

Act No. 29
Public Acts of 1991
Approved by the Governor
May 23, 1991
Filed with the Secretary of State
May 24, 1991

**STATE OF MICHIGAN
86TH LEGISLATURE
REGULAR SESSION OF 1991**

Introduced by Reps. Ciaramitaro, Jacobetti, Emerson, Richard A. Young, Hood, Hollister, Harrison, DeMars, Joe Young, Sr., Webb, Gire, Scott, Berman and Owen

ENROLLED HOUSE BILL No. 4150

AN ACT to amend section 352 of Act No. 431 of the Public Acts of 1984, entitled as amended "An act to prescribe the powers and duties of the department of management and budget; to define the authority and functions of its director and its organizational entities; to authorize the department to issue directives; to provide for the capital outlay program; to provide for the leasing, planning, constructing, maintaining, altering, renovating, demolishing, conveying of lands and facilities; to provide for centralized administrative services such as purchasing, payroll, record retention, data processing, and publishing; to provide for a system of internal accounting and administrative control for certain principal departments; to provide for an internal auditor in certain principal departments; to provide for certain powers and duties of certain state officers and agencies; to codify, revise, consolidate, classify, and add to the powers, duties, and laws relative to budgeting, accounting, and the regulating of appropriations; to provide for the implementation of certain constitutional provisions; to create funds and accounts; to make appropriations; to prescribe penalties; to rescind certain executive reorganization orders; to prescribe penalties; and to repeal certain acts and parts of acts," as amended by Act No. 504 of the Public Acts of 1988, being section 18.1352 of the Michigan Compiled Laws; and to add sections 362, 367a, 367b, 367c, 367d, 367e, 367f, and 367g.

The People of the State of Michigan enact:

Section 1. Section 352 of Act No. 431 of the Public Acts of 1984, as amended by Act No. 504 of the Public Acts of 1988, being section 18.1352 of the Michigan Compiled Laws, is amended and sections 362, 367a, 367b, 367c, 367d, 367e, 367f, and 367g are added to read as follows:

Sec. 352. (1) When the annual growth rate is more than 2%, the percentage excess over 2% shall be multiplied by the total state general fund-general purpose revenue for the fiscal year ending in the current calendar year to determine the amount to be transferred to the fund from the state general fund in the fiscal year beginning in the current calendar year.

(2) When the annual growth rate is less than 0%, the percentage deficiency under 0% shall be multiplied by the total state general fund-general purpose revenue for the fiscal year ending in the current calendar year to determine the eligible amount to be transferred to the state general fund from the fund in the current fiscal year. When the formula calls for a larger transfer from the fund than is necessary to balance the current fiscal year state general fund-general purpose budget, the excess shall remain in the fund.

(3) The amount to be transferred to the fund from the state general fund in a fiscal year shall be based upon the consensus forecast established in the January revenue estimating conference, except for 1991 when it shall be based upon the February revenue estimating conference, in the following manner:

(a) If the consensus forecast excluding those amounts attributable to statutory or administrative changes is above the statutory estimate by not less than 1.0% but not more than 1.5%, then 1/2 of the amount by which it exceeds 1.0% but not more than 1.5% of the statutory estimate shall be transferred into the fund.

(b) If the consensus forecast excluding those amounts attributable to statutory or administrative changes is above the statutory estimate by more than 1.5% but not more than 2.5%, then 2/3 of the amount by which it exceeds 1.5% but not more than 2.5% of the statutory estimate plus the amount determined under subdivision (a) shall be transferred into the fund.

(c) If the consensus forecast excluding those amounts attributable to statutory or administrative changes is above the statutory estimate by more than 2.5%, then all of the amount in excess of 2.5% of the statutory estimate plus the amounts determined under subdivisions (a) and (b) shall be transferred into the fund.

(4) A transfer from the fund to the state general fund in a fiscal year shall be based upon the consensus forecast established in the January revenue estimating conference, except for 1991 when it shall be based upon the February revenue estimating conference, in the following manner:

(a) If the consensus forecast excluding those amounts attributable to statutory or administrative changes falls below the statutory estimate by not less than 1.0% but not more than 1.5%, then 1/3 of the fund balance shall be available for transfer.

(b) If the consensus forecast excluding those amounts attributable to statutory or administrative changes falls below the statutory estimate by 1.5% to not more than 2.5%, 2/3 of the fund balance shall be available for transfer.

