

HOUSE BILL No. 5903

November 6, 2014, Introduced by Rep. McMillin and referred to the Committee on Appropriations.

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2015; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2015, from the following funds:

APPROPRIATION SUMMARY

Full-time equated exempted positions	0.0
Full-time equated classified positions	0.0

1	GROSS APPROPRIATION.....	\$	0
2	Interdepartmental grant revenues:		
3	Total interdepartmental grants and intradepartmental		
4	transfers		0
5	ADJUSTED GROSS APPROPRIATION.....	\$	0
6	Federal revenues:		
7	Total federal revenues.....		0
8	Special revenue funds:		
9	Total local revenues.....		0
10	Total private revenues.....		0
11	Total other state restricted revenues.....		0
12	State general fund/general purpose.....	\$	0

13 **Sec. 102. DEPARTMENT OF TREASURY**

14 **(1) APPROPRIATION SUMMARY**

15	Full-time equated classified positions.....	0.0	
16	GROSS APPROPRIATION.....	\$	0
17	Interdepartmental grant revenues:		
18	Total interdepartmental grants and intradepartmental		
19	transfers		0
20	ADJUSTED GROSS APPROPRIATION.....	\$	0
21	Federal revenues:		
22	Total federal revenues.....		0
23	Special revenue funds:		
24	Total local revenues.....		0
25	Total private revenues.....		0
26	Total other state restricted revenues.....		0

1	State general fund/general purpose	\$	0
2	(2) REVENUE SHARING		
3	County incentive program	\$	(42,240,000)
4	County incentive program		42,240,000
5	City, village, and township revenue sharing		(243,040,000)
6	City, village, and township revenue sharing		<u>243,040,000</u>
7	GROSS APPROPRIATION	\$	0
8	Appropriated from:		
9	Special revenue funds:		
10	Sales tax		0
11	State general fund/general purpose	\$	0
12	(3) ONE-TIME BASIS ONLY APPROPRIATIONS		
13	City, village, and township revenue sharing	\$	(5,800,000)
14	City, village, and township revenue sharing		<u>5,800,000</u>
15	GROSS APPROPRIATION	\$	0
16	Appropriated from:		
17	Special revenue funds:		
18	Sales tax		0
19	State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

23 Sec. 201. In accordance with the provisions of section 30 of
 24 article IX of the state constitution of 1963, total state spending
 25 from state resources in this appropriation act for the fiscal year

1 ending September 30, 2015 is \$0 and state appropriations paid to
2 local units of government are \$0.

3 Sec. 202. The appropriations made and expenditures authorized
4 under this act and the departments, commissions, boards, offices,
5 and programs for which appropriations are made under this act are
6 subject to the management and budget act, 1984 PA 431, MCL 18.1101
7 to 18.1594.

8 **DEPARTMENT OF TREASURY**

9 Sec. 301. (1) The funds appropriated in part 1 for city,
10 village, and township revenue sharing are for grants to cities,
11 villages, and townships such that, subject to fulfilling the
12 requirements under subsection (3), each city, village, or township
13 that received a payment under section 950(2) of 2009 PA 128 greater
14 than \$4,500.00 is eligible to receive a payment equal to 78.51044%
15 of its total payment received under section 950(2) of 2009 PA 128
16 or for each city, village, or township with a population in excess
17 of 7,500, notwithstanding whether it received a payment greater
18 than \$4,500.00 under section 950(2) of 2009 PA 128, a payment equal
19 to the population of the city, village, or township multiplied by
20 \$2.64659, whichever is greater, rounded to the nearest dollar.
21 Payments under this section to cities, villages, or townships that
22 did not receive a payment under section 950(2) of 2009 PA 128
23 greater than \$4,500.00 are 1-time payments for which eligibility is
24 based on a presumed level of local services provided. For purposes
25 of this subsection, any city, village, or township that completely
26 merges with another city, village, or township will be treated as a

1 single entity, such that when determining the payment received
2 under section 950(2) of 2009 PA 128 for the combined single entity,
3 the amount each of the merging local units received under section
4 950(2) of 2009 PA 128 is summed. For purposes of this subsection,
5 population is determined in the same manner as under section 3 of
6 the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL
7 141.903. In addition, any city or village that according to the
8 2010 federal decennial census is determined to have population in
9 more than 1 county shall be treated as a single entity when
10 determining the payment received under section 950(2) of 2009 PA
11 128.

