

SENATE JOINT RESOLUTION J

January 30, 2013, Introduced by Senators RICHARDVILLE, KAHN and CASWELL and referred to the Committee on Appropriations.

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 8 and 40 of article IX, to increase the sales tax rate and to dedicate that revenue to transportation purposes and certain other uses.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to increase the sales tax rate and to dedicate that revenue to transportation purposes and certain other uses, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

Sec. 8. Except as provided in this section, the Legislature shall not impose a sales tax on retailers at a rate of more than 4% of their gross taxable sales of tangible personal property.

1 Beginning May 1, 1994, the sales tax shall be imposed on
2 retailers at an additional rate of 2% of their gross taxable sales
3 of tangible personal property not exempt by law and the use tax at
4 an additional rate of 2%. The proceeds of the sales and use taxes
5 imposed at the additional rate of 2% shall be deposited in the
6 state school aid fund established in section 11 of this article.
7 The allocation of sales tax revenue required or authorized by
8 sections 9 and 10 of this article does not apply to the revenue
9 from the sales tax imposed at the additional rate of 2%.

10 **BEGINNING OCTOBER 1, 2013, THE SALES TAX SHALL BE IMPOSED ON**
11 **RETAILERS AT AN ADDITIONAL RATE OF 2% OF THEIR GROSS TAXABLE SALES**
12 **OF TANGIBLE PERSONAL PROPERTY NOT EXEMPT BY LAW AND THE USE TAX AT**
13 **AN ADDITIONAL RATE OF 2%. THE PROCEEDS OF THE SALES AND USE TAXES**
14 **IMPOSED AT THE ADDITIONAL RATE OF 2% SHALL, AFTER THE PAYMENT OF**
15 **NECESSARY COLLECTION EXPENSES, BE USED EXCLUSIVELY AS SET FORTH IN**
16 **THIS PARAGRAPH. SEVEN-TENTHS OF 1% OF THE PROCEEDS OF THE SALES AND**
17 **USE TAXES IMPOSED AT THE ADDITIONAL RATE OF 2% SHALL, AFTER THE**
18 **PAYMENT OF NECESSARY COLLECTION EXPENSES, BE DEPOSITED IN THE**
19 **RECREATION IMPROVEMENT ACCOUNT OF THE MICHIGAN CONSERVATION AND**
20 **RECREATION LEGACY FUND CREATED IN SECTION 40 OF THIS ARTICLE. NOT**
21 **LESS THAN 90% OF THE PROCEEDS OF THE SALES AND USE TAXES IMPOSED AT**
22 **THE ADDITIONAL RATE OF 2% SHALL, AFTER THE PAYMENT OF NECESSARY**
23 **COLLECTION EXPENSES, BE USED EXCLUSIVELY FOR THE TRANSPORTATION**
24 **PURPOSES OF PLANNING, ADMINISTERING, CONSTRUCTING, RECONSTRUCTING,**
25 **FINANCING, AND MAINTAINING STATE, COUNTY, CITY, AND VILLAGE ROADS,**
26 **STREETS, AND BRIDGES DESIGNED PRIMARILY FOR THE USE OF MOTOR**
27 **VEHICLES USING TIRES, AND REASONABLE APPURTENANCES TO THOSE STATE,**

1 COUNTY, CITY, AND VILLAGE ROADS, STREETS, AND BRIDGES. THE BALANCE,
2 IF ANY, OF THE PROCEEDS OF THE SALES AND USE TAXES IMPOSED AT THE
3 ADDITIONAL RATE OF 2%, AFTER THE PAYMENT OF NECESSARY COLLECTION
4 EXPENSES, SHALL BE USED EXCLUSIVELY FOR THE TRANSPORTATION PURPOSES
5 OF COMPREHENSIVE TRANSPORTATION PURPOSES AS DEFINED BY LAW. THE
6 LEGISLATURE MAY AUTHORIZE THE INCURRENCE OF INDEBTEDNESS AND THE
7 ISSUANCE OF OBLIGATIONS PLEDGING THE PROCEEDS OF THE SALES AND USE
8 TAXES IMPOSED AT THE ADDITIONAL RATE OF 2% ALLOCATED OR AUTHORIZED
9 TO BE ALLOCATED BY THIS PARAGRAPH, WHICH OBLIGATIONS SHALL NOT BE
10 CONSTRUED TO BE EVIDENCES OF STATE INDEBTEDNESS UNDER THIS
11 CONSTITUTION.

