of a release from Line 5 into the Straits to near zero.

The Great Lakes Tunnel will benefit Michigan residents and businesses providing energy security and enhanced environmental safeguards in the Straits. Enbridge moved one step closer to realizing the tunnel with its recent filing of a permit application seeking authorization to begin construction of the Great Lakes Tunnel Project. Enbridge filed the application April 8, 2020, with the Michigan Department of Environment, Great Lakes and Energy (EGLE) and the U.S. Army Corps of Engineers.

## Partnerships

Under the partnership of the Great Lakes Tunnel Constructors, Enbridge is partnering with two world-class firms. Jay Dee Contractors, Inc. of Livonia, Michigan, and world-renowned tunnel construction firm, Obayashi Corporation, will lead the construction efforts. Enbridge also has selected Arup, a leading engineering and consulting firm with large-scale infrastructure and tunnel design capabilities, to deliver construction design.

The expertise of these firms is shaping the design and construction process. With the guidance of these firms, we have updated some aspects of our plans for the tunnel.



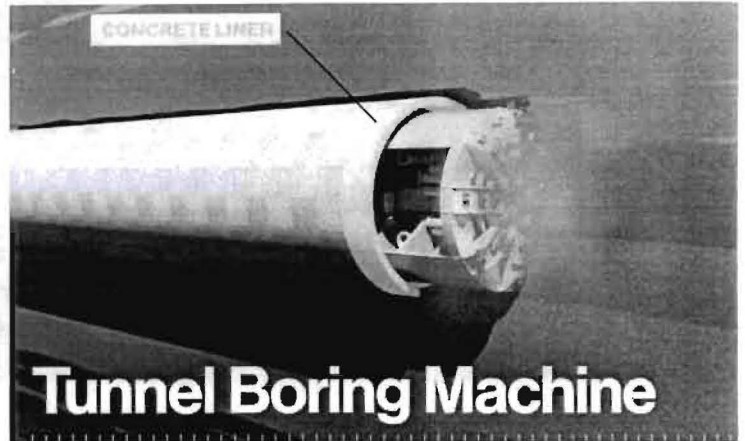
Subsurface data for tunnel design was collected in 2019 from the Highland Eagle, a drilling vessel supporting the required geotechnical work for this effort.

## Preliminary Design Highlights

The tunnel will be constructed in accordance with the Tunnel Agreement entered between Enbridge and the Mackinac Straits Corridor Authority (Authority).

Enbridge's and the Authority's teams, including the contractors retained by Enbridge, are developing the design of the tunnel.

Though the tunnel design has yet to be finalized, Enbridge is envisioning constructing a tunnel with an internal diameter range between 18 feet and 21 feet at a depth that will be no shallower than 60 feet below the lakebed where the tunnel is in soil, and may be up to 250 feet beneath the lakebed which will help protect the lakebed from any disturbance.



The Tunnel will be constructed from from the south side of the Straits and traveling north which will minimize environmental impacts while allowing safe construction, operation and maintenance of the tunnel. Work on the south side would be confined to 25 acres owned by Enbridge and on land owned by other utilities with which Enbridge has easement agreements. Enbridge will maintain an approximately 115-foot buffer from the shoreline of Lake Michigan. There are no wetlands, protected species or significant cultural resources within this proposed workspace.

The tunnel boring will end on the north side of the Straits, using workspace within approximately 16 acres owned by Enbridge. To help minimize the extent of impacts on natural resources, the workspace primarily will be located within uplands to avoid forested wetlands. Enbridge will maintain at least a 50-foot buffer from the shoreline of Lake Michigan. Some protected plant species will be impacted on the north side and we will work with the applicable agencies to offset these impacts.

## Environmental

The Tunnel will be designed and constructed to mitigate potential impacts to the environment. In conjunction with its partners, Enbridge is committed to minimizing environmental impacts not only after the replacement Line 5 segment is in operation, but throughout construction.

