

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5989**

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A bill to amend 1971 PA 140, entitled  
"State revenue sharing act of 1971,"  
by amending sections 1, 11, 12a, and 13 (MCL 141.901, 141.911,  
141.912a, and 141.913), section 11 as amended by 1996 PA 468 and  
section 12a as added and section 13 as amended by 1996 PA 342,  
and by adding section 13d; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1       Sec. 1. This act shall be known and may be cited as the  
2 "GLENN STEIL state revenue sharing act of 1971 ——".

SEC. 7. (1) A CITY, VILLAGE, OR TOWNSHIP MAY CONTRACT WITH THE  
SECRETARY OF STATE PR THE UNITED STATES BUREAU OF THE CENSUS TO HAVE  
CONDUCTED A SPECIAL CENSUS OF ITS POPULATION. THE ENTIRE COST OF THE  
CENSUS SHALL BE BORNE BY THE CITY, VILLAGE, OR TOWNSHIP. THE SPECIAL  
CENSUS SHALL PROVIDE FOR SEPARATE IDENTIFICATION BY INSTITUTION OF  
WARDS, PATIENTS, OR CONVICTS IN TAX SUPPORTED INSTITUTIONS IN  
ACCORDANCE WITH DEFINITIONS USED BY THE UNITED STATES BUREAU OF THE  
CENSUS IN THE ENUMERATION OF THE PRECEDING STATEWIDE FEDERAL CENSUS.  
THE RESULTS OF THE SPECIAL CENSUS SHALL BE CERTIFIED TO THE  
DEPARTMENT OF MANAGEMENT AND BUDGET BY THE SECRETARY OF STATE.

(2) THE RESULTS OF THE SPECIAL CENSUS AS CERTIFIED IN  
SUBSECTION (1) SHALL BE UTILIZED FOR THE PURPOSE OF MAKING  
DISTRIBUTIONS UNDER SECTION 14A STARTING ON THE JULY 1 NEXT  
FOLLOWING THE DATE OF CERTIFICATION OF THE RESULTS. ONLY 1 SPECIAL  
CENSUS MAY BE UTILIZED BETWEEN 2 STATEWIDE FEDERAL CENSUSES. THE  
ENUMERATION DATE OF A SPECIAL CENSUS UTILIZED UNDER THIS ACT SHALL  
NOT BE LESS THAN 3 TEARS FROM THE ENUMERATION DATE OF A REGULAR  
STATEWIDE FEDERAL DECENNIAL CENSUS.

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(3) A CITY, VILLAGE, OR TOWNSHIP THAT ON THE ENUMERATION DATE OF A SPECIAL CENSUS IS DETERMINED TO HAVE AN INCREASE OF POPULATION OF 10% OR MORE OVER ITS POPULATION AS DETERMINED BY THE LAST PRECEDING STATEWIDE FEDERAL CENSUS SHALL RECEIVE ITS SHARE OF REVENUES DISTRIBUTED UNDER SECTION 14A BASED ON ITS POPULATION INCREASES WHICH EXCEEDS THE ESTIMATED STATE GROWTH RATE. ESTIMATED STATE GROWTH RATE MEANS THE ESTIMATE DETERMINED BY THE DEPARTMENT OF MANAGEMENT AND BUDGET AS OF THE ENUMERATION DATE OF A SPECIAL CENSUS.

3       Sec. 11. (1) For state fiscal years before the 1996-1997  
4 state fiscal year, the department of management and budget shall  
5 cause to be paid during each August, November, February, and May,  
6 to counties on a per capita basis the collections from the state  
7 income tax as certified by the department of treasury for the  
8 quarter periods ending the prior June 30, September 30, December

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1 31, and March 31 that are available for distribution to and  
2 retention by counties.

3 (2) For state fiscal years beginning after September 30,  
4 1992 and ending before October 1, 1996, the collections from the  
5 state income tax otherwise available for distribution to counties  
6 in November for the quarter period ending the prior September 30  
7 shall be increased by \$35,900,000.00 and the collections from the  
8 state income tax otherwise available for distribution to counties  
9 in August for the quarter period ending the prior June 30 shall  
10 be decreased by \$35,900,000.00.

11 (3) For THE 1996-1997 AND 1997-1998 state fiscal years,  
12 ~~after the 1995-1996 state fiscal year and before the 1998-1999~~  
13 ~~state fiscal year,~~ the department of treasury shall cause to be  
14 paid to counties on a per capita basis an amount equal to 24.5%  
15 of the difference between 21.3% of the sales tax collections at a  
16 rate of 4% in the 12-month period ending June 30 of the state  
17 fiscal year in which the payments are made and the total distri-  
18 bution for the state fiscal year under section 12a. ~~For state~~  
19 ~~fiscal years after the 1997-1998 state fiscal year, the depart-~~  
20 ~~ment of treasury shall cause to be paid to each county the same~~  
21 ~~amount that was paid to that county under this section during the~~  
22 ~~immediately preceding state fiscal year from 24.5% of the differ-~~  
23 ~~ence between 21.3% of the sales tax collections at a rate of 4%~~  
24 ~~in the 12-month period ending June 30 of the state fiscal year in~~  
25 ~~which the payments are made and the total distribution for the~~  
26 ~~state fiscal year under section 12a. Each state fiscal year~~  
27 ~~after the 1997-1998 state fiscal year, the amount by which the~~

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[House amendments (December 10, 1998) shown in brackets]

~~1 total collections available for distribution under this~~  
~~2 subsection exceed the amount distributed under this subsection~~  
~~3 shall be deposited in the revenue sharing reserve fund created in~~  
~~4 subsection (5).~~ SUBJECT TO SECTION 13D, FOR THE 1998-1999  
5 THROUGH 2005-2006 STATE FISCAL YEARS AND FOR THE PERIOD OF  
6 OCTOBER 1, 2006 THROUGH JUNE 30, 2007, THE DEPARTMENT OF TREASURY  
7 SHALL CAUSE TO BE PAID TO COUNTIES BOTH OF THE FOLLOWING:

8 (A) AN AMOUNT EQUAL TO THE AMOUNT THE COUNTY WAS ELIGIBLE TO  
9 RECEIVE UNDER SECTION 12A IN THE 1997-1998 STATE FISCAL YEAR.

