

Legislative Analysis



REVENUE SHARING: DISTRIBUTION FORMULA

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House Bill 5217

Sponsor: Rep. Steve Tobocman

House Committee: Intergovernmental, Urban and Regional Affairs

Complete to 9-18-07

A SUMMARY OF HOUSE BILL 5217 AS INTRODUCED 9-15-07

House Bill 5217 would amend the Revenue Sharing Act to distribute the appropriated funding such that each city, village, and township (CVT) would receive in FY 2007-08 an amount equal to the total payment received in FY 2006-07.

Over the past several years, increases in Constitutional payments have been offset by reductions in statutory payments. As a result, more than 950 CVTs will have had their statutory payments reduced to zero by the end of FY 2007-08. Because an increase in the Constitutional amount cannot be fully offset by a reduction in the statutory payment, these units will actually realize net revenue sharing increases.

Should the amount available to be distributed as Constitutional revenue sharing fall below the estimated amount of \$674.0 million, payments to CVTs units will be reduced equally in percentage terms.

FISCAL IMPACT:

House Bill 5217 would have no impact on state revenue; it would only change the distribution of the appropriated funding.

Fiscal Analyst: Jim Stansell

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