

# SENATE BILL No. 326

May 22, 1991, Introduced by Senator GAST and referred to the Committee on Appropriations.

A bill to amend sections 219 and 355 of Act No. 431 of the Public Acts of 1984, entitled as amended "The management and budget act," section 219 as amended by Act No. 332 of the Public Acts of 1990 and section 355 as amended by Act No. 504 of the Public Acts of 1988, being sections 18.1219 and 18.1355 of the Michigan Compiled Laws; and to add sections 362, 367a, 367b, 367c, 367d, 367e, 367f, and 442.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 219 and 355 of Act No. 431 of the  
2 Public Acts of 1984, section 219 as amended by Act No. 332 of the  
3 Public Acts of 1990 and section 355 as amended by Act No. 504 of  
4 the Public Acts of 1988, being sections 18.1219 and 18.1355 of  
5 the Michigan Compiled Laws, are amended and sections 362, 367a,

1 367b, 367c, 367d, 367e, 367f, and 442 are added to read as  
2 follows:

3       Sec. 219. (1) The department may issue directives for the  
4 management, operation, maintenance, and repair of facilities.  
5 The director may determine space utilization standards and may  
6 assign space within the facilities. The department shall manage  
7 and operate state owned facilities under the jurisdiction of the  
8 department.

9       (2) The department shall not assign space in buildings and  
10 premises designated as part of the Michigan capitol park and  
11 under the exclusive jurisdiction of the Michigan capitol park  
12 commission, pursuant to section 298b, and shall not assign space  
13 in buildings under the jurisdiction of the legislature or the  
14 Michigan capitol committee created under chapter 7 of the legis-  
15 lative council act, Act No. 268 of the Public Acts of 1986, being  
16 sections 4.1701 to 4.1702 of the Michigan Compiled Laws, unless  
17 the Michigan capitol park commission, the legislature, or the  
18 Michigan capitol committee request the department to assign such  
19 space.

20       (3) The legislative council shall manage and operate the  
21 Michigan library and historical center.

22       (4) THE MICHIGAN CAPITOL COMMITTEE SHALL MANAGE AND OPERATE  
23 THE CAPITOL BUILDING AND GROUNDS. THE SENATE SHALL MANAGE AND  
24 OPERATE THE FARNUM BUILDING AND GROUNDS. THE HOUSE OF REPRESENTATIVES SHALL MANAGE AND OPERATE THE ROOSEVELT BUILDING AND  
25 GROUNDS. THIS SUBSECTION SHALL TAKE EFFECT OCTOBER 1, 1991.

1       Sec. 355. (1) The transfer into or out of the fund as  
2 provided in section 352 for each fiscal year beginning after  
3 September 30, 1978, may be adjusted in light of revision in the  
4 annual growth rate for the calendar year upon which that transfer  
5 was made. The adjustment, if made, shall be directly propor-  
6 tional to an increase or decrease in the annual growth rate, but  
7 the adjustment shall not be in excess of 1% multiplied by the  
8 total general fund-general purpose revenue of the fiscal year  
9 upon which the transfer was based. The basis for an adjustment  
10 shall be a change in the personal income level for that calendar  
11 year as determined by the bureau of economic analysis of the  
12 United States department of commerce in the last report it makes  
13 before April 30 of the fiscal year in which that calendar year  
14 ended. The adjustment, if made, shall be effective on June 1 of  
15 the fiscal year in which the transfer is made.

16       (2) An appropriation from the fund as provided in section  
17 353 may be adjusted for a change in the unemployment rate statis-  
18 tics for the 4 quarters immediately preceding the quarter in  
19 which the appropriation is to be made, as long as an adjustment  
20 has not already been made in an appropriation from the fund  
21 because of a prior change in the unemployment rate statistics for  
22 1 or more of those 4 quarters. A change in the unemployment rate  
23 statistics shall not be made until that change is certified by  
24 the director of the Michigan employment security commission.

25       (3) An adjustment made pursuant to subsection (2) shall not  
26 be made unless the change in the unemployment rate statistics  
27 would have provided for a different percent of the fund to be

1 appropriated under section 353. If the adjustment creates a  
2 state general fund liability, that liability shall be offset  
3 against future appropriations which would have been made under  
4 section 353.

