

**SUBSTITUTE FOR**

**SENATE BILL NO. 1383**

(As passed the Senate, November 13, 2002)

A bill to amend 1990 PA 182, entitled

"An act to require counties to redistribute certain payments received from the federal government; and to repeal certain acts and parts of acts,"

by amending sections 1 and 3 (MCL 141.1301 and 141.1303).

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

1       Sec. 1. As used in this act:

2       (A) "COUNTY PAYMENT PROGRAM" MEANS THE PROGRAM AUTHORIZED  
3 UNDER CHAPTER 192, 35 STAT. 260, 16 U.S.C. 500, INCLUDING THE  
4 SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF  
5 2000.

6       (B) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL RESOURCES.

7       (C) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

8       (D) "FULL PAYMENT AMOUNT" AND "25-PERCENT PAYMENT" MEAN  
9 THOSE TERMS AS DEFINED IN THE SECURE RURAL SCHOOLS AND COMMUNITY  
10 SELF-DETERMINATION ACT OF 2000.



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1       (E) ~~-(a)-~~ "Local school district" means that term as defined  
2 in section 6 of the REVISED school code, ~~of 1976, Act No. 451 of~~  
3 ~~the Public Acts of 1976, being section 380.6 of the Michigan~~  
4 ~~Compiled Laws~~ 1976 PA 451, MCL 380.6.

5       (F) ~~-(b)-~~ "National forest" means federally owned land for  
6 which money is paid to the state under ~~35 Stat. 260, 16~~  
7 ~~U.S.C. 500~~ THE COUNTY PAYMENT PROGRAM, as that land is situated  
8 on June 30 of the fiscal year for which the money is paid.

9       (G) "SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION  
10 ACT OF 2000" MEANS PUBLIC LAW 106-393, 114 STAT. 1607, 16  
11 U.S.C. 500 NT.

12       Sec. 3. (1) All money received under ~~35 Stat. 260, 16~~  
13 ~~U.S.C. 500,~~ THE COUNTY PAYMENT PROGRAM shall be expended for  
14 ~~school purposes and county roads in the counties in which~~  
15 ~~national forests are situated~~ THE PURPOSES DESCRIBED UNDER CHAP-  
16 TER 192, 35 STAT. 260, 16 U.S.C. 500, INCLUDING THE SECURE RURAL  
17 SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000. ~~The money~~  
18 ~~shall be distributed to those counties in the same proportion as~~  
19 ~~the national forest acreage in each county is to the total~~  
20 ~~national forest acreage in the state~~ EXCEPT AS PROVIDED IN SUB-  
21 SECTION (11), THE DEPARTMENT SHALL DISTRIBUTE MONEY TO THE COUN-  
22 TIES IN ACCORDANCE WITH ANNUAL AMOUNTS PROVIDED BY THE UNITED  
23 STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE.

24       (2) UPON REQUEST OF THE DEPARTMENT AND AS REQUIRED UNDER THE  
25 SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF  
26 2000, THE TREASURER OF A COUNTY THAT IS ELIGIBLE TO RECEIVE A  
27 PAYMENT UNDER THE COUNTY PAYMENT PROGRAM SHALL PROVIDE WRITTEN



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1 NOTIFICATION TO THE DIRECTOR THAT INDICATES THE COUNTY BOARD OF  
2 COMMISSIONERS' ELECTION TO RECEIVE EITHER THE FULL PAYMENT AMOUNT  
3 OR THE 25-PERCENT PAYMENT AMOUNT. HOWEVER, NO WRITTEN NOTIFICA-  
4 TION IS REQUIRED FOR THE 2 YEARS SUCCEEDING THE ELECTION MADE IN  
5 THIS SUBSECTION OR FISCAL YEAR 2006, WHICHEVER COMES FIRST. THE  
6 ELECTION BY THE COUNTY BOARD OF COMMISSIONERS IS SUBJECT TO ALL  
7 OF THE FOLLOWING:

8 (A) AN ELECTION MADE BY A COUNTY BOARD OF COMMISSIONERS TO  
9 RECEIVE THE FULL PAYMENT AMOUNT SHALL REMAIN IN EFFECT THROUGH  
10 FISCAL YEAR 2006.

11 (B) AN ELECTION BY THE COUNTY BOARD OF COMMISSIONERS TO  
12 RECEIVE THE 25-PERCENT PAYMENT AMOUNT SHALL REMAIN IN EFFECT FOR  
13 2 FISCAL YEARS.

14 (C) IF A COUNTY FAILS TO PROVIDE NOTIFICATION TO THE DIREC-  
15 TOR BY A DATE ESTABLISHED BY THE DEPARTMENT, THE COUNTY IS CON-  
16 sidered TO HAVE ELECTED TO RECEIVE THE 25-PERCENT PAYMENT  
17 AMOUNT.

