



HOUSE BILL No. 4593

March 14, 1995, Introduced by Reps. Perricone, Profit, Middaugh, Gernaat, Jaye, Bullard and Cropsey and referred to the Committee on Appropriations.

A bill to amend sections 351, 353, and 356 of Act No. 431 of the Public Acts of 1984, entitled as amended "The management and budget act," section 353 as amended by Act No. 107 of the Public Acts of 1994, being sections 18.1351, 18.1353, and 18.1356 of the Michigan Compiled Laws; and to add section 352a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 351, 353, and 356 of Act No. 431 of the
2 Public Acts of 1984, section 353 as amended by Act No. 107 of the
3 Public Acts of 1994, being sections 18.1351, 18.1353, and 18.1356
4 of the Michigan Compiled Laws, are amended and section 352a is
5 added to read as follows:

6 Sec. 351. (1) A countercyclical budget and economic
7 stabilization fund is created to assist in stabilizing revenue,
8 ~~and~~ employment, AND THE FINANCING OF EDUCATION during periods

1 of economic recession and high unemployment. BEGINNING ON THE
2 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE,
3 ALL MONEY IN THE FUND AND ALL FUTURE MONEY PLACED INTO THE FUND
4 SHALL BE DIVIDED EQUALLY INTO 2 SEPARATE ACCOUNTS, THE ECONOMIC
5 STABILIZATION ACCOUNT AND THE SCHOOL AID ACCOUNT.

6 (2) As used in this section and sections 352 to 359: ~~7~~
7 ~~"fund"~~

8 (A) "ECONOMIC STABILIZATION ACCOUNT" MEANS THE ECONOMIC STA-
9 BILIZATION ACCOUNT CREATED IN THIS SECTION.

10 (B) "FUND" means the countercyclical budget and economic
11 stabilization fund.

12 (C) "SCHOOL AID ACCOUNT" MEANS THE SCHOOL AID ACCOUNT CRE-
13 ATED IN THIS SECTION.

14 (D) "STATE SCHOOL AID FUND" MEANS THE STATE SCHOOL AID FUND
15 CREATED IN SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF
16 1963.

17 (3) As used in section 352, "current calendar year" means
18 the year that ends December 31 in which the determination of the
19 transfer into or out of the fund is being made.

20 SEC. 352A. THE LEGISLATURE, BY A 2/3 VOTE OF THE MEMBERS
21 ELECTED TO AND SERVING IN EACH HOUSE, MAY APPROPRIATE MONEY FROM
22 THE SCHOOL AID ACCOUNT AS PROVIDED IN THIS SECTION TO THE STATE
23 SCHOOL AID FUND. HOWEVER, MONEY DESCRIBED IN THIS SECTION MAY BE
24 APPROPRIATED TO THE STATE SCHOOL AID FUND ONLY IF BOTH OF THE
25 FOLLOWING OCCUR:

26 (A) THE PERCENTAGE OF MONEY APPROPRIATED FROM THE GENERAL
27 FUND FOR PUBLIC ELEMENTARY AND SECONDARY EDUCATION IN THE CURRENT

1 FISCAL YEAR IS NOT LESS THAN THE AVERAGE PERCENTAGE OF MONEY
2 APPROPRIATED FROM THE GENERAL FUND FOR PUBLIC ELEMENTARY AND SEC-
3 ONDARY EDUCATION FOR THE IMMEDIATELY PRECEDING 3 FISCAL YEARS.

4 (B) THE TOTAL AMOUNT OF MONEY APPROPRIATED FOR PUBLIC ELE-
5 MENTARY AND SECONDARY EDUCATION FROM THE GENERAL FUND AND UNDER
6 THIS SECTION IN THE CURRENT FISCAL YEAR DOES NOT EXCEED THE
7 GREATER OF THE FOLLOWING:

8 (i) THE AMOUNT APPROPRIATED FOR PUBLIC ELEMENTARY AND SEC-
9 ONDARY EDUCATION FROM THE GENERAL FUND AND UNDER THIS SECTION IN
10 THE IMMEDIATELY PRECEDING FISCAL YEAR.

11 (ii) THE AVERAGE OF THE AMOUNT APPROPRIATED FOR PUBLIC ELE-
12 MENTARY AND SECONDARY EDUCATION FROM THE GENERAL FUND AND UNDER
13 THIS SECTION FOR THE IMMEDIATELY PRECEDING 3 FISCAL YEARS.

14 Sec. 353. (1) In a calendar quarter following a calendar
15 quarter in which the seasonally adjusted state unemployment rate
16 as certified by the director of the Michigan employment security
17 commission is 8% or more, an amount may be appropriated from the
18 ~~fund~~ ECONOMIC STABILIZATION ACCOUNT by the legislature for the
19 purposes listed in this section in accordance with the following
20 table:

1	Percent of seasonally adjusted	Percent of fund ECONOMIC
2	unemployment in the calendar	STABILIZATION ACCOUNT available
3	quarter preceding the calendar	for economic stabilization
4	quarter in which an amount may	during the calendar quarter
5	be appropriated	following a calendar quarter
6		of high unemployment
7	<hr/>	<hr/>
8	8.0-11.9%	2.5% of fund ECONOMIC STABI-
9		LIZATION ACCOUNT balance as of
10		first day of calendar quarter
11	12.0% and over	5.0% of fund ECONOMIC STABI-
12		LIZATION ACCOUNT balance as of
13		first day of calendar quarter

14 (2) The legislature may appropriate by law money from the
 15 ~~fund~~ ECONOMIC STABILIZATION ACCOUNT in the amounts as provided
 16 in this section to assist in the following countercyclical eco-
 17 nomic stabilization purposes:

18 (a) Capital outlay.

19 (b) Public works and public service jobs.

20 (c) Refundable investment or employment tax credits against
 21 state business taxes for new outlays and hiring in this state.

22 (d) Any other purpose the legislature may provide by law
 23 which provides employment opportunities counter to the state's
 24 economic cycle.

25 (3) Notwithstanding subsections (1) and (2), there is hereby
 26 appropriated \$40,000,000.00 from the ~~fund~~ ECONOMIC
 27 STABILIZATION ACCOUNT for the Michigan state parks endowment

1 fund. The appropriation provided for in this subsection shall
2 only be effective after the proceeds from the sale of the acci-
3 dent fund have been transferred to the fund as provided for in
4 section 701a of the worker's disability compensation act of 1969,
5 Act No. 317 of the Public Acts of 1969, being section 418.701a of
6 the Michigan Compiled Laws.

7 Sec. 356. If the balance in the fund at the end of a fiscal
8 year exceeds ~~25%~~ 10% of the actual state ~~general fund general~~
9 ~~purpose revenue~~ BUDGET for that fiscal year, the excess shall be
10 rebated on the individual income tax returns filed following the
11 close of that fiscal year according to a schedule to be estab-
12 lished by law.