

# HOUSE BILL No. 5787

April 21, 2004, Introduced by Rep. Minore and referred to the Committee on Appropriations.

A bill to amend 1971 PA 140, entitled  
"Glenn Steil state revenue sharing act of 1971,"  
by amending section 11 (MCL 141.911), as amended by 2003 PA 168.

## 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  
11 income tax otherwise available for distribution to counties in

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

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

17 (a) Except as provided in subdivision (c) **and subsection (6)**,  
18 an amount equal to the amount the county was eligible to receive  
19 under section 12a in the 1997-1998 state fiscal year.

20 (b) Except as provided in subdivision (c) **and subsection (6)**,  
21 an amount equal to 25.06% of 21.3% of the sales tax collections  
22 at a rate of 4% in the 12-month period ending June 30 of the  
23 state fiscal year in which the payments are made minus the amount  
24 determined under subdivision (a) which shall be distributed on a  
25 per capita basis. If the amount appropriated under this section  
26 to counties is less than 25.06% of 21.3% of the sales tax rate of  
27 4%, any reduction made necessary by this appropriation in

1 distributions to counties shall first be applied to the  
2 distribution under this subdivision.

3 (c) For the 2002-2003 state fiscal year only, each county  
4 shall receive the lesser of 96.5%, or the percentage determined  
5 under this subdivision, of the amount that the county would have  
6 received if the total available for distribution under  
7 subdivisions (a) and (b) were \$211,549,002.00. The total amount  
8 available for distribution to all counties under this subdivision  
9 shall not exceed \$204,144,787.00. For the 2002-2003 state fiscal  
10 year, the percentage under this subdivision shall be determined  
11 by dividing the sum of all payments under section 10 of article  
12 IX of the state constitution of 1963 and \$791,070,000.00 by  
13 \$1,515,644,218.00. For the 2003-2004 state fiscal year only,  
14 each county shall receive the lesser of ~~97%~~ **92%**, or the  
15 percentage determined under this subdivision, of the amount  
16 distributed to the county under this subsection for the 2002-2003  
17 state fiscal year, **which amount for each county for the 2003-2004**  
18 **state fiscal year shall be reduced by an additional 9.1%.** For  
19 the 2003-2004 state fiscal year, the percentage under this  
20 subdivision shall be determined by dividing the sum of all  
21 payments under section 10 of article IX of the state constitution  
22 of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then  
23 subtracting ~~0.03~~ **0.08**.

24 (4) After September 30, 2007 **and subject to the limitations**  
25 **in subsections (3) and (6),** 25.06% of 21.3% of the sales tax  
26 collections at a rate of 4% shall be distributed to counties as  
27 provided by law.

1       (5) The payments under subsection (3) shall be made from  
2 revenues collected during the state fiscal year in which the  
3 payments are made and shall be made during each October,  
4 December, February, April, June, and August. Payments shall be  
5 based on collections from the sales tax at a rate of 4% in the  
6 2-month period ending the prior August 31, October 31, December  
7 31, February 28, April 30, and June 30, and for the 1996-1997 and  
8 1997-1998 state fiscal years only the payments shall be reduced  
9 by 1/6 of the total distribution for the state fiscal year under  
10 section 12a. For state fiscal years after the 1995-1996 state  
11 fiscal year, the collections from the sales tax otherwise  
12 available for distribution to counties under subsection (3) in  
13 December shall be increased by \$17,000,000.00 and the collections  
14 from the sales tax otherwise available for distribution to  
15 counties under subsection (3) in April shall be decreased by  
16 \$17,000,000.00.

17       (6) For state fiscal years beginning after September 30,  
18 2004, each county shall receive a payment equal to the amount by  
19 which the balance in its revenue sharing reserve fund under  
20 section 44a of the general property tax act, 1893 PA 206, MCL  
21 211.44a, for the county's most recent fiscal year that ends prior  
22 to the January 1 of the state's fiscal year is less than the  
23 amount calculated under section 44a(12) of the general property  
24 tax act, 1893 PA 206, MCL 211.44a, for the county fiscal year  
25 that begins in the state's fiscal year. Payments under this  
26 subsection shall be adjusted as necessary to reflect partial  
27 county fiscal years and prorated based on the total amount

1 appropriated for distribution to all counties.