



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4590

Sponsor: Representative John Gernaat

House Committee: Tax Policy

Senate Committee: Finance

Date Completed: 4-25-95

SUMMARY OF HOUSE BILL 4590 as passed by the House:

The bill would amend Public Act 116 of 1917 to alter the current amounts, and distributions of those amounts, that the State must pay in lieu of all other taxes for reverted, recreation, or forest lands. The bill provides that after November 30, 1994, the State would have to pay \$2 (rather than the current \$2.50) per acre or major portion of an acre in lieu of all other taxes, to each county in which there were reverted, recreation, or forest lands under the control and supervision of the Department of Natural Resources.

Currently, the county treasurer of each county that receives a State disbursement for these lands must distribute the amount in the following manner: 40% to the county, 40% to townships, and 20% to school districts, in which the lands are located. The bill provides that for disbursements made after November 30, 1994, 50% would go to the county and 50% would go to the townships in which the lands were located; the schools would receive none of the disbursement.

MCL 211.581

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would reduce Department of Natural Resources payments to local units of government by \$1,780,000. This is based on a \$.50 per acre reduction on 3,560,000 acres. The reduction represents the portion previously designated for school operating funds. The dollar amount of payments to county and township general funds would remain the same.

Fiscal Analyst: G. Cutler

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.