



SENATE BILL No. 499

May 3, 1995, Introduced by Senator GAST and referred to the Committee on Appropriations.

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. 298 of the Public Acts of 1994, 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. 298 of the Public Acts of 1994, 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, ~~as amended,~~ being sections 141.901 to 141.921 of the
9 Michigan Compiled Laws, a portion of an amount measured by ~~6.91%~~

1 ~~of the gross collections before refunds for collections for~~
 2 ~~periods before May 1, 1994, 7.21% of gross collections before~~
 3 ~~refunds for collections for periods after April 30, 1994 and~~
 4 ~~before October 1, 1994, or 7.30% of gross collections before~~
 5 ~~refunds for collections for periods after September 30, 1994. An~~
 6 ~~appropriation for each distribution is hereby made from like~~
 7 ~~taxes collected during the quarter in which the distribution is~~
 8 ~~required to be made.~~

9 (2) Beginning July 1, 1987:

10 (a) Thirty-four point sixty-five percent of the amount
 11 determined by subsection (1) shall be distributed to counties in
 12 accordance with Act No. 140 of the Public Acts of 1971. ~~For the~~
 13 ~~1993-1994 state fiscal year, the amount available for distribu-~~
 14 ~~tion under this subdivision shall be reduced by \$7,827,000.00~~
 15 ~~before a distribution under this subdivision is made.~~ For the
 16 1994-1995 state fiscal year, the amount available for distribu-
 17 tion under this subdivision shall be reduced by \$10,000,000.00
 18 before a distribution under this subdivision is made. FOR THE
 19 1995-1996 STATE FISCAL YEAR, THE AMOUNT AVAILABLE FOR DISTRIBU-
 20 TION UNDER THIS SUBDIVISION SHALL BE REDUCED BY \$12,190,000.00
 21 BEFORE A DISTRIBUTION UNDER THIS SUBDIVISION IS MADE.

22 (b) Sixty-five point thirty-five percent of the amount
 23 determined by subsection (1) shall be distributed to cities, vil-
 24 lages, and townships in accordance with Act No. 140 of the Public
 25 Acts of 1971. ~~For the 1993-1994 state fiscal year, the amount~~
 26 ~~available for distribution under this subdivision shall be~~
 27 ~~reduced by \$30,310,000.00 before a distribution under this~~

1 ~~subdivision is made.~~ For the 1994-1995 state fiscal year, the
2 amount available for distribution under this subdivision shall be
3 reduced by \$40,600,000.00 before a distribution under this subdivi-
4 vision is made. FOR THE 1995-1996 STATE FISCAL YEAR, THE AMOUNT
5 AVAILABLE FOR DISTRIBUTION UNDER THIS SUBDIVISION SHALL BE
6 REDUCED BY \$43,580,000.00 BEFORE A DISTRIBUTION UNDER THIS SUBDI-
7 VISION IS MADE.

8 (3) If it is determined that the federal government shall
9 pay any of the costs for public welfare grants in respect to gen-
10 eral relief that are appropriated by the legislature under sec-
11 tion 18 of the social welfare act, Act No. 280 of the Public Acts
12 of 1939, ~~as amended,~~ being section 400.18 of the Michigan
13 Compiled Laws, the percentage of the amount determined by subsec-
14 tion (1) to be distributed to counties in any year pursuant to
15 subsection (2)(a) shall be computed as follows commencing with
16 July 1 after the date federal assumption of costs takes place:

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

19 (b) Multiply the difference obtained in subdivision (a) by
20 the percentage obtained by dividing the amount of federal pay-
21 ments by the state appropriation for that year for general
22 relief.

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

25 (d) The difference between the amount that would be distrib-
26 uted using the percentage obtained in subdivision (c) and the
27 amount to be distributed to counties from the income tax in any

1 year shall be appropriated from the general fund and paid to
2 counties with the August payment of the following year as pro-
3 vided under section 11 of Act No. 140 of the Public Acts of 1971,
4 being section 141.911 of the Michigan Compiled Laws.

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

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

9 ~~(6) As used in this section, "average income tax collection~~
10 ~~rate" means a rate that shall be certified by the state treasurer~~
11 ~~for each quarter immediately preceding the quarter in which col-~~
12 ~~lections under this act are to be remitted under Act No. 140 of~~
13 ~~the Public Acts of 1971, as the average rate upon which the gross~~
14 ~~collections before refunds for the respective quarter are based.~~
15 ~~This certification shall account for any differences between~~
16 ~~gross collections before refunds based upon the income tax rate~~
17 ~~levied in section 51 in effect during a quarter and gross collec-~~
18 ~~tions before refunds based upon both the rate upon which with-~~
19 ~~holdings and estimated tax payments are made during that quarter~~
20 ~~under sections 301 and 351 and the rate upon which annual returns~~
21 ~~are submitted during that quarter.~~

22 ~~(7) From the amount determined by subsection (1) to be dis-~~
23 ~~tributed to cities, villages, and townships, \$27,400,000.00 from~~
24 ~~the amount that would have been the payment based on the quarter~~
25 ~~of collections ending June 30, 1992 shall be distributed in~~
26 ~~June 1992 in accordance with the tax effort formula as defined in~~
27 ~~Act No. 140 of the Public Acts of 1971.~~

1 (6) ~~(8)~~ A city, village, township, or county is not
2 eligible for a payment under subsection (1) unless that local
3 unit of government requires sealed competitive bidding for any
4 contract of \$20,000.00 or more except a contract for professional
5 services or emergency repairs or services exempted pursuant to a
6 written policy adopted or approved by the governing body of the
7 local unit of government. This section shall not apply to trans-
8 actions between governmental units.

9 Section 2. This amendatory act shall take effect October 1,
10 1995.