

**MUNICIPAL AID (0076)
FISCAL YEAR 2014 & 2015**

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 Budget

The total budget is \$214,098,750 for FY2014 and \$213,372,099 for FY2015.

Funding

The 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

General Revenues to Cities

- Recommended at \$30 million for FY2014 and \$29.4 million for FY2015
- Increase in appropriation over base level of \$2.7 million for FY2014 and \$2 million for FY2015.
- Increase in General Revenue Funding of \$2 million each year.

Special Revenues to Cities

- Recommended at \$180 million each year which is \$40 million over base level due to passage of half-cent sales tax for highways.

III) POSITIONS

No positions are authorized for these appropriations.

IV) SPECIAL LANGUAGE

Distribution of Funds. Funding from Property Tax Relief Trust Fund to counties shall not be distributed unless there are sufficient funds in Property Tax Relief Trust Fund.

Loan. 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. 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.

Carry Forward. Allows carry forward authority of General Revenues at the close of each fiscal year.

Turnback Reporting. Requires counties receiving highway revenues of \$2 million or more to report to the House and Senate Transportation Committee on how those funds were utilized. *New Language*