10 (B) AN AMOUNT EQUAL TO 25.06% OF 21.3% OF THE SALES TAX COL-  
11 LECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30 OF  
12 THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE MADE MINUS THE  
13 AMOUNT DETERMINED UNDER SUBDIVISION (A) WHICH SHALL BE DISTRIB-  
14 UTED ON A PER CAPITA BASIS. IF THE AMOUNT APPROPRIATED UNDER THIS  
SECTION TO COUNTIES IS LESS THAN 25.06% OF 21.3% OF THE SALES TAX  
RATE OF 4%, ANY REDUCTION MADE NECESSARY BY THIS APPROPRIATION IN  
DISTRIBUTIONS TO COUNTIES SHALL FIRST BE APPLIED TO THE DISTRIBUTION  
UNDER THIS SUBDIVISION.

[(4) AFTER JUNE 30, 2007, 25.06% OF 21.3% OF THE SALES TAX  
COLLECTIONS AT A RATE OF 4% SHALL BE DISTRIBUTED TO COUNTIES AS  
PROVIDED BY LAW.]

15 [(5)] The payments under subsection (3) shall be made from  
16 revenues collected during the state fiscal year in which the pay-  
17 ments are made and shall be made during each October, December,  
18 February, April, June, and August. Payments shall be based on  
19 collections from the sales tax at a rate of 4% in the 2-month  
20 period ending the prior August 31, October 31, December 31,  
21 February 28, April 30, and June 30, ~~less~~ AND FOR THE 1996-1997  
22 AND 1997-1998 STATE FISCAL YEARS ONLY THE PAYMENTS SHALL BE  
23 REDUCED BY 1/6 of the total distribution for the state fiscal  
24 year under section 12a. For state fiscal years after the  
25 1995-1996 state fiscal year, the collections from the sales tax  
26 otherwise available for distribution to counties under subsection  
27 (3) in December shall be increased by \$17,000,000.00 and the



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1 collections from the sales tax otherwise available for  
2 distribution to counties under subsection (3) in April shall be  
3 decreased by \$17,000,000.00.

4 ~~(5) The revenue sharing reserve fund is created as a sepa-~~  
5 ~~rate fund in the general fund.~~

6 Sec. 12a. (1) For state fiscal years before the 1998-1999  
7 state fiscal year, the department of treasury shall calculate the  
8 amount of payment to be made to a city, village, or township by  
9 multiplying the amount of state equalized value of tax exempt  
10 inventory property as certified by the department of treasury  
11 under FORMER section 132 of the single business tax act, ~~Act~~  
12 ~~No. 228 of the Public Acts of 1975, being section 208.132 of the~~  
13 ~~Michigan Compiled Laws~~ 1975 PA 228, times the property tax rate  
14 for each taxing unit as certified each year to the department of  
15 treasury for purposes of this act.

16 (2) For state fiscal years before the 1998-1999 state fiscal  
17 year, the department of treasury shall pay to each county each  
18 year, following the year the amount was calculated, an amount  
19 equal to the product of the state equalized value of inventory as  
20 certified by the department of treasury under FORMER section 132  
21 of ~~Act No. 228 of the Public Acts of 1975~~ THE SINGLE BUSINESS  
22 TAX ACT, 1975 PA 228, times the county property tax rate for the  
23 county as reported each year to the department of treasury.

24 (3) For state fiscal years after the 1995-1996 state fiscal  
25 year IN WHICH PAYMENT IS MADE UNDER THIS SECTION, the payment  
26 under this section shall be from the collections, exclusive of  
27 the amount designated for assistance to townships, cities, and

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1 villages under section 10 of article IX of the state constitution  
2 of 1963, of the sales tax levied at a rate of 4%.

3       (4) Payments made under this section, and the allocation and  
4 appropriation of amounts necessary to make the payments under  
5 this section, shall include interest which shall accrue on the  
6 unpaid balance. Interest shall accrue at the rate determined  
7 under section 13b.

8       (5) A payment required to be made under this section shall  
9 not be delayed so as to cause interest to accrue pursuant to sub-  
10 section (4) unless the delay in any payment is authorized by a  
11 written directive issued and signed by the governor that conforms  
12 to and is subject to section 13b(2) and (3).

13       (6) Amounts required to be paid pursuant to this section  
14 that are subject to an unavoidable delay of a de minimis period  
15 or that are withheld or set off pursuant to law in the settlement  
16 or adjustment of an obligation or debt due to this state are not  
17 subject to subsections (4) and (5).

18       (7) ~~The~~ FOR STATE FISCAL YEARS BEFORE THE 1998-1999 STATE  
19 FISCAL YEAR, THE treasurer of any city, village, township, or  
20 county who collects money for an authority that levies property  
21 taxes, shall pay an eligible authority its proportionate share of  
22 the reimbursements under this section. The proportionate share  
23 is the percentage that the property taxes collected by the  
24 authority are to the property taxes of the assessing unit. The  
25 property taxes of the authorities may be added to the millages  
26 used to determine payments under this section. For an authority  
27 to be eligible for compensation under this section, that

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1 authority shall have an authorization to have taxes levied for  
2 its use as provided by law. School districts, intermediate  
3 school districts, community college districts, vocational educa-  
4 tion districts, and special education districts are not included  
5 under this section.

