

HOUSE BILL No. 5734

August 27, 2014, Introduced by Rep. Shirkey and referred to the Committee on
Transportation and Infrastructure.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2012 PA 226.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 25. (1) All money received and collected under this act
2 shall be deposited by the department in the state treasury to the
3 credit of the general fund, except as otherwise provided in this
4 section.

5 (2) Fifteen percent of the collections of the tax imposed at a
6 rate of 4% shall be distributed to cities, villages, and townships
7 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971
8 PA 140, MCL 141.901 to 141.921.

9 (3) Sixty percent of the collections of the tax imposed at a
10 rate of 4% shall be deposited in the state school aid fund

1 established in section 11 of article IX of the state constitution
2 of 1963 and distributed as provided by law. In addition, all of the
3 collections of the tax imposed at the additional rate of 2%
4 approved by the electors March 15, 1994 shall be deposited in the
5 state school aid fund.

6 (4) Not less than 27.9% of 25% of the collections of the
7 general sales tax imposed at a rate of 4% directly or indirectly on
8 fuels sold to propel motor vehicles upon highways, on the sale of
9 motor vehicles, and on the sale of the parts and accessories of
10 motor vehicles by new and used car businesses, used car businesses,
11 accessory dealer businesses, and gasoline station businesses as
12 classified by the department of treasury shall be deposited each
13 year into the comprehensive transportation fund created in section
14 10b of 1951 PA 51, MCL 247.660b.

15 (5) For the fiscal year ending September 30, 2013 only, an
16 amount equal to 18% of the collections of the tax imposed at a rate
17 of 4% under this act from the sale of motor fuel, as that term is
18 defined in section 4 of the motor fuel tax act, 2000 PA 403, MCL
19 207.1004, shall be distributed as follows:

20 (a) An amount sufficient to match available federal highway
21 funds shall be deposited into the state trunk line fund created in
22 section 11 of 1951 PA 51, MCL 247.661, for the purpose of matching
23 federal aid highway funds as those federal funds are made available
24 to this state, but not less than 39.1% subject to subdivision (c).

25 (b) After the distribution under subdivision (a), any
26 remaining balance, subject to subdivision (c), shall be distributed
27 as follows:

1 (i) 66% to the county road commissions of this state, which
2 distribution shall be administered under section 12 of 1951 PA 51,
3 MCL 247.662.

4 (ii) 34% to the cities and villages of this state, which
5 distribution shall be administered under section 13 of 1951 PA 51,
6 MCL 247.663.

7 (c) Funds distributed under this subsection shall not exceed
8 \$100,000,000.00.

9 (6) For the fiscal year ending September 30, 2013 only and
10 except as otherwise limited in this subsection after the
11 allocations and distributions are made pursuant to subsections (2)
12 and (3), an amount equal to the collections of the tax imposed at a
13 rate of 4% under this act from the sale at retail of aviation fuel
14 and aviation products shall be deposited in the state aeronautics
15 fund and shall be expended, on appropriation, only for those
16 purposes authorized in the aeronautics code of the state of
17 Michigan, 1945 PA 327, MCL 259.1 to 259.208. Not more than
18 \$10,000,000.00 shall be deposited in the state aeronautics fund
19 under this subsection. As used in this subsection, "state
20 aeronautics fund" means the state aeronautics fund created in
21 section 34 of the aeronautics code of the state of Michigan, 1945
22 PA 327, MCL 259.34.

23 (7) An amount equal to the collections of the tax imposed at a
24 rate of 4% under this act from the sale at retail of computer
25 software as defined in section 1a shall be deposited in the
26 Michigan health initiative fund created in section 5911 of the
27 public health code, 1978 PA 368, MCL 333.5911, and shall be

1 considered in addition to, and is not intended as a replacement for
2 any other money appropriated to the department of community health.
3 The funds deposited in the Michigan health initiative fund on an
4 annual basis shall not be less than \$9,000,000.00 or more than
5 \$12,000,000.00.

6 (8) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015,
7 \$125,000,000.00 OF THE COLLECTIONS OF THE TAX IMPOSED AT A RATE OF
8 4% UNDER THIS ACT SHALL BE DEPOSITED IN THE STATE TREASURY AND
9 SHALL, UPON APPROPRIATION, BE DISTRIBUTED AS FOLLOWS AND SHALL,
10 SUBJECT TO SUBSECTION (12), BE USED EXCLUSIVELY FOR TRANSPORTATION
11 PURPOSES OF MAINTAINING, CONSTRUCTING, AND RECONSTRUCTING STATE,
12 COUNTY, CITY, AND VILLAGE ROADS, STREETS, AND BRIDGES DESIGNED
13 PRIMARILY FOR THE USE OF PRIVATE MOTOR VEHICLES USING TIRES:

14 (A) 39.1% TO THE STATE TRUNK LINE FUND CREATED IN SECTION 11
15 OF 1951 PA 51, MCL 247.661.

