

SENATE BILL No. 1019

February 25, 2004, Introduced by Senator EMERSON 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 sections 11 and 13 (MCL 141.911 and 141.913), 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

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 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%~~ 92%, or the
16 percentage determined under this subdivision, of the amount
17 distributed to the county under this subsection for the 2002-2003
18 state fiscal year. For the 2003-2004 state fiscal year, the
19 percentage under this subdivision shall be determined by dividing
20 the sum of all payments under section 10 of article IX of the
21 state constitution of 1963 and \$724,800,000.00 by
22 \$1,407,850,000.00 and then subtracting ~~0.03~~ 0.08.

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 **(6) The department of treasury may withhold payments under**
16 **this section to a county that has not distributed an industrial**
17 **facilities tax as required under 1974 PA 198, MCL 207.551 to**
18 **207.572, or the specific tax as required under section 21b of the**
19 **enterprise zone act, 1985 PA 224, MCL 125.2121b.**

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

1 (a) During each August, November, February, and May, the
2 collections from the state income tax for the quarter periods
3 ending the prior June 30, September 30, December 31, and March 31
4 that are available for distribution to cities, villages, and
5 townships under the income tax act of 1967, 1967 PA 281,
6 MCL 206.1 to 206.532.

7 (b) The amount of the collections from the single business
8 tax available for distribution to cities, villages, and townships
9 under former section 136 of the single business tax act, 1975
10 PA 228.

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

19 (3) This subsection applies to distributions to cities,
20 villages, and townships for the 1996-1997 state fiscal year. The
21 department shall cause to be paid in accordance with the tax
22 effort formula an amount equal to 75.5% of the difference between
23 21.3% of the sales tax collections at a rate of 4% in the
24 12-month period ending June 30 of the state fiscal year in which
25 the payments are made and the total distribution for the state
26 fiscal year under section 12a.

27 (4) The department of treasury shall cause to be paid during

1 the 1997-1998 state fiscal year an amount equal to 75.5% of the
2 difference between 21.3% of the sales tax collections at a rate
3 of 4% in the 12-month period ending June 30 of the state fiscal
4 year in which the payments are made and the total distribution
5 for the state fiscal year under section 12a, both of the
6 following:

7 (a) To each city, village, and township, the amount of
8 collections distributed under subsection (3) to cities, villages,
9 and townships for the 1996-1997 state fiscal year or its pro rata
10 share of the collections if the collections are less than the
11 amount of collections distributed under subsection (3) for the
12 1996-1997 state fiscal year. A city's, village's, or township's
13 share of revenues under this subdivision shall be computed using
14 the tax effort formula.

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

22 (5) 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, the department of treasury shall
25 cause distributions determined under subsections (6) to (13) to
26 be paid to each city, village, and township from an amount equal
27 to 74.94% of 21.3% of the sales tax collections at a rate of 4%

1 in the 12-month period ending June 30 of the state fiscal year in
2 which the payments are made. After September 30, 2007, 74.94% of
3 21.3% of sales tax collections at a rate of 4% shall be
4 distributed to cities, villages, and townships as provided by
5 law.

6 (6) Subject to section 13d, for the 1998-1999 through
7 2005-2006 state fiscal years and for the period of October 1,
8 2006 through September 30, 2007, except for the 2002-2003 and
9 2003-2004 state fiscal years, and except as otherwise provided in
10 subsection (15), the department of treasury shall cause to be
11 paid \$333,900,000.00 to a city with a population of 750,000 or
12 more as the total combined distribution under this act and
13 section 10 of article IX of the state constitution of 1963 as
14 annualized for any period of less than 12 months to that city.
15 For the 2002-2003 state fiscal year only, the total combined
16 distribution under this subsection and section 10 of article IX
17 of the state constitution of 1963 shall be the lesser of
18 \$322,213,500.00 or \$333,900,000.00 multiplied by the percentage
19 as determined under this subsection. For the 2002-2003 state
20 fiscal year, the percentage under this subsection shall be
21 determined by dividing the sum of all payments under section 10
22 of article IX of the state constitution of 1963 and
23 \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state
24 fiscal year only, the total combined distribution under this
25 subsection and section 10 of article IX of the state constitution
26 of 1963 shall be the lesser of ~~97%~~ 92%, or the percentage
27 determined under this subsection, of the total combined

1 distribution under this subsection and section 10 of article IX
2 of the state constitution of 1963 for the 2002-2003 state fiscal
3 year. For the 2003-2004 state fiscal year, the percentage under
4 this subsection shall be determined by dividing the sum of all
5 payments under section 10 of article IX of the state constitution
6 of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then
7 subtracting ~~0.03~~ 0.08.

