

HOUSE BILL No. 5989

July 2, 1998, Introduced by Rep. Ciaramitaro and referred to the Committee on Appropriations.

A bill to amend 1971 PA 140, entitled
"State revenue sharing act of 1971,"
by amending sections 11, 12a, and 13 (MCL 141.911, 141.912a, and
141.913), section 11 as amended by 1996 PA 468 and section 12a as
added and section 13 as amended by 1996 PA 342; and to repeal
acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) For state fiscal years before the 1996-1997
2 state fiscal year, the department of management and budget shall
3 cause to be paid during each August, November, February, and May,
4 to counties on a per capita basis the collections from the state
5 income tax as certified by the department of treasury for the
6 quarter periods ending the prior June 30, September 30, December
7 31, and March 31 that are available for distribution to and
8 retention by counties.

1 (2) For state fiscal years beginning after September 30,
2 1992 and ending before October 1, 1996, the collections from the
3 state income tax otherwise available for distribution to counties
4 in November for the quarter period ending the prior September 30
5 shall be increased by \$35,900,000.00 and the collections from the
6 state income tax otherwise available for distribution to counties
7 in August for the quarter period ending the prior June 30 shall
8 be decreased by \$35,900,000.00.

9 (3) For THE 1996-1997 AND 1997-1998 state fiscal years,
10 ~~after the 1995-1996 state fiscal year and before the 1998-1999~~
11 ~~state fiscal year,~~ the department of treasury shall cause to be
12 paid to counties on a per capita basis an amount equal to 24.5%
13 of the difference between 21.3% of the sales tax collections at a
14 rate of 4% in the 12-month period ending June 30 of the state
15 fiscal year in which the payments are made and the total distri-
16 bution for the state fiscal year under section 12a. ~~For state~~
17 ~~fiscal years after the 1997-1998 state fiscal year, the depart-~~
18 ~~ment of treasury shall cause to be paid to each county the same~~
19 ~~amount that was paid to that county under this section during the~~
20 ~~immediately preceding state fiscal year from 24.5% of the differ-~~
21 ~~ence between 21.3% of the sales tax collections at a rate of 4%~~
22 ~~in the 12-month period ending June 30 of the state fiscal year in~~
23 ~~which the payments are made and the total distribution for the~~
24 ~~state fiscal year under section 12a. Each state fiscal year~~
25 ~~after the 1997-1998 state fiscal year, the amount by which the~~
26 ~~total collections available for distribution under this~~
27 ~~subsection exceed the amount distributed under this subsection~~

1 ~~shall be deposited in the revenue sharing reserve fund created in~~
2 ~~subsection (5).~~ FOR STATE FISCAL YEARS AFTER THE 1997-1998 STATE
3 FISCAL YEAR, THE DEPARTMENT OF TREASURY SHALL CAUSE TO BE PAID TO
4 COUNTIES BOTH OF THE FOLLOWING:

5 (A) AN AMOUNT EQUAL TO THE AMOUNT THE COUNTY WAS ELIGIBLE TO
6 RECEIVE UNDER SECTION 12A IN THE 1997-1998 STATE FISCAL YEAR.

7 (B) AN AMOUNT EQUAL TO 25.06% OF 21.3% OF THE SALES TAX COL-
8 LECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30 OF
9 THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE MADE MINUS THE
10 AMOUNT DETERMINED UNDER SUBDIVISION (A) WHICH SHALL BE DISTRIB-
11 UTED ON A PER CAPITA BASIS.

12 (4) The payments under subsection (3) shall be made from
13 revenues collected during the state fiscal year in which the pay-
14 ments are made and shall be made during each October, December,
15 February, April, June, and August. Payments shall be based on
16 collections from the sales tax at a rate of 4% in the 2-month
17 period ending the prior August 31, October 31, December 31,
18 February 28, April 30, and June 30, ~~less~~ AND FOR THE 1996-1997
19 AND 1997-1998 STATE FISCAL YEARS ONLY THE PAYMENTS SHALL BE
20 REDUCED BY 1/6 of the total distribution for the state fiscal
21 year under section 12a. For state fiscal years after the
22 1995-1996 state fiscal year, the collections from the sales tax
23 otherwise available for distribution to counties under subsection
24 (3) in December shall be increased by \$17,000,000.00 and the col-
25 lections from the sales tax otherwise available for distribution
26 to counties under subsection (3) in April shall be decreased by
27 \$17,000,000.00.

