

SFA

BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

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Senate Bill 750

Sponsor: Senator Connie Binsfeld

Committee: Local Government and Veterans

JUN 26 1990

Date Completed: 2-5-90

SUMMARY OF SENATE BILL 750 as introduced 1-24-90:

The bill would create a new act to require a county that received a payment under Section 33 of Title III of the Federal Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012) to redistribute that payment to school districts and the county road commission in that county for school and road purposes. A county board of commissioners would be required to determine the ratio of the distribution either by resolution or as part of the county's annual budget.

(Under the Bankhead-Jones Farm Tenant Act, the U.S. Secretary of Agriculture is authorized and directed to develop a land conservation and utilization program in order to correct "maladjustments in land use" and assist in "controlling soil erosion, reforestation, preserving natural resources, protecting fish and wildlife, developing and protecting recreational facilities, mitigating floods, preventing impairment of dams and reservoirs, developing energy resources, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare, but not to build industrial parks or establish private industrial or commercial enterprises" (7 U.S.C 1010).

The Act also requires the Secretary, after the end of the calendar year, to pay a county in which any land is held 25% of the net revenues received by the Secretary from the use of the land during the year. If the land is situated in more than one county, the amount to be paid must be divided equitably among the counties. Payments to counties are made on the condition that the payments are used for school or road purposes, or both.)

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on the State, but could increase Federal payments to counties by \$160,000, which is the amount that school districts would receive under the Bankhead-Jones Farm Tenant Act. Currently, the \$160,000 is deducted from the Federal payments in lieu of taxes because Michigan law does

S.B. 750 (2-5-90)

not provide for the allocation of this money as required by Federal law. According to the U.S. Bureau of Land Management, the designation must be for an "independent agency or school district". Since road commissions may not be considered independent agencies, it is questionable whether any amount distributed to county road commissions would qualify. If 100% of the Bankhead-Jones Farm Tenant Act payments were designated for school districts, then they would receive an additional \$160,000.

Fiscal Analyst: A. Rich

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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.