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EARMARK OIL AND GAS TAXES

House Bill 4155

Sponsor: Rep. David Mead

**Committee: Conservation and
Outdoor Recreation**

Complete to 10-28-99

A SUMMARY OF HOUSE BILL 4155 AS INTRODUCED 2-3-99

Currently, under Public Act 48 of 1929, which regulates the severance tax that is imposed on oil and gas production, revenue received in severance taxes during each fiscal year is deposited as follows:

1. At least \$1,000, or two percent of the revenue received, is deposited into the Orphan Well Fund established under Part 616 of the Natural Resources and Environmental Protection Act (MCL 324.61601 et al.).
2. The remaining revenue received during each fiscal year that is not allocated for the Orphan Well Fund is credited to the general fund, and must be made available for any purpose for which the general fund is currently made available.

House Bill 4155 would amend Public Act 48 to require that, effective October 1, 1999, 25 percent of the revenue received during each fiscal year would be returned to the counties, cities, villages, and townships from which the oil or gas was removed. Under the bill, the county from which the oil or gas was removed, and the city, village, or township from which the oil or gas was removed, would each receive 50 percent of these revenues.

MCL 205.314

House Bill 4155 (10-28-99)

Analyst: R. Young

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