

SENATE BILL NO. 1181

June 4, 1998, Introduced by Senator STEIL 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 and 13 (MCL 141.911 and 141.913),
section 11 as amended by 1996 PA 468 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 ON A PER CAPITA BASIS AN AMOUNT EQUAL TO 25.06% OF 21.3%
5 OF THE SALES TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH
6 PERIOD ENDING JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAY-
7 MENTS ARE MADE.

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

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

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 AND FOR STATE FISCAL
15 YEARS AFTER THE 1997-1998 STATE FISCAL YEAR AS PROVIDED IN
16 SUBSECTION (9) AN AMOUNT EQUAL TO 74.94% OF THE DIFFERENCE
17 BETWEEN 21.3% OF THE SALES TAX COLLECTIONS AT A RATE OF 4% IN THE
18 12-MONTH PERIOD ENDING JUNE 30 OF THE STATE FISCAL YEAR IN WHICH
19 THE PAYMENTS ARE MADE AND THE TOTAL DISTRIBUTION FOR THE STATE
20 FISCAL YEAR UNDER SECTION 12A, MINUS \$18,000,000.00, both of the
21 following:

22 (a) To each city, village, and township, the amount of col-
23 lections distributed under subsection (3) to cities, villages,
24 and townships for the 1996-1997 state fiscal year or its pro rata
25 share of the collections if the collections are less than the
26 amount of collections distributed under subsection (3) for the
27 1996-1997 state fiscal year. A city's, village's, or township's

1 share of revenues under this subdivision shall be computed using
2 the tax effort formula.

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

10 (5) For state fiscal years after the 1997-1998 state fiscal
11 year, the department of treasury shall cause DISTRIBUTIONS DETER-
12 MINED UNDER SUBSECTIONS (6) AND (7) to be paid to each city, vil-
13 lage, and township from an amount equal to ~~75.5%~~ 74.94% of ~~the~~
14 ~~difference between~~ 21.3% of the sales tax collections at a rate
15 of 4% in the 12-month period ending June 30 of the state fiscal
16 year in which the payments are made, ~~and the total distribution~~
17 ~~for the state fiscal year under section 12a, the amount distrib-~~
18 ~~uted to the city, village, or township under this section during~~
19 ~~the immediately preceding state fiscal year or its pro rata share~~
20 ~~of the collections if the collections are less than the amount of~~
21 ~~collections that were available for distribution in the immedi-~~
22 ~~ately preceding state fiscal year. Each state fiscal year after~~
23 ~~the 1997-1998 state fiscal year, the amount by which the total~~
24 ~~collections available for distribution under this subsection~~
25 ~~exceed the amount distributed under this subsection shall be~~
26 ~~deposited in the revenue sharing reserve created in section~~
27 ~~11(5) REDUCED BY \$18,000,000.00 WHICH THE DEPARTMENT SHALL~~

1 DISTRIBUTE TO CITIES, VILLAGES, AND TOWNSHIPS AT THE DEPARTMENT'S
2 DISCRETION TO BE USED FOR DISTRESSED COMMUNITIES.

3 (6) ~~The department of treasury shall pay to counties,~~
4 ~~cities, townships, and villages by October 31, 1995, \$2.00 per~~
5 ~~parcel for the administrative costs associated with the process-~~
6 ~~ing of homestead affidavits filed in those counties, cities,~~
7 ~~townships, and villages before December 1, 1994.~~ THE DISTRIBU-
8 TION UNDER SUBSECTION (5) IS CALCULATED AS FOLLOWS AND AS PRO-
9 VIDED UNDER SUBSECTION (7):

10 (A) DETERMINE ALL OF THE FOLLOWING:

11 (i) THE PER CAPITA TAXABLE VALUE FOR EACH CITY, VILLAGE, AND
12 TOWNSHIP.

13 (ii) THE STATEWIDE PER CAPITA TAXABLE VALUE CALCULATED WITH-
14 OUT INCLUDING COUNTIES.

15 (iii) THE WEIGHTED AVERAGE PER CAPITA TAXABLE VALUE FOR EACH
16 CITY, VILLAGE, AND TOWNSHIP.

