

HOUSE BILL No. 6090

April 28, 2010, Introduced by Reps. Meltzer, Opsommer, Knollenberg, Pavlov, Paul Scott and Genetski 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 13 (MCL 141.913), as amended by 2006 PA 437.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 13. (1) This subsection and subsection (2) apply to
2 distributions to cities, villages, and townships during the state
3 fiscal years before the 1996-1997 state fiscal year of collections
4 from the state income tax and single business tax. Except as
5 otherwise provided in subsection (2), the department of treasury
6 shall cause to be paid to each city, village, and township its
7 share, computed in accordance with the tax effort formula, of the
8 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, MCL 206.1
6 to 206.532.

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

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 \$22,600,000.00.
15 The amount of collections otherwise available for distribution to
16 cities, villages, and townships in August, computed in accordance
17 with the tax effort formula, shall be decreased by \$67,800,000.00.

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

26 (4) The department of treasury shall cause to be paid during
27 the 1997-1998 state fiscal year an amount equal to 75.5% of the

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

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

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

19 (5) Subject to section 13d, for the 1998-1999 through 2006-
20 2007 state fiscal years, the department of treasury shall cause
21 distributions determined under subsections (6) to (13) to be paid
22 to each city, village, and township from an amount equal to 74.94%
23 of 21.3% of the sales tax collections at a rate of 4% in the 12-
24 month period ending June 30 of the state fiscal year in which the
25 payments are made. After September 30, 2007-2010, 74.94% of 21.3%
26 of sales tax collections at a rate of 4% shall be distributed to
27 cities, villages, and townships ~~as provided by law~~ **ON A PER CAPITA**

1 **BASIS.**

2 (6) Subject to section 13d, for the 1998-1999 through 2006-
3 2007 state fiscal years, except for the 2002-2003 through 2006-2007
4 state fiscal years, and except as otherwise provided in subsection
5 (15), the department of treasury shall cause to be paid
6 \$333,900,000.00 to a city with a population of 750,000 or more as
7 the total combined distribution under this act and section 10 of
8 article IX of the state constitution of 1963 as annualized for any
9 period of less than 12 months to that city. For the 2002-2003 state
10 fiscal year only, the total combined distribution under this
11 subsection and section 10 of article IX of the state constitution
12 of 1963 shall be the lesser of \$322,213,500.00 or \$333,900,000.00
13 multiplied by the percentage as determined under this subsection.
14 For the 2002-2003 state fiscal year, the percentage under this
15 subsection shall be determined by dividing the sum of all payments
16 under section 10 of article IX of the state constitution of 1963
17 and \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state
18 fiscal year only, the total combined distribution under this
19 subsection and section 10 of article IX of the state constitution
20 of 1963 shall be the lesser of 92%, or the percentage determined
21 under this subsection, of the total combined distribution under
22 this subsection and section 10 of article IX of the state
23 constitution of 1963 for the 2002-2003 state fiscal year. For the
24 2003-2004 state fiscal year, the percentage under this subsection
25 shall be determined by dividing the sum of all payments under
26 section 10 of article IX of the state constitution of 1963 and
27 \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.08. For

1 the 2004-2005 state fiscal year only, the total combined
2 distribution under this subsection and section 10 of article IX of
3 the state constitution of 1963 shall be the lesser of 100%, or the
4 percentage determined under this subsection, of the total combined
5 distribution under this subsection and section 10 of article IX of
6 the state constitution of 1963 for the 2003-2004 state fiscal year.
7 For the 2004-2005 state fiscal year, the percentage under this
8 subsection shall be determined by dividing the sum of all payments
9 under section 10 of article IX of the state constitution of 1963
10 and \$445,300,000.00 by \$1,126,300,000.00. For the 2005-2006 state
11 fiscal year only, the total combined distribution under this
12 subsection and section 10 of article IX of the state constitution
13 of 1963 shall be the lesser of 100%, or the percentage determined
14 under this subsection, of the total combined distribution under
15 this subsection and section 10 of article IX of the state
16 constitution of 1963 for the 2004-2005 state fiscal year. For the
17 2005-2006 state fiscal year, the percentage under this subsection
18 shall be determined by dividing the sum of all payments under
19 section 10 of article IX of the state constitution of 1963 for the
20 2005-2006 state fiscal year and \$423,350,000.00 by
21 \$1,115,875,000.00. For the 2006-2007 state fiscal year only, the
22 total combined distribution under this subsection and section 10 of
23 article IX of the state constitution of 1963 shall be the lesser of
24 100%, or the percentage determined under this subsection, of the
25 total combined distribution under this subsection and section 10 of
26 article IX of the state constitution of 1963 for the 2005-2006
27 state fiscal year. For the 2006-2007 state fiscal year, the

1 percentage under this subsection shall be determined by dividing
2 the sum of all payments under section 10 of article IX of the state
3 constitution of 1963 for the 2006-2007 state fiscal year and
4 \$407,485,000.00 by \$1,106,410,000.00.

