



# HOUSE BILL No. 5945

June 6, 1996, Introduced by Reps. Price, Freeman, LaForge, Hanley, DeMars, Gubow, Ciaramitaro, Emerson, Mathieu, Gagliardi, Hertel, Dobronski, Wallace, Parks, Kelly, Schroer, Baird, Brater, Olshove, Brewer, Baade, Berman, Curtis, Griffin, Bennane, Harder, Owen, Gire, Palamara, Kilpatrick, Agee, Anthony, Pitoniak, Cherry, Martinez, Tesanovich, DeHart, Prusi, Wetters, Vaughn, Scott, Stallworth, Varga, Yokich, Clack, Murphy, Leland, Hood and Willard and referred to the Committee on Appropriations.

A bill to amend sections 323 and 367b of Act No. 431 of the Public Acts of 1984, entitled as amended

"The management and budget act,"

section 367b as added by Act No. 72 of the Public Acts of 1991, being sections 18.1323 and 18.1367b of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 323 and 367b of Act No. 431 of the  
2 Public Acts of 1984, section 367b as added by Act No. 72 of the  
3 Public Acts of 1991, being sections 18.1323 and 18.1367b of the  
4 Michigan Compiled Laws, are amended to read as follows:

5 Sec. 323. (1) The governor shall establish and maintain an  
6 executive budget function through a state budget director.

7 (2) The governor shall develop and present to the  
8 legislature an executive budget proposal for the following fiscal

1 period. The executive budget proposal shall include proposed  
2 appropriations for state program services and estimated or pro-  
3 posed revenue and resources for all state operating funds, BASED  
4 ON THE MOST RECENT REVENUE ESTIMATING CONFERENCE HELD UNDER SEC-  
5 TION 367B AND ON THE MOST RECENT FEDERAL REVENUE ESTIMATES OF THE  
6 CONGRESSIONAL BUDGET OFFICE, AND ALSO SHALL BE BASED ON CURRENT  
7 STATE AND FEDERAL LAW AND CURRENT FUNDING LEVELS FOR BOTH THE  
8 STATE AND FEDERAL BUDGETS. Proposed appropriations shall not  
9 exceed the estimated financing in a state operating fund.

10 (3) The executive budget function shall include the manage-  
11 ment and execution of the state budget ~~which~~ THAT is enacted  
12 into law to deliver intended services within actual levels of  
13 financing in the state operating funds.

14 (4) IF THE LEGISLATURE DETERMINES THAT THE EXECUTIVE BUDGET  
15 PROPOSAL DOES NOT MEET THE REQUIREMENTS OF SUBSECTION (2), THE  
16 LEGISLATURE SHALL NOT ENACT A STATE BUDGET FOR THE FOLLOWING  
17 FISCAL PERIOD, OTHER THAN APPROPRIATIONS CONTINUING THE FUNDING  
18 LEVELS IN EFFECT FOR THE CURRENT FISCAL YEAR, UNTIL THE GOVERNOR  
19 SUBMITS AN EXECUTIVE BUDGET PROPOSAL THAT MEETS THE REQUIREMENTS  
20 OF SUBSECTION (2).

21 Sec. 367b. (1) A revenue estimating conference shall be  
22 held in the second week of January and in the last week in May of  
23 each year, and as otherwise provided in this act.

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

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

- 6       (a) State income tax collections.
  - 7       (b) State sales tax collections.
  - 8       (c) Single business tax collections.
  - 9       (d) Total general fund/general purpose revenues.
  - 10       (e) Lottery transfers to the school aid fund.
  - 11       (f) Total school aid fund revenues.
- 12       (4) The conference's official forecast of economic and reve-  
13 nue variables shall be determined by consensus among the  
14 principals.
- 15       (5) The forecasts required by this section shall be for the  
16 fiscal year in which the conference is being held and the ensuing  
17 fiscal year.
- 18       (6) The official conference forecast shall be based upon the  
19 assumption that the current STATE AND FEDERAL law and current  
20 STATE AND FEDERAL administrative procedures will remain in effect  
21 for the forecast period.