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

1 each city, village, and township with a population of less than
2 750,000 shall receive an amount equal to the lesser of ~~97%~~ 92%,
3 or the percentage determined under this subsection, of the amount
4 distributed to the city, village, or township under this
5 subsection and section 10 of article IX of the state constitution
6 of 1963 for the 2002-2003 state fiscal year. For the 2003-2004
7 state fiscal year, the percentage under this subsection shall be
8 determined by dividing the sum of all payments under section 10
9 of article IX of the state constitution of 1963 and
10 \$724,800,000.00 by \$1,407,850,000.00 and then subtracting ~~0.03~~
11 0.08. The amount of the adjustment under this subsection shall
12 be accomplished by reducing the payments under subsections (8) to
13 (13), and payments under section 10 of article IX shall not be
14 reduced based on any adjustments made under this subsection.

15 (8) Subject to section 13d, for the 1998-1999 through
16 2005-2006 state fiscal years and for the period of October 1,
17 2006 through September 30, 2007, for cities, villages, and
18 townships with populations of less than 750,000, subject to the
19 limitations under this section, a taxable value payment shall be
20 made to each city, village, and township determined as follows:

21 (a) Determine the per capita taxable value for each city,
22 village, and township by dividing the taxable value of that city,
23 village, or township by the population of that city, village, or
24 township.

25 (b) Determine the statewide per capita taxable value by
26 dividing the total taxable value of all cities, villages, and
27 townships by the total population of all cities, villages, and

1 townships.

2 (c) Determine the per capita taxable value ratio for each
3 city, village, and township by dividing the statewide per capita
4 taxable value by the per capita taxable value for that city,
5 village, or township.

6 (d) Determine the adjusted taxable value population for each
7 city, village, and township by multiplying the per capita taxable
8 value ratio as determined under subdivision (c) for that city,
9 village, or township by the population of that city, village, or
10 township.

11 (e) Determine the total statewide adjusted taxable value
12 population which is the sum of all adjusted taxable value
13 population for all cities, villages, and townships.

14 (f) Determine the taxable value payment rate by dividing
15 74.94% of 21.3% of the sales tax collections at a rate of 4% in
16 the 12-month period ending June 30 of the state fiscal year in
17 which the payments under this subsection are made by 3, and
18 dividing that result by the total statewide adjusted taxable
19 value population as determined under subdivision (e).

20 (g) Determine the taxable value payment for each city,
21 village, and township by multiplying the result under
22 subdivision (f) by the adjusted taxable value population for that
23 city, village, or township.

24 (9) Subject to section 13d, for the 1998-1999 through
25 2005-2006 state fiscal years and for the period of October 1,
26 2006 through September 30, 2007, subject to the limitations under
27 this section and except as provided in subsection (14), a unit

1 type population payment shall be made to each city, village, and
2 township with a population of less than 750,000 determined as
3 follows:

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

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

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

10 (iii) For a township with a population of more than 10,000
11 but less than 20,001, the unit type population weight factor is
12 1.44.

13 (iv) For a township with a population of more than 20,000 but
14 less than 40,001, the unit type population weight factor is
15 1.73.

16 (v) For a township with a population of more than 40,000 but
17 less than 80,001, the unit type population weight factor is
18 2.07.

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

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

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

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

27 (x) For a city with a population of 5,000 or less, the unit

1 type population weight factor is 2.5.

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

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

6 (xiii) For a city with a population of more than 20,000 but
7 less than 40,001, the unit type population weight factor is
8 4.32.

9 (xiv) For a city with a population of more than 40,000 but
10 less than 80,001, the unit type population weight factor is
11 5.18.

12 (xv) For a city with a population of more than 80,000 but
13 less than 160,001, the unit type population weight factor is
14 6.22.

15 (xvi) For a city with a population of more than 160,000 but
16 less than 320,001, the unit type population weight factor is
17 7.46.

18 (xvii) For a city with a population of more than 320,000 but
19 less than 640,001, the unit type population weight factor is
20 8.96.

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

23 (b) Determine the adjusted unit type population for each
24 city, village, and township by multiplying the unit type
25 population weight factor for that city, village, or township as
26 determined under subdivision (a) by the population of the city,
27 village, or township.

1 (c) Determine the total statewide adjusted unit type
2 population, which is the sum of the adjusted unit type population
3 for all cities, villages, and townships.

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

10 (e) Determine the unit type population payment for each city,
11 village, and township by multiplying the result under subdivision
12 (d) by the adjusted unit type population for that city, village,
13 or township.

14 (10) Subject to section 13d, for the 1998-1999 through
15 2005-2006 state fiscal years and for the period of October 1,
16 2006 through September 30, 2007, subject to the limitations under
17 this section, a yield equalization payment shall be made to each
18 city, village, and township with a population of less than
19 750,000 sufficient to provide the guaranteed tax base for a local
20 tax effort not to exceed 0.02. The payment shall be determined
21 as follows:

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

1 the guaranteed tax base.

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

5 (i) An amount greater than zero that is equal to the
6 difference between the guaranteed tax base determined in
7 subdivision (a) and the per capita taxable value of the city,
8 village, or township.

9 (ii) The local tax effort of the city, village, or township,
10 not to exceed 0.02, multiplied by the population of that city,
11 village, or township.

12 (c) The yield equalization payment is the full yield
13 equalization payment divided by 3.

