

# HOUSE BILL No. 4098

January 28, 1999, Introduced by Reps. Shackleton, Bradstreet and Gilbert and referred to the Committee on Local Government and Urban Policy.

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 AN AMOUNT EQUAL TO 25.06% OF 21.3% OF THE SALES TAX COL-  
5 LECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30 OF  
6 THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE MADE WHICH SHALL  
7 BE BASED ON THE SUM OF THE AMOUNTS DETERMINED UNDER  
8 SUBDIVISIONS (B) AND (C) AS FOLLOWS:

9 (A) DETERMINE THE TOTAL INVENTORY AMOUNT WHICH IS THE SUM OF  
10 ALL PAYMENTS UNDER SECTION 12A FOR ALL COUNTIES FOR THE 1997-1998  
11 STATE FISCAL YEAR.

12 (B) DETERMINE THE COUNTY INVENTORY PAYMENT FOR EACH COUNTY  
13 FOR THE FOLLOWING YEARS AS FOLLOWS:

14 (i) FOR THE 1998-1999 STATE FISCAL YEAR, 83.3% OF THE TOTAL  
15 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
16 83.3% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE  
17 FISCAL YEAR AND 16.7% OF THE TOTAL INVENTORY AMOUNT SHALL BE DIS-  
18 TRIBUTED TO THE COUNTIES ON A PER CAPITA BASIS.

19 (ii) FOR THE 1999-2000 STATE FISCAL YEAR, 66.7% OF THE TOTAL  
20 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
21 66.7% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE  
22 FISCAL YEAR AND 33.3% OF THE TOTAL INVENTORY AMOUNT SHALL BE DIS-  
23 TRIBUTED TO COUNTIES ON A PER CAPITA BASIS.

24 (iii) FOR THE 2000-2001 STATE FISCAL YEAR, 50% OF THE TOTAL  
25 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
26 50% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE

1 FISCAL YEAR AND 50% OF THE TOTAL INVENTORY AMOUNT SHALL BE  
2 DISTRIBUTED TO COUNTIES ON A PER CAPITA BASIS.

3 (iv) FOR THE 2001-2002 STATE FISCAL YEAR, 33.3% OF THE TOTAL  
4 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
5 33.3% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE  
6 FISCAL YEAR AND 66.7% OF THE TOTAL INVENTORY AMOUNT SHALL BE DIS-  
7 TRIBUTED TO COUNTIES ON A PER CAPITA BASIS.

8 (v) FOR THE 2002-2003 STATE FISCAL YEAR, 16.7% OF THE TOTAL  
9 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
10 16.7% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE  
11 FISCAL YEAR AND 83.3% OF THE TOTAL INVENTORY AMOUNT SHALL BE DIS-  
12 TRIBUTED TO COUNTIES ON A PER CAPITA BASIS.

13 (vi) FOR THE 2003-2004 STATE FISCAL YEAR AND EACH STATE  
14 FISCAL YEAR AFTER THE 2003-2004 STATE FISCAL YEAR, 100% OF THE  
15 TOTAL INVENTORY AMOUNT SHALL BE DISTRIBUTED TO COUNTIES ON A PER  
16 CAPITA BASIS.

17 (C) DETERMINE THE COUNTY PER CAPITA PAYMENT BY SUBTRACTING  
18 THE TOTAL INVENTORY AMOUNT FROM 25.06% OF 21.3% OF THE SALES TAX  
19 COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30  
20 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE MADE. THE  
21 AMOUNT DETERMINED UNDER THIS SUBDIVISION SHALL BE DISTRIBUTED ON  
22 A PER CAPITA BASIS.

23 (4) The payments under subsection (3) shall be made from  
24 revenues collected during the state fiscal year in which the pay-  
25 ments are made and shall be made during each October, December,  
26 February, April, June, and August. Payments shall be based on  
27 collections from the sales tax at a rate of 4% in the 2-month

1 period ending the prior August 31, October 31, December 31,  
2 February 28, April 30, and June 30, ~~less~~ AND FOR THE 1996-1997  
3 AND 1997-1998 STATE FISCAL YEARS ONLY THE PAYMENTS SHALL BE  
4 REDUCED BY 1/6 of the total distribution for the state fiscal  
5 year under section 12a. For state fiscal years after the  
6 1995-1996 state fiscal year, the collections from the sales tax  
7 otherwise available for distribution to counties under subsection  
8 (3) in December shall be increased by \$17,000,000.00 and the col-  
9 lections from the sales tax otherwise available for distribution  
10 to counties under subsection (3) in April shall be decreased by  
11 \$17,000,000.00.

