

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 575

A bill to amend 1971 PA 140, entitled  
"Glenn Steil state revenue sharing act of 1971,"  
by amending sections 11 and 13 (MCL 141.911 and 141.913), as  
amended by 2002 PA 679.

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.
- 9       (2) For state fiscal years beginning after September 30, 1992  
10 and ending before October 1, 1996, the collections from the state

1 income tax otherwise available for distribution to counties in  
2 November for the quarter period ending the prior September 30  
3 shall be increased by \$35,900,000.00 and the collections from the  
4 state income tax otherwise available for distribution to counties  
5 in August for the quarter period ending the prior June 30 shall  
6 be decreased by \$35,900,000.00.

7 (3) For the 1996-1997 and 1997-1998 state fiscal years, the  
8 department of treasury shall cause to be paid to counties on a  
9 per capita basis an amount equal to 24.5% of the difference  
10 between 21.3% of the sales tax collections at a rate of 4% in the  
11 12-month period ending June 30 of the state fiscal year in which  
12 the payments are made and the total distribution for the state  
13 fiscal year under section 12a. Subject to section 13d, for the  
14 1998-1999 through 2005-2006 state fiscal years and for the period  
15 of October 1, 2006 through September 30, 2007, the department of  
16 treasury shall cause to be paid to counties ~~both~~ **all** of the  
17 following:

18 (a) Except as provided in subdivision (c), an amount equal to  
19 the amount the county was eligible to receive under section 12a  
20 in the 1997-1998 state fiscal year.

21 (b) Except as provided in subdivision (c), an amount equal to  
22 25.06% of 21.3% of the sales tax collections at a rate of 4% in  
23 the 12-month period ending June 30 of the state fiscal year in  
24 which the payments are made minus the amount determined under  
25 subdivision (a) which shall be distributed on a per capita  
26 basis. If the amount appropriated under this section to counties  
27 is less than 25.06% of 21.3% of the sales tax rate of 4%, any

1 reduction made necessary by this appropriation in distributions  
2 to counties shall first be applied to the distribution under this  
3 subdivision.

4 (c) For the 2002-2003 state fiscal year only, each county  
5 shall receive **the lesser of 96.5%, or the percentage determined**  
6 **under this subdivision**, of the amount that the county would have  
7 received if the total available for distribution under  
8 subdivisions (a) and (b) were \$211,549,002.00. The total amount  
9 available for distribution to all counties under this subdivision  
10 shall not exceed \$204,144,787.00. **For the 2002-2003 state fiscal**  
11 **year, the percentage under this subdivision shall be determined**  
12 **by dividing the sum of all payments under section 10 of article**  
13 **IX of the state constitution of 1963 and \$791,070,000.00 by**  
14 **\$1,515,644,218.00. For the 2003-2004 state fiscal year only,**  
15 **each county shall receive 97% of the amount distributed to the**  
16 **county under this subsection for the 2002-2003 state fiscal year.**

17 (4) After September 30, 2007, 25.06% of 21.3% of the sales  
18 tax collections at a rate of 4% shall be distributed to counties  
19 as provided by law.

20 (5) The payments under subsection (3) shall be made from  
21 revenues collected during the state fiscal year in which the  
22 payments are made and shall be made during each October,  
23 December, February, April, June, and August. Payments shall be  
24 based on collections from the sales tax at a rate of 4% in the  
25 2-month period ending the prior August 31, October 31, December  
26 31, February 28, April 30, and June 30, and for the 1996-1997 and  
27 1997-1998 state fiscal years only the payments shall be reduced

1 by 1/6 of the total distribution for the state fiscal year under  
2 section 12a. For state fiscal years after the 1995-1996 state  
3 fiscal year, the collections from the sales tax otherwise  
4 available for distribution to counties under subsection (3) in  
5 December shall be increased by \$17,000,000.00 and the collections  
6 from the sales tax otherwise available for distribution to  
7 counties under subsection (3) in April shall be decreased by  
8 \$17,000,000.00.