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

18 (a) For the 1998-1999 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) Ninety percent of the total amount available for
22 distribution under subsections (8), (9), and (10) for the
23 1998-1999 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) Ten percent of the total amount available for
3 distribution under subsections (8), (9), and (10) for the
4 1998-1999 state fiscal year multiplied by the percentage share of
5 the distribution amounts calculated under subsections (8), (9),
6 and (10).

7 (b) For the 1999-2000 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) Eighty percent of the total amount available for
11 distribution under subsections (8), (9), and (10) for the
12 1999-2000 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) Twenty percent of the total amount available for
19 distribution under subsections (8), (9), and (10) for the
20 1999-2000 state fiscal year multiplied by the city's, village's,
21 or township's percentage share of the distribution amounts
22 calculated under subsections (8), (9), and (10).

23 (c) For the 2000-2001 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) Seventy percent of the total amount available for
27 distribution under subsections (8), (9), and (10) for the

1 2000-2001 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) Thirty percent of the total amount available for
8 distribution under subsections (8), (9), and (10) for the
9 2000-2001 state fiscal year multiplied by the percentage share of
10 the distribution amounts calculated under subsections (8), (9),
11 and (10).

12 (d) For the 2001-2002 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) Sixty percent of the total amount available for
16 distribution under subsections (8), (9), and (10) for the
17 2001-2002 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) Forty percent of the total amount available for
24 distribution under subsections (8), (9), and (10) for the
25 2001-2002 state fiscal year multiplied by the percentage share of
26 the distribution amounts calculated under subsections (8), (9),
27 and (10).

1 (e) For the 2002-2003 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) Fifty percent of the total amount available for
5 distribution under subsections (8), (9), and (10) for the
6 2002-2003 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) Fifty percent of the total amount available for
13 distribution under subsections (8), (9), and (10) for the
14 2002-2003 state fiscal year multiplied by the percentage share of
15 the distribution amounts calculated under subsections (8), (9),
16 and (10).

17 (f) For the 2003-2004 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) Forty percent of the total amount available for
21 distribution under subsections (8), (9), and (10) for the
22 2003-2004 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) Sixty percent of the total amount available for
2 distribution under subsections (8), (9), and (10) for the
3 2003-2004 state fiscal year multiplied by the percentage share of
4 the distribution amounts calculated under subsections (8), (9),
5 and (10).

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

9 (i) Thirty percent of the total amount available for
10 distribution under subsections (8), (9), and (10) for the
11 2004-2005 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) Seventy percent of the total amount available for
18 distribution under subsections (8), (9), and (10) for the
19 2004-2005 state fiscal year multiplied by the percentage share of
20 the distribution amounts calculated under subsections (8), (9),
21 and (10).

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

25 (i) Twenty percent of the total amount available for
26 distribution under subsections (8), (9), and (10) for the
27 2005-2006 state fiscal year multiplied by the city's, village's,

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

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

11 (i) For the period of October 1, 2006 through September 30,
12 2007, the payment under this section for each city, village, and
13 township shall be the sum of the following:

14 (i) Ten percent of the total amount available for
15 distribution under subsections (8), (9), and (10) for the
16 2006-2007 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) Ninety percent of the total amount available for
23 distribution under subsections (8), (9), and (10) for the
24 2006-2007 state fiscal year multiplied by the percentage share of
25 the distribution amounts calculated under subsections (8), (9),
26 and (10).

27 (12) Except as otherwise provided in this subsection, the

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

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

1 the sales tax at a rate of 4%, any reduction made necessary by
2 this appropriation in distributions to cities, villages, and
3 townships shall first be applied to the distribution under
4 subsections (8) to (10) and any remaining amount shall be applied
5 to the other distributions under this section.

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

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

27 (16) Notwithstanding any other provision of this section for

1 the 1998-1999 state fiscal year, the total combined amount
2 received by each city, village, and township under this section
3 and section 10 of article IX of the state constitution of 1963
4 shall not be less than the combined amount received under this
5 section, section 12a, and section 10 of article IX of the state
6 constitution of 1963 in the 1997-1998 state fiscal year. The
7 increase, if any, for each city, village, and township from the
8 1997-1998 state fiscal year, other than a city that receives a
9 distribution under subsection (6), shall be reduced by a uniform
10 percentage to the extent necessary to fund distributions under
11 this subsection.

12 (17) The payments under subsections (3), (4), and (5) shall
13 be made during each October, December, February, April, June, and
14 August. Payments under subsections (3), (4), and (5) shall be
15 based on collections from the sales tax at the rate of 4% in the
16 2-month period ending the prior August 31, October 31, December
17 31, February 28, April 30, and June 30, and for the 1996-1997 and
18 1997-1998 state fiscal years only, the payments shall be reduced
19 by 1/6 of the total distribution for the state fiscal year under
20 section 12a.

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

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

26 (20) **The department of treasury may withhold payments under**
27 **this section to a city, village, or township that has not**

1 distributed an industrial facilities tax as required under 1974
2 PA 198, MCL 207.551 to 207.572, or the specific tax as required
3 under section 21b of the enterprise zone act, 1985 PA 224, MCL
4 125.2121b.