

# Fiscal Analysis

## REVENUE SHARING PAYMENT DISTRIBUTION



**Bill/Sponsor** SENATE BILL 575 H-1, Sen. Robert Emerson

**Committee** Appropriations

**Analysis** **Summary**

Senate Bill 575 (H-1) would amend the Glenn Steil State Revenue Sharing Act of 1971 to change the distribution of revenue sharing payments in fiscal year (FY) 2002-03 and FY 2003-04. This bill does not affect the total amount paid to local units. The FY 2003-04 total revenue sharing payments would be appropriated in SB 270 – the General Government bill.

The bill provides for modest changes to the distribution formula for FY 2002-03. In addition, the bill provides for a 3.0% reduction in the statutory payment for each county, and a 10.26% reduction in the statutory payment for each city, village, and township for FY 2003-04 from the statutory payment each local unit received in FY 2002-03. The bill also contains provisions that would ensure a uniform percentage reduction for each city, village, and township if actual sales tax revenue and therefore revenue sharing payments are below the estimates based on the May 2003 Consensus estimate.

**Fiscal Impact**

This bill would have no State fiscal impact and would not change the total revenue sharing payments to local units. However, SB 575 (H-1) would alter the distribution of the revenue sharing payments (relative to current law) to the local units, as indicated on the table below.

**Estimated Revenue Sharing Payments Under SB 575 (H-1)**  
**millions of dollars**

Local Unit	FY 2002-03			FY 2003-04		
	Current Law	SB 575 (H-1)	Change	Current Law	SB 575 (H-1)	Change
Counties	202.1	202.5	0.4	181.6	196.5	14.9
Detroit	322.2	319.7	-2.4	333.9	295.6	-38.3
Other CVTs	926.9	928.9	2.0	892.1	915.6	23.5
Total	1,451.1	1,451.1	0.0	1,407.7	1,407.7	0.0

Note: Assumes Enactment of Executive Recommendation for FY 2003-04 total payment amount

CVTs are cities, villages, and townships

**Analyst(s)**

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**FLOOR ANALYSIS - 6/27/03**

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