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

17       (a) During each August, November, February, and May, the  
18 collections from the state income tax for the quarter periods  
19 ending the prior June 30, September 30, December 31, and March 31  
20 that are available for distribution to cities, villages, and  
21 townships under the income tax act of 1967, 1967 PA 281,  
22 MCL 206.1 to 206.532.

23       (b) The amount of the collections from the single business  
24 tax available for distribution to cities, villages, and townships  
25 under former section 136 of the single business tax act, 1975  
26 PA 228.

27       (2) The amount of collections of the state income tax

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

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

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

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

1 1996-1997 state fiscal year. A city's, village's, or township's  
2 share of revenues under this subdivision shall be computed using  
3 the tax effort formula.

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

11 (5) Subject to section 13d, for the 1998-1999 through  
12 2005-2006 state fiscal years and for the period of October 1,  
13 2006 through September 30, 2007, the department of treasury shall  
14 cause distributions determined under subsections (6) to (13) to  
15 be paid to each city, village, and township from an amount equal  
16 to 74.94% of 21.3% of the sales tax collections at a rate of 4%  
17 in the 12-month period ending June 30 of the state fiscal year in  
18 which the payments are made. After September 30, 2007, 74.94% of  
19 21.3% of sales tax collections at a rate of 4% shall be  
20 distributed to cities, villages, and townships as provided by  
21 law.

22 (6) Subject to section 13d, for the 1998-1999 through  
23 2005-2006 state fiscal years and for the period of October 1,  
24 2006 through September 30, 2007, except for the 2002-2003 **and**  
25 **2003-2004** state fiscal ~~year~~ **years**, and except as otherwise  
26 provided in subsection (15), the department of treasury shall  
27 cause to be paid \$333,900,000.00 to a city with a population of

1 750,000 or more as the total combined distribution under this act  
2 and section 10 of article IX of the state constitution of 1963 as  
3 annualized for any period of less than 12 months to that city.  
4 For the 2002-2003 state fiscal year only, the total combined  
5 distribution under this subsection and section 10 of article IX  
6 of the state constitution of 1963 shall be **the lesser of**  
7 **\$322,213,500.00 or \$333,900,000.00 multiplied by the percentage**  
8 **as determined under this subsection. For the 2002-2003 state**  
9 **fiscal year, the percentage under this subsection shall be**  
10 **determined by dividing the sum of all payments under section 10**  
11 **of article IX of the state constitution of 1963 and**  
12 **\$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state**  
13 **fiscal year only, the distribution under this subsection shall be**  
14 **the lesser of 89.74%, or the percentage determined under this**  
15 **subsection, of the distribution under this subsection for the**  
16 **2002-2003 state fiscal year. For the 2003-2004 state fiscal**  
17 **year, the percentage under this subsection shall be determined by**  
18 **subtracting the sum of all payments under section 10 of**  
19 **article IX of the state constitution of 1963 and 97% of the total**  
20 **of all payments under section 11(3) for the 2002-2003 state**  
21 **fiscal year from \$1,407,625,040.00, and dividing that difference**  
22 **by the difference between \$724,580,000.00 and 97% of the total of**  
23 **all payments under section 11(3) for the 2002-2003 state fiscal**  
24 **year, and then subtracting 0.1026.**

25 (7) Except as otherwise provided in this subsection,  
26 distributions under subsections (8) to (13) to cities, villages,  
27 and townships with populations of less than 750,000 shall be made