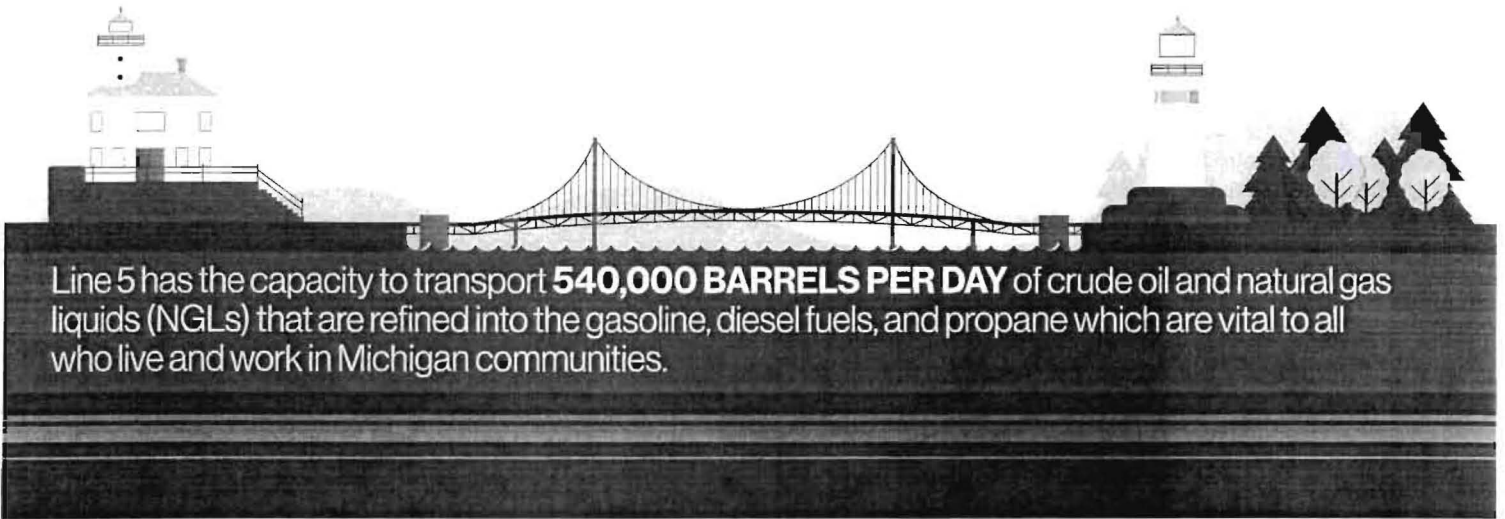
Contractors will stockpile topsoil and reuse it for site restoration.

Rock cuttings from the tunnel also might be used as structural fill. Cuttings not suitable for reuse will be stockpiled separately and removed from the site.

All water generated as part of the boring activities will be cleaned prior to discharge.

## Economic Impact

As a large construction project in northern Michigan, the tunnel will provide well-paying jobs for Michigan workers. It will also enhance environmental protections while continuing to meet the fuel and other energy needs on which area families, businesses, manufacturers, and tourism, rely.



Line 5 has the capacity to transport **540,000 BARRELS PER DAY** of crude oil and natural gas liquids (NGLs) that are refined into the gasoline, diesel fuels, and propane which are vital to all who live and work in Michigan communities.

### Anticipated Schedule

Pending receipt of necessary permits and approvals, Enbridge anticipates beginning construction in 2021 with the replacement segment of Line 5 operational in 2024.

### What Line 5 Makes Possible

From vehicles to hand sanitizers to mobile phones, computers, and aviation fuel supplying more than half of the jet fuel to the Detroit Metropolitan Airport, Line 5 is critical to all aspects of daily living. Product from Line 5 is essential to manufacturing more than 6,000 items, including clothing, medicine, vitamins, shampoo, toothpaste, medical equipment, and other necessities and products used every day.

Additionally, Line 5 meets 55 percent of Michigan's propane needs. Families and businesses in the Upper Peninsula alone rely on Line 5 to meet 65 percent of their propane needs, which in turn heats their homes, provides hot water and helps them prepare warm meals.

Energy shortages impact quality of life from home heating, to transportation of goods and people, as well as business and industry. While we welcome alternative energy solutions, there is a need and a place for reliable North American petroleum supply here in Michigan.