17 (iv) THE STATEWIDE WEIGHTED AVERAGE PER CAPITA TAXABLE VALUE
18 CALCULATED WITHOUT INCLUDING COUNTIES.

19 (v) THE WEIGHTED STATEWIDE STANDARD DEVIATION FOR PER CAPITA
20 TAXABLE VALUE.

21 (B) DETERMINE PER CAPITA TAXABLE VALUE FOR EACH CITY, VIL-
22 LAGE, AND TOWNSHIP BY DIVIDING THE WEIGHTED AVERAGE PER CAPITA
23 TAXABLE VALUE FOR EACH CITY, VILLAGE, AND TOWNSHIP BY THE
24 WEIGHTED STATEWIDE STANDARD DEVIATION FOR PER CAPITA TAXABLE
25 VALUE.

26 (C) USING THE RESULT FROM THE CALCULATION UNDER SUBDIVISION
27 (B), DETERMINE THE TAXABLE VALUE POPULATION WEIGHT FACTOR FOR

1 EACH CITY, VILLAGE, AND TOWNSHIP. AS USED IN THIS SUBSECTION,
2 "TAXABLE VALUE POPULATION WEIGHT FACTOR" MEANS THE FOLLOWING:

3 (i) FOR A PER CAPITA TAXABLE VALUE CALCULATION OF GREATER
4 THAN 2.5, THE TAXABLE VALUE POPULATION WEIGHT FACTOR EQUALS
5 0.10.

6 (ii) FOR A PER CAPITA TAXABLE VALUE CALCULATION OF GREATER
7 THAN 1.5 AND LESS THAN OR EQUAL TO 2.5, THE TAXABLE VALUE POPULA-
8 TION WEIGHT FACTOR EQUALS 0.35.

9 (iii) FOR A PER CAPITA TAXABLE VALUE CALCULATION OF GREATER
10 THAN 0.5 AND LESS THAN OR EQUAL TO 1.5, THE TAXABLE VALUE POPULA-
11 TION WEIGHT FACTOR EQUALS 0.65.

12 (iv) FOR A PER CAPITA TAXABLE VALUE CALCULATION OF GREATER
13 THAN 0.2 AND LESS THAN OR EQUAL TO 0.5, THE TAXABLE VALUE POPULA-
14 TION WEIGHT FACTOR EQUALS 0.85.

15 (v) FOR A PER CAPITA TAXABLE VALUE CALCULATION OF GREATER
16 THAN -0.2 AND LESS THAN OR EQUAL TO 0.2, THE TAXABLE VALUE POPU-
17 LATION WEIGHT FACTOR EQUALS 1.00.

18 (vi) FOR A PER CAPITA TAXABLE VALUE CALCULATION OF GREATER
19 THAN -0.5 AND LESS THAN OR EQUAL TO -0.2, THE TAXABLE VALUE POPU-
20 LATION WEIGHT FACTOR EQUALS 1.15.

21 (vii) FOR A PER CAPITA TAXABLE VALUE CALCULATION OF GREATER
22 THAN -1.5 AND LESS THAN OR EQUAL TO -0.5, THE TAXABLE VALUE POPU-
23 LATION WEIGHT FACTOR EQUALS 1.40.

24 (viii) FOR A PER CAPITA TAXABLE VALUE CALCULATION OF GREATER
25 THAN -2.5 AND LESS THAN OR EQUAL TO -1.5, THE TAXABLE VALUE POPU-
26 LATION WEIGHT FACTOR EQUALS 1.65.

1 (*ix*) FOR A PER CAPITA TAXABLE VALUE CALCULATION OF LESS THAN
2 OR EQUAL TO -2.5 , THE TAXABLE VALUE POPULATION WEIGHT FACTOR
3 EQUALS 1.90 .

4 (D) DETERMINE THE ADJUSTED TAXABLE VALUE POPULATION FOR EACH
5 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE TAXABLE VALUE POP-
6 ULATION WEIGHT FACTOR AS DETERMINED UNDER SUBDIVISION (C) FOR
7 EACH CITY, VILLAGE, AND TOWNSHIP BY THE POPULATION OF THE CITY,
8 VILLAGE, OR TOWNSHIP.