5 (7) Except as otherwise provided in this subsection,
6 distributions under subsections (8) to (13) to cities, villages,
7 and townships with populations of less than 750,000 shall be made
8 from the amount available for distribution under this section that
9 remains after the distribution under subsection (6) is made. For
10 the 2002-2003 state fiscal year only, each city, village, and
11 township with a population of less than 750,000 shall receive the
12 lesser of 96.5%, or the percentage determined under this
13 subsection, of the amount that the city, village, or township would
14 have received if the total available for distribution under
15 subsections (8) to (13) were \$363,069,728.00 and the total
16 available for distribution under section 10 of article IX of the
17 state constitution of 1963 were \$607,125,488.00. The total amount
18 available for distribution to all cities, villages, and townships
19 under this subsection shall not exceed \$936,238,383.00. For the
20 2002-2003 state fiscal year, the percentage under this subsection
21 shall be determined by dividing the sum of all payments under
22 section 10 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, each city, village, and township with a
25 population of less than 750,000 shall receive an amount equal to
26 the lesser of 92%, or the percentage determined under this
27 subsection, of the amount distributed to the city, village, or

1 township under this subsection and section 10 of article IX of the
2 state constitution of 1963 for the 2002-2003 state fiscal year. For
3 the 2003-2004 state fiscal year, the percentage under this
4 subsection shall be determined by dividing the sum of all payments
5 under section 10 of article IX of the state constitution of 1963
6 and \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.08.
7 For the 2004-2005 state fiscal year only, the combined distribution
8 under this subsection and section 10 of article IX of the state
9 constitution of 1963 to each city, village, and township with a
10 population of less than 750,000 shall be the lesser of 100%, or the
11 percentage determined under this subsection, of the total combined
12 distribution to that city, village, or township under this
13 subsection and section 10 of article IX of the state constitution
14 of 1963 for the 2003-2004 state fiscal year. For the 2004-2005
15 state fiscal year, the percentage under this subsection shall be
16 determined by dividing the sum of all payments under section 10 of
17 article IX of the state constitution of 1963 and \$445,300,000.00 by
18 \$1,126,300,000.00. For the 2005-2006 state fiscal year only, the
19 total combined distribution under this subsection and section 10 of
20 article IX of the state constitution of 1963 shall be the lesser of
21 100%, or the percentage determined under this subsection, of the
22 total combined distribution under this subsection and section 10 of
23 article IX of the state constitution of 1963 for the 2004-2005
24 state fiscal year. For the 2005-2006 state fiscal year, the
25 percentage under this subsection shall be determined by dividing
26 the sum of all payments under section 10 of article IX of the state
27 constitution of 1963 for the 2005-2006 state fiscal year and

1 \$423,350,000.00 by \$1,115,875,000.00. For the 2006-2007 state
2 fiscal year only, the total combined distribution under this
3 subsection and section 10 of article IX of the state constitution
4 of 1963 shall be the lesser of 100%, or the percentage determined
5 under this subsection, of the total combined distribution under
6 this subsection and section 10 of article IX of the state
7 constitution of 1963 for the 2005-2006 state fiscal year. For the
8 2006-2007 state fiscal year, the percentage under this subsection
9 shall be determined by dividing the sum of all payments under
10 section 10 of article IX of the state constitution of 1963 for the
11 2006-2007 state fiscal year and \$407,485,000.00 by
12 \$1,106,410,000.00. The amount of the adjustment under this
13 subsection shall be accomplished by reducing the payments under
14 subsections (8) to (13), and payments under section 10 of article
15 IX shall not be reduced based on any adjustments made under this
16 subsection.

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

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

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

1 townships by the total population of all cities, villages, and
2 townships.

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

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

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

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

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

25 (9) Subject to section 13d, for the 1998-1999 through 2005-
26 2006 state fiscal years and for the period of October 1, 2006
27 through September 30, 2007, subject to the limitations under this

1 section and except as provided in subsection (14), a unit type
2 population payment shall be made to each city, village, and
3 township with a population of less than 750,000 determined as
4 follows:

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

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

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

11 (iii) For a township with a population of more than 10,000 but
12 less than 20,001, the unit type population weight factor is 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 1.73.

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

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

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

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

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

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

27 (xi) For a city with a population of more than 5,000 but less

1 than 10,001, the unit type population weight factor is 3.0.

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

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

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

8 (xv) For a city with a population of more than 80,000 but less
9 than 160,001, the unit type population weight factor is 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 7.46.

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

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

16 (b) Determine the adjusted unit type population for each city,
17 village, and township by multiplying the unit type population
18 weight factor for that city, village, or township as determined
19 under subdivision (a) by the population of the city, village, or
20 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 of
26 4% in the 12-month period ending June 30 of the state fiscal year
27 in which the payments under this subsection are made by 3, and then

1 dividing that result by the total statewide adjusted unit type
2 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, or
6 township.