12 No sales tax or use tax shall be charged or collected from and
13 after January 1, 1975 on the sale or use of prescription drugs for
14 human use, or on the sale or use of food for human consumption
15 except in the case of prepared food intended for immediate
16 consumption as defined by law. This provision shall not apply to
17 alcoholic beverages.

18 Sec. 40. The Michigan conservation and recreation legacy fund
19 is established. The state treasurer shall direct the investment of
20 the legacy fund. The state treasurer shall establish within the
21 legacy fund restricted accounts as authorized by this section and
22 may establish additional subaccounts as authorized by law. The
23 state treasurer may receive gifts, grants, bequests, or assets from
24 any source for deposit into a particular account or subaccount. The
25 assets of the legacy fund shall be invested as provided by law.
26 Interest and earnings accruing from each account or subaccount
27 shall be credited to that account or subaccount.

1 The forest recreation account is established as an account
2 within the legacy fund. The forest recreation account shall consist
3 of revenue derived from concessions, leases, contracts, and fees
4 from recreational activities on state forestlands and other
5 revenues as authorized by law. Money in the forest recreation
6 account shall be expended only for the following:

7 (a) The development, improvement, operation, promotion, and
8 maintenance of forest recreation activities.

9 (b) Grants to state colleges and universities to implement
10 programs funded by the forest recreation account.

11 (c) The administration of the forest recreation account.

12 The game and fish protection account is established as an
13 account within the legacy fund. The game and fish protection
14 account shall consist of revenue derived from hunting and fishing
15 licenses, passbooks, permits, fees, concessions, leases, contracts,
16 and activities; damages paid for the illegal taking of game and
17 fish; revenue derived from fees, licenses, and permits related to
18 game, game areas, and game fish; and other revenues as authorized
19 by law. Money in the game and fish protection account shall be
20 expended only for the following:

21 (a) The development, improvement, operation, promotion, and
22 maintenance of wildlife and fisheries programs and facilities.

23 (b) The acquisition of land and rights in land that support
24 wildlife and fisheries programs.

25 (c) Research to support wildlife and fisheries programs.

26 (d) The enforcement and administration of the wildlife and
27 fisheries laws of the state, including the necessary equipment and

1 apparatus incident to the operation and enforcement of wildlife and
2 fisheries laws.

3 (e) The protection, propagation, distribution, and control of
4 wildlife and fish.

5 (f) Grants to state colleges and universities to implement
6 programs funded by the game and fish protection account.

7 (g) The administration of the game and fish protection
8 account, which may include payments in lieu of taxes on state owned
9 land that has been or will be purchased through the game and fish
10 protection fund or account.

11 The off-road vehicle account is established as an account
12 within the legacy fund. The off-road vehicle account shall consist
13 of revenue derived from fees imposed upon the use or registration
14 of off-road vehicles and other revenues as authorized by law. Money
15 in the off-road vehicle account shall be expended only for the
16 following:

17 (a) Signage for and the improvement, maintenance, and
18 construction of off-road vehicle trails, routes, or areas.

19 (b) The administration and enforcement of state regulations
20 related to off-road vehicles.

21 (c) The leasing of land for use by off-road vehicles.

22 (d) The acquisition of easements, permits, or other agreements
23 for the use of land for off-road vehicle trails, routes, or areas.

24 (e) The restoration of any of the natural resources of the
25 state on public land that are damaged due to off-road vehicle use.

26 (f) Safety education programs related to the operation of off-
27 road vehicles.

1 (g) Other uses as provided by law as long as the uses are
2 consistent with the development, improvement, operation, promotion,
3 and maintenance of the state's off-road vehicle programs.

4 (h) Grants to state colleges and universities to implement
5 programs funded by the off-road vehicle account.

6 (i) The administration of the off-road vehicle account.

7 The recreation improvement account is established as an
8 account within the legacy fund. The recreation improvement account
9 shall consist of all ~~SALES AND USE~~ tax revenue ~~derived from the~~
10 ~~sale of two percent of the gasoline sold in this state for~~
11 ~~consumption in internal combustion engines~~ **DEDICATED TO THE**
12 **RECREATION IMPROVEMENT ACCOUNT UNDER SECTION 8 OF THIS ARTICLE** and
13 other revenues as authorized by law. Money in the recreation
14 improvement account shall be distributed as follows:

15 (a) Eighty percent of the money shall be annually transferred
16 to the waterways account to be used for the purposes of that
17 account.