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

12 (F) SUBTRACT $\$18,000,000.00$ FROM 74.94% OF 21.3% OF THE
13 SALES TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD
14 ENDING JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS
15 UNDER THIS SUBSECTION ARE MADE AND MULTIPLY THAT RESULT BY 0.45 .

16 (G) MULTIPLY THE RESULT UNDER SUBDIVISION (F) BY THE
17 ADJUSTED TAXABLE VALUE POPULATION FOR EACH CITY, VILLAGE, AND
18 TOWNSHIP.

19 (H) DETERMINE THE UNIT TYPE POPULATION WEIGHT FACTOR FOR
20 EACH CITY, VILLAGE, AND TOWNSHIP. AS USED IN THIS SUBSECTION,
21 "UNIT TYPE POPULATION WEIGHT FACTOR" MEANS THE FOLLOWING:

22 (*i*) FOR A TOWNSHIP WITH A POPULATION OF LESS THAN $10,000$,
23 THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.0 .

24 (*ii*) FOR A TOWNSHIP WITH A POPULATION OF AT LEAST $10,000$ BUT
25 LESS THAN $25,000$, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.2 .

1 (iii) FOR A TOWNSHIP WITH A POPULATION OF AT LEAST 25,000
2 BUT LESS THAN 50,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
3 1.8.

4 (iv) FOR A TOWNSHIP WITH A POPULATION OF 50,000 OR MORE, THE
5 UNIT TYPE POPULATION WEIGHT FACTOR IS 2.4.

6 (v) FOR A VILLAGE WITH A POPULATION OF LESS THAN 1,000, THE
7 UNIT TYPE POPULATION WEIGHT FACTOR IS 1.5.

8 (vi) FOR A VILLAGE WITH A POPULATION OF 1,000 OR MORE, THE
9 UNIT TYPE POPULATION WEIGHT FACTOR IS 2.0.

10 (vii) FOR A CITY WITH A POPULATION OF LESS THAN 5,000, THE
11 UNIT TYPE POPULATION WEIGHT FACTOR IS 2.5.

12 (viii) FOR A CITY WITH A POPULATION OF AT LEAST 5,000 BUT
13 LESS THAN 10,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 2.8.

14 (ix) FOR A CITY WITH A POPULATION OF AT LEAST 10,000 BUT
15 LESS THAN 30,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.0.

16 (x) FOR A CITY WITH A POPULATION OF AT LEAST 30,000 BUT LESS
17 THAN 50,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.2.

18 (xi) FOR A CITY WITH A POPULATION OF AT LEAST 50,000 BUT
19 LESS THAN 60,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.3.

20 (xii) FOR A CITY WITH A POPULATION OF AT LEAST 60,000 BUT
21 LESS THAN 100,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
22 3.5.

23 (xiii) FOR A CITY WITH A POPULATION OF AT LEAST 100,000 BUT
24 LESS THAN 140,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
25 4.0.

1 (xiv) FOR A CITY WITH A POPULATION OF AT LEAST 140,000 BUT
2 LESS THAN 180,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
3 4.1.

4 (xv) FOR A CITY WITH A POPULATION OF AT LEAST 180,000 BUT
5 LESS THAN 1,000,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS
6 4.2.

7 (xvi) FOR A CITY WITH A POPULATION OF 1,000,000 OR MORE, THE
8 UNIT TYPE POPULATION WEIGHT FACTOR IS 4.5.

9 (I) DETERMINE THE ADJUSTED UNIT TYPE POPULATION FOR EACH
10 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE UNIT TYPE POPULA-
11 TION WEIGHT FACTOR FOR EACH CITY, VILLAGE, AND TOWNSHIP AS DETER-
12 MINED UNDER SUBDIVISION (H) BY THE POPULATION OF THE CITY, VIL-
13 LAGE, OR TOWNSHIP.

14 (J) DETERMINE THE TOTAL STATEWIDE ADJUSTED UNIT TYPE
15 POPULATION. AS USED IN THIS SUBSECTION, "TOTAL STATEWIDE
16 ADJUSTED UNIT TYPE POPULATION" MEANS THE SUM OF THE ADJUSTED UNIT
17 TYPE POPULATION FOR ALL CITIES, VILLAGES, AND TOWNSHIPS.