5 (4) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1991 ONLY, THE  
6 MID-YEAR ADJUSTMENT TO BE USED TO CALCULATE THE AMOUNT TO BE  
7 TRANSFERRED FROM THE FUND TO THE GENERAL FUND PURSUANT TO  
8 SECTION 352(2) SHALL BE BASED ON THE FOLLOWING ESTIMATES:

DOLLARS INMILLIONS

3		<u>1990</u>	<u>1991</u>
4	MICHIGAN PERSONAL INCOME.....	\$ 169,051	\$ 174,647
5	LESS: TRANSFER PAYMENTS.....	<u>(26,500)</u>	<u>(28,538)</u>
6	SUBTOTAL.....	\$ 142,551	\$ 146,109
7	DIVIDED BY: DETROIT C.P.I. FOR 12 MONTHS		
8	ENDING JUNE 30 (1982=1.00).....	1.253	1.321
9	EQUALS: REAL ADJUSTED MICHIGAN PERSONAL		
10	INCOME.....	\$ 113,768	\$ 110,605
11	PERCENTAGE DECREASE.....		(2.78)%
12	MULTIPLIED BY: ESTIMATED GF/GP REVENUE IN		
13	FY 1990-91.....		7,315.1
14	EQUALS: TRANSFER FROM COUNTERCYCLICAL		
15	BUDGET AND ECONOMIC STABILIZATION FUND		
16	FOR THE FISCAL YEAR ENDING SEPTEMBER 30,		
17	1991.....	\$	203

(5) IN ACCORDANCE WITH THE ECONOMIC STABILIZATION TRANSFER  
 ALLOWED UNDER SECTION 353(1) THERE IS APPROPRIATED FROM THE FUND  
 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1991 THE SUM OF  
 \$19,500,000.00 DETERMINED AS FOLLOWS:

22		FUND BALANCE		
23	CALENDAR	AS OF FIRST		MAXIMUM
	DOLLAR			
24	QUARTER	DAY OF CALENDAR	MAXIMUM ALLOWABLE	AMOUNT OF
25	<u>BEGINNING</u>	<u>QUARTER</u>	<u>WITHDRAWAL</u>	<u>WITHDRAWAL</u>
26	4/1/91	\$390,000,000	2.5% OF THE FUND	\$9,800,000
27			BALANCE AS OF FIRST	
28			DAY OF QUARTER	
29	7/1/91	\$386,900,000	2.5% OF THE FUND	\$9,700,000
30			BALANCE AS OF FIRST	
31			DAY OF QUARTER	

(6) THE TOTAL TRANSFER FROM THE FUND TO THE GENERAL FUND FOR  
 THE FISCAL YEAR ENDING SEPTEMBER 30, 1991 PURSUANT TO SUBSECTIONS  
 (4) AND (5) SHALL BE \$222,500,000.00.

1        SEC. 362. (1) BEGINNING WITH THE FISCAL YEAR BEGINNING  
2 OCTOBER 1, 1991, THE AMOUNTS DISTRIBUTED BY THE DEPARTMENT OF  
3 TREASURY FOR REFUNDABLE INCOME TAX CREDITS ESTABLISHED BY LAW  
4 SHALL BE APPROPRIATED AS EXPENDITURES, RATHER THAN REVENUE  
5 REDUCTIONS. AS USED IN THIS SECTION, "REFUNDABLE INCOME TAX  
6 CREDITS" INCLUDES PROPERTY TAX AND RENTER CREDITS, PRESCRIPTION  
7 DRUG CREDITS, HOME HEATING CREDITS, AND ANY OTHER CREDITS WHICH  
8 ARE NOT LIMITED TO THE TAX LIABILITY OF THE TAXPAYER RECEIVING  
9 THE CREDIT. EXPENDITURES FOR REFUNDABLE INCOME TAX CREDITS SHALL  
10 BE RECOGNIZED AS EXPENDITURES IN THE YEAR IN WHICH THE FINAL  
11 RETURNS CLAIMING THE CREDITS ARE FILED.

