

# SENATE BILL NO. 1061

May 26, 2022, Introduced by Senator LASATA and referred to the Committee on Finance.

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

1 interest and earnings from the investments to the fund.

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

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

6 (5) The department shall expend money from the fund, upon  
7 appropriation, only for the purpose of compensating municipalities  
8 for the revenue lost as a result of exemptions claimed under  
9 section 9o(2)(b) of the general property tax act, 1893 PA 206, MCL  
10 211.9o, as determined by the department.

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

15 (7) As used in this section:

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

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

21 Enacting section 1. This amendatory act takes effect December  
22 31, 2022.

23 Enacting section 2. This amendatory act does not take effect  
24 unless all of the following bills of the 101st Legislature are  
25 enacted into law:

26 (a) Senate Bill No. 1062.

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28 (b) Senate Bill No. 1060.

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