6 (8) SUBJECT TO SECTION 13D, FOR THE 1998-1999 THROUGH  
7 2005-2006 STATE FISCAL YEARS AND FOR THE PERIOD OF OCTOBER 1,  
8 2002 THROUGH JUNE 30, 2007, THE TREASURER OF ANY CITY, VILLAGE,  
9 TOWNSHIP, OR COUNTY WHO COLLECTS MONEY FOR AN AUTHORITY THAT  
10 LEVIES PROPERTY TAXES SHALL PAY AN ELIGIBLE AUTHORITY, FROM THE  
11 PAYMENTS RECEIVED UNDER THIS ACT, THE AMOUNT RECEIVED BY THE ELI-  
12 GIBLE AUTHORITY UNDER SUBSECTION (7) FOR THE 1997-1998 STATE  
13 FISCAL YEAR. SCHOOL DISTRICTS, INTERMEDIATE SCHOOL DISTRICTS,  
14 COMMUNITY COLLEGE DISTRICTS, VOCATIONAL EDUCATION DISTRICTS, AND  
15 SPECIAL EDUCATION DISTRICTS ARE NOT INCLUDED UNDER THIS SECTION.

16 (9) ~~-(8)-~~ The state treasurer may make a disbursement for a  
17 payment under this section that has been delayed in advance of  
18 the date the delayed payment is expected to be paid.

19 (10) ~~-(9)-~~ Payments under this section to cities and vil-  
20 lages shall be made on or before October 31 and payments under  
21 this section to counties and townships shall be made on or before  
22 February 28.

23 ~~-(10)- For state fiscal years after the 1997-1998 state~~  
24 ~~fiscal year, the department of treasury shall cause to be paid to~~  
25 ~~each city, village, township, and county an amount equal to the~~  
26 ~~payment made under this section to that city, village, township,~~



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~~1 or county under this section for the immediately preceding state~~  
~~2 fiscal year.~~

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

11       (a) During each August, November, February, and May, the  
12 collections from the state income tax for the quarter periods  
13 ending the prior June 30, September 30, December 31, and March 31  
14 that are available for distribution to cities, villages, and  
15 townships under the income tax act of 1967, ~~Act No. 281 of the~~  
16 ~~Public Acts of 1967, being sections 206.1 to 206.532 of the~~  
17 ~~Michigan Compiled Laws~~ 1967 PA 281, MCL 206.1 TO 206.532.

18       (b) The amount of the collections from the single business  
19 tax available for distribution to cities, villages, and townships  
20 under FORMER section 136 of the single business tax act, ~~Act~~  
21 ~~No. 228 of the Public Acts of 1975, being section 208.136 of the~~  
22 ~~Michigan Compiled Laws~~ 1975 PA 228.

23       (2) The amount of collections of the state income tax other-  
24 wise available for distribution to cities, villages, and town-  
25 ships in November, February, and May, computed in accordance with  
26 the tax effort formula, shall be increased by \$22,600,000.00.  
27 The amount of collections otherwise available for distribution to

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1 cities, villages, and townships in August, computed in accordance  
2 with the tax effort formula, shall be decreased by  
3 \$67,800,000.00.

4       (3) This subsection applies to distributions to cities, vil-  
5 lages, and townships for the 1996-1997 state fiscal year. The  
6 department shall cause to be paid in accordance with the tax  
7 effort formula an amount equal to 75.5% of the difference between  
8 21.3% of the sales tax collections at a rate of 4% in the  
9 12-month period ending June 30 of the state fiscal year in which  
10 the payments are made and the total distribution for the state  
11 fiscal year under section 12a.

12       (4) The department of treasury shall cause to be paid during  
13 the 1997-1998 state fiscal year an amount equal to 75.5% of the  
14 difference between 21.3% of the sales tax collections at a rate  
15 of 4% in the 12-month period ending June 30 of the state fiscal  
16 year in which the payments are made and the total distribution  
17 for the state fiscal year under section 12a, both of the  
18 following:

19       (a) To each city, village, and township, the amount of col-  
20 lections distributed under subsection (3) to cities, villages,  
21 and townships for the 1996-1997 state fiscal year or its pro rata  
22 share of the collections if the collections are less than the  
23 amount of collections distributed under subsection (3) for the  
24 1996-1997 state fiscal year. A city's, village's, or township's  
25 share of revenues under this subdivision shall be computed using  
26 the tax effort formula.

1 (b) To each city, village, and township its share of the  
2 collections to the extent the total collections available for  
3 distribution under this subsection exceed the amount distributed  
4 to cities, villages, and townships under subdivision (a) for the  
5 fiscal year. A city's, village's, or township's share of reve-  
6 nues under this subdivision shall be computed on a per capita  
7 basis.