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1 ~~-(5) The revenue sharing reserve fund is created as a~~
2 ~~separate fund in the general fund.~~

3 Sec. 12a. (1) For state fiscal years before the 1998-1999
4 state fiscal year, the department of treasury shall calculate the
5 amount of payment to be made to a city, village, or township by
6 multiplying the amount of state equalized value of tax exempt
7 inventory property as certified by the department of treasury
8 under FORMER section 132 of the single business tax act, ~~Act~~
9 ~~No. 228 of the Public Acts of 1975, being section 208.132 of the~~
10 ~~Michigan Compiled Laws~~ 1975 PA 228, times the property tax rate
11 for each taxing unit as certified each year to the department of
12 treasury for purposes of this act.

13 (2) For state fiscal years before the 1998-1999 state fiscal
14 year, the department of treasury shall pay to each county each
15 year, following the year the amount was calculated, an amount
16 equal to the product of the state equalized value of inventory as
17 certified by the department of treasury under FORMER section 132
18 of ~~Act No. 228 of the Public Acts of 1975~~ THE SINGLE BUSINESS
19 TAX ACT, 1975 PA 228, times the county property tax rate for the
20 county as reported each year to the department of treasury.

21 (3) For state fiscal years after the 1995-1996 state fiscal
22 year IN WHICH PAYMENT IS MADE UNDER THIS SECTION, the payment
23 under this section shall be from the collections, exclusive of
24 the amount designated for assistance to townships, cities, and
25 villages under section 10 of article IX of the state constitution
26 of 1963, of the sales tax levied at a rate of 4%.

1 (4) Payments made under this section, and the allocation and
2 appropriation of amounts necessary to make the payments under
3 this section, shall include interest which shall accrue on the
4 unpaid balance. Interest shall accrue at the rate determined
5 under section 13b.

6 (5) A payment required to be made under this section shall
7 not be delayed so as to cause interest to accrue pursuant to sub-
8 section (4) unless the delay in any payment is authorized by a
9 written directive issued and signed by the governor that conforms
10 to and is subject to section 13b(2) and (3).

11 (6) Amounts required to be paid pursuant to this section
12 that are subject to an unavoidable delay of a de minimis period
13 or that are withheld or set off pursuant to law in the settlement
14 or adjustment of an obligation or debt due to this state are not
15 subject to subsections (4) and (5).

16 (7) ~~The~~ FOR STATE FISCAL YEARS BEFORE THE 1998-1999 STATE
17 FISCAL YEAR, THE treasurer of any city, village, township, or
18 county who collects money for an authority that levies property
19 taxes, shall pay an eligible authority its proportionate share of
20 the reimbursements under this section. The proportionate share
21 is the percentage that the property taxes collected by the
22 authority are to the property taxes of the assessing unit. The
23 property taxes of the authorities may be added to the millages
24 used to determine payments under this section. For an authority
25 to be eligible for compensation under this section, that author-
26 ity shall have an authorization to have taxes levied for its use
27 as provided by law. School districts, intermediate school

1 districts, community college districts, vocational education
2 districts, and special education districts are not included under
3 this section.

4 (8) FOR STATE FISCAL YEARS AFTER THE 1997-1998 STATE FISCAL
5 YEAR, THE TREASURER OF ANY CITY, VILLAGE, TOWNSHIP, OR COUNTY WHO
6 COLLECTS MONEY FOR AN AUTHORITY THAT LEVIES PROPERTY TAXES SHALL
7 PAY AN ELIGIBLE AUTHORITY, FROM THE PAYMENTS RECEIVED UNDER THIS
8 ACT, THE AMOUNT RECEIVED BY THE ELIGIBLE AUTHORITY UNDER SUBSEC-
9 TION (7) FOR THE 1997-1998 STATE FISCAL YEAR. SCHOOL DISTRICTS,
10 INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGE DISTRICTS, VOCA-
11 TIONAL EDUCATION DISTRICTS, AND SPECIAL EDUCATION DISTRICTS ARE
12 NOT INCLUDED UNDER THIS SECTION.

13 (9) ~~-(8)-~~ The state treasurer may make a disbursement for a
14 payment under this section that has been delayed in advance of
15 the date the delayed payment is expected to be paid.

