

SENATE BILL NO. 772

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

~~1 distributed under this subsection shall be deposited in the
2 revenue sharing reserve fund created in subsection (5).~~

3 (4) The payments under subsection (3) shall be made from
4 revenues collected during the state fiscal year in which the pay-
5 ments are made and shall be made during each October, December,
6 February, April, June, and August. Payments shall be based on
7 collections from the sales tax at a rate of 4% in the 2-month
8 period ending the prior August 31, October 31, December 31,
9 February 28, April 30, and June 30, less 1/6 of the total distri-
10 bution for the state fiscal year under section 12a. For state
11 fiscal years after the 1995-1996 state fiscal year, the collec-
12 tions from the sales tax otherwise available for distribution to
13 counties under subsection (3) in December shall be increased by
14 \$17,000,000.00 and the collections from the sales tax otherwise
15 available for distribution to counties under subsection (3) in
16 April shall be decreased by \$17,000,000.00.

17 ~~(5) The revenue sharing reserve fund is created as a sepa-~~
18 ~~rate fund in the general fund.~~

19 Sec. 12a. (1) ~~For state fiscal years before the 1998-1999~~
20 ~~state fiscal year, the~~ THE department of treasury shall calcu-
21 late the amount of payment to be made to a city, village, or
22 township by multiplying the amount of state equalized value of
23 tax exempt inventory property as certified by the department of
24 treasury under FORMER section 132 of the single business tax act,
25 ~~Act No. 228 of the Public Acts of 1975, being section 208.132 of~~
26 ~~the Michigan Compiled Laws 1975 PA 228, times the property tax~~

1 rate for each taxing unit as certified each year to the
2 department of treasury for purposes of this act.

3 (2) ~~For state fiscal years before the 1998-1999 state~~
4 ~~fiscal year, the~~ THE department of treasury shall pay to each
5 county each year, following the year the amount was calculated,
6 an amount equal to the product of the state equalized value of
7 inventory as certified by the department of treasury under FORMER
8 section 132 of ~~Act No. 228 of the Public Acts of 1975~~ THE
9 SINGLE BUSINESS TAX ACT, 1975 PA 228, times the county property
10 tax rate for the county as reported each year to the department
11 of treasury.

12 (3) For state fiscal years after the 1995-1996 state fiscal
13 year, the payment under this section shall be MADE from the col-
14 lections, exclusive of the amount designated for assistance to
15 townships, cities, and villages under section 10 of article IX of
16 the state constitution of 1963, of the sales tax levied at a rate
17 of 4%.

18 (4) Payments made under this section, and the allocation and
19 appropriation of amounts necessary to make the payments under
20 this section, shall include interest which shall accrue on the
21 unpaid balance. Interest shall accrue at the rate determined
22 under section 13b.

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

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

6 (7) The treasurer of any city, village, township, or county
7 who collects money for an authority that levies property taxes,
8 shall pay an eligible authority its proportionate share of the
9 reimbursements under this section. The proportionate share is
10 the percentage that the property taxes collected by the authority
11 are to the property taxes of the assessing unit. The property
12 taxes of the authorities may be added to the millages used to
13 determine payments under this section. For an authority to be
14 eligible for compensation under this section, that authority
15 shall have an authorization to have taxes levied for its use as
16 provided by law. School districts, intermediate school dis-
17 tricts, community college districts, vocational education dis-
18 tricts, and special education districts are not included under
19 this section.

20 (8) The state treasurer may make a disbursement for a pay-
21 ment under this section that has been delayed in advance of the
22 date the delayed payment is expected to be paid.

23 (9) Payments under this section to cities and villages shall
24 be made on or before October 31 and payments under this section
25 to counties and townships shall be made on or before February
26 28.

1 ~~-(10) For state fiscal years after the 1997-1998 state~~
2 ~~fiscal year, the department of treasury shall cause to be paid to~~
3 ~~each city, village, township, and county an amount equal to the~~
4 ~~payment made under this section to that city, village, township,~~
5 ~~or county under this section for the immediately preceding state~~
6 ~~fiscal year.~~

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

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

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

1 (2) The amount of collections of the state income tax
2 otherwise available for distribution to cities, villages, and
3 townships in November, February, and May, computed in accordance
4 with the tax effort formula, shall be increased by
5 \$22,600,000.00. The amount of collections otherwise available
6 for distribution to cities, villages, and townships in August,
7 computed in accordance with the tax effort formula, shall be
8 decreased by \$67,800,000.00.