8 (5) ~~For~~ SUBJECT TO SECTION 13D, FOR THE 1998-1999 THROUGH  
9 2005-2006 state fiscal years ~~after the 1997-1998 state fiscal~~  
10 ~~year~~ AND FOR THE PERIOD OF OCTOBER 1, 2006 THROUGH JUNE 30,  
11 2007, the department of treasury shall cause DISTRIBUTIONS DETER-  
12 MINED UNDER SUBSECTIONS (6) TO (13) to be paid to each city, vil-  
13 lage, and township from an amount equal to ~~75.5%~~ 74.94% of ~~the~~  
14 ~~difference between~~ 21.3% of the sales tax collections at a rate  
15 of 4% in the 12-month period ending June 30 of the state fiscal  
16 year in which the payments are made. [AFTER JUNE 30, 2007, 74.94% OF  
21.3% OF SALES TAX COLLECTIONS AT A RATE OF 4% SHALL BE DISTRIBUTED  
TO CITIES, VILLAGES, AND TOWNSHIPS AS PROVIDED BY LAW.] ~~and the~~  
~~total distribution~~  
17 ~~for the state fiscal year under section 12a, the amount distrib-~~  
18 ~~uted to the city, village, or township under this section during~~  
19 ~~the immediately preceding state fiscal year or its pro rata share~~  
20 ~~of the collections if the collections are less than the amount of~~  
21 ~~collections that were available for distribution in the immedi-~~  
22 ~~ately preceding state fiscal year. Each state fiscal year after~~  
23 ~~the 1997-1998 state fiscal year, the amount by which the total~~  
24 ~~collections available for distribution under this subsection~~  
25 ~~exceed the amount distributed under this subsection shall be~~  
26 ~~deposited in the revenue sharing reserve created in section~~  
27 ~~11(5).~~

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1       (6) ~~The department of treasury shall pay to counties,~~  
2 ~~cities, townships, and villages by October 31, 1995, \$2.00 per~~  
3 ~~parcel for the administrative costs associated with the process-~~  
4 ~~ing of homestead affidavits filed in those counties, cities,~~  
5 ~~townships, and villages before December 1, 1994~~ SUBJECT TO SEC-  
6 TION 13D, FOR THE 1998-1999 THROUGH 2005-2006 STATE FISCAL YEARS  
7 AND FOR THE PERIOD OF OCTOBER 1, 2006 THROUGH JUNE 30, 2007 AND  
8 EXCEPT AS PROVIDED IN SUBSECTION (15), THE DEPARTMENT OF TREASURY  
9 SHALL CAUSE TO BE PAID \$333,900,000.00 TO A CITY WITH A POPULA-  
10 TION OF 750,000 OR MORE AS THE TOTAL COMBINED DISTRIBUTION UNDER  
11 THIS ACT AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION  
12 OF 1963 AS ANNUALIZED FOR ANY PERIOD OF LESS THAN 12 MONTHS TO  
13 THAT CITY.

14       (7) DISTRIBUTIONS UNDER SUBSECTIONS (8) TO (13) TO CITIES,  
15 VILLAGES, AND TOWNSHIPS WITH POPULATIONS OF LESS THAN 750,000  
16 SHALL BE MADE FROM THE AMOUNT AVAILABLE FOR DISTRIBUTION UNDER  
17 THIS SECTION THAT REMAINS AFTER THE DISTRIBUTION UNDER SUBSECTION  
18 (6) IS MADE.

19       (8) SUBJECT TO SECTION 13D, FOR THE 1998-1999 THROUGH  
20 2005-2006 STATE FISCAL YEARS AND FOR THE PERIOD OF OCTOBER 1,  
21 2006 THROUGH JUNE 30, 2007, FOR CITIES, VILLAGES, AND TOWNSHIPS  
22 WITH POPULATIONS OF LESS THAN 750,000, SUBJECT TO THE LIMITATIONS  
23 UNDER THIS SECTION, A TAXABLE VALUE PAYMENT SHALL BE MADE TO EACH  
24 CITY, VILLAGE, AND TOWNSHIP DETERMINED AS FOLLOWS:

25       (A) DETERMINE THE PER CAPITA TAXABLE VALUE FOR EACH CITY,  
26 VILLAGE, AND TOWNSHIP BY DIVIDING THE TAXABLE VALUE OF THAT CITY,

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1 VILLAGE, OR TOWNSHIP BY THE POPULATION OF THAT CITY, VILLAGE, OR  
2 TOWNSHIP.

3 (B) DETERMINE THE STATEWIDE PER CAPITA TAXABLE VALUE BY  
4 DIVIDING THE TOTAL TAXABLE VALUE OF ALL CITIES, VILLAGES, AND  
5 TOWNSHIPS BY THE TOTAL POPULATION OF ALL CITIES, VILLAGES, AND  
6 TOWNSHIPS.

7 (C) DETERMINE THE PER CAPITA TAXABLE VALUE RATIO FOR EACH  
8 CITY, VILLAGE, AND TOWNSHIP BY DIVIDING THE STATEWIDE PER CAPITA  
9 TAXABLE VALUE BY THE PER CAPITA TAXABLE VALUE FOR THAT CITY, VIL-  
10 LAGE, OR TOWNSHIP.

11 (D) DETERMINE THE ADJUSTED TAXABLE VALUE POPULATION FOR EACH  
12 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE PER CAPITA TAXABLE  
13 VALUE RATIO AS DETERMINED UNDER SUBDIVISION (C) FOR THAT CITY,  
14 VILLAGE, OR TOWNSHIP BY THE POPULATION OF THAT CITY, VILLAGE, OR  
15 TOWNSHIP.

16 (E) DETERMINE THE TOTAL STATEWIDE ADJUSTED TAXABLE VALUE  
17 POPULATION WHICH IS THE SUM OF ALL ADJUSTED TAXABLE VALUE POPULA-  
18 TION FOR ALL CITIES, VILLAGES, AND TOWNSHIPS.

19 (F) DETERMINE THE TAXABLE VALUE PAYMENT RATE BY DIVIDING  
20 74.94% OF 21.3% OF THE SALES TAX COLLECTIONS AT A RATE OF 4% IN  
21 THE 12-MONTH PERIOD ENDING JUNE 30 OF THE STATE FISCAL YEAR IN  
22 WHICH THE PAYMENTS UNDER THIS SUBSECTION ARE MADE BY 3, AND  
23 DIVIDING THAT RESULT BY THE TOTAL STATEWIDE ADJUSTED TAXABLE  
24 VALUE POPULATION AS DETERMINED UNDER SUBDIVISION (E).