18 (K) DETERMINE THE PER CAPITA PAYMENT AMOUNT BY SUBTRACTING
19 \$18,000,000.00 FROM AN AMOUNT EQUAL TO 74.94% OF 21.3% OF THE
20 SALES TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD
21 ENDING JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS
22 UNDER THIS SUBSECTION ARE MADE, MULTIPLYING THAT AMOUNT BY 0.45,
23 AND THEN DIVIDING THAT RESULT BY THE TOTAL STATEWIDE ADJUSTED
24 UNIT TYPE POPULATION AS DETERMINED UNDER SUBDIVISION (J).

25 (l) EXCEPT AS PROVIDED IN SUBSECTION (10), THE PAYMENT UNDER
26 THIS SUBSECTION TO EACH CITY, VILLAGE, AND TOWNSHIP IS CALCULATED
27 BY MULTIPLYING THE ADJUSTED UNIT TYPE POPULATION FOR THE CITY,

1 VILLAGE, OR TOWNSHIP BY THE PER CAPITA PAYMENT AMOUNT AS
2 DETERMINED UNDER SUBDIVISION (K).

3 (7) THE DISTRIBUTION UNDER SUBSECTION (5) SHALL BE CALCULATED AS FOLLOWS AND AS PROVIDED UNDER SUBSECTION (6):

5 (A) DETERMINE THE POPULATION BASED TAXABLE VALUE FOR EACH
6 CITY, VILLAGE, AND TOWNSHIP BY DIVIDING THE TAXABLE VALUE OF THAT
7 CITY, VILLAGE, OR TOWNSHIP BY THE POPULATION OF THAT CITY, VIL-
8 LAGE, OR TOWNSHIP.

9 (B) DETERMINE THE TAXABLE VALUE PER CAPITA GUARANTEE AMOUNT
10 WHICH IS THE AMOUNT NEEDED TO ASSURE THAT THE TOTAL OF ALL YIELD
11 EQUALIZATION PAYMENTS ARE EQUAL TO 74.94% OF 21.3% OF THE SALES
12 TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING
13 JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS UNDER THIS
14 SUBSECTION ARE MADE MINUS \$18,000,000.00 AND THEN MULTIPLIED BY
15 10%. THE CALCULATION UNDER THIS SUBDIVISION IS BASED ON A LIMIT
16 OF 0.002 OF LOCAL TAX EFFORT.

17 (C) DETERMINE THE EQUALIZATION BASE FOR EACH CITY, VILLAGE,
18 OR TOWNSHIP, WHICH IS EITHER OF THE FOLLOWING:

19 (i) IF THE POPULATION BASED TAXABLE VALUE AMOUNT FOR THE
20 CITY, VILLAGE, OR TOWNSHIP IS LESS THAN THE TAXABLE VALUE PER
21 CAPITA GUARANTEE, THE EQUALIZATION BASE FOR THE CITY, VILLAGE, OR
22 TOWNSHIP IS THE TAXABLE VALUE PER CAPITA GUARANTEE AMOUNT MINUS
23 POPULATION BASED TAXABLE VALUE FOR THAT CITY, VILLAGE, OR
24 TOWNSHIP.

25 (ii) IF THE POPULATION BASED TAXABLE VALUE AMOUNT FOR THE
26 CITY, VILLAGE, OR TOWNSHIP IS EQUAL TO OR GREATER THAN THE

1 TAXABLE VALUE PER CAPITA GUARANTEE, THE EQUALIZATION BASE FOR THE
2 CITY, VILLAGE, OR TOWNSHIP IS ZERO.

3 (D) DETERMINE THE PER CAPITA YIELD FOR EACH CITY, VILLAGE,
4 AND TOWNSHIP BY MULTIPLYING THE EQUALIZATION BASE FOR THE CITY,
5 VILLAGE, OR TOWNSHIP BY THE LOCAL TAX EFFORT AS DETERMINED UNDER
6 THIS ACT FOR EACH CITY, VILLAGE, AND TOWNSHIP. THE CALCULATION
7 UNDER THIS SUBDIVISION IS BASED ON A LIMIT OF 0.002 OF LOCAL TAX
8 EFFORT.