Tax revenue is used for schools, transportation, community projects, and other services that help sustain our quality of life

### Construction Jobs: Tunnel and L5 Straits Pipeline Segment Replacement

We anticipate that over two million work hours will be needed to complete this project and Enbridge is committed to using Michigan labor.



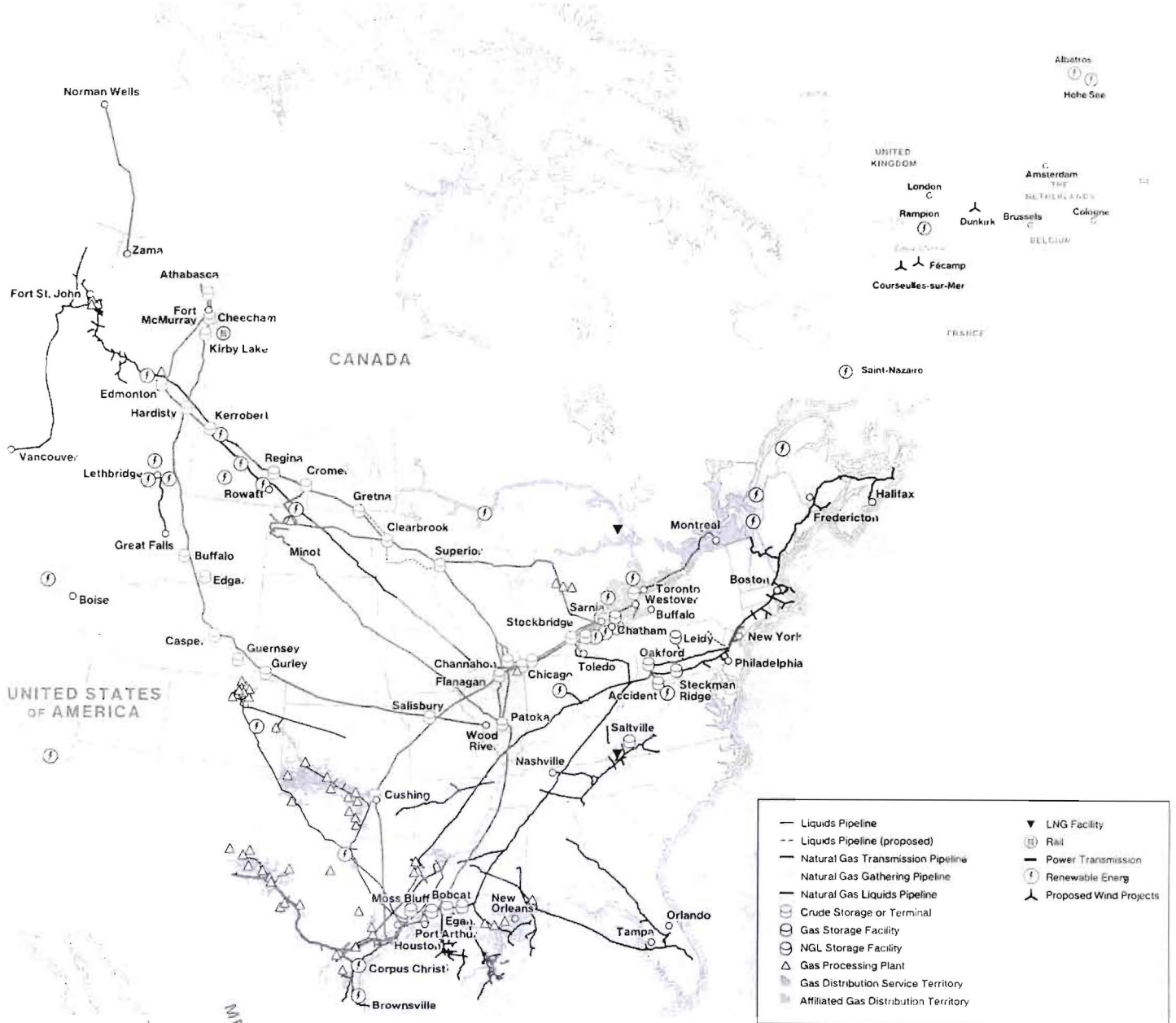
## Energy Diversity

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We believe that working toward lower impact energy solutions is in everyone's best interest. Our portfolio of renewable energy projects is diversified and growing.