12        (2) TO IMPLEMENT THIS SECTION, THE DIRECTOR SHALL REQUEST AN  
13 APPROPRIATION WITH FUNDING PROVIDED BY RESTRICTING INCOME TAX  
14 REVENUE IN AN AMOUNT SUFFICIENT TO COVER THE EXPENDITURES TO BE  
15 RECORDED. FOR THOSE PERSONS WHO RECEIVE PAYMENTS AND WHO EITHER  
16 HAVE NO INCOME TAX LIABILITY OR HAVE REFUNDABLE INCOME TAX CRED-  
17 ITS THAT EXCEED THEIR INCOME TAX LIABILITY BEFORE WITHHOLDING,  
18 FUNDING SHALL BE FROM REVENUES RECOGNIZED IN THE FISCAL YEAR THE  
19 REFUNDABLE INCOME TAX CREDITS ARE PAID. FOR PERSONS RECEIVING  
20 PAYMENTS WHOSE REFUNDABLE INCOME TAX CREDITS ARE LESS THAN THEIR  
21 INCOME TAX LIABILITY BEFORE WITHHOLDING, FUNDING SHALL BE PRO-  
22 VIDED BY RESERVING REVENUES RECOGNIZED FROM THOSE INDIVIDUALS  
23 PROPORTIONATELY OVER THE YEAR.

24        SEC. 367A. AS USED IN THIS SECTION AND SECTIONS 367B TO  
25 367F:

26        (A) "CONFERENCE" MEANS THE REVENUE ESTIMATING CONFERENCE  
27 ESTABLISHED BY THIS ACT.

1 (B) "PRINCIPAL" MEANS A PERSON DESIGNATED IN SECTION 367B TO  
2 BE A PRINCIPAL OF THE CONFERENCE.

3 SEC. 367B. (1) A REVENUE ESTIMATING CONFERENCE SHALL BE  
4 HELD IN THE SECOND WEEK OF JANUARY AND IN THE LAST WEEK IN MAY OF  
5 EACH YEAR, AND AS OTHERWISE PROVIDED IN THIS ACT.

6 (2) THE PRINCIPALS OF THE CONFERENCE SHALL BE THE DIRECTOR  
7 OF THE DEPARTMENT OF MANAGEMENT AND BUDGET, THE DIRECTOR OF THE  
8 SENATE FISCAL AGENCY, AND THE DIRECTOR OF THE HOUSE FISCAL  
9 AGENCY, OR THEIR RESPECTIVE DESIGNEES.

10 (3) THE CONFERENCE SHALL ESTABLISH AN OFFICIAL ECONOMIC  
11 FORECAST OF MAJOR VARIABLES OF THE NATIONAL AND STATE ECONOMIES.  
12 THE CONFERENCE SHALL ALSO ESTABLISH A FORECAST OF ANTICIPATED  
13 STATE REVENUES AS THE CONFERENCE DETERMINES INCLUDING THE  
14 FOLLOWING:

15 (A) STATE INCOME TAX COLLECTIONS.

16 (B) STATE SALES TAX COLLECTIONS.

17 (C) SINGLE BUSINESS TAX COLLECTIONS.

18 (D) TOTAL GENERAL FUND/GENERAL PURPOSE REVENUES.

19 (E) LOTTERY TRANSFERS TO THE SCHOOL AID FUND.

20 (F) TOTAL SCHOOL AID FUND REVENUES.

21 (4) THE CONFERENCE'S OFFICIAL FORECAST OF ECONOMIC AND REVE-  
22 NUE VARIABLES SHALL BE DETERMINED BY CONSENSUS AMONG THE  
23 PRINCIPALS.

24 (5) THE FORECASTS REQUIRED BY THIS SECTION SHALL BE FOR THE  
25 FISCAL YEAR IN WHICH THE CONFERENCE IS BEING HELD AND THE ENSUING  
26 FISCAL YEAR.

1 (6) THE OFFICIAL CONFERENCE FORECAST SHALL BE BASED UPON THE  
2 ASSUMPTION THAT THE CURRENT LAW AND CURRENT ADMINISTRATIVE  
3 PROCEDURES WILL REMAIN IN EFFECT FOR THE FORECAST PERIOD.