1 from the amount available for distribution under this section  
2 that remains after the distribution under subsection (6) is  
3 made. For the 2002-2003 state fiscal year only, each city,  
4 village, and township with a population of less than 750,000  
5 shall receive **the lesser of 96.5%, or the percentage determined**  
6 **under this subsection**, of the amount that the city, village, or  
7 township would have received if the total available for  
8 distribution under subsections (8) to (13) were \$363,069,728.00  
9 and the total available for distribution under section 10 of  
10 article IX of the state constitution of 1963 were  
11 \$607,125,488.00. The total amount available for distribution to  
12 all cities, villages, and townships under this subsection shall  
13 not exceed \$936,238,383.00. **For the 2002-2003 state fiscal year,**  
14 **the percentage under this subsection shall be determined by**  
15 **dividing the sum of all payments under section 10 of article IX**  
16 **of the state constitution of 1963 and \$791,070,000.00 by**  
17 **\$1,515,644,218.00. For the 2003-2004 state fiscal year only,**  
18 **each city, village, and township with a population of less than**  
19 **750,000 shall receive an amount equal to the lesser of 89.74%, or**  
20 **the percentage determined under this subsection, of the amount**  
21 **distributed to the city, village, or township under this**  
22 **subsection for the 2002-2003 state fiscal year. For the**  
23 **2003-2004 state fiscal year, the percentage under this subsection**  
24 **shall be determined by subtracting the sum of all payments under**  
25 **section 10 of article IX of the state constitution of 1963 and**  
26 **97% of the total of all payments under section 11(3) for the**  
27 **2002-2003 state fiscal year from \$1,407,625,040.00, and dividing**



1 that difference by the difference between \$724,580,000.00 and 97%  
2 of the total of all payments under section 11(3) for the  
3 2002-2003 state fiscal year, and then subtracting 0.1026. The  
4 amount of the adjustment under this subsection shall be  
5 accomplished by reducing the payments under subsections (8) to  
6 (13), and payments under section 10 of article IX shall not be  
7 reduced based on any adjustments made under this subsection.

8 (8) Subject to section 13d, for the 1998-1999 through  
9 2005-2006 state fiscal years and for the period of October 1,  
10 2006 through September 30, 2007, for cities, villages, and  
11 townships with populations of less than 750,000, subject to the  
12 limitations under this section, a taxable value payment shall be  
13 made to each city, village, and township determined as follows:

14 (a) Determine the per capita taxable value for each city,  
15 village, and township by dividing the taxable value of that city,  
16 village, or township by the population of that city, village, or  
17 township.

18 (b) Determine the statewide per capita taxable value by  
19 dividing the total taxable value of all cities, villages, and  
20 townships by the total population of all cities, villages, and  
21 townships.

22 (c) Determine the per capita taxable value ratio for each  
23 city, village, and township by dividing the statewide per capita  
24 taxable value by the per capita taxable value for that city,  
25 village, or township.

26 (d) Determine the adjusted taxable value population for each  
27 city, village, and township by multiplying the per capita taxable

1 value ratio as determined under subdivision (c) for that city,  
2 village, or township by the population of that city, village, or  
3 township.

4 (e) Determine the total statewide adjusted taxable value  
5 population which is the sum of all adjusted taxable value  
6 population for all cities, villages, and townships.

7 (f) Determine the taxable value payment rate by dividing  
8 74.94% of 21.3% of the sales tax collections at a rate of 4% in  
9 the 12-month period ending June 30 of the state fiscal year in  
10 which the payments under this subsection are made by 3, and  
11 dividing that result by the total statewide adjusted taxable  
12 value population as determined under subdivision (e).

13 (g) Determine the taxable value payment for each city,  
14 village, and township by multiplying the result under  
15 subdivision (f) by the adjusted taxable value population for that  
16 city, village, or township.

17 (9) Subject to section 13d, for the 1998-1999 through  
18 2005-2006 state fiscal years and for the period of October 1,  
19 2006 through September 30, 2007, subject to the limitations under  
20 this section and except as provided in subsection (14), a unit  
21 type population payment shall be made to each city, village, and  
22 township with a population of less than 750,000 determined as  
23 follows:

24 (a) Determine the unit type population weight factor for each  
25 city, village, and township as follows:

26 (i) For a township with a population of 5,000 or less, the  
27 unit type population weight factor is 1.0.