16 (10) ~~-(9)-~~ Payments under this section to cities and vil-
17 lages shall be made on or before October 31 and payments under
18 this section to counties and townships shall be made on or before
19 February 28.

20 ~~-(10) For state fiscal years after the 1997-1998 state~~
21 ~~fiscal year, the department of treasury shall cause to be paid to~~
22 ~~each city, village, township, and county an amount equal to the~~
23 ~~payment made under this section to that city, village, township,~~
24 ~~or county under this section for the immediately preceding state~~
25 ~~fiscal year.-~~

26 Sec. 13. (1) This subsection and subsection (2) apply to
27 distributions to cities, villages, and townships during the state

1 fiscal years before the 1996-1997 state fiscal year of
2 collections from the state income tax and single business tax.
3 Except as otherwise provided in subsection (2), the department of
4 treasury shall cause to be paid to each city, village, and town-
5 ship its share, computed in accordance with the tax effort for-
6 mula, of the following revenues:

7 (a) During each August, November, February, and May, the
8 collections from the state income tax for the quarter periods
9 ending the prior June 30, September 30, December 31, and March 31
10 that are available for distribution to cities, villages, and
11 townships under the income tax act of 1967, ~~Act No. 281 of the~~
12 ~~Public Acts of 1967, being sections 206.1 to 206.532 of the~~
13 ~~Michigan Compiled Laws~~ 1967 PA 281, MCL 206.1 TO 206.532.

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

19 (2) The amount of collections of the state income tax other-
20 wise available for distribution to cities, villages, and town-
21 ships in November, February, and May, computed in accordance with
22 the tax effort formula, shall be increased by \$22,600,000.00.
23 The amount of collections otherwise available for distribution to
24 cities, villages, and townships in August, computed in accordance
25 with the tax effort formula, shall be decreased by
26 \$67,800,000.00.

1 (3) This subsection applies to distributions to cities,
2 villages, and townships for the 1996-1997 state fiscal year. The
3 department shall cause to be paid in accordance with the tax
4 effort formula an amount equal to 75.5% of the difference between
5 21.3% of the sales tax collections at a rate of 4% in the
6 12-month period ending June 30 of the state fiscal year in which
7 the payments are made and the total distribution for the state
8 fiscal year under section 12a.

9 (4) The department of treasury shall cause to be paid during
10 the 1997-1998 state fiscal year an amount equal to 75.5% of the
11 difference between 21.3% of the sales tax collections at a rate
12 of 4% in the 12-month period ending June 30 of the state fiscal
13 year in which the payments are made and the total distribution
14 for the state fiscal year under section 12a, both of the
15 following:

16 (a) To each city, village, and township, the amount of col-
17 lections distributed under subsection (3) to cities, villages,
18 and townships for the 1996-1997 state fiscal year or its pro rata
19 share of the collections if the collections are less than the
20 amount of collections distributed under subsection (3) for the
21 1996-1997 state fiscal year. A city's, village's, or township's
22 share of revenues under this subdivision shall be computed using
23 the tax effort formula.

24 (b) To each city, village, and township its share of the
25 collections to the extent the total collections available for
26 distribution under this subsection exceed the amount distributed
27 to cities, villages, and townships under subdivision (a) for the

1 fiscal year. A city's, village's, or township's share of
2 revenues under this subdivision shall be computed on a per capita
3 basis.

4 (5) For state fiscal years after the 1997-1998 state fiscal
5 year, the department of treasury shall cause DISTRIBUTIONS DETER-
6 MINED UNDER SUBSECTIONS (6) TO (11) to be paid to each city, vil-
7 lage, and township from an amount equal to ~~75.5%~~ 74.94% of ~~the~~
8 ~~difference between~~ 21.3% of the sales tax collections at a rate
9 of 4% in the 12-month period ending June 30 of the state fiscal
10 year in which the payments are made. ~~and the total distribution~~
11 ~~for the state fiscal year under section 12a, the amount distrib-~~
12 ~~uted to the city, village, or township under this section during~~
13 ~~the immediately preceding state fiscal year or its pro rata share~~
14 ~~of the collections if the collections are less than the amount of~~
15 ~~collections that were available for distribution in the immedi-~~
16 ~~ately preceding state fiscal year. Each state fiscal year after~~
17 ~~the 1997-1998 state fiscal year, the amount by which the total~~
18 ~~collections available for distribution under this subsection~~
19 ~~exceed the amount distributed under this subsection shall be~~
20 ~~deposited in the revenue sharing reserve created in section~~
21 ~~11(5).~~