18 (b) Fourteen percent of the money shall be annually
19 transferred to the snowmobile account to be used for the purposes
20 of that account.

21 (c) The remainder of the money that is not transferred under
22 this section shall be used, upon appropriation, for recreation
23 projects, including grants to state colleges and universities to
24 implement recreation projects, and for the administration of the
25 recreation improvement account. Of the amount that is credited to
26 recreational projects in a fiscal year, not less than twenty-five
27 percent of any funds designated for projects intended for off-road

1 vehicles shall be expended on projects to repair damages as a
2 result of pollution, impairment, or destruction of air, water, or
3 other natural resources, or the public trust, in air, water, or
4 other natural resources, as a result of the use of off-road
5 vehicles.

6 The snowmobile account is established as an account within the
7 legacy fund. The snowmobile account shall consist of revenue
8 derived from fees imposed for the registration or use of
9 snowmobiles; revenue derived from the use of snowmobile trails;
10 transfers from the recreation improvement account; and other
11 revenues as authorized by law. Money in the snowmobile account
12 shall be expended only for the following:

13 (a) Planning, construction, maintenance, and acquisition of
14 trails and areas for the use of snowmobiles.

15 (b) Providing access to trails and areas for the use of
16 snowmobiles.

17 (c) Providing basic snowmobile facilities.

18 (d) The administration and enforcement of state regulations
19 related to snowmobiles.

20 (e) Safety education programs related to the operation of
21 snowmobiles.

22 (f) Other uses as provided by law as long as the uses are
23 consistent with the development, improvement, operation, promotion,
24 and maintenance of the state's snowmobile programs.

25 (g) Grants to state colleges and universities to implement
26 programs funded by the snowmobile account.

27 (h) The administration of the snowmobile account, which may

1 include payments in lieu of taxes on state owned land that has been
2 or will be purchased through the recreational snowmobile trail
3 improvement fund or snowmobile account.

4 The state park improvement account is established as an
5 account within the legacy fund. The state park improvement account
6 shall consist of revenue derived from concessions, leases,
7 contracts, fees, and permits for activities in state parks and
8 recreation areas; damages paid to the state for illegal activities
9 in state parks and recreation areas; and other revenues as
10 authorized by law. Money in the state park improvement account
11 shall be expended only for the following:

12 (a) The development, improvement, operation, promotion, and
13 maintenance of state parks and recreation areas.

14 (b) Grants to state colleges and universities to implement
15 programs funded by the state park improvement account.

16 (c) The administration of the state park improvement account.

17 The waterways account is established as an account within the
18 legacy fund. The waterways account shall consist of revenue derived
19 from watercraft registration fees assessed on the ownership or
20 operation of watercraft in the state; revenue derived from fees
21 charged for the moorage of watercraft at state-operated mooring
22 facilities; revenue derived from fees charged for the use of state-
23 operated public access sites; transfers from the recreation
24 improvement account; all tax revenue derived from the sale of
25 diesel fuel in this state that is used to generate power for the
26 operation or propulsion of vessels on the waterways of the state;
27 and other revenues as authorized by law. Money in the waterways

1 account shall be expended only for the following:

2 (a) The construction, operation, and maintenance of
3 recreational boating facilities that provide public access to
4 waterways or moorage of watercraft.

5 (b) The acquisition of property for the purpose of paragraph
6 (a).

7 (c) Grants to local units of government and state colleges and
8 universities for the provision of public access or moorage of
9 watercraft and law enforcement or boating education to recreational
10 watercraft operators.

11 (d) The acquisition and development of harbors and public
12 access sites.

13 (e) The enforcement of laws related to the operation of
14 watercraft and education related to the operation of watercraft.
15 Not less than forty-nine percent of revenues from watercraft
16 registration fees received by the waterways account shall be used
17 for the purposes of this subdivision.

18 (f) The administration of programs funded by the waterways
19 account.

20 (g) Other uses as provided by law as long as the uses are
21 consistent with the development, improvement, operation, promotion,
22 and maintenance of the state's waterways programs.

23 (h) The administration of the waterways account, which may
24 include payments in lieu of taxes on state owned land that has been
25 or will be purchased through the Michigan state waterways fund or
26 waterways account.

27 The legislature shall provide by law for the implementation of

1 this section.

2 Resolved further, That the foregoing amendment shall be
3 submitted to the people of the state at the next general election
4 in the manner provided by law.