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

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

22 (a) During each August, November, February, and May, the  
23 collections from the state income tax for the quarter periods  
24 ending the prior June 30, September 30, December 31, and March 31  
25 that are available for distribution to cities, villages, and  
26 townships under the income tax act of 1967, ~~Act No. 281 of the~~

~~1 Public Acts of 1967, being sections 206.1 to 206.532 of the~~  
~~2 Michigan Compiled Laws 1967 PA 281, MCL 206.1 TO 206.532.~~

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

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

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

24 (4) The department of treasury shall cause to be paid during  
25 the 1997-1998 state fiscal year an amount equal to 75.5% of the  
26 difference between 21.3% of the sales tax collections at a rate  
27 of 4% in the 12-month period ending June 30 of the state fiscal

1 year in which the payments are made and the total distribution  
2 for the state fiscal year under section 12a, both of the  
3 following:

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

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

19 (5) For state fiscal years after the 1997-1998 state fiscal  
20 year, the department of treasury shall cause DISTRIBUTIONS DETER-  
21 MINED UNDER SUBSECTIONS (6) AND (7) to be paid to each city, vil-  
22 lage, and township from an amount equal to ~~75.5%~~ 74.94% of ~~the~~  
23 ~~difference between~~ 21.3% of the sales tax collections at a rate  
24 of 4% in the 12-month period ending June 30 of the state fiscal  
25 year in which the payments are made, ~~and the total distribution~~  
26 ~~for the state fiscal year under section 12a, the amount~~  
27 ~~distributed to the city, village, or township under this section~~

~~1 during the immediately preceding state fiscal year or its pro~~  
~~2 rata share of the collections if the collections are less than~~  
~~3 the amount of collections that were available for distribution in~~  
~~4 the immediately preceding state fiscal year. Each state fiscal~~  
~~5 year after the 1997-1998 state fiscal year, the amount by which~~  
~~6 the total collections available for distribution under this sub-~~  
~~7 section exceed the amount distributed under this subsection shall~~  
~~8 be deposited in the revenue sharing reserve created in section~~  
9 ~~11(5)~~ REDUCED BY \$18,000,000.00, WHICH \$18,000,000.00 SHALL BE  
10 DISTRIBUTED TO CITIES, VILLAGES, AND TOWNSHIPS BY APPROPRIATION  
11 TO BE USED FOR DISTRESSED COMMUNITIES. DISTRIBUTIONS UNDER THIS  
12 SUBSECTION ARE SUBJECT TO SUBSECTION (11).

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

20 (A) DETERMINE THE PER CAPITA TAXABLE VALUE FOR EACH CITY,  
21 VILLAGE, AND TOWNSHIP BY DIVIDING THE TAXABLE VALUE OF EACH CITY,  
22 VILLAGE, AND TOWNSHIP BY THE POPULATION OF THAT CITY, VILLAGE, OR  
23 TOWNSHIP.

24 (B) DETERMINE THE STATEWIDE PER CAPITA TAXABLE VALUE BY  
25 DIVIDING THE TOTAL TAXABLE VALUE OF ALL CITIES, VILLAGES, AND  
26 TOWNSHIPS BY THE TOTAL POPULATION OF ALL CITIES, VILLAGES, AND  
27 TOWNSHIPS.



1 (C) DETERMINE THE STATEWIDE PER CAPITA TAXABLE VALUE  
2 STANDARD DEVIATION WHICH IS THE STANDARD DEVIATION OF PER CAPITA  
3 TAXABLE VALUE OF CITIES, VILLAGES, AND TOWNSHIPS WITH A PER  
4 CAPITA TAXABLE VALUE THAT IS GREATER THAN ZERO AND LESS THAN  
5 \$50,000.00.