25 (G) DETERMINE THE TAXABLE VALUE PAYMENT FOR EACH CITY, VIL-  
26 LAGE, AND TOWNSHIP BY MULTIPLYING THE RESULT UNDER

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1 SUBDIVISION (F) BY THE ADJUSTED TAXABLE VALUE POPULATION FOR THAT  
2 CITY, VILLAGE, OR TOWNSHIP.

3 (9) SUBJECT TO SECTION 13D, FOR THE 1998-1999 THROUGH  
4 2005-2006 STATE FISCAL YEARS AND FOR THE PERIOD OF OCTOBER 1,  
5 2006 THROUGH JUNE 30, 2007, SUBJECT TO THE LIMITATIONS UNDER THIS  
6 SECTION AND EXCEPT AS PROVIDED IN SUBSECTION (14), A UNIT TYPE  
7 POPULATION PAYMENT SHALL BE MADE TO EACH CITY, VILLAGE, AND TOWN-  
8 SHIP WITH A POPULATION OF LESS THAN 750,000 DETERMINED AS  
9 FOLLOWS:

10 (A) DETERMINE THE UNIT TYPE POPULATION WEIGHT FACTOR FOR  
11 EACH CITY, VILLAGE, AND TOWNSHIP AS FOLLOWS:

12 (i) FOR A TOWNSHIP WITH A POPULATION OF 5,000 OR LESS, THE  
13 UNIT TYPE POPULATION WEIGHT FACTOR IS 1.0.

14 (ii) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 5,000 BUT  
15 LESS THAN 10,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.2.

16 (iii) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 10,000  
17 BUT LESS THAN 20,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
18 1.44.

19 (iv) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 20,000  
20 BUT LESS THAN 40,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
21 1.73.

22 (v) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 40,000 BUT  
23 LESS THAN 80,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
24 2.07.

25 (vi) FOR A TOWNSHIP WITH A POPULATION OF MORE THAN 80,000,  
26 THE UNIT TYPE POPULATION WEIGHT FACTOR IS 2.49.

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1       (vii) FOR A VILLAGE WITH A POPULATION OF 5,000 OR LESS, THE  
2 UNIT TYPE POPULATION WEIGHT FACTOR IS 1.5.

3       (viii) FOR A VILLAGE WITH A POPULATION OF MORE THAN 5,000  
4 BUT LESS THAN 10,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
5 1.8.

6       (ix) FOR A VILLAGE WITH A POPULATION OF MORE THAN 10,000,  
7 THE UNIT TYPE POPULATION WEIGHT FACTOR IS 2.16.

8       (x) FOR A CITY WITH A POPULATION OF 5,000 OR LESS, THE UNIT  
9 TYPE POPULATION WEIGHT FACTOR IS 2.5.

10       (xi) FOR A CITY WITH A POPULATION OF MORE THAN 5,000 BUT  
11 LESS THAN 10,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.0.

12       (xii) FOR A CITY WITH A POPULATION OF MORE THAN 10,000 BUT  
13 LESS THAN 20,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.6.

14       (xiii) FOR A CITY WITH A POPULATION OF MORE THAN 20,000 BUT  
15 LESS THAN 40,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
16 4.32.

17       (xiv) FOR A CITY WITH A POPULATION OF MORE THAN 40,000 BUT  
18 LESS THAN 80,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
19 5.18.

20       (xv) FOR A CITY WITH A POPULATION OF MORE THAN 80,000 BUT  
21 LESS THAN 160,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
22 6.22.

23       (xvi) FOR A CITY WITH A POPULATION OF MORE THAN 160,000 BUT  
24 LESS THAN 320,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
25 7.46.

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1       (xvii) FOR A CITY WITH A POPULATION OF MORE THAN 320,000 BUT  
2 LESS THAN 640,001, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
3 8.96.

4       (xviii) FOR A CITY WITH A POPULATION OF MORE THAN 640,000,  
5 THE UNIT TYPE POPULATION WEIGHT FACTOR IS 10.75.

6       (B) DETERMINE THE ADJUSTED UNIT TYPE POPULATION FOR EACH  
7 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE UNIT TYPE POPULA-  
8 TION WEIGHT FACTOR FOR THAT CITY, VILLAGE, OR TOWNSHIP AS DETER-  
9 MINED UNDER SUBDIVISION (A) BY THE POPULATION OF THE CITY, VIL-  
10 LAGE, OR TOWNSHIP.

11       (C) DETERMINE THE TOTAL STATEWIDE ADJUSTED UNIT TYPE POPULA-  
12 TION, WHICH IS THE SUM OF THE ADJUSTED UNIT TYPE POPULATION FOR  
13 ALL CITIES, VILLAGES, AND TOWNSHIPS.

14       (D) DETERMINE THE UNIT TYPE POPULATION PAYMENT RATE BY  
15 DIVIDING 74.94% OF 21.3% OF THE SALES TAX COLLECTIONS AT A RATE  
16 OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30 OF THE STATE FISCAL  
17 YEAR IN WHICH THE PAYMENTS UNDER THIS SUBSECTION ARE MADE BY 3,  
18 AND THEN DIVIDING THAT RESULT BY THE TOTAL STATEWIDE ADJUSTED  
19 UNIT TYPE POPULATION AS DETERMINED UNDER SUBDIVISION (C).

20       (E) DETERMINE THE UNIT TYPE POPULATION PAYMENT FOR EACH  
21 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE RESULT UNDER SUB-  
22 DIVISION (D) BY THE ADJUSTED UNIT TYPE POPULATION FOR THAT CITY,  
23 VILLAGE, OR TOWNSHIP.

