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BILL



ANALYSIS

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House Bill 5367 (Substitute S-2 as reported)  
Sponsor: Representative Charles Moss  
House Committee: Appropriations  
Senate Committee: Appropriations

### **CONTENT**

The bill would provide supplemental appropriations for fiscal year (FY) 2012-13. The bill includes \$2.2 million in State General Fund/General Purpose (GF/GP) funding in the Department of Treasury for Payments in Lieu of Taxes (PILT). Table 1 summarizes the appropriations in the bill.

**Table 1**

| <b>FY 2012-13 Supplemental Appropriations</b> |                       |                |                         |              |
|-----------------------------------------------|-----------------------|----------------|-------------------------|--------------|
| <b>Department/Program</b>                     | <b>Adjusted Gross</b> | <b>Federal</b> | <b>State Restricted</b> | <b>GF/GP</b> |
| Treasury-PILT                                 | \$1,355,700           | \$0            | (\$811,700)             | \$2,167,400  |

### **FISCAL IMPACT**

The bill would increase FY 2012-13 Adjusted Gross appropriations by \$1.4 million and State GF/GP appropriations by \$2.2 million, and adjusts State Restricted fund sources for PILT payments.

The bill would increase PILT appropriations to fully fund the current statutory PILT formulas for the three PILT programs appropriated in the Department of Treasury. These are Commercial Forest Reserve, Purchased Lands, and Swamp and Tax Reverted Land. This would increase payments to local units of government by \$2,671,000 in FY 2012-13, consisting of \$2,167,400 GF/GP and \$503,600 in State Restricted funds. This cost would be offset by a reduction of \$1,315,300 in excess spending authority for the Michigan Natural Resources Trust Fund. The reduction in spending authority is not anticipated to affect payments in FY 2012-13. Overall, the bill would increase Adjusted Gross State appropriations for PILT by \$1,355,700. Table 2 presents a comparison of the FY 2012-13 initial appropriations for PILT with the proposed FY 2012-13 full funding of PILT.

### **Boilerplate Language Sections**

**Sec. 201. General.** Records amount of total State spending and payments to local units of government.

**Sec. 202. General.** Subjects appropriations and expenditures in the bill to the provisions of the Management and Budget Act.

**Table 2**

| <b>Payments in Lieu of Taxes (PILT)</b><br><b>Year-to-Date Appropriations in the Department of Treasury</b><br><b>and Proposed Supplemental Funding in H.B. 5367 (S-2)</b> |                                    |                               |                                                 |                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------|-------------------------------------------------|-----------------------------------------------------------------------|
|                                                                                                                                                                            | <b>Year-to-Date<br/>FY 2011-12</b> | <b>Initial<br/>FY 2012-13</b> | <b>FY 2012-13<br/>Proposed<br/>Full Funding</b> | <b>H.B. 5367 (S-1)<br/>Increment to<br/>Full Funding<sup>1)</sup></b> |
| <u>Line Items in Treasury Budget</u>                                                                                                                                       |                                    |                               |                                                 |                                                                       |
| Commercial Forest Reserve (GF/GP)                                                                                                                                          | \$2,529,400                        | \$2,334,100                   | \$2,796,200                                     | \$462,100                                                             |
| Purchased Lands (GF/GP & Restricted)                                                                                                                                       | 6,296,300                          | 5,695,500                     | 5,387,300                                       | (308,200)                                                             |
| Swamp & Tax Reverted Lands (GF/GP)                                                                                                                                         | 6,730,600                          | 6,227,300                     | 7,429,100                                       | 1,201,800                                                             |
| Total Appropriations in Treasury                                                                                                                                           | \$15,556,300                       | \$14,256,900                  | \$15,612,600                                    | \$1,355,700                                                           |
| <u>Fund Sources in the Treasury Budget</u>                                                                                                                                 |                                    |                               |                                                 |                                                                       |
| Game & Fish Protection Fund                                                                                                                                                | \$1,748,600                        | \$1,475,000                   | \$1,937,000                                     | \$462,000                                                             |
| Michigan Natural Resources Trust                                                                                                                                           | 2,505,500                          | 2,505,500                     | 1,190,200                                       | (1,315,300)                                                           |
| Michigan State Waterways                                                                                                                                                   | 145,800                            | 120,000                       | 161,600                                         | 41,600                                                                |
| GF/GP                                                                                                                                                                      | 11,156,400                         | 10,156,400                    | 12,323,800                                      | 2,167,400                                                             |
| Total Fund Sources in Treasury                                                                                                                                             | \$15,556,300                       | \$14,256,900                  | \$15,612,600                                    | \$1,355,700                                                           |
| <sup>1)</sup> Department of Treasury estimate.                                                                                                                             |                                    |                               |                                                 |                                                                       |

Date Completed: 12-13-12

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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.