




Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1019 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Bob Emerson
Committee: Appropriations

CONTENT

The bill would amend the Glenn Steil State Revenue Sharing Act to clarify the distribution of payments to local units given the appropriation reductions in Executive Order 2003-23. The bill also would allow a local unit's revenue sharing payments to be withheld if the local unit had not distributed an industrial facilities tax as required under Public Act 198 of 1974 (the plant rehabilitation and industrial development act) or the specific tax as required under Section 21b of the Enterprise Zone Act. In addition, the bill would allow a county's revenue sharing payment to be withheld if the county did not furnish in a timely manner the statement required under Section 151(1) of the State School Aid Act. For cities, villages and townships, the bill would allow a local unit's revenue sharing payment to be withheld if any portion of the State education tax or any property taxes levied for any purpose by a local or intermediate school district were determined to have been wrongfully captured and retained to implement a tax increment financing plan under either the Tax Increment Finance Authority Act or the Local Development Financing Act. Before a local unit's revenue sharing payment could be withheld under any of the provisions proposed by the bill, the Department of Treasury would be required to notify the local unit in writing of the intent to withhold payments and offer an informal conference on the matter.

MCL 141.911 & 141.913

FISCAL IMPACT

The bill would have no fiscal impact on State or local units unless a local unit failed to distribute any industrial facilities taxes or enterprise zone specific taxes. Under such circumstances, the bill would reduce local unit revenue until the local unit complied with the distribution.

Date Completed: 3-10-04

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