24       (10) 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 JUNE 30, 2007, SUBJECT TO THE LIMITATIONS UNDER THIS  
27 SECTION, A YIELD EQUALIZATION PAYMENT SHALL BE MADE TO EACH CITY,



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15

1 VILLAGE, AND TOWNSHIP WITH A POPULATION OF LESS THAN 750,000  
2 SUFFICIENT TO PROVIDE THE GUARANTEED TAX BASE FOR A LOCAL TAX  
3 EFFORT NOT TO EXCEED 0.02. THE PAYMENT SHALL BE DETERMINED AS  
4 FOLLOWS:

5 (A) THE GUARANTEED TAX BASE IS THE MAXIMUM COMBINED STATE  
6 AND LOCAL PER CAPITA TAXABLE VALUE THAT CAN BE GUARANTEED IN A  
7 STATE FISCAL YEAR TO EACH CITY, VILLAGE, AND TOWNSHIP FOR A LOCAL  
8 TAX EFFORT NOT TO EXCEED 0.02 IF AN AMOUNT EQUAL TO 74.94% OF  
9 21.3% OF THE STATE SALES TAX AT A RATE OF 4% IS DISTRIBUTED TO  
10 CITIES, VILLAGES, AND TOWNSHIPS WHOSE PER CAPITA TAXABLE VALUE IS  
11 BELOW THE GUARANTEED TAX BASE.

12 (B) THE FULL YIELD EQUALIZATION PAYMENT TO EACH CITY, VIL-  
13 LAGE, AND TOWNSHIP IS THE PRODUCT OF THE AMOUNTS DETERMINED UNDER  
14 SUBPARAGRAPHS (i) AND (ii):

15 (i) AN AMOUNT GREATER THAN ZERO THAT IS EQUAL TO THE DIFFER-  
16 ENCE BETWEEN THE GUARANTEED TAX BASE DETERMINED IN  
17 SUBDIVISION (A) AND THE PER CAPITA TAXABLE VALUE OF THE CITY,  
18 VILLAGE, OR TOWNSHIP.

19 (ii) THE LOCAL TAX EFFORT OF THE CITY, VILLAGE, OR TOWNSHIP,  
20 NOT TO EXCEED 0.02, MULTIPLIED BY THE POPULATION OF THAT CITY,  
21 VILLAGE, OR TOWNSHIP.

22 (C) THE YIELD EQUALIZATION PAYMENT IS THE FULL YIELD EQUALI-  
23 ZATION PAYMENT DIVIDED BY 3.

24 (11) FOR STATE FISCAL YEARS AFTER THE 1997-1998 STATE FISCAL  
25 YEAR, DISTRIBUTIONS UNDER THIS SECTION FOR CITIES, VILLAGES, AND  
26 TOWNSHIPS WITH POPULATIONS OF LESS THAN 750,000 SHALL BE  
27 DETERMINED AS FOLLOWS:

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16

1 (A) FOR THE 1998-1999 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) NINETY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
5 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 1998-1999  
6 STATE FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S, OR  
7 TOWNSHIP'S PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS SEC-  
8 TION 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) TEN PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRIBU-  
13 TION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 1998-1999 STATE  
14 FISCAL YEAR MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBU-  
15 TION AMOUNTS CALCULATED UNDER SUBSECTIONS (8), (9), AND (10).

16 (B) FOR THE 1999-2000 STATE FISCAL YEAR, THE PAYMENT UNDER  
17 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE  
18 SUM OF THE FOLLOWING:

19 (i) EIGHTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
20 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 1999-2000  
21 STATE FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S, OR  
22 TOWNSHIP'S PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS SEC-  
23 TION AND SECTION 12A MINUS THE AMOUNT OF A DISTRIBUTION UNDER  
24 THIS SECTION AND SECTION 12A TO A CITY THAT IS ELIGIBLE TO  
25 RECEIVE A DISTRIBUTION UNDER SUBSECTION (6) IN THE 1997-1998  
26 STATE FISCAL YEAR.

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17

1       (ii) TWENTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR  
2 DISTRIBUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE  
3 1999-2000 STATE FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S,  
4 OR TOWNSHIP'S PERCENTAGE SHARE OF THE DISTRIBUTION AMOUNTS CALCU-  
5 LATED UNDER SUBSECTIONS (8), (9), AND (10).

6       (C) FOR THE 2000-2001 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) SEVENTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DIS-  
10 TRIBUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2000-2001  
11 STATE FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S, OR  
12 TOWNSHIP'S PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS SEC-  
13 TION 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) THIRTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DIS-  
18 TRIBUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2000-2001  
19 STATE FISCAL YEAR MULTIPLIED BY THE PERCENTAGE SHARE OF THE DIS-  
20 TRIBUTION AMOUNTS CALCULATED UNDER SUBSECTIONS (8), (9), AND  
21 (10).

22       (D) FOR THE 2001-2002 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) SIXTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
26 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2001-2002  
27 STATE FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S, OR

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18

1 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) FORTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
7 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2001-2002  
8 STATE FISCAL YEAR MULTIPLIED BY THE PERCENTAGE SHARE OF THE DIS-  
9 TRIBUTION AMOUNTS CALCULATED UNDER SUBSECTIONS (8), (9), AND  
10 (10).

11       (E) FOR THE 2002-2003 STATE FISCAL YEAR, THE PAYMENT UNDER  
12 THIS SECTION FOR EACH CITY, VILLAGE, AND TOWNSHIP SHALL BE THE  
13 SUM OF THE FOLLOWING:

14       (i) FIFTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
15 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2002-2003  
16 STATE FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S, OR  
17 TOWNSHIP'S PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS SEC-  
18 TION 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) FIFTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
23 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2002-2003  
24 STATE FISCAL YEAR MULTIPLIED BY THE PERCENTAGE SHARE OF THE DIS-  
25 TRIBUTION AMOUNTS CALCULATED UNDER SUBSECTIONS (8), (9), AND  
26 (10).