## The big picture: Connecting supply with demand



**DICKINSON COUNTY RESOLUTION 2019-15**

**RESOLUTION IN SUPPORT OF LINE 5**

WHEREAS, Enbridge's Line 5 has been operating safely and reliably in Michigan for more than 65 years; and

WHEREAS, Enbridge's Line 5, a light crude and natural gas liquids pipeline, helps to safely meet Michigan's energy needs by fulfilling more than half of the propane needs of the state; and

WHEREAS, the products delivered to regional refineries provide jobs and ultimately fuel our lives; and

WHEREAS, multiple and extensive inspections and safety tests over the last several years have confirmed the integrity of Line 5 at the Straits of Mackinac as fit for service; and

WHEREAS, Enbridge has proposed to invest \$500 million to make a safe pipeline safer by placing a tunnel with one-foot-thick concrete walls 100 feet underground and make the chances of a leak into the Straits virtually zero; and

WHEREAS, consequences to energy supply, local producers, regional airports and refineries, jobs, local economies and the pocketbook of Michiganders across the U.P. and the state are too great for Line 5 to be shut down before the tunnel replacement can be completed;

WHEREAS, Enbridge has demonstrated a willingness to work with the state to both protect the Great Lakes and ensure the continued safe delivery of energy we all rely on.

NOW, THEREFORE, BE IT RESOLVED that the Dickinson County Board of Commissioners extends its support for Enbridge's proposed tunnel replacement project and urges the State of Michigan to work with Enbridge to complete the tunnel project as quickly as possible and not disrupt Line 5 service before the tunnel can be completed.

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Henry Wender, Chairman

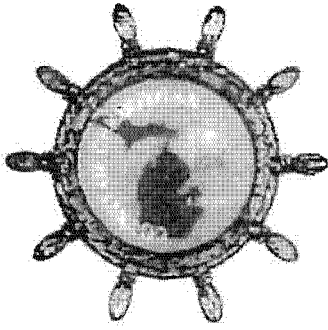
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Date

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Dolly L. Cook, County Clerk





## BOARD OF COMMISSIONERS

County Building  
P.O. Box 70, Room 131  
Cheboygan, Michigan 49721

Tel: (231) 627-8855  
Fax: (231) 627-8881  
E-mail: [ccao@cheboygancounty.net](mailto:ccao@cheboygancounty.net)

### Resolution 19-13

#### CHEBOYGAN COUNTY RESOLUTION IN SUPPORT OF LINE 5 TUNNEL

WHEREAS, Enbridge's Line 5 has been operating safely and reliably in Straits of Mackinac for more than 66 years; and

WHEREAS, Enbridge's Line 5, a light crude and natural gas liquids pipeline, helps to safely meet Michigan's energy needs by fulfilling more than half of the propane needs of the state; and

WHEREAS, the products delivered to regional refineries provide jobs and ultimately fuel our lives; and

WHEREAS, multiple and extensive inspections and safety tests over the last several years have confirmed the integrity of Line 5 at the Straits of Mackinac as fit for service.

WHEREAS, consequences to energy supply, local producers, regional airports and refineries, jobs, local economies and the pocketbook of Michiganders across the entire state are too great for Line 5 to be shut down before the tunnel replacement can be completed.

WHEREAS, issues have been raised by several concerned parties regarding the possibility and impact of a breach of Line 5 into the Straits of Mackinac. These concerns have resulted in the State of Michigan and Enbridge negotiating an "agreement" for a 5 year \$500 million project, to construct a tunnel 100 feet below bedrock to encase Line 5, the entire length of the Straits, in one-foot-thick concrete walls in order to mitigate chances of any leaks of product into the Great Lakes.

WHEREAS, the recently elected Michigan Attorney General, Dana Nessel has subsequently opposed the negotiated "agreement" and filed a law-suit in Ingham County Circuit Court to close down Line 5 immediately effectively canceling all efforts to begin construction of the tunnel; and

WHEREAS, this action may very well provide unintended consequences for all parties as the litigation to close down Line 5 may take years to be resolved in the courts with no assurance of the outcome and;

WHEREAS, the time to resolve the litigation may simply result in the delay of the start of the construction of the tunnel thereby leaving the existing Line 5 in place unnecessarily for several additional years.

