

Act No. 299  
Public Acts of 1994  
Approved by the Governor  
July 13, 1994  
Filed with the Secretary of State  
July 14, 1994

**STATE OF MICHIGAN  
87TH LEGISLATURE  
REGULAR SESSION OF 1994**

Introduced by Senators Gast Geake and Schwarz

# **ENROLLED SENATE BILL No. 1131**

AN ACT to amend sections 12 and 18 of Act No. 140 of the Public Acts of 1971 entitled as amended An act to provide for the distribution of certain state revenues to cities villages townships and counties and to impose certain duties and confer certain powers on this state political subdivisions of this state and the officers of both section 12 as amended by Act No. 166 of the Public Acts of 1993 and section 18 as amended by Act No. 474 of the Public Acts of 1988 being sections 141 912 and 141 918 of the Michigan Compiled Laws

*The People of the State of Michigan enact*

Section 1 Sections 12 and 18 of Act No. 140 of the Public Acts of 1971 section 12 as amended by Act No. 166 of the Public Acts of 1993 and section 18 as amended by Act No. 474 of the Public Acts of 1988 being sections 141 912 and 141 918 of the Michigan Compiled Laws are amended to read as follows

Sec 12 (1) The department of management and budget shall cause to be paid to each city village and township its share computed on a per capita basis during each August November February and May of the collections from the sales tax for the quarter periods ending the prior June 30 September 30 December 31 and March 31 that are available for distribution to cities villages and townships

(2) During each calendar year after 1992 the department of management and budget shall cause to be advanced and paid in June to cities villages and townships on a per capita basis \$9 500 000 00 of the amount that would otherwise be paid in August pursuant to subsection (1)

(3) During June of each calendar year before 1993 the department of management and budget shall cause to be paid on a per capita basis \$9 500 000 00 of the intangibles tax collections to each city village or township levying at least 1 mill local property tax in the preceding calendar year During October of each calendar year after 1992 the department of management and budget shall cause to be paid on a per capita basis \$9 500 000 00 of the intangibles tax collections to each city village or township levying at least 1 mill local property tax in the preceding calendar year For the state fiscal year beginning October 1 1993 no payments shall be made under this subsection For the state fiscal year beginning October 1 1994 no payments shall be made under this subsection

Sec 18 (1) Each city village or township shall report its local taxes and special assessments and cities and townships shall report their overlapping taxes to the department of treasury by March 1 A city village or township that levied less than 1 mill in the immediately preceding calendar year when it reports its local taxes shall also report whether its levied millage rate would have been at least 1 mill except for the millage reductions pursuant to section 31 of article IX of the state constitution of 1963 except for a millage reduction pursuant to section 34 of the general property tax act Act No. 206 of the Public Acts of 1893 as amended being section 211 34 of the Michigan Compiled Laws or except for the fact that the city village or township did not elect to increase the millage rate permitted by

operation of section 24e(2) of Act No 206 of the Public Acts of 1893 being section 211 24e of the Michigan Compiled Laws or for any combination of these exceptions If a city village or township fails to report as provided in this section the department of treasury shall give notice of the failure to the assessor and the chief executive officer of the city village or township After the department of treasury gives such notice payments under this act of revenues collected under the single business tax act Act No 228 of the Public Acts of 1967 being sections 208 1 to 208 145 of the Michigan Compiled Laws and of state income tax revenues shall be withheld The withheld payments may later be issued if the city village or township reports before the end of the revenue sharing year Not later than May 15 the department of treasury shall report to the department of management and budget the local taxes special assessments overlapping taxes and state equalized valuation and whether the levied millage rate would have been at least 1 mill if the required millage reductions or limitations had not been applied for each city village and township for the immediately preceding calendar year In determining and reporting the overlapping taxes for a township and the villages within the township the department of treasury shall prorate and allocate the overlapping taxes levied in the township to the township and each village in the same ratio that the state equalized value of the unincorporated area of the township and of each village bears to the total state equalized value of the township

(2) Before December 2 of each year each city village and township shall report to the department of treasury on a form prepared by the department of treasury in consultation with the department of management and budget all local revenues collected by the city village or township in the local unit's fiscal year which ends during the immediately preceding July 1 to June 30 period The department of treasury shall accumulate the reports and submit a summary to the department of management and budget by February 1 The department of management and budget shall analyze the reports and shall make recommendations to the legislature regarding other local general fund revenues that the department considers reflective of or equivalent to local tax effort Other local revenues shall not include state or federal shared revenues block grants or categorical grants or grants or gifts from other sources but shall include fees or charges imposed by the city village or township for municipal purposes

(3) The department of treasury shall report to the department of management and budget the tax collections available for distribution The department of management and budget may make the distribution in a single warrant A millage rate certified to be levied for a city village or township of 1 mill or more that is reduced below 1 mill pursuant to section 31 of article IX of the state constitution of 1963 pursuant to section 34 of Act No 206 of the Public Acts of 1893 as amended or because the city village or township did not elect to increase the millage rate permitted by operation of section 24e(2) of Act No 206 of the Public Acts of 1893 as amended or due to any combination of these factors shall be considered by the department of management and budget to be 1 mill for all of the following purposes

- (a) Payments under sections 12(2) and 15 which payments shall be calculated using the actual local property taxes
- (b) Determining whether the city village or township is eligible under section 14 for payments based upon the tax burden formula which formula shall be calculated using the actual local property taxes
- (c) Determining whether the city village or township is eligible under section 14a for payments based upon the special census formula which formula shall be calculated using the actual local property taxes

This act is ordered to take immediate effect

Secretary of the Senate

Co Clerk of the House of Representatives

Approved

Governor