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19

1 (F) FOR THE 2003-2004 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) FORTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
5 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2003-2004  
6 STATE FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S, OR  
7 TOWNSHIP'S PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS SEC-  
8 TION 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) SIXTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
13 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2003-2004  
14 STATE FISCAL YEAR MULTIPLIED BY THE PERCENTAGE SHARE OF THE DIS-  
15 TRIBUTION AMOUNTS CALCULATED UNDER SUBSECTIONS (8), (9), AND  
16 (10).

17 (G) FOR THE 2004-2005 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) THIRTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
21 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2004-2005  
22 STATE FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S, OR  
23 TOWNSHIP'S PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS SEC-  
24 TION 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.

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20

1       (ii) SEVENTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR  
2 DISTRIBUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE  
3 2004-2005 STATE FISCAL YEAR MULTIPLIED BY THE PERCENTAGE SHARE OF  
4 THE DISTRIBUTION AMOUNTS CALCULATED UNDER SUBSECTIONS (8), (9),  
5 AND (10).

6       (H) FOR THE 2005-2006 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) TWENTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRI-  
10 BUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2005-2006  
11 STATE FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S, OR  
12 TOWNSHIP'S PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS SEC-  
13 TION 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) EIGHTY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DIS-  
18 TRIBUTION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2005-2006  
19 STATE FISCAL YEAR MULTIPLIED BY THE PERCENTAGE SHARE OF THE DIS-  
20 TRIBUTION AMOUNTS CALCULATED UNDER SUBSECTIONS (8), (9), AND  
21 (10).

22       (I) FOR THE PERIOD OF OCTOBER 1, 2006 THROUGH JUNE 30, 2007,  
23 THE PAYMENT UNDER THIS SECTION FOR EACH CITY, VILLAGE, AND TOWN-  
24 SHIP SHALL BE THE SUM OF THE FOLLOWING:

25       (i) TEN PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRIBU-  
26 TION UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2006-2007 STATE  
27 FISCAL YEAR MULTIPLIED BY THE CITY'S, VILLAGE'S, OR TOWNSHIP'S

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House Bill No. 5989 as amended December 9, 1998

21

1 PERCENTAGE SHARE OF THE DISTRIBUTIONS UNDER THIS SECTION AND  
2 SECTION 12A MINUS THE AMOUNT OF A DISTRIBUTION UNDER THIS SECTION  
3 AND SECTION 12A TO A CITY THAT IS ELIGIBLE TO RECEIVE A DISTRIBUTION  
4 UNDER SUBSECTION (6) IN THE 1997-1998 STATE FISCAL YEAR.

5 (ii) NINETY PERCENT OF THE TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION  
6 UNDER SUBSECTIONS (8), (9), AND (10) FOR THE 2006-2007  
7 STATE FISCAL YEAR MULTIPLIED BY THE PERCENTAGE SHARE OF THE DISTRIBUTION  
8 AMOUNTS CALCULATED UNDER SUBSECTIONS (8), (9), AND  
9 (10).

10 (12) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE  
11 TOTAL PAYMENT TO ANY CITY, VILLAGE, OR TOWNSHIP UNDER THIS ACT  
12 AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963  
13 SHALL NOT INCREASE BY MORE THAN 8% OVER THE AMOUNT OF THE PAYMENT  
14 UNDER THIS ACT AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION  
15 OF 1963 IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.  
16 FROM THE AMOUNT NOT DISTRIBUTED BECAUSE OF THE LIMITATION IMPOSED  
17 BY THIS SUBSECTION, THE DEPARTMENT SHALL DISTRIBUTE AN AMOUNT TO  
18 CERTAIN CITIES, VILLAGES, AND TOWNSHIPS SUCH THAT THE PERCENTAGE  
19 INCREASE IN THE TOTAL PAYMENT UNDER THIS ACT AND SECTION 10 OF  
20 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 FROM THE IMMEDIATELY  
21 PRECEDING STATE FISCAL YEAR TO EACH OF THOSE CITIES, VILLAGES,  
22 AND TOWNSHIPS IS EQUAL TO, BUT DOES NOT EXCEED, THE PERCENTAGE  
23 INCREASE FROM THE IMMEDIATELY PRECEDING STATE FISCAL YEAR OF ANY  
24 CITY, VILLAGE, OR TOWNSHIP THAT DOES NOT RECEIVE A DISTRIBUTION  
25 UNDER THIS SUBSECTION. THIS SUBSECTION DOES NOT APPLY FOR STATE  
26 FISCAL YEARS AFTER THE 2000 FEDERAL DECENNIAL CENSUS BECOMES  
27 OFFICIAL TO A CITY, VILLAGE, OR TOWNSHIP WITH A 10% OR MORE

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House Bill No. 5989 (S-7) as amended by the Senate 22  
[House amendments (December 10, 1998) shown in brackets]  
as amended by the Senate December 10, 1998

1 INCREASE IN POPULATION FROM THE OFFICIAL 1990 FEDERAL DECENNIAL  
2 CENSUS TO THE OFFICIAL 2000 FEDERAL DECENNIAL CENSUS.