22 (6) ~~The department of treasury shall pay to counties,~~
23 ~~cities, townships, and villages by October 31, 1995, \$2.00 per~~
24 ~~parcel for the administrative costs associated with the process-~~
25 ~~ing of homestead affidavits filed in those counties, cities,~~
26 ~~townships, and villages before December 1, 1994.~~ SUBJECT TO THE

1 LIMITATIONS UNDER THIS SECTION, A TAXABLE VALUE PAYMENT SHALL BE
2 MADE TO EACH CITY, VILLAGE, AND TOWNSHIP DETERMINED AS FOLLOWS:

3 (A) DETERMINE THE PER CAPITA TAXABLE VALUE FOR EACH CITY,
4 VILLAGE, AND TOWNSHIP BY DIVIDING THE TAXABLE VALUE OF THAT CITY,
5 VILLAGE, OR TOWNSHIP BY THE POPULATION OF THAT CITY, VILLAGE, OR
6 TOWNSHIP.

7 (B) DETERMINE THE STATEWIDE PER CAPITA TAXABLE VALUE BY
8 DIVIDING THE TOTAL TAXABLE VALUE OF ALL CITIES, VILLAGES, AND
9 TOWNSHIPS BY THE TOTAL POPULATION OF ALL CITIES, VILLAGES, AND
10 TOWNSHIPS.

11 (C) DETERMINE THE PER CAPITA TAXABLE VALUE RATIO FOR EACH
12 CITY, VILLAGE, AND TOWNSHIP BY DIVIDING THE STATEWIDE PER CAPITA
13 TAXABLE VALUE BY THE PER CAPITA TAXABLE VALUE FOR THAT CITY, VIL-
14 LAGE, OR TOWNSHIP.

15 (D) DETERMINE THE ADJUSTED TAXABLE VALUE POPULATION FOR EACH
16 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE PER CAPITA TAXABLE
17 VALUE RATIO AS DETERMINED UNDER SUBDIVISION (C) FOR THAT CITY,
18 VILLAGE, OR TOWNSHIP BY THE POPULATION OF THAT CITY, VILLAGE, OR
19 TOWNSHIP.

20 (E) DETERMINE THE TOTAL STATEWIDE ADJUSTED TAXABLE VALUE
21 POPULATION WHICH IS THE SUM OF ALL ADJUSTED TAXABLE VALUE POPULA-
22 TION FOR ALL CITIES, VILLAGES, AND TOWNSHIPS.

23 (F) DETERMINE THE TAXABLE VALUE PAYMENT RATE BY DIVIDING
24 74.94% OF 21.3% OF THE SALES TAX COLLECTIONS AT A RATE OF 4% IN
25 THE 12-MONTH PERIOD ENDING JUNE 30 OF THE STATE FISCAL YEAR IN
26 WHICH THE PAYMENTS UNDER THIS SUBSECTION ARE MADE BY 3, AND

1 DIVIDING THAT RESULT BY THE TOTAL STATEWIDE ADJUSTED TAXABLE
2 VALUE POPULATION AS DETERMINED UNDER SUBDIVISION (E).

3 (G) DETERMINE THE TAXABLE VALUE PAYMENT FOR EACH CITY, VIL-
4 LAGE, AND TOWNSHIP BY MULTIPLYING THE RESULT UNDER
5 SUBDIVISION (F) BY THE ADJUSTED TAXABLE VALUE POPULATION FOR THAT
6 CITY, VILLAGE, OR TOWNSHIP.

7 (7) SUBJECT TO THE LIMITATIONS UNDER THIS SECTION, A UNIT
8 TYPE POPULATION PAYMENT SHALL BE MADE TO EACH CITY, VILLAGE, AND
9 TOWNSHIP DETERMINED AS FOLLOWS:

10 (A) DETERMINE THE UNIT TYPE POPULATION WEIGHT FACTOR FOR
11 EACH CITY, VILLAGE, AND TOWNSHIP AS FOLLOWS:

12 (i) FOR A TOWNSHIP WITH A POPULATION OF 5,000 OR LESS, THE
13 UNIT TYPE POPULATION WEIGHT FACTOR IS 1.0.

