

Act No. 136
Public Acts of 1995
Approved by the Governor
July 9, 1995
Filed with the Secretary of State
July 10, 1995

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Senator Gast

ENROLLED SENATE BILL No. 499

AN ACT to amend section 481 of Act No. 281 of the Public Acts of 1967, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts," as amended by Act No. 298 of the Public Acts of 1994, being section 206.481 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Section 481 of Act No. 281 of the Public Acts of 1967, as amended by Act No. 298 of the Public Acts of 1994, being section 206.481 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 481. (1) The state disbursing authority shall remit to cities, villages, townships, and counties in accordance with the state revenue sharing act of 1971, Act No. 140 of the Public Acts of 1971, being sections 141.901 to 141.921 of the Michigan Compiled Laws, a portion of an amount measured by 7.30% of gross collections before refunds for collections for periods after September 30, 1994. An appropriation for each distribution is hereby made from like taxes collected during the quarter in which the distribution is required to be made.

(2) Beginning July 1, 1987:

(a) Thirty-four point sixty-five percent of the amount determined by subsection (1) shall be distributed to counties in accordance with Act No. 140 of the Public Acts of 1971. For the 1994-1995 state fiscal year, the amount available for distribution under this subdivision shall be reduced by \$10,000,000.00 before a distribution under this subdivision is made. For the 1995-1996 state fiscal year, the amount available for distribution under this subdivision shall be reduced by \$12,190,000.00 before a distribution under this subdivision is made.

(b) Sixty-five point thirty-five percent of the amount determined by subsection (1) shall be distributed to cities, villages, and townships in accordance with Act No. 140 of the Public Acts of 1971. For the 1994-1995 state fiscal year, the amount available for distribution under this subdivision shall be reduced by \$40,600,000.00 before a distribution under this subdivision is made. For the 1995-1996 state fiscal year, the amount available for distribution under this subdivision shall be reduced by \$43,580,000.00 before a distribution under this subdivision is made.

(3) If it is determined that the federal government shall pay any of the costs for public welfare grants in respect to general relief that are appropriated by the legislature under section 18 of the social welfare act, Act No. 280 of the Public Acts of 1939, being section 400.18 of the Michigan Compiled Laws, the percentage of the amount determined by subsection (1) to be distributed to counties in any year pursuant to subsection (2)(a) shall be computed as follows commencing with July 1 after the date federal assumption of costs takes place:

(a) Subtract the percentage designated for counties in that year from 50%.

(b) Multiply the difference obtained in subdivision (a) by the percentage obtained by dividing the amount of federal payments by the state appropriation for that year for general relief.

(c) Add the product obtained in subdivision (b) to the percentage designated for distribution to counties in that year.

(d) The difference between the amount that would be distributed using the percentage obtained in subdivision (c) and the amount to be distributed to counties from the income tax in any year shall be appropriated from the general fund and paid to counties with the August payment of the following year as provided under section 11 of Act No. 140 of the Public Acts of 1971, being section 141.911 of the Michigan Compiled Laws.

(4) Any overpayments, underpayments, or errors may be adjusted on the subsequent payment date.

(5) The balance in the general fund shall be disbursed only on appropriation of the legislature.

(6) A city, village, township, or county is not eligible for a payment under subsection (1) unless that local unit of government requires sealed competitive bidding for any contract of \$20,000.00 or more except a contract for professional services or emergency repairs or services exempted pursuant to a written policy adopted or approved by the governing body of the local unit of government. This section shall not apply to transactions between governmental units.

Section 2. This amendatory act shall take effect October 1, 1995.

Section 3. This amendatory act shall not take effect unless all of the following bills of the 88th Legislature are enacted into law:

(a) Senate Bill No. 497.

(b) Senate Bill No. 498.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved _____

Governor.