9 (E) THE YIELD PAYMENT UNDER THIS SUBSECTION TO EACH CITY,
10 VILLAGE, AND TOWNSHIP IS CALCULATED BY MULTIPLYING THE PER CAPITA
11 YIELD FOR EACH CITY, VILLAGE, AND TOWNSHIP BY THE POPULATION OF
12 THAT CITY, VILLAGE, OR TOWNSHIP.

13 (8) THE LOCAL UNIT TAX EFFORT RATE UNDER SUBSECTION (7)(D)
14 SHALL NOT EXCEED 0.002.

15 (9) THE AMOUNT DISTRIBUTED UNDER SUBSECTION (7) SHALL BE
16 DETERMINED AS FOLLOWS:

17 (A) FOR THE 1998-1999 STATE FISCAL YEAR, 83.3% OF THE PAY-
18 MENT SHALL BE CALCULATED USING THE FORMULA UNDER SUBSECTION (4)
19 AND 16.7% OF THE PAYMENT SHALL BE CALCULATED USING THE FORMULA
20 UNDER SUBSECTION (7).

21 (B) FOR THE 1999-2000 STATE FISCAL YEAR, 66.7% OF THE PAY-
22 MENT SHALL BE CALCULATED USING THE FORMULA UNDER SUBSECTION (4)
23 AND 33.3% OF THE PAYMENT SHALL BE CALCULATED USING THE FORMULA
24 UNDER SUBSECTION (7).

25 (C) FOR THE 2000-2001 STATE FISCAL YEAR, 50.0% OF THE PAY-
26 MENT SHALL BE CALCULATED USING THE FORMULA UNDER SUBSECTION (4)

1 AND 50.0% OF THE PAYMENT SHALL BE CALCULATED USING THE FORMULA
2 UNDER SUBSECTION (7).

3 (D) FOR THE 2001-2002 STATE FISCAL YEAR, 33.3% OF THE PAY-
4 MENT SHALL BE CALCULATED USING THE FORMULA UNDER SUBSECTION (4)
5 AND 66.7% OF THE PAYMENT SHALL BE CALCULATED USING THE FORMULA
6 UNDER SUBSECTION (7).

7 (E) FOR THE 2002-2003 STATE FISCAL YEAR, 16.7% OF THE PAY-
8 MENT SHALL BE CALCULATED USING THE FORMULA UNDER SUBSECTION (4)
9 AND 83.3% OF THE PAYMENT SHALL BE CALCULATED USING THE FORMULA
10 UNDER SUBSECTION (7).

11 (F) FOR THE 2003-2004 STATE FISCAL YEAR AND EACH STATE
12 FISCAL YEAR AFTER THE 2003-2004 STATE FISCAL YEAR, 100% OF THE
13 PAYMENT SHALL BE CALCULATED USING THE FORMULA UNDER SUBSECTION
14 (7).

15 (10) THE TOTAL PAYMENTS FOR A STATE FISCAL YEAR TO EACH
16 CITY, VILLAGE, OR TOWNSHIP UNDER SUBSECTION (6) AND SECTION 10 OF
17 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 SHALL NOT INCREASE
18 BY MORE THAN 8% OVER THE AMOUNT OF THE PAYMENT UNDER THIS ACT AND
19 SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 FOR
20 THAT CITY, VILLAGE, OR TOWNSHIP IN THE IMMEDIATELY PRECEDING
21 STATE FISCAL YEAR.

