

**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 the lesser of 97%, or the percentage**
16 **determined under this subdivision, of the amount distributed to**
17 **the county under this subsection for the 2002-2003 state fiscal**
18 **year. For the 2003-2004 state fiscal year, the percentage under**
19 **this subdivision shall be determined by dividing the sum of all**
20 **payments under section 10 of article IX of the state constitution**
21 **of 1963 and \$724,580,000.00 by \$1,407,625,040.00 and then**
22 **subtracting 0.03.**

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

26 (5) The payments under subsection (3) shall be made from
27 revenues collected during the state fiscal year in which the

1 payments are made and shall be made during each October,
2 December, February, April, June, and August. Payments shall be
3 based on collections from the sales tax at a rate of 4% in the
4 2-month period ending the prior August 31, October 31, December
5 31, February 28, April 30, and June 30, and for the 1996-1997 and
6 1997-1998 state fiscal years only the payments shall be reduced
7 by 1/6 of the total distribution for the state fiscal year under
8 section 12a. For state fiscal years after the 1995-1996 state
9 fiscal year, the collections from the sales tax otherwise
10 available for distribution to counties under subsection (3) in
11 December shall be increased by \$17,000,000.00 and the collections
12 from the sales tax otherwise available for distribution to
13 counties under subsection (3) in April shall be decreased by
14 \$17,000,000.00.

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

23 (a) During each August, November, February, and May, the
24 collections from the state income tax for the quarter periods
25 ending the prior June 30, September 30, December 31, and March 31
26 that are available for distribution to cities, villages, and
27 townships under the income tax act of 1967, 1967 PA 281,

1 MCL 206.1 to 206.532.

2 (b) The amount of the collections from the single business
3 tax available for distribution to cities, villages, and townships
4 under former section 136 of the single business tax act, 1975
5 PA 228.

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

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

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

1 following:

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

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

17 (5) 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, the department of treasury shall
20 cause distributions determined under subsections (6) to (13) to
21 be paid to each city, village, and township from an amount equal
22 to 74.94% of 21.3% of the sales tax collections at a rate of 4%
23 in the 12-month period ending June 30 of the state fiscal year in
24 which the payments are made. After September 30, 2007, 74.94% of
25 21.3% of sales tax collections at a rate of 4% shall be
26 distributed to cities, villages, and townships as provided by
27 law.

1 (6) Subject to section 13d, for the 1998-1999 through
2 2005-2006 state fiscal years and for the period of October 1,
3 2006 through September 30, 2007, except for the 2002-2003 **and**
4 **2003-2004** state fiscal ~~year~~ **years**, and except as otherwise
5 provided in subsection (15), the department of treasury shall
6 cause to be paid \$333,900,000.00 to a city with a population of
7 750,000 or more as the total combined distribution under this act
8 and section 10 of article IX of the state constitution of 1963 as
9 annualized for any period of less than 12 months to that city.
10 For the 2002-2003 state fiscal year only, the total combined
11 distribution under this subsection and section 10 of article IX
12 of the state constitution of 1963 shall be **the lesser of**
13 **\$322,213,500.00 or \$333,900,000.00 multiplied by the percentage**
14 **as determined under this subsection. For the 2002-2003 state**
15 **fiscal year, the percentage under this subsection shall be**
16 **determined by dividing the sum of all payments under section 10**
17 **of article IX of the state constitution of 1963 and**
18 **\$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state**
19 **fiscal year only, the total combined distribution under this**
20 **subsection and section 10 of article IX of the state constitution**
21 **of 1963 shall be the lesser of 97%, or the percentage determined**
22 **under this subsection, of the total combined distribution under**
23 **this subsection and section 10 of article IX of the state**
24 **constitution of 1963 for the 2002-2003 state fiscal year. For**
25 **the 2003-2004 state fiscal year, the percentage under this**
26 **subsection shall be determined by dividing the sum of all**
27 **payments under section 10 of article IX of the state constitution**

1 of 1963 and \$724,580,000.00 by \$1,407,625,040.00 and then
2 subtracting 0.03.

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

1 of 1963 for the 2002-2003 state fiscal year. For the 2003-2004
2 state fiscal year, the percentage under this subsection shall be
3 determined by dividing the sum of all payments under section 10
4 of article IX of the state constitution of 1963 and
5 \$724,580,000.00 by \$1,407,625,040.00 and then subtracting 0.03.

6 The amount of the adjustment under this subsection shall be
7 accomplished by reducing the payments under subsections (8) to
8 (13), and payments under section 10 of article IX shall not be
9 reduced based on any adjustments made under this subsection.

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

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

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

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

1 (d) Determine the adjusted taxable value population for each
2 city, village, and township by multiplying the per capita taxable
3 value ratio as determined under subdivision (c) for that city,
4 village, or township by the population of that city, village, or
5 township.