1       (ii) For a township with a population of more than 5,000 but  
2 less than 10,001, the unit type population weight factor is 1.2.

3       (iii) For a township with a population of more than 10,000  
4 but less than 20,001, the unit type population weight factor is  
5 1.44.

6       (iv) For a township with a population of more than 20,000 but  
7 less than 40,001, the unit type population weight factor is  
8 1.73.

9       (v) For a township with a population of more than 40,000 but  
10 less than 80,001, the unit type population weight factor is  
11 2.07.

12       (vi) For a township with a population of more than 80,000,  
13 the unit type population weight factor is 2.49.

14       (vii) For a village with a population of 5,000 or less, the  
15 unit type population weight factor is 1.5.

16       (viii) For a village with a population of more than 5,000 but  
17 less than 10,001, the unit type population weight factor is 1.8.

18       (ix) For a village with a population of more than 10,000, the  
19 unit type population weight factor is 2.16.

20       (x) For a city with a population of 5,000 or less, the unit  
21 type population weight factor is 2.5.

22       (xi) For a city with a population of more than 5,000 but less  
23 than 10,001, the unit type population weight factor is 3.0.

24       (xii) For a city with a population of more than 10,000 but  
25 less than 20,001, the unit type population weight factor is 3.6.

26       (xiii) For a city with a population of more than 20,000 but  
27 less than 40,001, the unit type population weight factor is

1 4.32.

2 (xiv) For a city with a population of more than 40,000 but  
3 less than 80,001, the unit type population weight factor is  
4 5.18.

5 (xv) For a city with a population of more than 80,000 but  
6 less than 160,001, the unit type population weight factor is  
7 6.22.

8 (xvi) For a city with a population of more than 160,000 but  
9 less than 320,001, the unit type population weight factor is  
10 7.46.

11 (xvii) For a city with a population of more than 320,000 but  
12 less than 640,001, the unit type population weight factor is  
13 8.96.

14 (xviii) For a city with a population of more than 640,000,  
15 the unit type population weight factor is 10.75.

16 (b) Determine the adjusted unit type population for each  
17 city, village, and township by multiplying the unit type  
18 population weight factor for that city, village, or township as  
19 determined under subdivision (a) by the population of the city,  
20 village, or township.

21 (c) Determine the total statewide adjusted unit type  
22 population, which is the sum of the adjusted unit type population  
23 for all cities, villages, and townships.

24 (d) Determine the unit type population payment rate by  
25 dividing 74.94% of 21.3% of the sales tax collections at a rate  
26 of 4% in the 12-month period ending June 30 of the state fiscal  
27 year in which the payments under this subsection are made by 3,

1 and then dividing that result by the total statewide adjusted  
2 unit type population as determined under subdivision (c).

3 (e) Determine the unit type population payment for each city,  
4 village, and township by multiplying the result under subdivision  
5 (d) by the adjusted unit type population for that city, village,  
6 or township.

7 (10) Subject to section 13d, for the 1998-1999 through  
8 2005-2006 state fiscal years and for the period of October 1,  
9 2006 through September 30, 2007, subject to the limitations under  
10 this section, a yield equalization payment shall be made to each  
11 city, village, and township with a population of less than  
12 750,000 sufficient to provide the guaranteed tax base for a local  
13 tax effort not to exceed 0.02. The payment shall be determined  
14 as follows:

15 (a) The guaranteed tax base is the maximum combined state and  
16 local per capita taxable value that can be guaranteed in a state  
17 fiscal year to each city, village, and township for a local tax  
18 effort not to exceed 0.02 if an amount equal to 74.94% of 21.3%  
19 of the state sales tax at a rate of 4% is distributed to cities,  
20 villages, and townships whose per capita taxable value is below  
21 the guaranteed tax base.

22 (b) The full yield equalization payment to each city,  
23 village, and township is the product of the amounts determined  
24 under subparagraphs (i) and (ii):

25 (i) An amount greater than zero that is equal to the  
26 difference between the guaranteed tax base determined in  
27 subdivision (a) and the per capita taxable value of the city,

1 village, or township.