6 (D) DETERMINE PER CAPITA TAXABLE VALUE VARIANCE FOR EACH  
7 CITY, VILLAGE, AND TOWNSHIP BY DIVIDING THE DIFFERENCE BETWEEN  
8 PER CAPITA TAXABLE VALUE FOR EACH CITY, VILLAGE, AND TOWNSHIP AND  
9 THE STATEWIDE PER CAPITA TAXABLE VALUE BY THE STATEWIDE PER  
10 CAPITA TAXABLE VALUE STANDARD DEVIATION.

11 (E) DETERMINE THE TAXABLE VALUE POPULATION WEIGHT FACTOR FOR  
12 EACH CITY, VILLAGE, AND TOWNSHIP USING THE PER CAPITA TAXABLE  
13 VALUE VARIANCE DETERMINED UNDER SUBDIVISION (D) AS FOLLOWS:

14 (i) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF GREATER THAN  
15 2.5, THE TAXABLE VALUE POPULATION WEIGHT FACTOR EQUALS 0.10.

16 (ii) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
17 EQUAL TO 2.5 AND GREATER THAN 1.5, THE TAXABLE VALUE POPULATION  
18 WEIGHT FACTOR EQUALS 0.35.

19 (iii) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN  
20 OR EQUAL TO 1.5 AND GREATER THAN 0.5, THE TAXABLE VALUE POPULA-  
21 TION WEIGHT FACTOR EQUALS 0.65.

22 (iv) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
23 EQUAL TO 0.5 AND GREATER THAN 0.2, THE TAXABLE VALUE POPULATION  
24 WEIGHT FACTOR EQUALS 0.85.

25 (v) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
26 EQUAL TO 0.2 AND GREATER THAN -0.2, THE TAXABLE VALUE POPULATION  
27 WEIGHT FACTOR EQUALS 1.00.

1       (vi) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
2 EQUAL TO -0.2 AND GREATER THAN -0.5, THE TAXABLE VALUE POPULATION  
3 WEIGHT FACTOR EQUALS 1.15.

4       (vii) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN  
5 OR EQUAL TO -0.5 AND GREATER THAN -1.5, THE TAXABLE VALUE POPULA-  
6 TION WEIGHT FACTOR EQUALS 1.40.

7       (viii) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN  
8 OR EQUAL TO -1.5 AND GREATER THAN -2.5, THE TAXABLE VALUE POPULA-  
9 TION WEIGHT FACTOR EQUALS 1.65.

10       (ix) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
11 EQUAL TO -2.5, THE TAXABLE VALUE POPULATION WEIGHT FACTOR EQUALS  
12 1.90.

13       (F) DETERMINE THE ADJUSTED TAXABLE VALUE POPULATION FOR EACH  
14 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE TAXABLE VALUE POP-  
15 ULATION WEIGHT FACTOR AS DETERMINED UNDER SUBDIVISION (E) FOR  
16 EACH CITY, VILLAGE, AND TOWNSHIP BY THE POPULATION OF THE CITY,  
17 VILLAGE, OR TOWNSHIP.

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

21       (H) DETERMINE THE PER CAPITA PAYMENT AMOUNT BY SUBTRACTING  
22 \$18,000,000.00 FROM 74.94% OF 21.3% OF THE SALES TAX COLLECTIONS  
23 AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30 OF THE  
24 STATE FISCAL YEAR IN WHICH THE PAYMENTS UNDER THIS SUBSECTION ARE  
25 MADE AND MULTIPLY THAT RESULT BY 45%, AND DIVIDING THAT RESULT BY  
26 THE TOTAL STATEWIDE ADJUSTED TAXABLE VALUE POPULATION AS  
27 DETERMINED UNDER SUBDIVISION (G).

1 (I) DETERMINE THE TAXABLE VALUE VARIANCE BY MULTIPLYING THE  
2 RESULT UNDER SUBDIVISION (H) BY THE ADJUSTED TAXABLE VALUE POPU-  
3 LATION FOR EACH CITY, VILLAGE, AND TOWNSHIP.

4 (J) DETERMINE THE UNIT TYPE POPULATION WEIGHT FACTOR FOR  
5 EACH CITY, VILLAGE, AND TOWNSHIP AS FOLLOWS:

6 (i) FOR A TOWNSHIP WITH A POPULATION OF LESS THAN 10,000,  
7 THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.0.