14 (ii) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 5,000 BUT
15 LESS THAN 10,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.2.

16 (iii) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 10,000
17 BUT LESS THAN 20,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
18 1.44.

19 (iv) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 20,000
20 BUT LESS THAN 40,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
21 1.73.

22 (v) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 40,000 BUT
23 LESS THAN 80,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
24 2.07.

25 (vi) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 80,000,
26 THE UNIT TYPE POPULATION WEIGHT FACTOR IS 2.49.

1 (vii) FOR A VILLAGE WITH A POPULATION OF 5,000 OR LESS, THE
2 UNIT TYPE POPULATION WEIGHT FACTOR IS 1.5.

3 (viii) FOR A VILLAGE WITH A POPULATION OF MORE THAN 5,000
4 BUT LESS THAN 10,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
5 1.8.

6 (ix) FOR A VILLAGE WITH A POPULATION OF MORE THAN 10,000,
7 THE UNIT TYPE POPULATION WEIGHT FACTOR IS 2.16.

8 (x) FOR A CITY WITH A POPULATION OF 5,000 OR LESS, THE UNIT
9 TYPE POPULATION WEIGHT FACTOR IS 2.5.

10 (xi) FOR A CITY WITH A POPULATION OF MORE THAN 5,000 BUT
11 LESS THAN 10,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.0.

12 (xii) FOR A CITY WITH A POPULATION OF MORE THAN 10,000 BUT
13 LESS THAN 20,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.6.

14 (xiii) FOR A CITY WITH A POPULATION OF MORE THAN 20,000 BUT
15 LESS THAN 40,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 4.2.

16 (xiv) FOR A CITY WITH A POPULATION OF MORE THAN 40,000 BUT
17 LESS THAN 80,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
18 5.18.

19 (xv) FOR A CITY WITH A POPULATION OF MORE THAN 80,000 BUT
20 LESS THAN 160,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
21 6.22.

22 (xvi) FOR A CITY WITH A POPULATION OF MORE THAN 160,000 BUT
23 LESS THAN 320,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
24 7.46.

25 (xvii) FOR A CITY WITH A POPULATION OF MORE THAN 320,000 BUT
26 LESS THAN 640,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
27 8.96.

1 (xviii) FOR A CITY WITH A POPULATION OF MORE THAN 640,000,
2 THE UNIT TYPE POPULATION WEIGHT FACTOR IS 10.75.

3 (B) DETERMINE THE ADJUSTED UNIT TYPE POPULATION FOR EACH
4 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE UNIT TYPE POPULA-
5 TION WEIGHT FACTOR FOR THAT CITY, VILLAGE, OR TOWNSHIP AS DETER-
6 MINED UNDER SUBDIVISION (A) BY THE POPULATION OF THE CITY, VIL-
7 LAGE, OR TOWNSHIP.

8 (C) DETERMINE THE TOTAL STATEWIDE ADJUSTED UNIT TYPE POPULA-
9 TION, WHICH IS THE SUM OF THE ADJUSTED UNIT TYPE POPULATION FOR
10 ALL CITIES, VILLAGES, AND TOWNSHIPS.

11 (D) DETERMINE THE UNIT TYPE POPULATION PAYMENT RATE BY
12 DIVIDING 74.94% OF 21.3% OF THE SALES TAX COLLECTIONS AT A RATE
13 OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30 OF THE STATE FISCAL
14 YEAR IN WHICH THE PAYMENTS UNDER THIS SUBSECTION ARE MADE BY 3,
15 AND THEN DIVIDING THAT RESULT BY THE TOTAL STATEWIDE ADJUSTED
16 UNIT TYPE POPULATION AS DETERMINED UNDER SUBDIVISION (C).

17 (E) DETERMINE THE UNIT TYPE POPULATION PAYMENT FOR EACH
18 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE RESULT UNDER SUB-
19 DIVISION (D) BY THE ADJUSTED UNIT TYPE POPULATION FOR THAT CITY,
20 VILLAGE, OR TOWNSHIP.

