

MUNICIPAL AID (0076)
2009-11 BIENNIUM-EXECUTIVE RECOMMENDATION

I) AGENCY SUMMARY & REVENUE SOURCES

Mission

Act 750 of 1973 created the Municipal Aid Fund in order to assist cities with the increasing costs of providing services.

Total Biennial Budget

The Executive recommends a total budget for the 2009-2011 biennium of \$147,506,526 each year.

Funding

The two appropriations are funded with general revenues, and with special revenues derived from highway revenues (motor vehicle licenses and registration, motor fuel taxes, and special motor fuel taxes.)

II) SIGNIFICANT CHANGES

The General Revenues to Cities appropriation total is base level of \$27,506,526 both years of the biennium.

The Special Revenue to Cities appropriation total is \$120,000,000 both years of the biennium. These special revenues are derived from highway revenues, motor vehicle licenses and registration, motor fuel taxes, and special motor fuel taxes.

III) ADDITIONAL POSITIONS

No positions are authorized for these appropriations.

IV) SPECIAL LANGUAGE

Allows the provision of a loan to the County Aid and Municipal Aid funds from the Budget Stabilization Trust Fund on July 1 of each fiscal year of the biennial period to assist cities and counties with cash flow needs early in the state fiscal year. It also provides that the loan will be repaid in equal installments from general revenue distributions each month during the fiscal year for which the loan was made. It stipulates that the amount of each loan shall be \$3.5 million to the Municipal Aid Fund and \$1.9 million to the County Aid Fund, or so much as may be available in the Budget Stabilization Trust Fund.

Allows carry forward authority of appropriation and funds for County Aid and Municipal Aid line items at the close of each fiscal year.