(c) If the consensus forecast excluding those amounts attributable to statutory or administrative changes falls below the statutory estimate by more than 2.5%, the entire balance in the fund shall be available for transfer.

(5) After the alternative calculations required by subsections (1), (2), (3), and (4) are made, a transfer from the general fund to the fund or from the fund to the general fund shall only be made based upon that calculation that results in the greatest amount for transfer.

(6) If in any year a consensus forecast is not reached at the revenue estimating conference required by this act, the university of Michigan research series quantitative economics forecast for general fund/general purpose revenues shall be considered the consensus forecast in that year for the purposes of this section.

(7) As used in this section, "statutory estimate" means the revenue estimate contained in 1 of the general appropriation bills each fiscal year as required by section 31 of article IV of the state constitution of 1963.

Sec. 362. (1) Beginning with the fiscal year beginning October 1, 1990, the amounts distributed by the department of treasury for refundable income tax credits established by law shall be appropriated as expenditures, rather than revenue reductions. For purposes of this section, refundable income tax credits include property tax and renter credits, prescription drug credits, home heating credits, and any other credits which are not limited to the tax liability of the taxpayer receiving the credit. Expenditures for such credits shall be recognized as expenditures in the year in which the final returns claiming the credits are filed.

(2) To implement this section, the director shall request an appropriation with funding provided by restricting income tax revenue in an amount sufficient to cover the expenditures to be recorded. For those persons who receive payments and who either have no income tax liability or have refundable credits that exceed their income tax liability before withholding, funding shall be from revenues recognized in the fiscal year the credits are paid. For persons receiving payments whose credits are less than their income tax liability before withholding, funding shall be provided by reserving revenues recognized from those individuals proportionately over the year.

Sec. 367a. As used in this section and sections 367b to 367g:

(a) "Conference" means the revenue estimating conference established by this act.

(b) "Principal" means a person designated in section 367b to be a principal of the conference.

Sec. 367b. (1) A revenue estimating conference shall be held in February 1991 and in the second week of January of each succeeding year after 1991, and as otherwise provided in this act.

(2) The principals of the conference shall be the director of the department of management and budget, the director of the senate fiscal agency, and the director of the house fiscal agency, or their respective designees.

(3) The conference shall establish an official economic forecast of major variables of the national and state economies. The conference shall also establish a forecast of anticipated state revenues as the conference determines including the following:

(a) State income tax collections.

(b) State sales tax collections.

(c) Single business tax collections.

(d) Total general fund/general purpose revenues.

(e) Lottery transfers to the school aid fund.

(f) Total school aid fund revenues.

(4) The conference's official forecast of economic and revenue variables shall be determined by consensus among the principals.

(5) The forecasts required by this section shall be for the fiscal year in which the conference is being held.

(6) The official conference forecast shall be based upon the assumption that the current law and current administrative procedures will remain in effect for the forecast period.

Sec. 367c. The revenue forecast established at the January conference or the February 1991 conference shall be the revenue estimate used for the purpose of determining the amounts to be transferred pursuant to section 352.

Sec. 367d. The conference may request and shall receive from all public officers, departments, agencies, and authorities of the state the assistance and data needed to enable it to fulfill its duties.

Sec. 367e. (1) The procedures of the conference shall be decided by the principals, except that any final action establishing an official forecast shall be taken only with the unanimous decision of all of the principals, and a conference shall complete its work within a period of not more than 5 days.

(2) All sessions and meetings of a conference shall be open to the public.

(3) A principal may invite persons to make a presentation or offer testimony to the conference.

(4) A principal shall preside over conference sessions, convene conference sessions, and specify topics to be included on the conference agenda. The responsibility of presiding over sessions of the conference shall be rotated annually among the principals. The principals shall elect the initial chairperson and thereafter the position of chairperson shall rotate among the principals each year.

(5) The chairperson presiding over a conference is also responsible for setting the conference date and preparing and distributing the necessary workpapers before the conference. The workpapers shall include comparisons between alternative information where a comparison is warranted.

Sec. 367f. The conference shall publish the economic and revenue forecasts established by the conference.

Sec. 367g. (1) Upon the written request of a principal, a conference shall be convened by the director of the department of management and budget.

(2) The initial conference shall be held in February 1991, as agreed to by the principals.

Section 2. This amendatory act shall not take effect unless all of the following bills of the 86th Legislature are enacted into law:

(a) House Bill No. 4136.

(b) House Bill No. 4137.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.