8 (ii) FOR A TOWNSHIP WITH A POPULATION OF 10,000 OR MORE BUT  
9 LESS THAN 25,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.2.

10 (iii) FOR A TOWNSHIP WITH A POPULATION OF 25,000 OR MORE BUT  
11 LESS THAN 50,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.8.

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

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

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

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

20 (viii) FOR A CITY WITH A POPULATION OF 5,000 OR MORE BUT  
21 LESS THAN 10,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 2.8.

22 (ix) FOR A CITY WITH A POPULATION OF 10,000 OR MORE BUT LESS  
23 THAN 30,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.0.

24 (x) FOR A CITY WITH A POPULATION OF 30,000 OR MORE BUT LESS  
25 THAN 50,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.2.

26 (xi) FOR A CITY WITH A POPULATION OF 50,000 OR MORE BUT LESS  
27 THAN 60,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.3.

1 (xii) FOR A CITY WITH A POPULATION OF 60,000 OR MORE BUT  
2 LESS THAN 100,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
3 3.5.

4 (xiii) FOR A CITY WITH A POPULATION OF 100,000 OR MORE BUT  
5 LESS THAN 140,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
6 4.0.

7 (xiv) FOR A CITY WITH A POPULATION OF 140,000 OR MORE BUT  
8 LESS THAN 180,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
9 4.1.

10 (xv) FOR A CITY WITH A POPULATION OF 180,000 OR MORE BUT  
11 LESS THAN 1,000,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
12 4.2.

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

15 (K) DETERMINE THE ADJUSTED UNIT TYPE POPULATION FOR EACH  
16 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE UNIT TYPE POPULA-  
17 TION WEIGHT FACTOR FOR EACH CITY, VILLAGE, AND TOWNSHIP AS DETER-  
18 MINED UNDER SUBDIVISION (J) BY THE POPULATION OF THE CITY, VIL-  
19 LAGE, OR TOWNSHIP.

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

23 (M) DETERMINE THE PER CAPITA PAYMENT AMOUNT BY SUBTRACTING  
24 \$18,000,000.00 FROM AN AMOUNT EQUAL TO 74.94% OF 21.3% OF THE  
25 SALES TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD  
26 ENDING JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS  
27 UNDER THIS SUBSECTION ARE MADE, MULTIPLYING THAT AMOUNT BY 45%,

1 AND THEN DIVIDING THAT RESULT BY THE TOTAL STATEWIDE ADJUSTED  
2 UNIT TYPE POPULATION AS DETERMINED UNDER SUBDIVISION (1).

3 (N) DETERMINE THE UNIT TYPE POPULATION PAYMENT BY MULTIPLY-  
4 ING THE RESULT UNDER SUBDIVISION (M) BY THE ADJUSTED UNIT TYPE  
5 POPULATION FOR EACH CITY, VILLAGE, AND TOWNSHIP.

6 (7) THE DISTRIBUTION UNDER SUBSECTION (5) SHALL BE CALCU-  
7 LATED AS FOLLOWS AND AS PROVIDED UNDER SUBSECTION (6):

8 (A) DETERMINE THE TAXABLE VALUE PER CAPITA GUARANTEE AMOUNT  
9 WHICH IS THE AMOUNT NEEDED TO ASSURE THAT THE TOTAL OF ALL YIELD  
10 EQUALIZATION PAYMENTS ARE EQUAL TO 74.94% OF 21.3% OF THE SALES  
11 TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING  
12 JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS UNDER THIS  
13 SUBSECTION ARE MADE MINUS \$18,000,000.00.

14 (B) DETERMINE THE EQUALIZATION BASE FOR EACH CITY, VILLAGE,  
15 OR TOWNSHIP, WHICH IS EITHER OF THE FOLLOWING:

16 (i) IF THE PER CAPITA TAXABLE VALUE AS DETERMINED UNDER SUB-  
17 SECTION (6)(A) FOR THE CITY, VILLAGE, OR TOWNSHIP IS LESS THAN  
18 THE TAXABLE VALUE PER CAPITA GUARANTEE AMOUNT, THE EQUALIZATION  
19 BASE FOR THE CITY, VILLAGE, OR TOWNSHIP IS THE TAXABLE VALUE PER  
20 CAPITA GUARANTEE AMOUNT MINUS PER CAPITA TAXABLE VALUE FOR THAT  
21 CITY, VILLAGE, OR TOWNSHIP.