21 (8) SUBJECT TO THE LIMITATIONS UNDER THIS SECTION, A YIELD
22 EQUALIZATION PAYMENT SHALL BE MADE TO EACH CITY, VILLAGE, AND
23 TOWNSHIP WITH A LOCAL TAX EFFORT GREATER THAN 0.004 SUFFICIENT TO
24 PROVIDE THE GUARANTEED TAX BASE FOR A LOCAL TAX EFFORT NOT TO
25 EXCEED 0.02. THE PAYMENT SHALL BE DETERMINED AS FOLLOWS:

26 (A) THE GUARANTEED TAX BASE IS THE MAXIMUM COMBINED STATE
27 AND LOCAL PER CAPITA TAXABLE VALUE THAT CAN BE GUARANTEED IN A

1 STATE FISCAL YEAR TO EACH CITY, VILLAGE, AND TOWNSHIP FOR A LOCAL
2 TAX EFFORT NOT TO EXCEED 0.02 IF AN AMOUNT EQUAL TO 74.94% OF
3 21.3% OF THE STATE SALES TAX AT A RATE OF 4% IS DISTRIBUTED TO
4 CITIES, VILLAGES, AND TOWNSHIPS WHOSE PER CAPITA TAXABLE VALUE IS
5 BELOW THE GUARANTEED TAX BASE. A CITY, VILLAGE, OR TOWNSHIP WITH
6 A LOCAL TAX EFFORT OF LESS THAN 0.004 SHALL NOT BE INCLUDED IN
7 THE CALCULATION UNDER THIS SUBDIVISION.

8 (B) THE FULL YIELD EQUALIZATION PAYMENT TO EACH CITY, VIL-
9 LAGE, AND TOWNSHIP IS THE PRODUCT OF THE AMOUNTS DETERMINED UNDER
10 SUBPARAGRAPHS (i) AND (ii):

11 (i) AN AMOUNT GREATER THAN ZERO THAT IS EQUAL TO THE DIFFER-
12 ENCE BETWEEN THE GUARANTEED TAX BASE DETERMINED IN
13 SUBDIVISION (A) AND THE PER CAPITA TAXABLE VALUE OF THE CITY,
14 VILLAGE, OR TOWNSHIP.

15 (ii) THE LOCAL TAX EFFORT OF THE CITY, VILLAGE, OR TOWNSHIP,
16 NOT TO EXCEED 0.02, MULTIPLIED BY THE POPULATION OF THAT CITY,
17 VILLAGE, OR TOWNSHIP.

18 (C) THE YIELD EQUALIZATION PAYMENT IS THE FULL YIELD EQUALI-
19 ZATION PAYMENT DIVIDED BY 3.

20 (9) FOR STATE FISCAL YEARS AFTER THE 1997-1998 STATE FISCAL
21 YEAR, DISTRIBUTIONS UNDER THIS SECTION SHALL BE DETERMINED AS
22 FOLLOWS:

23 (A) FOR THE 1998-1999 STATE FISCAL YEAR, THE PAYMENT UNDER
24 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE
25 SUM OF THE FOLLOWING:

26 (i) NINETY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR
27 DISTRIBUTION UNDER THIS ACT FOR THE 1998-1999 STATE FISCAL YEAR

1 MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER
2 THIS ACT OF THE CITY, VILLAGE, OR TOWNSHIP IN THE 1997-1998 STATE
3 FISCAL YEAR.

4 (ii) TEN PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRIBU-
5 TION UNDER THIS ACT FOR THE 1998-1999 STATE FISCAL YEAR MULTI-
6 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS CALCU-
7 LATED UNDER SUBSECTIONS (6), (7), AND (8).

8 (B) FOR THE 1999-2000 STATE FISCAL YEAR, THE PAYMENT UNDER
9 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE
10 SUM OF THE FOLLOWING:

11 (i) EIGHTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-
12 BUTION UNDER THIS ACT FOR THE 1999-2000 STATE FISCAL YEAR MULTI-
13 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS ACT
14 OF THE CITY, VILLAGE, OR TOWNSHIP IN THE 1997-1998 STATE FISCAL
15 YEAR.

16 (ii) TWENTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DIS-
17 TRIBUTION UNDER THIS ACT FOR THE 1999-2000 STATE FISCAL YEAR
18 MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS
19 CALCULATED UNDER SUBSECTIONS (6), (7), AND (8).

