

THE MANAGEMENT AND BUDGET ACT (EXCERPT)
Act 431 of 1984

18.1391 Actual revenues falling below revenue estimates; review of appropriations; recommending reduction of expenditures; review of recommendations; order containing reductions; notice; meeting; approval or disapproval of order; implementation of order; filing order and resolutions; special lapse accounts.

Sec. 391.

(1) When it appears to the governor, based upon written information received by the governor from the budget director and the department of treasury, that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based, the estimates being as determined by the legislature in accordance with section 31 of article IV of the state constitution of 1963, the governor shall order the director to review all appropriations made by the legislature, except those made for the legislative and judicial branches of government or from funds constitutionally dedicated to specific purposes.

(2) Based upon needs, the director shall recommend to the governor a reduction of expenditures authorized by the appropriations, either direct or open-ended, for that fiscal year. The governor shall review the recommendations of the director and shall prepare an order containing reductions in expenditures authorized so that actual revenues for the fiscal period will be sufficient to equal the expenditures. The governor shall give not less than 5 days' written notice to the members of the appropriations committees specifying a time and place for a joint meeting of the governor and the appropriations committees, at which the governor shall present to the appropriations committees the governor's recommendations and copies of the governor's proposed order.

(3) Not later than 10 days after the submission of the order to the appropriations committees, each appropriation committee by vote of a majority of its members elected and serving shall approve or disapprove the order. Expenditures authorized by appropriations shall not be reduced unless approved by both appropriations committees. Upon approval by both appropriations committees, the director shall implement the order.

(4) If either appropriation committee disapproves the order, the order is without force and effect. Not later than 30 days after a proposed order is disapproved, the governor may give reasonable written notice of the time and place of a further joint meeting of the appropriations committees, at which time the governor shall submit another order reducing expenditures authorized by appropriations. Within 10 days after the receipt of that order by the appropriations committees, each appropriations committee, by a majority of its members elected and serving, shall approve or disapprove the order. Upon approval by both appropriations committees, the director shall implement the order.

(5) After the approval by both appropriations committees pursuant to subsection (3) or (4), a copy of the order of the governor and resolutions of both appropriations committees approving it shall be filed with the secretary of state and the order shall become effective.

History: 1984, Act 431, Eff. Mar. 29, 1985 ;-- Am. 1988, Act 504, Imd. Eff. Dec. 29, 1988

Popular Name: Act 431

Popular Name: DMB