

HOUSE BILL NO. 4963

September 12, 2019, Introduced by Reps. O'Malley, Leutheuser, Mueller, Sneller, Miller, Sheppard and Afendoulis and referred to the Committee on Transportation.

A bill to permit eligible municipalities to impose and collect an excise tax on the sale and delivery of motor fuel; to limit the rate of that excise tax; to authorize voter approval in a single ballot question of the excise tax authorized by this act and of certain purposes for which the excise tax is imposed; to provide for the establishment of procedures for the collection, administration, distribution, and enforcement of the excise tax; to prescribe the powers and duties of certain state departments and state and local officials; and to prescribe penalties and provide remedies.



THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Department" means the department of treasury.

3 (b) "Eligible municipality" means any of the following:

4 (i) A county.

5 (ii) A county that has joined with another contiguous county
6 under an interlocal agreement under the urban cooperation act of
7 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

8 (c) "Eligible transportation activity" means 1 or more of the
9 following:

10 (i) Activities described in section 10c(l) to (o) of 1951 PA
11 51, MCL 247.660c.

12 (ii) Public transportation as defined in section 2 of the
13 regional transit authority act, 2012 PA 387, MCL 124.542.

14 (d) "Excise tax" means the excise tax imposed under section 2.

15 (e) "Governing body" means the elected body of a municipality
16 having legislative powers.

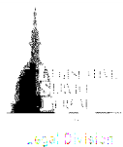
17 (f) "Local mileage" means the total number of miles of
18 streets, roads, and highways under the jurisdiction of a local road
19 agency under 1951 PA 51, MCL 247.651 to 247.675.

20 (g) "Local road agency" means that term as defined in section
21 9a of 1951 PA 51, MCL 247.659a.

22 (h) "Motor fuel" means that term as defined in section 4 of
23 the motor fuel tax act, 2000 PA 403, MCL 207.1004.

24 (i) "Population" means that term as defined in section 13 of
25 1951 PA 51, MCL 247.663. The population of a county road commission
26 or designated county road agency is the population of the county
27 excluding the population of cities and villages within the county.

28 (j) "Rack", "supplier", "terminal", and "transporter" mean



1 those terms as defined in sections 5 and 6 of the motor fuel tax
2 act, 2000 PA 403, MCL 207.1005 and 207.1006.

3 Sec. 2. (1) Beginning January 1, 2020, the governing body of
4 an eligible municipality, by ordinance, may levy, assess, and
5 collect an excise tax on the privilege of selling or delivering
6 motor fuel in the eligible municipality as provided in this act.

7 (2) The ordinance shall specify the date on which the
8 ordinance becomes effective, which shall not be earlier than 30
9 days after the date on which the ordinance is approved by a vote of
10 a majority of the electors of the eligible municipality voting on
11 the ordinance at a November election. The clerk of the eligible
12 municipality and all local election officials within the eligible
13 municipality shall take those steps necessary to conduct the
14 election, the incremental expense of which shall be reimbursed by
15 the eligible municipality. The question presented to the voters
16 shall state the rates at which the excise tax is authorized and
17 that the purpose of the tax is principally for eligible
18 transportation activities in the eligible municipality.

19 (3) The ordinance imposing the excise tax authorized by this
20 act shall provide for the expiration of the excise tax not later
21 than 5 years after it is imposed.

22 Sec. 3. The ordinance adopted pursuant to section 2 shall
23 provide for the following:

24 (a) The rates of the excise tax.

25 (b) The effective date of the excise tax imposed under this
26 act.

27 (c) That the excise tax will be collected and remitted to the
28 department by the supplier when motor fuel is obtained from the
29 rack at the terminal by a transporter who will deliver the motor



1 fuel to an entity that sells that motor fuel within the eligible
2 municipality.

3 Sec. 4. (1) The governing body of a municipality and the state
4 treasurer shall enter into an agreement providing that the tax
5 imposed under this act be administered and collected by the
6 department under 1941 PA 122, MCL 205.1 to 205.31. The department
7 of treasury shall administer and collect the tax imposed by this
8 act on behalf of the eligible municipality, and the ordinance shall
9 provide for the administration and collection of the tax imposed by
10 this act in the same manner as state taxes are administered and
11 collected under 1941 PA 122, MCL 205.1 to 205.31, except for
12 procedures for the appeal of any assessment as provided by the
13 ordinance. Not more than 30 days after their due date, taxes,
14 interest, and penalties collected by the department of treasury
15 under that agreement shall be remitted to the eligible municipality
16 that imposed the excise tax. Any remittance to the eligible
17 municipality by the department of treasury after that date shall
18 include interest earned on the gross collections after that
19 deadline and before transmittal to the eligible municipality,
20 calculated on the basis of the rate of interest accrued for this
21 period on the common cash fund of this state.

22 (2) The agreement described in subsection (1) may provide for
23 1 or more of the following:

24 (a) The adoption and enforcement of rules by the eligible
25 municipality to apply, interpret, and effectuate the provision and
26 purposes of the excise tax.

27 (b) The prescribing and furnishing to suppliers of forms,
28 instructions, manuals, and other materials necessary or convenient
29 for the administration of the tax.



1 (c) The requiring of suppliers to file returns, provide
2 information, and maintain records that are reasonable for
3 enforcement of the tax and auditing of the returns.

4 (d) The examination of the books and records of a supplier for
5 purposes of determining the correctness of a tax return or
6 information filed, or for the determination of any further tax
7 liability.

8 (e) The determination and allowance of exemptions, abatements,
9 and refunds.

10 (f) The administration, collection, and remittance of the
11 excise tax shall be done by the state treasurer.

12 Sec. 5. The excise tax levied under this act is in addition to
13 any other taxes, charges, or fees and may be levied notwithstanding
14 any other law to the contrary.

15 Sec. 6. The revenues from the excise tax imposed under this
16 act shall be deposited in a special fund and shall be used only for
17 eligible transportation activities within the eligible
18 municipality. If an eligible municipality levies an excise tax
19 under this act, the available proceeds shall be distributed as
20 follows:

21 (a) Fifty percent must be distributed to local road agencies
22 in the eligible municipality in the same proportion that the
23 population of each bears to the total population of all local road
24 agencies in the eligible municipality.

25 (b) Fifty percent must be distributed to local road agencies
26 in the same proportion that the local mileage in each bears to the
27 total local mileage in all local road agencies in the eligible
28 municipality.

