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SFA BILL ANALYSIS

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Senate Bill 1136 (Substitute S-4 as reported by the Committee of the Whole)
Sponsor: Senator Michael J. Bouchard
Committee: Financial Services

CONTENT

The bill would amend the Metropolitan Council Act to allow two or more "qualified counties" in combination with one another and with one or more "qualified cities" to form a metropolitan council solely to develop or enhance regional cultural institutions and local recreation and cultural facilities. (The Act currently allows two or more local governmental units in a metropolitan area of less than 1 million people to form a metropolitan council to plan, promote, finance, issue bonds for, acquire, improve, enlarge, extend, own, construct, replace, or contract for public improvements and services.)

"Regional cultural institution" would mean a structure, fixture, or activity provided by a tax-exempt entity that had been in existence for at least 18 consecutive months before becoming eligible for funding under the bill and could include a zoo; science center, regardless of whether it was affiliated with a private educational institution; a public broadcast station, regardless of whether it was affiliated with an institution of higher education; a museum, regardless of whether it was affiliated with a private educational institution; a historical center; a performing arts center; a visual or performance art instruction center affiliated with an independent institution of higher education in the arts; an orchestra; a chorus; a chorale; or an opera theater. It would not include a professional sports arena or stadium; a labor organization; a political organization; a library; a public, private, or charter school; or an exhibition, performance, or presentation that was obscene. "Qualified county" would mean a county that had a population of at least 780,000 according to the most recent Federal decennial census and had a qualified city within its geographic boundaries, or was contiguous to a county with a qualified city. "Qualified city" would mean a city that was located in a participating qualified county and that owned two or more regional cultural institutions.

Currently, a metropolitan council's articles of incorporation may require each participating local governmental unit to pay annually to the council up to .2 mill on all real and personal property. The articles also may authorize the council to levy on all taxable real and personal property within the council area an ad valorem tax of up to .5 mill, if placed on the ballot by resolution of the council and approved by a majority of the voters residing in the council area. The bill would allow a council established under the bill to levy those taxes, but would require that the council's articles specify that the county commission of each qualified county participating in the council would have to place the .5 mill proposal on a county-wide ballot.

The articles of a council established under the bill would have to authorize each participating qualified county to receive up to one-third of any net revenues collected from tax levies within that county, which would have to be spent to fund cultural and recreational programs and facilities. A participating qualified county with a population over 2 million according to the most recent Federal decennial census, however, could not receive any net revenues collected within that county; instead, one-third of the net revenues collected in each city, village, or portion of a township that was not incorporated as a city or village would be retained by that city, village, or portion of a township and would have to be spent by it to fund cultural and recreational programs and facilities.

MCL 124.653 et al. Legislative Analyst: P. Affholter

FISCAL IMPACT

Local units, such as the “qualified counties” or “qualified cities”, that established a metropolitan council could levy up to 0.5 mill if authorized by the majority of the votes cast in the metropolitan council area.

The bill specifies that annual administrative costs would be limited to 3% of annual revenues. If budgeted, other expenses could be paid.

Qualified counties in the metropolitan region and outside of Wayne County would receive up to one-third of any net revenues collected within that local unit to spend on cultural and recreational programs and facilities. Local units within Wayne County, except for Wayne County, and in the metropolitan region would receive one-third of any net revenues collected within that local unit to spend on cultural and recreational programs and facilities.

Date Completed: 6-10-98 Fiscal Analyst: R. Ross