22 (ii) IF THE PER CAPITA TAXABLE VALUE AS DETERMINED UNDER  
23 SUBSECTION (6)(A) FOR THE CITY, VILLAGE, OR TOWNSHIP IS GREATER  
24 THAN OR EQUAL TO THE TAXABLE VALUE PER CAPITA GUARANTEE AMOUNT,  
25 THE EQUALIZATION BASE FOR THE CITY, VILLAGE, OR TOWNSHIP IS  
26 ZERO.

1 (C) DETERMINE THE PER CAPITA YIELD FOR EACH CITY, VILLAGE,  
2 AND TOWNSHIP BY MULTIPLYING THE EQUALIZATION BASE FOR THE CITY,  
3 VILLAGE, OR TOWNSHIP BY THE LOCAL TAX EFFORT AS DETERMINED UNDER  
4 THIS ACT FOR EACH CITY, VILLAGE, AND TOWNSHIP.

5 (D) DETERMINE THE YIELD PAYMENT FOR EACH CITY, VILLAGE, AND  
6 TOWNSHIP BY MULTIPLYING THE PER CAPITA YIELD FOR EACH CITY, VIL-  
7 LAGE, AND TOWNSHIP BY THE POPULATION OF THAT CITY, VILLAGE, OR  
8 TOWNSHIP AND THEN MULTIPLYING THAT RESULT BY 10%.

9 (8) THE LOCAL UNIT TAX EFFORT RATE FOR A CITY, VILLAGE, OR  
10 TOWNSHIP UNDER SUBSECTION (7)(C) IS EQUAL TO THE LOCAL TAX EFFORT  
11 OF THE CITY, VILLAGE, OR TOWNSHIP OR 0.02, WHICHEVER IS LESS.

12 (9) DETERMINE THE GROWTH AMOUNT BY MULTIPLYING THE SUM OF  
13 THE AMOUNTS DETERMINED FOR ALL CITIES, VILLAGES, AND TOWNSHIPS  
14 UNDER SUBSECTION (7)(D) BY 10%.

15 (10) DETERMINE THE EXTENSION PAYMENT BY ADDING 10% OF EACH  
16 CITY'S, VILLAGE'S, AND TOWNSHIP'S PRO RATA SHARE OF THE 1997-1998  
17 PAYMENTS UNDER THIS SECTION TO THE CITY'S, VILLAGE'S, OR  
18 TOWNSHIP'S PER CAPITA PORTION OF THE GROWTH AMOUNT DETERMINED  
19 UNDER SUBSECTION (9).

20 (11) THE AMOUNT DISTRIBUTED UNDER SUBSECTION (5) AND CALCU-  
21 LATED UNDER SUBSECTION (7) SHALL BE DETERMINED FOR THE FOLLOWING  
22 YEARS AS FOLLOWS:

23 (A) FOR THE 1998-1999 STATE FISCAL YEAR, 83.3% OF THE PAY-  
24 MENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER  
25 SUBSECTION (10) AND 16.7% OF THE PAYMENT SHALL BE CALCULATED  
26 USING THE FORMULA UNDER SUBSECTION (7).

1 (B) FOR THE 1999-2000 STATE FISCAL YEAR, 66.7% OF THE  
2 PAYMENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER  
3 SUBSECTION (10) AND 33.3% OF THE PAYMENT SHALL BE CALCULATED  
4 USING THE FORMULA UNDER SUBSECTION (7).

5 (C) FOR THE 2000-2001 STATE FISCAL YEAR, 50.0% OF THE PAY-  
6 MENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER SUBSECTION  
7 (10) AND 50.0% OF THE PAYMENT SHALL BE CALCULATED USING THE FOR-  
8 MULA UNDER SUBSECTION (7).

