

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 1383 (as reported with amendment)
Sponsor: Senator Alan Sanborn
Committee: Hunting, Fishing and Forestry

CONTENT

The bill would amend Public Act 182 of 1990, which requires counties to redistribute money received from the Federal government for National Forest Reserve land, to do all of the following:

- Allow eligible counties to elect to receive payments from the Federal government for National Forest Reserve land in either the full payment amount or (as currently provided) the 25% payment amount.
- Require that all payments received be spent for purposes described in the Federal Secure Rural Schools and Self-Determination Act.
- Require the Director of the Department of Natural Resources (DNR) to establish annual reporting requirements for the county payment program.
- Allow the treasurer of a county to opt not to receive payment if it were equal to or less than \$100.

(A Federal law enacted in 1908 requires the payment to counties of 25% of the revenue received by the Federal government from National Forest Reserve land, to spent for public schools and roads in the counties where the land is situated. Under the Secure Rural Schools and Community Self-Determination Act, enacted by Congress in 2000, eligible counties have the option of continuing to receive their share of the state's payments of 25%; or receiving their share of the average of the three highest 25% payments to the state during the period of fiscal year 1985-86 through fiscal year 1998-99 (the full payment amount).)

MCL 141.1301 & 141.1303

Legislative Analyst: Nobuko Nagata

FISCAL IMPACT

Because the bill, for the most part, would codify existing Department practices, and changes in Federal law, the bill would have no impact on State or local revenues or expenditures. During FY 2001-02, approximately \$3 million was passed from the Federal government through the State to counties with Federal forest land. Of that amount, just under \$600,000 was allocated to five counties that opted to receive the full payment amount under the county payment program. The remaining \$2.4 million was allocated to 25 counties that chose to receive the 25% payment amount.

Currently, five counties receive less than \$100 under the county payment program. Some or all of these counties could choose to reject payment under the program.

There are administrative costs associated with the county payment program, for which there is no source of reimbursement.

Date Completed: 9-24-02

Fiscal Analyst: Pam Graham