7 (10) Subject to section 13d, for the 1998-1999 through 2005-
8 2006 state fiscal years and for the period of October 1, 2006
9 through September 30, 2007, subject to the limitations under this
10 section, a yield equalization payment shall be made to each city,
11 village, and township with a population of less than 750,000
12 sufficient to provide the guaranteed tax base for a local tax
13 effort not to exceed 0.02. The payment shall be determined as
14 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% of
19 the state sales tax at a rate of 4% is distributed to cities,
20 villages, and townships whose per capita taxable value is below the
21 guaranteed tax base.

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (ii) Thirty percent of the total amount available for
26 distribution under subsections (8), (9), and (10) for the 2000-2001
27 state fiscal year multiplied by the percentage share of the

1 distribution amounts calculated under subsections (8), (9), and
2 (10).

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

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

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

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

22 (i) Fifty percent of the total amount available for
23 distribution under subsections (8), (9), and (10) for the 2002-2003
24 state fiscal year multiplied by the city's, village's, or
25 township's percentage share of the distributions under this section
26 and section 12a minus the amount of a distribution under this
27 section and section 12a to a city that is eligible to receive a

1 distribution under subsection (6) in the 1997-1998 state fiscal
2 year.

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

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

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

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

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

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

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

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

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

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

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

1 (10) .

2 (i) For the period of October 1, 2006 through September 30,
3 2007, the payment under this section for each city, village, and
4 township shall be the sum of the following:

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

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

17 (12) Except as otherwise provided in this subsection **FOR STATE**
18 **FISCAL YEARS BEFORE THE 2010-2011 STATE FISCAL YEAR**, the total
19 payment to any city, village, or township under this act and
20 section 10 of article IX of the state constitution of 1963 shall
21 not increase by more than 8% over the amount of the payment under
22 this act and section 10 of article IX of the state constitution of
23 1963 in the immediately preceding state fiscal year. From the
24 amount not distributed because of the limitation imposed by this
25 subsection, the department shall distribute an amount to certain
26 cities, villages, and townships such that the percentage increase
27 in the total payment under this act and section 10 of article IX of

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

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

23 (14) A township that provides for or makes available fire,
24 police on a 24-hour basis either through contracting for or
25 directly employing personnel, water to 50% or more of its
26 residents, and sewer services to 50% or more of its residents and
27 has a population of 10,000 or more or a township that has a

1 population of 20,000 or more shall use the unit type population
2 weight factor under subsection (9)(a) for a city with the same
3 population as the township.

4 (15) For a state fiscal year in which the sales tax
5 collections decrease from the sales tax collections for the
6 immediately preceding state fiscal year, the department shall
7 reduce the amount to be distributed to a city with a population of
8 750,000 or more under subsection (6) by an amount determined by
9 subtracting the amount the city is eligible for under section 10 of
10 article IX of the state constitution of 1963 for the state fiscal
11 year from \$333,900,000.00 and multiplying that result by the same
12 percentage as the percentage decrease in sales tax collections for
13 that state fiscal year as compared to sales tax collections for the
14 immediately preceding state fiscal year. This subsection does not
15 apply to the 2002-2003 through 2006-2007 state fiscal years **OR**
16 **AFTER THE 2009-2010 STATE FISCAL YEAR.**

17 (16) Notwithstanding any other provision of this section for
18 the 1998-1999 state fiscal year, the total combined amount received
19 by each city, village, and township under this section and section
20 10 of article IX of the state constitution of 1963 shall not be
21 less than the combined amount received under this section, section
22 12a, and section 10 of article IX of the state constitution of 1963
23 in the 1997-1998 state fiscal year. The increase, if any, for each
24 city, village, and township from the 1997-1998 state fiscal year,
25 other than a city that receives a distribution under subsection
26 (6), shall be reduced by a uniform percentage to the extent
27 necessary to fund distributions under this subsection.

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

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

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

15 (20) After the department has informed a city, village, or
16 township in writing of the intent to withhold all or a portion of
17 payments under this section and offered the affected city, village,
18 or township an opportunity for an informal conference on the
19 matter, the department of treasury may withhold all or a portion of
20 payments under this section to a city, village, or township that
21 has not distributed 1 or more of the following:

22 (a) An industrial facilities tax as required under 1974 PA
23 198, MCL 207.551 to 207.572.

24 (b) The specific tax as required under section 21b of the
25 enterprise zone act, 1985 PA 224, MCL 125.2121b.

26 (c) Any portion of the state education tax levied under the
27 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, or of

1 property taxes levied for any purpose by a local or intermediate
2 school district under the revised school code, 1976 PA 451, MCL
3 380.1 to 380.1852, determined by the state tax commission to have
4 been wrongfully captured and retained to implement a tax increment
5 financing plan under 1975 PA 197, MCL 125.1651 to 125.1681, the tax
6 increment finance authority act, 1980 PA 450, MCL 125.1801 to
7 125.1830, or the local development financing act, 1986 PA 281, MCL
8 125.2151 to 125.2174.