9 (3) This subsection applies to distributions to cities, vil-
10 lages, and townships for the 1996-1997 state fiscal year. The
11 department shall cause to be paid in accordance with the tax
12 effort formula an amount equal to 75.5% of the difference between
13 21.3% of the sales tax collections at a rate of 4% in the
14 12-month period ending June 30 of the state fiscal year in which
15 the payments are made and the total distribution for the state
16 fiscal year under section 12a.

17 (4) ~~The~~ FOR STATE FISCAL YEARS AFTER THE 1996-1997 STATE
18 FISCAL YEAR, THE department of treasury shall cause to be paid
19 ~~during the 1997-1998 state fiscal year~~ TO EACH CITY, VILLAGE,
20 AND TOWNSHIP ON A PER CAPITA BASIS an amount equal to 75.5% of
21 the difference between 21.3% of the sales tax collections at a
22 rate of 4% in the 12-month period ending June 30 of the state
23 fiscal year in which the payments are made and the total distri-
24 bution for the state fiscal year under section 12a. ~~both of~~
25 ~~the following:~~

26 (a) ~~To each city, village, and township, the amount of~~
27 ~~collections distributed under subsection (3) to cities, villages,~~

~~1 and townships for the 1996-1997 state fiscal year or its pro rata
2 share of the collections if the collections are less than the
3 amount of collections distributed under subsection (3) for the
4 1996-1997 state fiscal year. A city's, village's, or township's
5 share of revenues under this subdivision shall be computed using
6 the tax effort formula.~~

~~7 (b) To each city, village, and township its share of the
8 collections to the extent the total collections available for
9 distribution under this subsection exceed the amount distributed
10 to cities, villages, and townships under subdivision (a) for the
11 fiscal year. A city's, village's, or township's share of reve-
12 nues under this subdivision shall be computed on a per capita
13 basis.~~

~~14 (5) For state fiscal years after the 1997-1998 state fiscal
15 year, the department of treasury shall cause to be paid to each
16 city, village, and township from an amount equal to 75.5% of the
17 difference between 21.3% of the sales tax collections at a rate
18 of 4% in the 12-month period ending June 30 of the state fiscal
19 year in which the payments are made and the total distribution
20 for the state fiscal year under section 12a, the amount distrib-
21 uted to the city, village, or township under this section during
22 the immediately preceding state fiscal year or its pro rata share
23 of the collections if the collections are less than the amount of
24 collections that were available for distribution in the immedi-
25 ately preceding state fiscal year. Each state fiscal year after
26 the 1997-1998 state fiscal year, the amount by which the total
27 collections available for distribution under this subsection~~

1 ~~exceed the amount distributed under this subsection shall be~~
2 ~~deposited in the revenue sharing reserve created in section~~
3 ~~11(5).~~

4 (5) ~~—(6)—~~ The department of treasury shall pay to counties,
5 cities, townships, and villages by October 31, 1995, \$2.00 per
6 parcel for the administrative costs associated with the process-
7 ing of homestead affidavits filed in those counties, cities,
8 townships, and villages before December 1, 1994.

9 (6) ~~—(7)—~~ The payments under subsections (3) ~~—,~~ AND (4) ~~—,~~
10 ~~and (5)~~ shall be made during each October, December, February,
11 April, June, and August. Payments under subsections (3) ~~—,~~ AND
12 (4) ~~—, and (5)~~ shall be based on collections from the sales tax
13 at the rate of 4% in the 2-month period ending the prior August
14 31, October 31, December 31, February 28, April 30, and June 30,
15 less 1/6 of the total distribution for the state fiscal year
16 under section 12a.

17 (7) ~~—(8)—~~ Payments under this section shall be made from
18 revenues collected during the state fiscal year in which the pay-
19 ments are made.

20 (8) ~~—(9)—~~ Distributions provided for by this act are subject
21 to an annual appropriation by the legislature.

22 Enacting section 1. Sections 11a, 13a, 14, 15, and 20 of
23 the state revenue sharing act of 1971, 1971 PA 140, MCL 141.911a,
24 141.913a, 141.914, 141.915, and 141.920, are repealed effective
25 October 1, 1997.