2 (ii) The local tax effort of the city, village, or township,  
3 not to exceed 0.02, multiplied by the population of that city,  
4 village, or township.

5 (c) The yield equalization payment is the full yield  
6 equalization payment divided by 3.

7 (11) For state fiscal years after the 1997-1998 state fiscal  
8 year, distributions under this section for cities, villages, and  
9 townships with populations of less than 750,000 shall be  
10 determined as follows:

11 (a) For the 1998-1999 state fiscal year, the payment under  
12 this section for each city, village, and township shall be the  
13 sum of the following:

14 (i) Ninety percent of the total amount available for  
15 distribution under subsections (8), (9), and (10) for the  
16 1998-1999 state fiscal year multiplied by the city's, village's,  
17 or township's percentage share of the distributions under this  
18 section and section 12a minus the amount of a distribution under  
19 this section and section 12a to a city that is eligible to  
20 receive a distribution under subsection (6) in the 1997-1998  
21 state fiscal year.

22 (ii) Ten percent of the total amount available for  
23 distribution under subsections (8), (9), and (10) for the  
24 1998-1999 state fiscal year multiplied by the percentage share of  
25 the distribution amounts calculated under subsections (8), (9),  
26 and (10).

27 (b) For the 1999-2000 state fiscal year, the payment under

1 this section for each city, village, and township shall be the  
2 sum of the following:

3       (i) Eighty percent of the total amount available for  
4 distribution under subsections (8), (9), and (10) for the  
5 1999-2000 state fiscal year multiplied by the city's, village's,  
6 or township's percentage share of the distributions under this  
7 section and section 12a minus the amount of a distribution under  
8 this section and section 12a to a city that is eligible to  
9 receive a distribution under subsection (6) in the 1997-1998  
10 state fiscal year.

11       (ii) Twenty percent of the total amount available for  
12 distribution under subsections (8), (9), and (10) for the  
13 1999-2000 state fiscal year multiplied by the city's, village's,  
14 or township's percentage share of the distribution amounts  
15 calculated under subsections (8), (9), and (10).

16       (c) For the 2000-2001 state fiscal year, the payment under  
17 this section for each city, village, and township shall be the  
18 sum of the following:

19       (i) Seventy percent of the total amount available for  
20 distribution under subsections (8), (9), and (10) for the  
21 2000-2001 state fiscal year multiplied by the city's, village's,  
22 or township's percentage share of the distributions under this  
23 section and section 12a minus the amount of a distribution under  
24 this section and section 12a to a city that is eligible to  
25 receive a distribution under subsection (6) in the 1997-1998  
26 state fiscal year.

27       (ii) Thirty percent of the total amount available for

1 distribution under subsections (8), (9), and (10) for the  
2 2000-2001 state fiscal year multiplied by the percentage share of  
3 the distribution amounts calculated under subsections (8), (9),  
4 and (10).

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  
9 distribution under subsections (8), (9), and (10) for the  
10 2001-2002 state fiscal year multiplied by the city's, village's,  
11 or township's percentage share of the distributions under this  
12 section and section 12a minus the amount of a distribution under  
13 this section and section 12a to a city that is eligible to  
14 receive a distribution under subsection (6) in the 1997-1998  
15 state fiscal year.

16 (ii) Forty percent of the total amount available for  
17 distribution under subsections (8), (9), and (10) for the  
18 2001-2002 state fiscal year multiplied by the percentage share of  
19 the distribution amounts calculated under subsections (8), (9),  
20 and (10).

21 (e) For the 2002-2003 state fiscal year, the payment under  
22 this section for each city, village, and township shall be the  
23 sum of the following:

24 (i) Fifty percent of the total amount available for  
25 distribution under subsections (8), (9), and (10) for the  
26 2002-2003 state fiscal year multiplied by the city's, village's,  
27 or township's percentage share of the distributions under this



1 section and section 12a minus the amount of a distribution under  
2 this section and section 12a to a city that is eligible to  
3 receive a distribution under subsection (6) in the 1997-1998  
4 state fiscal year.