18 (D) IF THE COUNTY BOARD OF COMMISSIONERS ELECTS TO RECEIVE  
19 THE FULL PAYMENT AMOUNT, THE WRITTEN NOTIFICATION SHALL ALSO  
20 INCLUDE THE TOTAL AMOUNT OF THE PAYMENT THAT WILL BE SET ASIDE  
21 FOR EACH OF THE USES PROVIDED FOR IN SUBSECTION (5)(B) AND THE  
22 COUNTY TREASURER SHALL PROVIDE A COPY OF THE NOTIFICATION TO THE  
23 UNITED STATES SECRETARY OF AGRICULTURE. IF THE COUNTY TREASURER  
24 FAILS TO PROVIDE NOTIFICATION TO THE DIRECTOR AND THE UNITED  
25 STATES SECRETARY OF AGRICULTURE PURSUANT TO THIS SUBSECTION AND  
26 PAYMENT TO THE COUNTY IS EQUAL TO OR GREATER THAN \$100,000.00,  
27 THE COUNTY TREASURER SHALL RETURN 15% OF THE PAYMENT TO THE



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1 GENERAL TREASURY OF THE UNITED STATES AND SHALL USE THE REMAINING  
2 FUNDS FOR THE PURPOSES SET FORTH IN SUBSECTION (4).

3 (3) AS REQUIRED UNDER THE SECURE RURAL SCHOOLS AND COMMUNITY  
4 SELF-DETERMINATION ACT OF 2000, THE GOVERNOR SHALL PROVIDE WRIT-  
5 TEN NOTIFICATION TO THE UNITED STATES SECRETARY OF AGRICULTURE OF  
6 THE ELECTION MADE FOR EACH ELIGIBLE COUNTY.

7 (4) ~~-(2) The~~ IF A COUNTY BOARD OF COMMISSIONERS ELECTS TO  
8 RECEIVE THE 25-PERCENT PAYMENT AMOUNT, THE COUNTY treasurer ~~of a~~  
9 ~~county receiving money under this section~~ shall redistribute all  
10 of the money in a ratio of 75% to local school districts for  
11 school purposes and 25% to townships for the improvement of  
12 county roads within those townships. The money redistributed  
13 under this ~~section~~ SUBSECTION shall be apportioned among the  
14 local school districts and townships in the same proportion as  
15 the national forest acreage in each school district or township  
16 is to the total national forest acreage in the county.

17 (5) IF A COUNTY BOARD OF COMMISSIONERS ELECTS TO RECEIVE THE  
18 FULL PAYMENT AMOUNT, FOR ANY FISCAL YEAR THE PAYMENT TO THE  
19 COUNTY EQUALS OR EXCEEDS \$100,000.00, THE TREASURER SHALL DO BOTH  
20 OF THE FOLLOWING:

21 (A) REDISTRIBUTE NOT LESS THAN 80% AND NOT MORE THAN 85% OF  
22 THE FUNDS AS PROVIDED FOR IN SUBSECTION (4).

23 (B) SET ASIDE THE REMAINING FUNDS FOR 1 OR MORE OF THE  
24 FOLLOWING:

25 (i) RESERVE THE BALANCE FOR SPECIAL PROJECTS ON FEDERAL  
26 LANDS AS PROVIDED FOR IN TITLE II OF THE SECURE RURAL SCHOOLS AND  
27 COMMUNITY SELF-DETERMINATION ACT OF 2000.



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1           (ii) RESERVE THE BALANCE FOR COUNTY PROJECTS AS PROVIDED FOR  
2     IN TITLE III OF THE SECURE RURAL SCHOOLS AND COMMUNITY  
3     SELF-DETERMINATION ACT OF 2000.

4           (iii) RETURN THE BALANCE TO THE GENERAL TREASURY OF THE  
5     UNITED STATES.

6           (6) IF A COUNTY BOARD OF COMMISSIONERS ELECTS TO RECEIVE THE  
7     FULL PAYMENT AMOUNT, FOR ANY FISCAL YEAR THE PAYMENT TO THE  
8     COUNTY IS LESS THAN \$100,000.00, THE COUNTY BOARD OF COMMISSION-  
9     ERS MAY ELECT TO SET ASIDE BETWEEN 15% AND 20% OF THE PAYMENT FOR  
10    THE PURPOSES SET FORTH IN SUBSECTION (5)(B) AND REDISTRIBUTE THE  
11    REMAINING FUNDS AS PROVIDED FOR IN SUBSECTION (4).

12          (7) UPON EXPIRATION OF THE ELECTION PROVISIONS OF THE SECURE  
13    RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000, A  
14    COUNTY TREASURER THAT RECEIVES PAYMENT UNDER THIS SECTION SHALL  
15    REDISTRIBUTE ALL OF THE MONEY AS PROVIDED FOR IN SUBSECTION (4).