WHEREAS, Enbridge has demonstrated a willingness to work with the state to both protect the Great Lakes and ensure the continued safe delivery of energy we all rely on.

District 1  
Mary Ellen Tryban

District 2  
Richard B. Sangster  
Vice-Chairman

District 3  
Michael Newman

District 4  
Cal Gouine

District 5  
Roberta Matelski

District 6  
John B. Wallace  
Chair

District 7  
Steve Warfield

**NOW, THEREFORE, BE IT RESOLVED** that the Cheboygan County Board of Commissioners hereby joins with other Michigan Counties in extending its support for Enbridge's proposed tunnel replacement project and urges the State of Michigan to work with Enbridge to complete the tunnel project as quickly as possible and not disrupt Line 5 service before the tunnel can be completed.

**AND, BE IT FURTHER RESOLVED** that Cheboygan County sends this resolution to all counties of Michigan as an invitation to join in expressing support for increasing the safety of our current energy infrastructure as our society simultaneously seeks energy efficiencies and energy alternatives that will continue to reduce negative impacts and risks to our environment.

---

John B. Wallace, Chairperson  
Cheboygan County Board

I, Karen L. Brewster, Clerk of the County of Cheboygan, do hereby certify that the foregoing is a true and correct copy of the Resolution adopted by the Board of Commissioners at a regular meeting on August 27, 2019.

In Witness Whereof, I have hereunto set my hand and affixed the Seal of the County of Cheboygan on the 27th day of August 2019 at Cheboygan, Michigan.

---

Karen L. Brewster  
Cheboygan County Clerk/Register



Tuscola County

Clayette Zechmeister &lt;zclay@tuscolacounty.org&gt;

**Fwd: [EXTERNAL] Re: [EXTERNAL] suggestion from Mary Drier**

1 message

**Thomas Bardwell** <tbarwell@tuscolacounty.org>  
 To: Clayette Zechmeister <zclay@tuscolacounty.org>

Wed, Jun 17, 2020 at 9:21 AM

Mary has suggested a resolution for Tom Herron for his community support and am forwarding the information that she sent for your review. The request could be placed on the agenda for discussion.

Thom

----- Forwarded message -----

From: **Mary Drier** <drier92@yahoo.com>  
 Date: Tue, Jun 16, 2020 at 1:00 PM  
 Subject: [EXTERNAL] Re: [EXTERNAL] suggestion from Mary Drier  
 To: Thomas Bardwell <tbarwell@tuscolacounty.org>

HERE IS A DRAFT OF THE ARTICLE I DID ON HIM

June 13, 2019

Although Tom Herron's dream was to spend his life being a dairy farmer, there are hundreds of people and business owners who are happy that didn't work out for him. Instead he became a builder. He formed Herron Building Company in 1964. This month he sold his business and is going to take life easy.

"I've been a builder for 55 years, and I loved every minute of it. I'm 77-years old so I guess it's time for a change," said Herron. "I'm packing up my office to make room for the new owners. I'll still be involved on into the fall to finish a couple homes."

Brothers Jason and Matt Klein, who own Superior 1 Plumbing and Heating, Cass City, bought Herron's company.

"We worked with Tom for several years doing his plumbing and heating work," said Jason Klein noting construction is new to them and will be the next step in their business. "We are keeping all of Tom's workers. They are all experienced."

And, Matt Klein said he is "excited" to add this new aspect to the family business and to carry on Herron's legacy.

As a builder, Herron left his mark throughout the Thumb, and especially in Cass City and Caro. There is a map hanging in Herron's office with yellow pins marking the location of his various projects. The northwest side of the map is crowded with yellow pins noting his various housing projects in Cass City as well as a few others scattered throughout Cass City, and the Thumb.

In 1972, he bought 10 acres in the corner of the village where he built his first subdivision. "I got a loan from the (former) Penney Bank for that. It was paid off in two years," he said. It was a different era back then."

