

Act No. 300  
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. 1132**

AN ACT to amend section 136 of Act No 228 of the Public Acts of 1975 entitled An act to provide for the imposition levy computation collection assessment and enforcement by lien or otherwise of taxes on certain commercial business and financial activities to prescribe the manner and times of making certain reports and paying taxes to prescribe the powers and duties of public officers and state departments to permit the inspection of records of taxpayers to provide for interest and penalties on unpaid taxes to provide exemptions credits and refunds to provide penalties to provide for the disposition of funds to provide for the interrelation of this act with other acts and to provide an appropriation as amended by Act No 329 of the Public Acts of 1993 being section 208 136 of the Michigan Compiled Laws

*The People of the State of Michigan enact*

Section 1 Section 136 of Act No 228 of the Public Acts of 1975 as amended by Act No 329 of the Public Acts of 1993 being section 208 136 of the Michigan Compiled Laws is amended to read as follows

Sec 136 (1) The department of treasury shall total the amounts payable to cities villages and townships under section 134 between July 1 1976 and February 1 1977 but excluding any payments under section 137

(2) Between July 1 1977 and February 28 1978 an additional amount of the single business tax equal to 5% of the amount calculated in subsection (1) shall be distributed to all cities villages and townships through the tax effort formula as defined in the state revenue sharing act of 1971 Act No 140 of the Public Acts of 1971 as amended being sections 141 901 to 141 921 of the Michigan Compiled Laws

(3) For every year following June 30 1978 the growth in the single business tax payable to cities villages and townships by the tax effort formula is calculated in the following manner

(a) The percentage that the amount calculated in subsection (1) is of the gross collections before refunds of the single business tax from July 1 1976 through June 30 1977

(b) The percentage calculated in subdivision (a) is multiplied by the gross collections before refunds of the single business tax levied at a rate of 2.35% from each July 1 through June 30 starting with the gross collections before refunds from July 1 1977 through June 30 1978 From this amount subtract the amount necessary to make the payments to cities villages and townships under section 134 for the same year The difference shall be distributed to cities villages and townships by the tax effort formula between October 1 and February 28 following the calculation based upon the preceding June 30 At least 1/2 of this payment shall be distributed before November 1 in any year that money is distributed under this section

(4) During each June starting in 1976 the department of treasury shall distribute to cities villages and townships through the tax effort formula as defined in Act No 140 of the Public Acts of 1971 an amount to replace payments to

cities villages and townships from the intangibles tax previously made under section 13 of Act No 140 of the Public Acts of 1971 as amended being section 141 913 of the Michigan Compiled Laws determined as follows

(a) For the June 1976 payment only \$35 000 000 00 of the collections of the tax levied by this act and for the June 1977 payment only \$35 000 000 00 of the collections of the tax levied by this act

(b) For payments after January 1 1978 a percentage of the gross collections before refunds of the tax levied by this act at the rate of 2 35% for the most recent fully completed July 1 through June 30 period as certified by the department of treasury as of May 31 The percentage set aside for distribution is calculated by dividing \$40 000 000 00 by the gross collections before refunds of the single business tax from July 1 1976 through June 30 1977 For the 1993 94 state fiscal year the amount determined under this subsection shall be reduced by \$6 863 000 00 before the distribution under this subsection is made For the 1994 95 state fiscal year the amount determined under this subsection shall be reduced by \$6 863 000 00 before the distribution under this subsection is made Beginning in 1996 the payments required by this subdivision shall be increased by 0 53% of the gross collections before refunds of the single business tax for the 12 month period ending on the June 30 immediately preceding the payment date

(5) A city village or township is not eligible for a payment under subsection (4) unless that local unit of government requires sealed competitive bidding for any contract of \$20 000 00 or more except a contract for professional services or emergency repairs or services exempted pursuant to a written policy adopted or approved by the governing body of the local unit of government This section shall not apply to transactions between governmental units

This act is ordered to take immediate effect

Secretary of the Senate

Co Clerk of the House of Representatives

Approved

Governor