

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 105 (as reported without amendment)
Sponsor: Senator Alan Sanborn
Committee: Agriculture, Forestry and Tourism

CONTENT

The bill would amend Public Act 182 of 1990, which requires counties to redistribute money they receive from the U.S. government for land in the National Forest System, to allow counties to elect to receive Federal payments in either a "full payment amount" or a "25% payment amount". (Under Federal law, the U.S. government gives 25% of its revenue from Federal forest land resources (e.g., timber) to states for distribution to counties supporting the land. The Federal Secure Rural Schools and Community Self-Determination Act gives counties the option of receiving their share of their state's payment from National Forest System revenue (the 25% payment amount); or receiving their share of the average of the three highest 25% payments to the state during the period of fiscal year 1985-1986 through fiscal year 1998-99 (the full payment amount).)

Under the bill, a county electing the 25% payment amount would have to distribute 75% of the payment to local school districts for school purposes and 25% to townships for the improvement of county roads within those townships (as Public Act 182 currently requires). A county electing the full payment amount would have to distribute at least 80% but not more than 85% of the funds as provided for a county electing the 25% payment amount. The remaining 15% to 20% of the funds would have to be used for special projects on Federal lands or county projects as provided in the Federal Act, or returned to the U.S. Treasury. If a county elected the full payment amount and its payment were less than \$100,000, the county could distribute the funds as provided for the 25% payment amount. Counties would have to give notice of their election to the Director of the Department of Natural Resources and the U.S. Secretary of Agriculture.

MCL 141.1301& 141.1303

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government since it would reflect existing Department practices and Federal law. In FY 2001-02, approximately \$3 million was passed from the Federal government through the State to the 30 counties containing Federal forest land. Of that amount, approximately \$540,000 was allocated to the five counties that opted to receive the full payment amount under the county payment program. The balance was allocated to the 24 counties that chose the 25% payment option. In FY 2002-03, \$3,300,000 was appropriated for these Federal payments to counties. The Department estimates that actual collection will be approximately \$2,500,000. The bill would allow any county to refuse to accept the Federal funds. Five of the counties receive a payment of only a few dollars and could choose to refuse the funding rather than distribute it according to the statutory formula.

Date Completed: 3-7-03

Fiscal Analyst: Jessica Runnels

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Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.