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

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

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

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

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

- 1 (i) For a township with a population of 5,000 or less, the
2 unit type population weight factor is 1.0.
- 3 (ii) For a township with a population of more than 5,000 but
4 less than 10,001, the unit type population weight factor is 1.2.
- 5 (iii) For a township with a population of more than 10,000
6 but less than 20,001, the unit type population weight factor is
7 1.44.
- 8 (iv) For a township with a population of more than 20,000 but
9 less than 40,001, the unit type population weight factor is
10 1.73.
- 11 (v) For a township with a population of more than 40,000 but
12 less than 80,001, the unit type population weight factor is
13 2.07.
- 14 (vi) For a township with a population of more than 80,000,
15 the unit type population weight factor is 2.49.
- 16 (vii) For a village with a population of 5,000 or less, the
17 unit type population weight factor is 1.5.
- 18 (viii) For a village with a population of more than 5,000 but
19 less than 10,001, the unit type population weight factor is 1.8.
- 20 (ix) For a village with a population of more than 10,000, the
21 unit type population weight factor is 2.16.
- 22 (x) For a city with a population of 5,000 or less, the unit
23 type population weight factor is 2.5.
- 24 (xi) For a city with a population of more than 5,000 but less
25 than 10,001, the unit type population weight factor is 3.0.
- 26 (xii) For a city with a population of more than 10,000 but
27 less than 20,001, the unit type population weight factor is 3.6.

1 (xiii) For a city with a population of more than 20,000 but
2 less than 40,001, the unit type population weight factor is
3 4.32.

4 (xiv) For a city with a population of more than 40,000 but
5 less than 80,001, the unit type population weight factor is
6 5.18.

7 (xv) For a city with a population of more than 80,000 but
8 less than 160,001, the unit type population weight factor is
9 6.22.

10 (xvi) For a city with a population of more than 160,000 but
11 less than 320,001, the unit type population weight factor is
12 7.46.

13 (xvii) For a city with a population of more than 320,000 but
14 less than 640,001, the unit type population weight factor is
15 8.96.

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

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

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

26 (d) Determine the unit type population payment rate by
27 dividing 74.94% of 21.3% of the sales tax collections at a rate

1 of 4% in the 12-month period ending June 30 of the state fiscal
2 year in which the payments under this subsection are made by 3,
3 and then dividing that result by the total statewide adjusted
4 unit type population as determined under subdivision (c).

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

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

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

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

27 (i) An amount greater than zero that is equal to the

1 difference between the guaranteed tax base determined in
2 subdivision (a) and the per capita taxable value of the city,
3 village, or township.

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

7 (c) The yield equalization payment is the full yield
8 equalization payment divided by 3.

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

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

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

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

1 and (10).

2 (b) For the 1999-2000 state fiscal year, the payment under
3 this section for each city, village, and township shall be the
4 sum of the following:

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

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

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

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

1 state fiscal year.

2 (ii) Thirty percent of the total amount available for
3 distribution under subsections (8), (9), and (10) for the
4 2000-2001 state fiscal year multiplied by the percentage share of
5 the distribution amounts calculated under subsections (8), (9),
6 and (10).

7 (d) For the 2001-2002 state fiscal year, the payment under
8 this section for each city, village, and township shall be the
9 sum of the following:

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

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

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

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

1 2002-2003 state fiscal year multiplied by the city's, village's,
2 or township's percentage share of the distributions under this
3 section and section 12a minus the amount of a distribution under
4 this section and section 12a to a city that is eligible to
5 receive a distribution under subsection (6) in the 1997-1998
6 state fiscal year.

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

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

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

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

1 (g) For the 2004-2005 state fiscal year, the payment under
2 this section for each city, village, and township shall be the
3 sum of the following:

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

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

17 (h) For the 2005-2006 state fiscal year, the payment under
18 this section for each city, village, and township shall be the
19 sum of the following:

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

1 (ii) Eighty percent of the total amount available for
2 distribution under subsections (8), (9), and (10) for the
3 2005-2006 state fiscal year multiplied by the percentage share of
4 the distribution amounts calculated under subsections (8), (9),
5 and (10).

6 (i) For the period of October 1, 2006 through September 30,
7 2007, the payment under this section for each city, village, and
8 township shall be the sum of the following:

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

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

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

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

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

1 (14) A township that provides for or makes available fire,
2 police on a 24-hour basis either through contracting for or
3 directly employing personnel, water to 50% or more of its
4 residents, and sewer services to 50% or more of its residents and
5 has a population of 10,000 or more or a township that has a
6 population of 20,000 or more shall use the unit type population
7 weight factor under subsection (9)(a) for a city with the same
8 population as the township.

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

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

1 constitution of 1963 in the 1997-1998 state fiscal year. The
2 increase, if any, for each city, village, and township from the
3 1997-1998 state fiscal year, other than a city that receives a
4 distribution under subsection (6), shall be reduced by a uniform
5 percentage to the extent necessary to fund distributions under
6 this subsection.

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

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

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