



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

BILL ANALYSIS

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

House Bill 5065 (Substitute H-2 as reported without amendment)
Sponsor: Representative Willis Bullard
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

Public Act 342 (House Bill 4853) of 1996 specified several changes to the State revenue sharing program, one of which involved simplifying and combining the dates of payment to local units of government. Due to different fiscal years for the State and the counties, the new payment schedule produced a delay in the payment of \$17 million for counties in FY 1995-96, which for the majority of counties ends December 31, 1996, but no change for the State.

The bill would amend the State Revenue Sharing Act, as amended by Public Act 342 of 1996, and shift \$17 million from the April to the December payments for counties.

MCL 141.911

FISCAL IMPACT

The bill would have no direct State fiscal impact since the shift of the \$17 million payment would occur in the same State fiscal year; however, county revenue sharing payments would be made at an earlier date. The bill would result indirectly in a State loss of General Fund cashflow interest earnings of approximately \$300,000 due to the earlier payment date of the revenue sharing funds.

The bill would prevent a county shortfall of \$17 million in revenue sharing payments during the counties' FY 1995-96.

Date Completed: 12-6-96

Fiscal Analyst: R. Ross