9 (D) FOR THE 2001-2002 STATE FISCAL YEAR, 33.3% OF THE PAY-  
10 MENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER SUBSECTION  
11 (10) AND 66.7% OF THE PAYMENT SHALL BE CALCULATED USING THE FOR-  
12 MULA UNDER SUBSECTION (7).

13 (E) FOR THE 2002-2003 STATE FISCAL YEAR, 16.7% OF THE PAY-  
14 MENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER SUBSECTION  
15 (10) AND 83.3% OF THE PAYMENT SHALL BE CALCULATED USING THE FOR-  
16 MULA UNDER SUBSECTION (7).

17 (F) FOR THE 2003-2004 STATE FISCAL YEAR AND EACH STATE  
18 FISCAL YEAR AFTER THE 2003-2004 STATE FISCAL YEAR, 100% OF THE  
19 PAYMENT SHALL BE CALCULATED USING THE FORMULA UNDER SUBSECTION  
20 (7).

21 (12) THE TOTAL PAYMENTS FOR A STATE FISCAL YEAR TO EACH  
22 CITY, VILLAGE, OR TOWNSHIP UNDER SUBSECTION (5) AND SECTION 10 OF  
23 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 SHALL NOT INCREASE  
24 BY MORE THAN 8% OVER THE AMOUNT OF THE PAYMENT UNDER THIS ACT AND  
25 SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 FOR  
26 THAT CITY, VILLAGE, OR TOWNSHIP IN THE IMMEDIATELY PRECEDING  
27 STATE FISCAL YEAR.

1       (13) FOR THE 1998-1999 STATE FISCAL YEAR, THE AMOUNT  
2 AVAILABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DISTRIBUTED  
3 UNDER SUBSECTION (5) AND SECTION 10 OF ARTICLE IX OF THE STATE  
4 CONSTITUTION OF 1963 SHALL BE DISTRIBUTED ON A PER CAPITA BASIS  
5 TO CITIES, VILLAGES, AND TOWNSHIPS THAT HAVE A DECREASE IN THEIR  
6 PAYMENT AMOUNTS OF 12% OR MORE FOR AN INITIAL DISTRIBUTION UNDER  
7 THIS SUBSECTION, OR ANY DECREASE FOR A SUBSEQUENT DISTRIBUTION  
8 UNDER THIS SUBSECTION IN THE SAME STATE FISCAL YEAR FOR THE STATE  
9 FISCAL YEAR UNDER THIS ACT AND UNDER SECTION 10 OF ARTICLE IX OF  
10 THE STATE CONSTITUTION OF 1963 AS COMPARED TO PAYMENTS UNDER THIS  
11 ACT AND UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION  
12 OF 1963 FOR THE IMMEDIATELY PRECEDING TAX YEAR.

13       (14) FOR THE 1999-2000 STATE FISCAL YEAR, THE AMOUNT AVAIL-  
14 ABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DISTRIBUTED UNDER  
15 SUBSECTION (5) AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTI-  
16 TUTION OF 1963 SHALL BE DISTRIBUTED ON A PER CAPITA BASIS TO  
17 CITIES, VILLAGES, AND TOWNSHIPS THAT HAVE A DECREASE IN THEIR  
18 PAYMENT AMOUNTS OF 10% OR MORE FOR AN INITIAL DISTRIBUTION UNDER  
19 THIS SUBSECTION, OR ANY DECREASE FOR A SUBSEQUENT DISTRIBUTION  
20 UNDER THIS SUBSECTION IN THE SAME STATE FISCAL YEAR FOR THE STATE  
21 FISCAL YEAR UNDER THIS ACT AND UNDER SECTION 10 OF ARTICLE IX OF  
22 THE STATE CONSTITUTION OF 1963 AS COMPARED TO PAYMENTS UNDER THIS  
23 ACT AND UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION  
24 OF 1963 FOR THE IMMEDIATELY PRECEDING TAX YEAR.