22 (11) FOR THE 1998-1999 STATE FISCAL YEAR, THE AMOUNT AVAIL-
23 ABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DISTRIBUTED UNDER
24 SUBSECTIONS (7) AND (10) SHALL BE DISTRIBUTED ON A PER CAPITA
25 BASIS TO CITIES, VILLAGES, AND TOWNSHIPS THAT RECEIVE PAYMENTS IN
26 THE STATE FISCAL YEAR THAT ARE LESS THAN THE PAYMENTS RECEIVED BY

1 THE CITY, VILLAGE, AND TOWNSHIP IN THE IMMEDIATELY PRECEDING
2 STATE FISCAL YEAR BY 12% OR MORE.

3 (12) FOR THE 1999-2000 STATE FISCAL YEAR, THE AMOUNT AVAIL-
4 ABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DISTRIBUTED UNDER
5 SUBSECTIONS (7) AND (10) SHALL BE DISTRIBUTED ON A PER CAPITA
6 BASIS TO CITIES, VILLAGES, AND TOWNSHIPS THAT RECEIVED PAYMENTS
7 IN THE STATE FISCAL YEAR THAT ARE LESS THAN THE PAYMENTS RECEIVED
8 BY THE CITY, VILLAGE, OR TOWNSHIP IN THE IMMEDIATELY PRECEDING
9 STATE FISCAL YEAR BY 10% OR MORE.

10 (13) FOR THE 2000-2001 STATE FISCAL YEAR, THE AMOUNT AVAIL-
11 ABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DISTRIBUTED UNDER
12 SUBSECTIONS (7) AND (10) SHALL BE DISTRIBUTED ON A PER CAPITA
13 BASIS TO CITIES, VILLAGES, AND TOWNSHIPS THAT RECEIVE PAYMENTS IN
14 THE STATE FISCAL YEAR THAT ARE LESS THAN THE PAYMENTS RECEIVED BY
15 THE CITY, VILLAGE, AND TOWNSHIP IN THE IMMEDIATELY PRECEDING
16 STATE FISCAL YEAR BY 8% OR MORE.

17 (14) FOR THE 2001-2002 AND 2002-2003 STATE FISCAL YEARS, THE
18 AMOUNT AVAILABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DIS-
19 TRIBUTED UNDER SUBSECTIONS (7) AND (10) SHALL BE DISTRIBUTED ON A
20 PER CAPITA BASIS TO CITIES, VILLAGES, AND TOWNSHIPS THAT RECEIVED
21 PAYMENTS IN THE STATE FISCAL YEAR THAT ARE LESS THAN THE PAYMENTS
22 RECEIVED BY THE CITY, VILLAGE, OR TOWNSHIP IN THE IMMEDIATELY
23 PRECEDING STATE FISCAL YEAR BY 4% OR MORE.

24 (15) FOR STATE FISCAL YEARS AFTER THE 2002-2003 STATE FISCAL
25 YEAR, THE AMOUNT AVAILABLE FOR DISTRIBUTION IN EXCESS OF THE
26 AMOUNT DISTRIBUTED UNDER SUBSECTIONS (7) AND (10) SHALL BE
27 DISTRIBUTED ON A PER CAPITA BASIS TO CITIES, VILLAGES, AND

1 TOWNSHIPS THAT RECEIVE PAYMENTS IN THE STATE FISCAL YEAR THAT ARE
2 LESS THAN THE PAYMENTS RECEIVED BY THE CITY, VILLAGE, AND TOWN-
3 SHIP IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.

4 (16) ~~-(7)-~~ The payments under subsections (3), (4), and (5)
5 shall be made during each October, December, February, April,
6 June, and August. Payments under subsections (3), (4), and (5)
7 shall be based on collections from the sales tax at the rate of
8 4% in the 2-month period ending the prior August 31, October 31,
9 December 31, February 28, April 30, and June 30, ~~less~~ AND FOR
10 THE 1996-1997 AND 1997-98 STATE FISCAL YEARS ONLY, THE PAYMENTS
11 SHALL BE REDUCED BY 1/6 of the total distribution for the state
12 fiscal year under section 12a.

13 (17) ~~-(8)-~~ Payments under this section shall be made from
14 revenues collected during the state fiscal year in which the pay-
15 ments are made.

16 (18) ~~-(9)-~~ Distributions provided for by this act are
17 subject to an annual appropriation by the legislature.

18 Enacting section 1. Sections 11a, 12a, 14, and 15 of the
19 state revenue sharing act of 1971, 1971 PA 140, MCL 141.911a,
20 141.912a, 141.914, and 141.915, are repealed.