5 (ii) Fifty percent of the total amount available for  
6 distribution under subsections (8), (9), and (10) for the  
7 2002-2003 state fiscal year multiplied by the percentage share of  
8 the distribution amounts calculated under subsections (8), (9),  
9 and (10).

10 (f) For the 2003-2004 state fiscal year, the payment under  
11 this section for each city, village, and township shall be the  
12 sum of the following:

13 (i) Forty percent of the total amount available for  
14 distribution under subsections (8), (9), and (10) for the  
15 2003-2004 state fiscal year multiplied by the city's, village's,  
16 or township's percentage share of the distributions under this  
17 section and section 12a minus the amount of a distribution under  
18 this section and section 12a to a city that is eligible to  
19 receive a distribution under subsection (6) in the 1997-1998  
20 state fiscal year.

21 (ii) Sixty percent of the total amount available for  
22 distribution under subsections (8), (9), and (10) for the  
23 2003-2004 state fiscal year multiplied by the percentage share of  
24 the distribution amounts calculated under subsections (8), (9),  
25 and (10).

26 (g) For the 2004-2005 state fiscal year, the payment under  
27 this section for each city, village, and township shall be the

1 sum of the following:

2       (i) Thirty percent of the total amount available for  
3 distribution under subsections (8), (9), and (10) for the  
4 2004-2005 state fiscal year multiplied by the city's, village's,  
5 or township's percentage share of the distributions under this  
6 section and section 12a minus the amount of a distribution under  
7 this section and section 12a to a city that is eligible to  
8 receive a distribution under subsection (6) in the 1997-1998  
9 state fiscal year.

10       (ii) Seventy percent of the total amount available for  
11 distribution under subsections (8), (9), and (10) for the  
12 2004-2005 state fiscal year multiplied by the percentage share of  
13 the distribution amounts calculated under subsections (8), (9),  
14 and (10).

15       (h) For the 2005-2006 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) Twenty percent of the total amount available for  
19 distribution under subsections (8), (9), and (10) for the  
20 2005-2006 state fiscal year multiplied by the city's, village's,  
21 or township's percentage share of the distributions under this  
22 section and section 12a minus the amount of a distribution under  
23 this section and section 12a to a city that is eligible to  
24 receive a distribution under subsection (6) in the 1997-1998  
25 state fiscal year.

26       (ii) Eighty percent of the total amount available for  
27 distribution under subsections (8), (9), and (10) for the

1 2005-2006 state fiscal year multiplied by the percentage share of  
2 the distribution amounts calculated under subsections (8), (9),  
3 and (10).

4 (i) For the period of October 1, 2006 through September 30,  
5 2007, the payment under this section for each city, village, and  
6 township shall be the sum of the following:

7 (i) Ten percent of the total amount available for  
8 distribution under subsections (8), (9), and (10) for the  
9 2006-2007 state fiscal year multiplied by the city's, village's,  
10 or township's percentage share of the distributions under this  
11 section and section 12a minus the amount of a distribution under  
12 this section and section 12a to a city that is eligible to  
13 receive a distribution under subsection (6) in the 1997-1998  
14 state fiscal year.

15 (ii) Ninety percent of the total amount available for  
16 distribution under subsections (8), (9), and (10) for the  
17 2006-2007 state fiscal year multiplied by the percentage share of  
18 the distribution amounts calculated under subsections (8), (9),  
19 and (10).