12 (2) The funds appropriated in part 1 for the county incentive
13 program are to be used for grants to counties such that each county
14 is eligible to receive an amount equal to the amount by which the
15 balance in its revenue sharing reserve fund under section 44a of
16 the general property tax act, 1893 PA 206, MCL 211.44a, for the
17 county's most recent fiscal year that ends prior to the January 1
18 of the state's fiscal year is less than the amount calculated under
19 section 44a(13) of the general property tax act, 1893 PA 206, MCL
20 211.44a, for the county fiscal year that begins in the state's
21 fiscal year. The amount calculated under this subsection shall be
22 adjusted as necessary to reflect partial county fiscal years and
23 prorated based on the total amount appropriated for distribution to
24 all eligible counties. Except as otherwise provided under this
25 subsection, payments under this subsection will be distributed to
26 an eligible county subject to the county's fulfilling the
27 requirements under subsection (3).

1 (3) For purposes of accountability and transparency, each
2 eligible city, village, township, or county shall certify by
3 December 1, or the first day of a payment month, that it has
4 produced a citizen's guide of its most recent local finances,
5 including a recognition of its unfunded liabilities; a performance
6 dashboard; a debt service report containing a detailed listing of
7 its debt service requirements, including, at a minimum, the
8 issuance date, issuance amount, type of debt instrument, a listing
9 of all revenues pledged to finance debt service by debt instrument,
10 and a listing of the annual payment amounts; and a projected budget
11 report, including, at a minimum, the current fiscal year and a
12 projection for the immediately following fiscal year. The projected
13 budget report shall include revenues and expenditures and an
14 explanation of the assumptions used for the projections. The
15 citizen's guide, performance dashboard, debt service report, and
16 projected budget report shall be made available for public viewing
17 in the city, village, township, or county clerk's office or posted
18 on a publicly accessible Internet site. Each city, village,
19 township, and county applying for a payment under this subsection
20 shall submit a copy of the citizen's guide, a copy of the
21 performance dashboard, a copy of the debt service report, and a
22 copy of the projected budget report to the department of treasury.
23 The department of treasury shall develop detailed guidance for a
24 city, village, township, or county to follow to meet the
25 requirements of this subsection. The detailed guidance shall be
26 posted on the department of treasury website and distributed to
27 cities, villages, townships, and counties by October 1.

1 (4) City, village, and township revenue sharing payments and
2 county incentive program payments are subject to the following
3 conditions:

4 (a) The city, village, township, or county shall certify to
5 the department that it has met the required criteria for subsection
6 (3) and submitted the required citizen's guide, performance
7 dashboard, debt service report, and projected budget report as
8 required by subsection (3). A department of treasury review of the
9 citizen's guide, dashboard, or reports is not required in order for
10 a city, village, township, or county to receive a payment under
11 subsection (1) or (2). The department shall develop a certification
12 process and method for cities, villages, townships, and counties to
13 follow.

14 (b) Subject to subdivisions (c), (d), and (e), if a city,
15 village, township, or county meets the requirements of subsection
16 (3), the city, village, township, or county shall receive its full
17 potential payment under this section.

18 (c) Cities, villages, and townships eligible to receive a
19 payment under subsection (1) shall receive 1/6 of their eligible
20 payment on the last business day of October, December, February,
21 April, June, and August. After the specified due date for
22 subsection (3), payments shall be made to a city, village, or
23 township only if that city, village, or township has complied with
24 subdivision (a).

25 (d) After the specified due date for subsection (3), payments
26 shall be made to a county only if that county has complied with
27 subdivision (a).

1 (e) If a county does not provide the required certification or
2 fails to submit the required citizen's guide, performance
3 dashboard, debt service report, and projected budget report by the
4 first day of a payment month, the county shall forfeit the payment
5 in that payment month.

6 (f) Any city, village, township, or county that falsifies
7 certification documents shall forfeit any future city, village, and
8 township revenue sharing payments or county incentive program
9 payments and shall repay to this state all payments it has received
10 under this section.

11 (g) City, village, and township revenue sharing payments and
12 county incentive program payments under this section shall be
13 distributed on the last business day of October, December,
14 February, April, June, and August.

15 (h) Payments distributed under this section may be withheld
16 pursuant to sections 17a and 21 of the Glenn Steil state revenue
17 sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

18 (5) The unexpended funds appropriated in part 1 for city,
19 village, and township revenue sharing and the county incentive
20 program shall be available for expenditure under the program for
21 financially distressed cities, villages, or townships after the
22 approval of transfers by the legislature pursuant to section 393(2)
23 of the management and budget act, 1984 PA 431, MCL 18.1393.

24 (6) If a city, village, township, or county fails to report to
25 the state police as required under sections 2 and 3 of the uniform
26 forfeiture reporting act, then the department of treasury shall
27 reduce the amount described in this section for that city, village,

1 township, or county by 1/12 for each month that the city, village,
2 township, or county fails to report as provided in this subsection.

3 **REPEALER**

4 Sec. 401. Section 952 of article VIII of 2014 PA 252 is
5 repealed.

6 Enacting section 1. This act does not take effect unless House
7 Bill No. 5250 of the 97th Legislature is enacted into law.