



# HOUSE BILL No. 4538

March 7, 1995, Introduced by Reps. Lowe, Bobier, Gernaat, Dalman, Weeks, Bodem, Voorhees, Alley, Walberg, Bullard, Llewellyn and Pitoniak and referred to the Committee on Transportation.

A bill to amend section 14 of Act No. 48 of the Public Acts of 1929, entitled as amended

"An act levying a specific tax to be known as the severance tax upon all producers engaged in the business of severing oil and gas from the soil; prescribing the method of collecting the tax; requiring all producers of such products or purchasers thereof to make reports; to provide penalties; to provide exemptions and refunds; to prescribe the disposition of the funds so collected; and to exempt those paying such specific tax from certain other taxes,"

as amended by Act No. 307 of the Public Acts of 1994, being section 205.314 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Section 14 of Act No. 48 of the Public Acts of  
2 1929, as amended by Act No. 307 of the Public Acts of 1994, being  
3 section 205.314 of the Michigan Compiled Laws, is amended to read  
4 as follows:

1           Sec. 14. ~~(1)~~ All taxes shall accompany the report  
2 provided for in section 2. ~~Except as provided in subsection~~  
3 ~~(2)~~, ~~all~~ ALL taxes, penalties, or costs paid to the state trea-  
4 surer under this act shall be paid into the state treasury and  
5 shall be credited as follows:

6           (a) Two percent of the revenue received during each fiscal  
7 year, but not less than \$1,000,000.00 shall be credited to the  
8 orphan well fund created in the orphan well fund act, ACT NO. 308  
9 OF THE PUBLIC ACTS OF 1994, BEING SECTIONS 319.41 TO 319.49 OF  
10 THE MICHIGAN COMPILED LAWS. However, whenever the unexpended  
11 balance of the orphan well fund exceeds \$3,000,000.00, further  
12 revenues shall not be credited to the orphan well fund under this  
13 subdivision until the unexpended balance of the orphan well fund  
14 becomes less than \$3,000,000.00.

15           (B) BEGINNING OCTOBER 1, 1995, 25% OF THE REVENUE RECEIVED  
16 DURING EACH FISCAL YEAR SHALL BE RETURNED TO THE COUNTY OF ORIGIN  
17 AS DETERMINED BY A LIST PROVIDED BY THE DEPARTMENT OF NATURAL  
18 RESOURCES TO BE DISBURSED BY THE COUNTY TREASURER AS PROVIDED IN  
19 THIS SUBDIVISION. OF THE AMOUNT RECEIVED BY THE COUNTY UNDER  
20 THIS SUBDIVISION, 50% SHALL BE ALLOCATED TO THE COUNTY ROAD COM-  
21 MISSION AND 50% SHALL BE ALLOCATED TO THE TOWNSHIPS, CITIES, AND  
22 VILLAGES WITHIN THAT COUNTY, BASED ON THE PERCENTAGE OF CERTIFIED  
23 MILES OF LOCAL ROADS OR STREETS IN EACH LOCAL UNIT AS CERTIFIED  
24 BY THE STATE TRANSPORTATION DEPARTMENT. THE REVENUE SHALL BE  
25 USED ONLY FOR CONSTRUCTION OR REPAIRS TO COUNTY PRIMARY OR SEC-  
26 ONDARY ROADS OR STREETS LOCATED WITHIN THE JURISDICTION OF EACH  
27 LOCAL UNIT.

1 (C) ~~(b)~~ The remaining revenue received during each fiscal  
2 year that is not allocated pursuant to ~~subdivision (a)~~  
3 SUBDIVISIONS (A) AND (B) shall be credited to the general fund of  
4 the state and shall be available for any purpose for which the  
5 general fund is made available by law.

6 ~~(2) The revenue collected under subsection (1) in excess of~~  
7 ~~\$16,000,000.00, shall be deposited in the general fund and shall~~  
8 ~~be allocated for the payment of credits for heating fuel costs~~  
9 ~~provided under section 527a of Act No. 281 of the Public Acts of~~  
10 ~~1967, being section 206.527a of the Michigan Compiled Laws, for~~  
11 ~~the fiscal year ending September 30, 1980 only.~~