3 (13) THE PERCENTAGE ALLOCATIONS TO DISTRIBUTIONS UNDER SUB-  
4 SECTIONS (8) TO (10) PURSUANT TO SUBSECTION (11) SHALL BE CALCU-  
5 LATED AS IF, IN ANY STATE FISCAL YEAR, THE AMOUNT APPROPRIATED  
6 UNDER THIS SECTION FOR DISTRIBUTION TO CITIES, VILLAGES, AND  
7 TOWNSHIPS IS 74.94% OF 21.3% OF THE SALES TAX AT A RATE OF 4%.  
8 IF THE AMOUNT APPROPRIATED UNDER THIS SECTION TO CITIES, VIL-  
9 LAGES, AND TOWNSHIPS IS LESS THAN 74.94% OF 21.3% OF THE SALES  
10 TAX AT A RATE OF 4%, ANY REDUCTION MADE NECESSARY BY THIS APPRO-  
11 PRIATION IN DISTRIBUTIONS TO CITIES, VILLAGES, AND TOWNSHIPS  
12 SHALL FIRST BE APPLIED TO THE DISTRIBUTION UNDER SUBSECTIONS (8)  
13 TO (10) AND ANY REMAINING AMOUNT SHALL BE APPLIED TO THE OTHER  
14 DISTRIBUTIONS UNDER THIS SECTION.

15 (14) A TOWNSHIP THAT PROVIDES [ ] FOR OR  
MAKES AVAILABLE FIRE, POLICE [ON A 24-HOUR BASIS EITHER THROUGH  
CONTRACTING FOR OR DIRECTLY EMPLOYING PERSONNEL],  
16 WATER [TO 50% OR MORE OF ITS RESIDENTS], AND SEWER SERVICES TO [50%  
OR MORE OF] ITS RESIDENTS AND HAS A POPULATION  
17 OF 10,000 OR MORE OR A TOWNSHIP THAT HAS A POPULATION OF 20,000  
18 OR MORE SHALL USE THE UNIT TYPE POPULATION WEIGHT FACTOR UNDER  
19 SUBSECTION (9)(A) FOR A CITY WITH THE SAME POPULATION AS THE  
20 TOWNSHIP.

21 (15) FOR A STATE FISCAL YEAR IN WHICH THE SALES TAX COLLEC-  
22 TIONS DECREASE FROM THE SALES TAX COLLECTIONS FOR THE IMMEDIATELY  
23 PRECEDING STATE FISCAL YEAR, THE DEPARTMENT SHALL REDUCE THE  
24 AMOUNT TO BE DISTRIBUTED TO A CITY WITH A POPULATION OF 750,000  
25 OR MORE UNDER SUBSECTION (6) BY AN AMOUNT DETERMINED BY SUBTRACT-  
26 ING THE AMOUNT THE CITY IS ELIGIBLE FOR UNDER SECTION 10 OF  
27 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 FOR THE STATE FISCAL



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Sub. H.B. 5989 (S-7) as amended by the Senate 23  
[House amendments (December 10, 1998) shown in brackets]

1 YEAR FROM \$333,900,000.00 AND MULTIPLYING THAT RESULT BY THE SAME  
2 PERCENTAGE AS THE PERCENTAGE DECREASE IN SALES TAX COLLECTIONS  
3 FOR THAT STATE FISCAL YEAR AS COMPARED TO SALES TAX COLLECTIONS  
4 FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.

[(16) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION FOR  
THE 1998-1999 STATE FISCAL YEAR, THE TOTAL COMBINED AMOUNT RECEIVED  
BY EACH CITY, VILLAGE, AND TOWNSHIP UNDER THIS SECTION AND SECTION  
10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 SHALL NOT BE LESS  
THAN THE COMBINED AMOUNT RECEIVED UNDER THIS SECTION, SECTION 12A,  
AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 IN  
THE 1997-1998 STATE FISCAL YEAR. THE INCREASE, IF ANY, FOR EACH  
CITY, VILLAGE, AND TOWNSHIP FROM THE 1997-1998 STATE FISCAL YEAR,  
OTHER THAN A CITY THAT RECEIVES A DISTRIBUTION UNDER SUBSECTION (6),  
SHALL BE REDUCED BY A UNIFORM PERCENTAGE TO THE EXTENT NECESSARY TO  
FUND DISTRIBUTIONS UNDER THIS SUBSECTION.]

5 [(17)] ~~-(7)-~~ The payments under subsections (3), (4), and (5)  
6 shall be made during each October, December, February, April,  
7 June, and August. Payments under subsections (3), (4), and (5)  
8 shall be based on collections from the sales tax at the rate of  
9 4% in the 2-month period ending the prior August 31, October 31,  
10 December 31, February 28, April 30, and June 30, ~~less~~ AND FOR  
11 THE 1996-1997 AND 1997-1998 STATE FISCAL YEARS ONLY, THE PAYMENTS  
12 SHALL BE REDUCED BY 1/6 of the total distribution for the state  
13 fiscal year under section 12a.

14 [(18)] ~~-(8)-~~ Payments under this section shall be made from  
15 revenues collected during the state fiscal year in which the pay-  
16 ments are made.

17 [(19)] ~~-(9)-~~ Distributions provided for by this act are  
18 subject to an annual appropriation by the legislature.

19 SEC. 13D. THE DEPARTMENT SHALL ANNUALIZE THE AMOUNT OF DIS-  
20 TRIBUTIONS UNDER SECTIONS 11, 12A, AND 13 AS NECESSARY TO REFLECT  
21 DISTRIBUTIONS FOR PERIODS OF LESS THAN 12 MONTHS.

22 Enacting section 1. Sections 11a, 14, and 15 of the state  
23 revenue sharing act of 1971, 1971 PA 140, MCL 141.911a, 141.914,  
24 and 141.915, are repealed.

25 Enacting section 2. This amendatory act does not take  
26 effect unless House Bill No. 5391 of the 89th Legislature is  
27 enacted into law.

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06611 '98 (S-7)