A man's word and a handshake closed many a deal.

"When that was done in 1974, I went back for another loan to build Hillcrest Subdivision. The bank told me no because they felt the community didn't need another subdivision. So I went to a different bank and got a loan," Herron said.

When that subdivision was completed in 1978, he started construction of Northwood Lake Condominiums. He then built the Northwood Shores golf course and restaurant. In 1996, he started doing modular homes and started the company Northwood Modular Homes, Inc.

"My most challenging project was building Walbor. That was a big project," Herron said noting the company has factories in Caro as well.

His carpentry skills extended to the neighboring community. A few of his construction projects in Caro include the Brentwood, Star Brite restaurant, and remodeling the Capri, which is now the Oven restaurant. His residential and commercial construction also included building IGA grocery stores, car dealerships as well as a variety of other businesses in the Thumb.

Of all of the structures he built, his first construction project in 1965 is the one he prides the most and is closest

to his heart. That is the one he built for Preston and Florence Karr outside of Gagetown.

"That helped get me started in construction. It is a ranch-style home. Florence is 101-years old now. She still lives in that house, and it is still just as I built it," he said.

Besides helping launch his construction career, building the Karr house was also a major life accomplishment for him.

He found a woman he wanted to marry but was hesitant to do so because of his financial situation.

"That Karr home helped get me going as a builder, and I was able to married Linda," said Herron. "She has stood by me all of these years. There has been a lot of ups and downs in the construction business, and she has always stood by my side."

When he started doing construction, their kitchen table was his office, a cigar box was his filing cabinet, his wife was his bookkeeper back then.

With retirement looming on the horizon, there is time now for reflection.

Herron was one-year old when his mother passed away leaving him to be raised by his grandmother, Mary McDonald, and his step-grandfather, Lawrence McDonald. He was 19-years old when his step-grandfather passed away.

"The farm was sold then. That ended the dream of being a farmer," he said. "He was the one who encouraged me to take up carpentry work.

"The two things he taught me was to work hard, and to go to church... I still do both."

According to Herron, he always felt like he was a lone when he was growing up. He said he wasn't a very good student, and he wasn't popular in school which made him kind of shy when he was attending the former St. Agatha Catholic School in Gagetown and in Cass City High School.

He explained how he would hope, dream, and pretend a better life for himself.

"My life has gone beyond anything I had ever dreamed of for myself. It's been a good life. I have a good family. I had a good career that I loved. I worked six-days a week; but because I enjoyed building so much, it didn't really seem like work," said Herron as he choked back the raw emotion of giving up a large part of his life that he enjoyed so much.

"Selling the business was a very difficult decision. It's hard to give up something you love so much, brought so much joy, and a big part of my life."

One thing he said he won't miss is all of the red-tape that goes with construction now.

"Back when I started, you didn't need a builder's license and there was no building codes with all of its rules and regulations," Herron explained. "When builders had to start being licensed, I think I got one of the first ones issued."

Between working six-days a week, family demands also kept him busy. His wife, Linda, had three children, that he adopted. They had two children together, and they also adopted a boy.

While doing all of that, he was also a pillar of the community. He received the Lion of the Year Award in 1997, and was named Cass City's Citizen of the year in 1983.

Although no longer doing construction, Herron continues to work for his community as a village council trustee.

On Tuesday, June 16, 2020, 8:54:44 AM GMT-8, Thomas Bardwell <tbardwell@tuscolacounty.org> wrote:

Yes— that would be a nice gesture!

On Tue, Jun 16, 2020 at 12:40 PM Mary Drier <drier92@yahoo.com> wrote:

I am suggesting a county resolution for Tom Herron of Cass City. He retired last year.

His construction company developed all of the one section of the village, golf course, etc. And, he built several businesses in Caro as well.

There was a map in his former office that showed where all of his building projects were. The one side of the map was solid dots.

