

SENATE BILL NO. 410

April 16, 1997, Introduced by Senators STEIL, STILLE,
BULLARD, CISKY, NORTH, GOUGEON, GAST, SHUGARS,
MC MANUS, KOIVISTO and SCHWARZ and referred to
the Committee on Appropriations.

A bill to amend 1971 PA 140, entitled
"State revenue sharing act of 1971,"
by amending section 13 (MCL 141.913), as amended by 1996 PA 342.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 13. (1) This subsection and subsection (2) apply to
2 distributions to cities, villages, and townships during the state
3 fiscal years before the 1996-1997 state fiscal year of collec-
4 tions from the state income tax and single business tax. Except
5 as otherwise provided in subsection (2), the department of trea-
6 sury shall cause to be paid to each city, village, and township
7 its share, computed in accordance with the tax effort formula, of
8 the following revenues:

9 (a) During each August, November, February, and May, the
10 collections from the state income tax for the quarter periods
11 ending the prior June 30, September 30, December 31, and March 31

1 that are available for distribution to cities, villages, and
2 townships under the income tax act of 1967, ~~Act No. 281 of the~~
3 ~~Public Acts of 1967, being sections 206.1 to 206.532 of the~~
4 ~~Michigan Compiled Laws~~ 1967 PA 281, MCL 206.1 TO 206.532.

5 (b) The amount of the collections from the single business
6 tax available for distribution to cities, villages, and townships
7 under FORMER section 136 of the single business tax act, ~~Act~~
8 ~~No. 228 of the Public Acts of 1975, being section 208.136 of the~~
9 ~~Michigan Compiled Laws~~ 1975 PA 228.

10 (2) The amount of collections of the state income tax other-
11 wise available for distribution to cities, villages, and town-
12 ships in November, February, and May, computed in accordance with
13 the tax effort formula, shall be increased by \$22,600,000.00.
14 The amount of collections otherwise available for distribution to
15 cities, villages, and townships in August, computed in accordance
16 with the tax effort formula, shall be decreased by
17 \$67,800,000.00.

18 (3) This subsection applies to distributions to cities, vil-
19 lages, and townships for the 1996-1997 state fiscal year. The
20 department shall cause to be paid in accordance with the tax
21 effort formula an amount equal to 75.5% of the difference between
22 21.3% of the sales tax collections at a rate of 4% in the
23 12-month period ending June 30 of the state fiscal year in which
24 the payments are made and the total distribution for the state
25 fiscal year under section 12a.

26 (4) The department of treasury shall cause to be paid during
27 the 1997-1998 state fiscal year FROM an amount equal to 75.5% of

1 the difference between 21.3% of the sales tax collections at a
2 rate of 4% in the 12-month period ending June 30 of the state
3 fiscal year in which the payments are made and the total distri-
4 bution for the state fiscal year under section 12a, both of the
5 following:

6 (a) To each city, village, and township, the amount of col-
7 lections distributed under subsection (3) to cities, villages,
8 and townships for the 1996-1997 state fiscal year or its pro rata
9 share of the collections if the collections are less than the
10 amount of collections distributed under subsection (3) for the
11 1996-1997 state fiscal year. A city's, village's, or township's
12 share of revenues under this subdivision shall be computed using
13 the tax effort formula.

14 (b) To each city, village, and township its share of the
15 collections to the extent the total collections available for
16 distribution under this subsection exceed the amount distributed
17 to cities, villages, and townships under subdivision (a) for the
18 fiscal year. A city's, village's, or township's share of reve-
19 nues under this subdivision shall be computed on a per capita
20 basis.

21 (5) For state fiscal years after the 1997-1998 state fiscal
22 year, the department of treasury shall cause to be paid to each
23 city, village, and township from an amount equal to 75.5% of the
24 difference between 21.3% of the sales tax collections at a rate
25 of 4% in the 12-month period ending June 30 of the state fiscal
26 year in which the payments are made and the total distribution
27 for the state fiscal year under section 12a, the amount

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1 distributed to the city, village, or township under this section
2 during the immediately preceding state fiscal year or its pro
3 rata share of the collections if the collections are less than
4 the amount of collections that were available for distribution in
5 the immediately preceding state fiscal year. Each state fiscal
6 year after the 1997-1998 state fiscal year, the amount by which
7 the total collections available for distribution under this sub-
8 section exceed the amount distributed under this subsection shall
9 be deposited in the revenue sharing reserve created in section
10 11(5).

11 (6) The department of treasury shall pay to counties,
12 cities, townships, and villages by October 31, 1995, \$2.00 per
13 parcel for the administrative costs associated with the process-
14 ing of homestead affidavits filed in those counties, cities,
15 townships, and villages before December 1, 1994.

16 (7) The payments under subsections (3), (4), and (5) shall
17 be made during each October, December, February, April, June, and
18 August. Payments under subsections (3), (4), and (5) shall be
19 based on collections from the sales tax at the rate of 4% in the
20 2-month period ending the prior August 31, October 31, December
21 31, February 28, April 30, and June 30, less 1/6 of the total
22 distribution for the state fiscal year under section 12a. FOR
23 STATE FISCAL YEARS AFTER THE 1995-1996 STATE FISCAL YEAR, THE
24 AMOUNT AVAILABLE FOR DISTRIBUTION BASED ON COLLECTIONS FROM THE
25 SALES TAX TO CITIES, VILLAGES, AND TOWNSHIPS UNDER SUBSECTIONS
26 (3), (4), AND (5) IN JUNE SHALL BE INCREASED BY \$19,300,000.00
27 AND THE AMOUNT AVAILABLE FOR DISTRIBUTION BASED ON COLLECTIONS

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1 FROM THE SALES TAX TO CITIES, VILLAGES, AND TOWNSHIPS UNDER
2 SUBSECTIONS (3), (4), AND (5) IN AUGUST SHALL BE DECREASED BY
3 \$19,300,000.00.

4 (8) Payments under this section shall be made from revenues
5 collected during the state fiscal year in which the payments are
6 made.

7 (9) Distributions provided for by this act are subject to an
8 annual appropriation by the legislature.