

SUBSTITUTE FOR
SENATE BILL NO. 1061

A bill to amend 2000 PA 489, entitled
"Michigan trust fund act,"
(MCL 12.251 to 12.262) by adding section 3a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3a. (1) The local government reimbursement fund is
2 created in the state treasury.

3 (2) The state treasurer shall deposit money and assets
4 received under section 21(7) of the use tax act, 1937 PA 94, MCL
5 205.111, or from any other source in the fund. The state treasurer
6 shall direct the investment of money in the fund and credit
7 interest and earnings from the investments to the fund.

8 (3) Money in the fund at the close of the fiscal year remains
9 in the fund and does not lapse to the general fund.

1 (4) The department is the administrator of the fund for audits
2 of the fund.

3 (5) The department shall expend money from the fund, upon
4 appropriation, only for the purpose of compensating municipalities
5 as described in this subsection. Subject to subsection (6), on or
6 before May 31, 2024, and on or before May 31 of each year
7 thereafter, the department shall compensate municipalities for the
8 revenue lost during the immediately preceding property tax year as
9 a result of exemptions claimed under section 9o(2)(b) of the
10 general property tax act, 1893 PA 206, MCL 211.9o, as determined by
11 the department.

12 (6) If the money in the fund is insufficient to fully
13 compensate all municipalities that lost revenue as described in
14 subsection (5), payments from the fund must be prorated amongst
15 those municipalities.

16 (7) As used in this section:

17 (a) "Fund" means the local government reimbursement fund
18 created in subsection (1).

19 (b) "Municipality" means that term as defined in section 5 of
20 the local community stabilization authority act, 2014 PA 86, MCL
21 123.1345.

22 Enacting section 1. This amendatory act does not take effect
23 unless all of the following bills of the 101st Legislature are
24 enacted into law:

25 (a) Senate Bill No. 1060.

26 (b) Senate Bill No. 1062.