16 (B) 39.1% TO THE COUNTY ROAD COMMISSIONS OF THIS STATE.

17 (C) 21.8% TO THE CITIES AND VILLAGES OF THIS STATE.

18 (9) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016,
19 \$250,000,000.00 OF THE COLLECTIONS OF THE TAX IMPOSED AT A RATE OF
20 4% UNDER THIS ACT SHALL BE DEPOSITED IN THE STATE TREASURY AND
21 SHALL, UPON APPROPRIATION, BE DISTRIBUTED AS FOLLOWS AND SHALL,
22 SUBJECT TO SUBSECTION (12), BE USED EXCLUSIVELY FOR TRANSPORTATION
23 PURPOSES OF MAINTAINING, CONSTRUCTING, AND RECONSTRUCTING STATE,
24 COUNTY, CITY, AND VILLAGE ROADS, STREETS, AND BRIDGES DESIGNED
25 PRIMARILY FOR THE USE OF PRIVATE MOTOR VEHICLES USING TIRES:

26 (A) 39.1% TO THE STATE TRUNK LINE FUND CREATED IN SECTION 11
27 OF 1951 PA 51, MCL 247.661.

1 (B) 39.1% TO THE COUNTY ROAD COMMISSIONS OF THIS STATE.

2 (C) 21.8% TO THE CITIES AND VILLAGES OF THIS STATE.

3 (10) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017,
4 \$375,000,000.00 OF THE COLLECTIONS OF THE TAX IMPOSED AT A RATE OF
5 4% UNDER THIS ACT SHALL BE DEPOSITED IN THE STATE TREASURY AND
6 SHALL, UPON APPROPRIATION, BE DISTRIBUTED AS FOLLOWS AND SHALL,
7 SUBJECT TO SUBSECTION (12), BE USED EXCLUSIVELY FOR TRANSPORTATION
8 PURPOSES OF MAINTAINING, CONSTRUCTING, AND RECONSTRUCTING STATE,
9 COUNTY, CITY, AND VILLAGE ROADS, STREETS, AND BRIDGES DESIGNED
10 PRIMARILY FOR THE USE OF PRIVATE MOTOR VEHICLES USING TIRES:

11 (A) 39.1% TO THE STATE TRUNK LINE FUND CREATED IN SECTION 11
12 OF 1951 PA 51, MCL 247.661.

13 (B) 39.1% TO THE COUNTY ROAD COMMISSIONS OF THIS STATE.

14 (C) 21.8% TO THE CITIES AND VILLAGES OF THIS STATE.

15 (11) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018 AND EACH
16 FISCAL YEAR THEREAFTER, \$500,000,000.00 OF THE COLLECTIONS OF THE
17 TAX IMPOSED AT A RATE OF 4% UNDER THIS ACT SHALL BE DEPOSITED IN
18 THE STATE TREASURY AND SHALL, UPON APPROPRIATION, BE DISTRIBUTED AS
19 FOLLOWS AND SHALL, SUBJECT TO SUBSECTION (12), BE USED EXCLUSIVELY
20 FOR TRANSPORTATION PURPOSES OF MAINTAINING, CONSTRUCTING, AND
21 RECONSTRUCTING STATE, COUNTY, CITY, AND VILLAGE ROADS, STREETS, AND
22 BRIDGES DESIGNED PRIMARILY FOR THE USE OF PRIVATE MOTOR VEHICLES
23 USING TIRES:

24 (A) 39.1% TO THE STATE TRUNK LINE FUND CREATED IN SECTION 11
25 OF 1951 PA 51, MCL 247.661.

26 (B) 39.1% TO THE COUNTY ROAD COMMISSIONS OF THIS STATE.

27 (C) 21.8% TO THE CITIES AND VILLAGES OF THIS STATE.

1 (12) MONEY DEPOSITED IN THE STATE TREASURY AND DISTRIBUTED
2 UNDER SUBSECTIONS (8), (9), (10), AND (11) SHALL NOT BE USED FOR
3 ANY PURPOSE THAT WOULD DEPRIVE A PRIVATE MOTOR VEHICLE'S NORMAL
4 ORDINARY USE OF A ROAD, STREET, OR BRIDGE, INCLUDING, BUT NOT
5 LIMITED TO, HIGH-OCCUPANCY VEHICLE LANES, MASS TRANSIT LANES, OR
6 LANE REDUCTIONS.

7 (13) ~~(8)~~—The balance in the state general fund shall be
8 disbursed only on an appropriation or appropriations by the
9 legislature.