He is on the village council, and several organizations

I have some info on him if you are interested

This email and any files transmitted with it are intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the message sender. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

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Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 46 (as introduced 1-22-19)  
Sponsor: Senator Curtis S. VanderWall  
Committee: Finance

Date Completed: 1-22-20

**CONTENT**

**The bill would amend the General Property Tax Act to specify that the true cash value of a wind energy system would be the sum of its original (historical) installed cost multiplied by an applicable multiplier, plus the value of specified property interests.**

Specifically, for the purposes of a statement submitted under Section 19, the true cash value of a wind energy system would be the sum of its original (historical) installed cost multiplied by the applicable multiplier, plus the value of any applicable easements, rights-of-way, or leasehold interests prorated per megawatt for each wind turbine, but not less than \$29,067 per megawatt.

(Section 19 of the Act requires a supervisor or other assessing officer who ascertains the taxable property in his or her assessing district to require any person whom he or she believes has personal property in his or her possession to make a statement of all the personal property of that person.)

"Applicable multiplier" would mean one of the following:

- For each wind energy system reported, a multiplier set forth in a table of multipliers adopted by the State Tax Commission on or before November 30, 2019, based on the assumptions described below.
- If the Commission fails to adopt the multiplier table described above on or before November 30, 2019, for each wind energy system reported, a multiplier set forth in a table that the Commission must adopt on or before December 31, 2019, based on the assumptions described below.

These assumptions would apply to the applicable multipliers, except for a multiplier that was created after November 30, 2019, but before December 31, 2019, which would have to have an annual reduction of exactly 0.04 following the year immediately succeeding completed installation of the wind energy system: a) the average service life of a wind energy system would be at least 30 years, b) the appropriate multiplier for the year immediately succeeding completed installation of a wind energy system would be 1.0, and for each year thereafter the appropriate reduction of the multiplier could not exceed 0.04, and, no matter how many years passed after installation, the multiplier would have to be at least 0.4 until the wind energy system was physically removed, and c) no adjustments to multipliers could be made for tax or other governmental incentives.

"Original (historical) installed cost" would mean the original cost new of all site improvements in the year incurred reported in accordance with the asset recording methods required under generally accepted accounting principles, including those costs described below:

- Direct costs, including costs of installation, equipment, materials, and labor; costs of the rotor, drive train, tower, controls, electric interface, and tower foundation; costs of all land improvements other than buildings, including roads and fences; costs of computer equipment and communication facilities; and the contractor's profit required to construct the wind energy system.
- Indirect costs, including administrative costs, overhead, freight, wind studies, and professional fees; financing costs, including interest paid on construction loans; taxes, including sales tax; and the builder's or developer's all-risk insurance during construction.

These costs would have to be determined without adjustment for purchase-method, fresh-start, or push-down accounting and without reduction for the value of any tax or other governmental incentives.

"Wind energy system" would mean that term as described in Section 8(l) of the Act: an integrated unit consisting of a wind turbine composed of a rotor, an electrical generator, a control system, an inverter or other power conditioning unit, and a tower, which uses moving air to produce power.

MCL 211.27

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

As currently written, the fiscal impact of the bill is unclear. The bill references depreciation schedules that must be adopted at State Tax Commission (STC) meetings held on or before November 30, 2019, or on or before December 31, 2019. Both of these STC meetings have already occurred. At the December 17, 2019 meeting the STC adopted a depreciation schedule that does not conform to the terms of the bill. The bill does not contain retroactivity provisions, nor provide for what depreciation rules should be in place if the terms of the bill are not met. As a result, it is unclear what fiscal impact the bill would have, whether it would invalidate the already-adopted depreciation schedule, have no impact whatsoever, and/or serve as the basis for litigation against the State.

Assuming the issues addressed above were resolved, the bill would have no impact on State revenue or expenditures, but would increase local unit revenue by an indeterminate amount that would depend on a variety of economic circumstances as well as local millage rates. As industrial personal property, the property that would be affected by the bill is exempt from the State Education Tax and the 18 mills levied by local school districts on nonhomestead property. However, the affected property does not qualify as eligible manufacturing personal property and is not exempt from other local property taxes.

The bill would impose a fixed depreciation schedule on affected property, and the schedule required by the bill would cause taxable values to decline at a slower rate than under current law. The actual amount of additional revenue the bill would generate is unknown because it would depend on the acquisition costs of affected property and the specific millage rate levied by a local unit in which affected property was located.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.