16          (8) THE DIRECTOR SHALL ESTABLISH ANNUAL REPORTING REQUIRE-  
17    MENTS AND DEADLINES FOR THE COUNTIES THAT RECEIVE PAYMENTS UNDER  
18    THIS SECTION. REPORTING REQUIREMENTS MAY INCLUDE THE PREPARATION  
19    OF FINANCIAL RECORDS, NARRATIVE REPORTS, AND OTHER WRITTEN DOCU-  
20    MENTATION SUBMITTED BY THE COUNTY TREASURER THAT DEMONSTRATE ALL  
21    OF THE FOLLOWING:

22           (A) THAT THE COUNTY TREASURER HAS PROPERLY DISTRIBUTED FUNDS  
23    TO LOCAL SCHOOL DISTRICTS AND TOWNSHIPS AS PROVIDED FOR IN SUB-  
24    SECTION (4).

25           (B) THAT FUNDS DISTRIBUTED TO THE LOCAL SCHOOL DISTRICTS AND  
26    TOWNSHIPS WERE USED FOR SCHOOLS AND ROADS AS PROVIDED FOR IN THE



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1 SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF  
2 2000.

3 (C) THAT FUNDS SET ASIDE FOR COUNTY PROJECTS AS PROVIDED FOR  
4 IN SUBSECTION (5)(B)(ii) WERE EXPENDED IN COMPLIANCE WITH THE  
5 SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000  
6 AND THIS ACT. THE REPORTING REQUIREMENTS MAY INCLUDE DETAILED  
7 NARRATIVE REPORTS AND DOCUMENTATION OF COUNTY EXPENDITURES.

8 (D) THAT PAYMENTS WERE MADE TO THE GENERAL TREASURY OF THE  
9 UNITED STATES AS SET FORTH IN SUBSECTIONS (2)(D) AND  
10 (5)(B)(iii).

11 (9) A COUNTY TREASURER WHO ACCEPTS PAYMENT UNDER THE COUNTY  
12 PAYMENT PROGRAM AGREES TO COMPLY WITH THE REPORTING REQUIREMENTS  
13 AND DEADLINES ESTABLISHED BY THE DEPARTMENT. A COUNTY TREASURER  
14 MAY ESTABLISH REPORTING REQUIREMENTS FOR COUNTY AGENCIES, LOCAL  
15 SCHOOL DISTRICTS, OR TOWNSHIPS IN ORDER TO COMPLY WITH THE  
16 REPORTING REQUIREMENTS ESTABLISHED BY THE DEPARTMENT.

17 (10) THE DIRECTOR MAY WITHHOLD FUTURE YEAR PAYMENTS TO A  
18 COUNTY THAT FAILS TO COMPLY WITH THE REPORTING REQUIREMENTS UNDER  
19 THIS SECTION OR THAT DOES NOT ADEQUATELY DOCUMENT THAT THE FUNDS  
20 WERE DISTRIBUTED AND EXPENDED IN ACCORDANCE WITH THE SECURE RURAL  
21 SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000 AND THIS  
22 ACT. THE DEPARTMENT SHALL PROVIDE THE COUNTY TREASURER WRITTEN  
23 NOTIFICATION THAT PAYMENT IS BEING WITHHELD AND THE DEFICIENCIES  
24 IN THE REPORTS OR DOCUMENTATION. IF THE COUNTY TREASURER FAILS  
25 TO CORRECT THE DEFICIENCIES TO THE SATISFACTION OF THE DEPARTMENT  
26 WITHIN 90 DAYS, THE DEPARTMENT SHALL PROVIDE A WRITTEN  
27 EXPLANATION TO THE UNITED STATES SECRETARY OF AGRICULTURE AND



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1 SHALL RETURN THE FUNDS TO THE GENERAL TREASURY OF THE UNITED  
2 STATES.

3 (11) THE COUNTY BOARD OF COMMISSIONERS OF A COUNTY THAT IS  
4 ELIGIBLE TO RECEIVE A PAYMENT OF EQUAL TO OR LESS THAN \$100.00  
5 UNDER THE COUNTY PAYMENT PROGRAM MAY OPT TO NOT RECEIVE AND  
6 REDISTRIBUTE THE MONEY BY PROVIDING WRITTEN NOTICE UPON REQUEST  
7 OF THE DEPARTMENT. THE DEPARTMENT SHALL DISTRIBUTE MONEY  
8 REJECTED BY A COUNTY UNDER THIS SUBSECTION TO THE COUNTY THAT HAS  
9 LAND WITHIN THE SAME NATIONAL FOREST AND THAT WOULD OTHERWISE  
10 RECEIVE THE SMALLEST PAYMENT IN THE SAME FISCAL YEAR. IF THERE  
11 IS NOT ANOTHER COUNTY THAT HAS LAND WITHIN THE SAME NATIONAL  
12 FOREST THAT WILL RECEIVE PAYMENT, THE DEPARTMENT SHALL DISTRIBUTE  
13 THE MONEY TO THE COUNTY THAT WOULD OTHERWISE RECEIVE THE SMALLEST  
14 PAYMENT IN THE SAME FISCAL YEAR.