20 (12) Except as otherwise provided in this subsection, the  
21 total payment to any city, village, or township under this act  
22 and section 10 of article IX of the state constitution of 1963  
23 shall not increase by more than 8% over the amount of the payment  
24 under this act and section 10 of article IX of the state  
25 constitution of 1963 in the immediately preceding state fiscal  
26 year. From the amount not distributed because of the limitation  
27 imposed by this subsection, the department shall distribute an

1 amount to certain cities, villages, and townships such that the  
2 percentage increase in the total payment under this act and  
3 section 10 of article IX of the state constitution of 1963 from  
4 the immediately preceding state fiscal year to each of those  
5 cities, villages, and townships is equal to, but does not exceed,  
6 the percentage increase from the immediately preceding state  
7 fiscal year of any city, village, or township that does not  
8 receive a distribution under this subsection. This subsection  
9 does not apply for state fiscal years after the 2000 federal  
10 decennial census becomes official to a city, village, or township  
11 with a 10% or more increase in population from the official 1990  
12 federal decennial census to the official 2000 federal decennial  
13 census.

14       (13) The percentage allocations to distributions under  
15 subsections (8) to (10) pursuant to subsection (11) shall be  
16 calculated as if, in any state fiscal year, the amount  
17 appropriated under this section for distribution to cities,  
18 villages, and townships is 74.94% of 21.3% of the sales tax at a  
19 rate of 4%. If the amount appropriated under this section to  
20 cities, villages, and townships is less than 74.94% of 21.3% of  
21 the sales tax at a rate of 4%, any reduction made necessary by  
22 this appropriation in distributions to cities, villages, and  
23 townships shall first be applied to the distribution under  
24 subsections (8) to (10) and any remaining amount shall be applied  
25 to the other distributions under this section.

26       (14) A township that provides for or makes available fire,  
27 police on a 24-hour basis either through contracting for or

1 directly employing personnel, water to 50% or more of its  
2 residents, and sewer services to 50% or more of its residents and  
3 has a population of 10,000 or more or a township that has a  
4 population of 20,000 or more shall use the unit type population  
5 weight factor under subsection (9)(a) for a city with the same  
6 population as the township.

7       (15) For a state fiscal year in which the sales tax  
8 collections decrease from the sales tax collections for the  
9 immediately preceding state fiscal year, the department shall  
10 reduce the amount to be distributed to a city with a population  
11 of 750,000 or more under subsection (6) by an amount determined  
12 by subtracting the amount the city is eligible for under section  
13 10 of article IX of the state constitution of 1963 for the state  
14 fiscal year from \$333,900,000.00 and multiplying that result by  
15 the same percentage as the percentage decrease in sales tax  
16 collections for that state fiscal year as compared to sales tax  
17 collections for the immediately preceding state fiscal year.  
18 This subsection does not apply to the 2002-2003 **and 2003-2004**  
19 state fiscal ~~year~~ **years**.

20       (16) Notwithstanding any other provision of this section for  
21 the 1998-1999 state fiscal year, the total combined amount  
22 received by each city, village, and township under this section  
23 and section 10 of article IX of the state constitution of 1963  
24 shall not be less than the combined amount received under this  
25 section, section 12a, and section 10 of article IX of the state  
26 constitution of 1963 in the 1997-1998 state fiscal year. The  
27 increase, if any, for each city, village, and township from the

1 1997-1998 state fiscal year, other than a city that receives a  
2 distribution under subsection (6), shall be reduced by a uniform  
3 percentage to the extent necessary to fund distributions under  
4 this subsection.

5 (17) The payments under subsections (3), (4), and (5) shall  
6 be made during each October, December, February, April, June, and  
7 August. Payments under subsections (3), (4), and (5) shall be  
8 based on collections from the sales tax at the rate of 4% in the  
9 2-month period ending the prior August 31, October 31, December  
10 31, February 28, April 30, and June 30, and for the 1996-1997 and  
11 1997-1998 state fiscal years only, the payments shall be reduced  
12 by 1/6 of the total distribution for the state fiscal year under  
13 section 12a.

14 (18) Payments under this section shall be made from revenues  
15 collected during the state fiscal year in which the payments are  
16 made.

17 (19) Distributions provided for by this act are subject to an  
18 annual appropriation by the legislature.