



HOUSE BILL No. 5683

March 13, 1996, Introduced by Reps. Brewer, Cherry, Brater, LaForge, Olshove, Harder, Porreca, Curtis, Baade, Freeman, Vaughn, Murphy, Leland, Griffin, Llewellyn, Hill, Jaye, Jamian, Gustafson, Gernaat, Dalman, Gagliardi, Alley, DeLange, Dobronski, Price, DeMars, Bennane and Galloway and referred to the Committee on Local Government.

A bill to amend section 481 of Act No. 281 of the Public Acts of 1967, entitled "Income tax act of 1967," as amended by Act No. 136 of the Public Acts of 1995, being section 206.481 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 481 of Act No. 281 of the Public Acts of
2 1967, as amended by Act No. 136 of the Public Acts of 1995, being
3 section 206.481 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 481. (1) The state disbursing authority shall remit to
6 cities, villages, townships, and counties in accordance with the
7 state revenue sharing act of 1971, Act No. 140 of the Public Acts
8 of 1971, being sections 141.901 to 141.921 of the Michigan
9 Compiled Laws, a portion of an amount measured by 7.30% of gross

1 collections before refunds for collections for periods after
2 September 30, 1994. An appropriation for each distribution is
3 hereby made from like taxes collected during the quarter in which
4 the distribution is required to be made.

5 (2) Beginning July 1, 1987:

6 (a) Thirty-four point sixty-five percent of the amount
7 determined by subsection (1) shall be distributed to counties in
8 accordance with Act No. 140 of the Public Acts of 1971. ~~For the~~
9 ~~1994-1995 state fiscal year, the amount available for distribu-~~
10 ~~tion under this subdivision shall be reduced by \$10,000,000.00~~
11 ~~before a distribution under this subdivision is made.~~ For the
12 1995-1996 state fiscal year, the amount available for distribu-
13 tion under this subdivision shall be reduced by \$12,190,000.00
14 before a distribution under this subdivision is made.

15 (b) Sixty-five point thirty-five percent of the amount
16 determined by subsection (1) shall be distributed to cities, vil-
17 lages, and townships in accordance with Act No. 140 of the Public
18 Acts of 1971. ~~For the 1994-1995 state fiscal year, the amount~~
19 ~~available for distribution under this subdivision shall be~~
20 ~~reduced by \$40,600,000.00 before a distribution under this subdi-~~
21 ~~vision is made.~~ For the 1995-1996 state fiscal year, the amount
22 available for distribution under this subdivision shall be
23 reduced by \$43,580,000.00 before a distribution under this subdi-
24 vision is made.

25 (3) If it is determined that the federal government shall
26 pay any of the costs for public welfare grants in respect to
27 general relief that are appropriated by the legislature under

1 section 18 of the social welfare act, Act No. 280 of the Public
2 Acts of 1939, being section 400.18 of the Michigan Compiled Laws,
3 the percentage of the amount determined by subsection (1) to be
4 distributed to counties in any year pursuant to subsection (2)(a)
5 shall be computed as follows commencing with July 1 after the
6 date federal assumption of costs takes place:

7 (a) Subtract the percentage designated for counties in that
8 year from 50%.

9 (b) Multiply the difference obtained in subdivision (a) by
10 the percentage obtained by dividing the amount of federal pay-
11 ments by the state appropriation for that year for general
12 relief.

13 (c) Add the product obtained in subdivision (b) to the per-
14 centage designated for distribution to counties in that year.

15 (d) The difference between the amount that would be distrib-
16 uted using the percentage obtained in subdivision (c) and the
17 amount to be distributed to counties from the income tax in any
18 year shall be appropriated from the general fund and paid to
19 counties with the August payment of the following year as pro-
20 vided under section 11 of Act No. 140 of the Public Acts of 1971,
21 being section 141.911 of the Michigan Compiled Laws.

22 (4) Any overpayments, underpayments, or errors may be
23 adjusted on the subsequent payment date.

24 (5) The balance in the general fund shall be disbursed only
25 on appropriation of the legislature.

26 (6) A city, village, township, or county is not eligible for
27 a payment under subsection (1) unless that local unit of

1 government requires sealed competitive bidding for ~~any~~ ALL OF
2 THE FOLLOWING:

3 (A) ANY contract of \$20,000.00 or more except a contract for
4 professional services or emergency repairs or services exempted
5 pursuant to a written policy adopted or approved by the governing
6 body of the local unit of government. ~~This section shall~~ THIS
7 SUBDIVISION DOES NOT APPLY TO A CONTRACT FOR ATTORNEY SERVICES.

8 (B) ANY CONTRACT FOR ATTORNEY SERVICES. AT LEAST 3 BIDS
9 SHALL BE SUBMITTED BEFORE A CONTRACT FOR ATTORNEY SERVICES IS
10 AWARDED.

11 (7) SUBSECTION (6) DOES not apply to transactions between
12 governmental units.