20 (C) FOR THE 2000-2001 STATE FISCAL YEAR, THE PAYMENT UNDER
21 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE
22 SUM OF THE FOLLOWING:

23 (i) SEVENTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DIS-
24 TRIBUTION UNDER THIS ACT FOR THE 2000-2001 STATE FISCAL YEAR
25 MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER
26 THIS ACT OF THE CITY, VILLAGE, OR TOWNSHIP IN THE 1997-1998 STATE
27 FISCAL YEAR.

1 (ii) THIRTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR
2 DISTRIBUTION UNDER THIS ACT FOR THE 2000-2001 STATE FISCAL YEAR
3 MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS
4 CALCULATED UNDER SUBSECTIONS (6), (7), AND (8).

5 (D) FOR THE 2001-2002 STATE FISCAL YEAR, THE PAYMENT UNDER
6 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE
7 SUM OF THE FOLLOWING:

8 (i) SIXTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-
9 BUTION UNDER THIS ACT FOR THE 2001-2002 STATE FISCAL YEAR MULTI-
10 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS ACT
11 OF THE CITY, VILLAGE, OR TOWNSHIP IN THE 1997-1998 STATE FISCAL
12 YEAR.

13 (ii) FORTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-
14 BUTION UNDER THIS ACT FOR THE 2001-2002 STATE FISCAL YEAR MULTI-
15 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS CALCU-
16 LATED UNDER SUBSECTIONS (6), (7), AND (8).

17 (E) FOR THE 2002-2003 STATE FISCAL YEAR, THE PAYMENT UNDER
18 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE
19 SUM OF THE FOLLOWING:

20 (i) FIFTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-
21 BUTION UNDER THIS ACT FOR THE 2002-2003 STATE FISCAL YEAR MULTI-
22 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS ACT
23 OF THE CITY, VILLAGE, OR TOWNSHIP IN THE 1997-1998 STATE FISCAL
24 YEAR.

25 (ii) FIFTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-
26 BUTION UNDER THIS ACT FOR THE 2002-2003 STATE FISCAL YEAR

1 MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS
2 CALCULATED UNDER SUBSECTIONS (6), (7), AND (8).

3 (F) FOR THE 2003-2004 STATE FISCAL YEAR, THE PAYMENT UNDER
4 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE
5 SUM OF THE FOLLOWING:

6 (i) FORTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-
7 BUTION UNDER THIS ACT FOR THE 2003-2004 STATE FISCAL YEAR MULTI-
8 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS ACT
9 OF THE CITY, VILLAGE, OR TOWNSHIP IN THE 1997-1998 STATE FISCAL
10 YEAR.

11 (ii) SIXTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-
12 BUTION UNDER THIS ACT FOR THE 2003-2004 STATE FISCAL YEAR MULTI-
13 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS CALCU-
14 LATED UNDER SUBSECTIONS (6), (7), AND (8).

15 (G) FOR THE 2004-2005 STATE FISCAL YEAR, THE PAYMENT UNDER
16 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE
17 SUM OF THE FOLLOWING:

18 (i) THIRTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-
19 BUTION UNDER THIS ACT FOR THE 2004-2005 STATE FISCAL YEAR MULTI-
20 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS ACT
21 OF THE CITY, VILLAGE, OR TOWNSHIP IN THE 1997-1998 STATE FISCAL
22 YEAR.

23 (ii) SEVENTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DIS-
24 TRIBUTION UNDER THIS ACT FOR THE 2004-2005 STATE FISCAL YEAR
25 MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS
26 CALCULATED UNDER SUBSECTIONS (6), (7), AND (8).

1 (H) FOR THE 2005-2006 STATE FISCAL YEAR, THE PAYMENT UNDER
2 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE
3 SUM OF THE FOLLOWING:

4 (i) TWENTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-
5 BUTION UNDER THIS ACT FOR THE 2005-2006 STATE FISCAL YEAR MULTI-
6 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS ACT
7 OF THE CITY, VILLAGE, OR TOWNSHIP IN THE 1997-1998 STATE FISCAL
8 YEAR.

9 (ii) EIGHTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DIS-
10 TRIBUTION UNDER THIS ACT FOR THE 2005-2006 STATE FISCAL YEAR
11 MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS
12 CALCULATED UNDER SUBSECTIONS (6), (7), AND (8).