25       (15) FOR THE 2000-2001 STATE FISCAL YEAR, THE AMOUNT AVAIL-  
26 ABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DISTRIBUTED UNDER  
27 SUBSECTION (5) AND SECTION 10 OF ARTICLE IX OF THE STATE



1 CONSTITUTION OF 1963 SHALL BE DISTRIBUTED ON A PER CAPITA BASIS  
2 TO CITIES, VILLAGES, AND TOWNSHIPS THAT HAVE A DECREASE IN THEIR  
3 PAYMENT AMOUNTS OF 8% OR MORE FOR AN INITIAL DISTRIBUTION UNDER  
4 THIS SUBSECTION, OR ANY DECREASE FOR A SUBSEQUENT DISTRIBUTION  
5 UNDER THIS SUBSECTION IN THE SAME STATE FISCAL YEAR FOR THE STATE  
6 FISCAL YEAR UNDER THIS ACT AND UNDER SECTION 10 OF ARTICLE IX OF  
7 THE STATE CONSTITUTION OF 1963 AS COMPARED TO PAYMENTS UNDER THIS  
8 ACT AND UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION  
9 OF 1963 FOR THE IMMEDIATELY PRECEDING TAX YEAR.

10 (16) FOR THE 2001-2002 AND 2002-2003 STATE FISCAL YEARS, THE  
11 AMOUNT AVAILABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DIS-  
12 TRIBUTED UNDER SUBSECTION (5) AND SECTION 10 OF ARTICLE IX OF THE  
13 STATE CONSTITUTION OF 1963 SHALL BE DISTRIBUTED ON A PER CAPITA  
14 BASIS TO CITIES, VILLAGES, AND TOWNSHIPS THAT HAVE A DECREASE IN  
15 THEIR PAYMENT AMOUNTS OF 4% OR MORE FOR AN INITIAL DISTRIBUTION  
16 UNDER THIS SUBSECTION, OR ANY DECREASE FOR A SUBSEQUENT DISTRIBUTION  
17 UNDER THIS SUBSECTION IN THE SAME STATE FISCAL YEAR FOR THE  
18 STATE FISCAL YEAR UNDER THIS ACT AND UNDER SECTION 10 OF ARTICLE  
19 IX OF THE STATE CONSTITUTION OF 1963 AS COMPARED TO PAYMENTS  
20 UNDER THIS ACT AND UNDER SECTION 10 OF ARTICLE IX OF THE STATE  
21 CONSTITUTION OF 1963 FOR THE IMMEDIATELY PRECEDING TAX YEAR.

22 (17) FOR STATE FISCAL YEARS AFTER THE 2002-2003 STATE FISCAL  
23 YEAR, THE AMOUNT AVAILABLE FOR DISTRIBUTION IN EXCESS OF THE  
24 AMOUNT DISTRIBUTED UNDER SUBSECTION (5) AND SECTION 10 OF ARTICLE  
25 IX OF THE STATE CONSTITUTION OF 1963 SHALL BE DISTRIBUTED ON A  
26 PER CAPITA BASIS TO CITIES, VILLAGES, AND TOWNSHIPS THAT RECEIVE  
27 PAYMENTS IN THE STATE FISCAL YEAR THAT HAVE ANY DECREASE IN THEIR

1 PAYMENT AMOUNTS FOR THE STATE FISCAL YEAR UNDER THIS ACT AND  
2 UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963  
3 AS COMPARED TO PAYMENTS UNDER THIS ACT AND UNDER SECTION 10 OF  
4 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 FOR THE IMMEDIATELY  
5 PRECEDING TAX YEAR.

6 (18) ~~-(7)-~~ The payments under subsections (3), (4), and (5)  
7 shall be made during each October, December, February, April,  
8 June, and August. Payments under subsections (3), (4), and (5)  
9 shall be based on collections from the sales tax at the rate of  
10 4% in the 2-month period ending the prior August 31, October 31,  
11 December 31, February 28, April 30, and June 30, ~~less~~ AND FOR  
12 THE 1996-1997 AND 1997-98 STATE FISCAL YEARS ONLY, THE PAYMENTS  
13 SHALL BE REDUCED BY 1/6 of the total distribution for the state  
14 fiscal year under section 12a.

15 (19) ~~-(8)-~~ Payments under this section shall be made from  
16 revenues collected during the state fiscal year in which the pay-  
17 ments are made.

18 (20) ~~-(9)-~~ Distributions provided for by this act are  
19 subject to an annual appropriation by the legislature.

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