4 SEC. 367C. THE CONFERENCE MAY REQUEST AND SHALL RECEIVE  
5 FROM ALL PUBLIC OFFICERS, DEPARTMENTS, AGENCIES, AND AUTHORITIES  
6 OF THE STATE THE ASSISTANCE AND DATA NEEDED TO ENABLE IT TO FUL-  
7 FILL ITS DUTIES.

8 SEC. 367D. (1) THE PROCEDURES OF THE CONFERENCE SHALL BE  
9 DECIDED BY THE PRINCIPALS, EXCEPT THAT ANY FINAL ACTION ESTAB-  
10 LISHING AN OFFICIAL FORECAST SHALL BE TAKEN ONLY WITH THE UNANI-  
11 MOUS DECISION OF ALL OF THE PRINCIPALS, AND A CONFERENCE SHALL  
12 COMPLETE ITS WORK WITHIN A PERIOD OF NOT MORE THAN 5 DAYS UNLESS  
13 EXTENDED BY CONSENSUS OF THE PRINCIPALS.

14 (2) ALL SESSIONS AND MEETINGS OF A CONFERENCE SHALL BE OPEN  
15 TO THE PUBLIC.

16 (3) A PRINCIPAL MAY INVITE PERSONS TO MAKE A PRESENTATION OR  
17 OFFER TESTIMONY TO THE CONFERENCE.

18 (4) A PRINCIPAL SHALL PRESIDE OVER CONFERENCE SESSIONS, CON-  
19 VENE CONFERENCE SESSIONS, AND SPECIFY TOPICS TO BE INCLUDED ON  
20 THE CONFERENCE AGENDA. THE RESPONSIBILITY OF PRESIDING OVER SES-  
21 SIONS OF THE CONFERENCE SHALL BE ROTATED ANNUALLY AMONG THE  
22 PRINCIPALS. THE PRINCIPALS SHALL ELECT THE INITIAL CHAIRPERSON  
23 AND THEREAFTER THE POSITION OF CHAIRPERSON SHALL ROTATE AMONG THE  
24 PRINCIPALS EACH YEAR.

25 (5) THE CHAIRPERSON PRESIDING OVER A CONFERENCE IS ALSO  
26 RESPONSIBLE FOR SETTING THE CONFERENCE DATE AND PREPARING AND  
27 DISTRIBUTING THE NECESSARY WORKPAPERS BEFORE THE CONFERENCE. THE



1 WORKPAPERS SHALL INCLUDE COMPARISONS BETWEEN ALTERNATIVE  
2 INFORMATION WHERE A COMPARISON IS WARRANTED.

3 SEC. 367E. THE CONFERENCE SHALL PUBLISH THE ECONOMIC AND  
4 REVENUE FORECASTS ESTABLISHED BY THE CONFERENCE.

5 SEC. 367F. UPON THE WRITTEN REQUEST OF A PRINCIPAL, A CON-  
6 FERENCE SHALL BE CONVENED BY THE DIRECTOR.

7 SEC. 442. FUNDS APPROPRIATED TO AN ENTITY WITHIN THE LEGIS-  
8 LATIVE BRANCH OF STATE GOVERNMENT SHALL BE EXPENDED OR BE TRANS-  
9 FERRED TO ANOTHER ACCOUNT ONLY WITH THE WRITTEN APPROVAL OF THE  
10 AUTHORIZED AGENT OF THE LEGISLATIVE ENTITY. WHEN THE AUTHORIZED  
11 AGENT OF THE LEGISLATIVE ENTITY NOTIFIES THE DEPARTMENT OF ITS  
12 APPROVAL OF AN EXPENDITURE OR TRANSFER WITHIN THE EXISTING LEVEL  
13 OF APPROPRIATIONS, THE DEPARTMENT SHALL IMMEDIATELY MAKE THE  
14 EXPENDITURE OR TRANSFER. THE AUTHORIZED LEGISLATIVE ENTITY  
15 AGENTS SHALL BE DESIGNATED BY THE SPEAKER OF THE HOUSE FOR HOUSE  
16 ENTITIES, THE SENATE MAJORITY LEADER FOR SENATE ENTITIES, AND THE  
17 LEGISLATIVE COUNCIL FOR LIBRARY OF MICHIGAN AND LEGISLATIVE COUN-  
18 CIL ENTITIES.