13 (I) FOR THE 2006-2007 STATE FISCAL YEAR, THE PAYMENT UNDER
14 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE
15 SUM OF THE FOLLOWING:

16 (i) TEN PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRIBU-
17 TION UNDER THIS ACT FOR THE 2006-2007 STATE FISCAL YEAR MULTI-
18 PLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS ACT
19 OF THE CITY, VILLAGE, OR TOWNSHIP IN THE 1997-1998 STATE FISCAL
20 YEAR.

21 (ii) NINETY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DIS-
22 TRIBUTION UNDER THIS ACT FOR THE 2006-2007 STATE FISCAL YEAR
23 MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS
24 CALCULATED UNDER SUBSECTIONS (6), (7), AND (8).

25 (J) FOR THE 2007-2008 STATE FISCAL YEAR, 100% OF THE PAYMENT
26 UNDER THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE
27 CALCULATED UNDER SUBSECTIONS (6), (7), AND (8).

1 (10) THE TOTAL PAYMENT TO ANY CITY, VILLAGE, OR TOWNSHIP
2 UNDER THIS ACT AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTI-
3 TUTION OF 1963 SHALL NOT INCREASE BY MORE THAN 8% OVER THE AMOUNT
4 OF THE PAYMENT UNDER THIS ACT AND SECTION 10 OF ARTICLE IX OF THE
5 STATE CONSTITUTION OF 1963 IN THE IMMEDIATELY PRECEDING STATE
6 FISCAL YEAR. FROM THE AMOUNT NOT DISTRIBUTED BECAUSE OF THE LIM-
7 ITATION IMPOSED BY THIS SUBSECTION, THE DEPARTMENT SHALL DISTRIB-
8 UTE AN AMOUNT TO CERTAIN CITIES, VILLAGES, AND TOWNSHIPS SUCH
9 THAT THE PERCENTAGE INCREASE IN THE TOTAL PAYMENT UNDER THIS ACT
10 AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963
11 FROM THE IMMEDIATELY PRECEDING STATE FISCAL YEAR TO EACH OF THOSE
12 CITIES, VILLAGES, AND TOWNSHIPS IS EQUAL TO, BUT DOES NOT EXCEED,
13 THE PERCENTAGE INCREASE FROM THE IMMEDIATELY PRECEDING STATE
14 FISCAL YEAR OF ANY CITY, VILLAGE, OR TOWNSHIP THAT DOES NOT
15 RECEIVE A DISTRIBUTION UNDER THIS SUBSECTION.

16 (11) THE PERCENTAGE ALLOCATIONS TO DISTRIBUTIONS UNDER SUB-
17 SECTIONS (6) TO (8) PURSUANT TO SUBSECTION (9) SHALL BE CALCU-
18 LATED AS IF, IN ANY STATE FISCAL YEAR, THE AMOUNT APPROPRIATED
19 FOR DISTRIBUTION IS 74.94% OF 21.3% OF THE SALES TAX AT A RATE OF
20 4%. IF THE AMOUNT APPROPRIATED IS LESS THAN 74.94% OF 21.3% OF
21 THE SALES TAX AT A RATE OF 4%, THE REDUCTION SHALL FIRST BE
22 APPLIED TO THE DISTRIBUTION UNDER SUBSECTIONS (6) TO (8) AND ANY
23 REMAINING AMOUNT SHALL BE APPLIED TO THE OTHER DISTRIBUTIONS
24 UNDER THIS SECTION.

25 (12) ~~—(7)—~~ The payments under subsections (3), (4), and (5)
26 shall be made during each October, December, February, April,
27 June, and August. Payments under subsections (3), (4), and (5)

1 shall be based on collections from the sales tax at the rate of
2 4% in the 2-month period ending the prior August 31, October 31,
3 December 31, February 28, April 30, and June 30, ~~less~~ AND FOR
4 THE 1996-1997 AND 1997-98 STATE FISCAL YEARS ONLY, THE PAYMENTS
5 SHALL BE REDUCED BY 1/6 of the total distribution for the state
6 fiscal year under section 12a.

7 (13) ~~-(8)-~~ Payments under this section shall be made from
8 revenues collected during the state fiscal year in which the pay-
9 ments are made.

10 (14) ~~-(9)-~~ Distributions provided for by this act are
11 subject to an annual appropriation by the legislature.

12 Enacting section 1. Sections 11a, 14, and 15 of the state
13 revenue sharing act of 1971, 1971 PA 140, MCL 141.911a, 141.914,
14 and 141.915, are repealed.