

Legislative Analysis



INCREASE MAXIMUM ALLOWED IN MUNICIPAL BUDGET STABILIZATION FUND

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Analysis available at
<http://www.legislature.mi.gov>

Senate Bill 569 (as passed by the Senate)
Sponsor: Sen. Mike Nofs
House Committee: Local Government
Senate Committee: Local Government
Complete to 5-11-16

SUMMARY:

Senate Bill 569 would amend Public Act 30 of 1978 to increase the maximum amount allowed in a municipality's budget stabilization fund.

Currently, the act limits the maximum amount in the fund to not more than 15% of the municipality's most recent general fund budget, as originally adopted, or 15% of the average of the municipality's five most recent general fund budgets, as amended, whichever is less. This act would remain those options, but increase the maximum percentage of funds to 20% of whichever of those options yields a lower amount.

The bill would take effect 90 days after its enactment.

MCL 141.443

FISCAL IMPACT:

Senate Bill 569 would have an indeterminate fiscal impact on local governments throughout the state. It allows a municipality to divert additional money to its budget stabilization fund. Since the bill is permissive, any fiscal impact would depend on each municipality's budget decisions.

Legislative Analyst: Jennifer McInerney
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.