

SENATE BILL NO. 1144

May 19, 1998, Introduced by Senators JAYE, BULLARD and DUNASKISS
and referred to the Committee on Appropriations.

A bill to amend 1971 PA 140, entitled
"State revenue sharing act of 1971,"
by amending sections 11 and 13 (MCL 141.911 and 141.913),
section 11 as amended by 1996 PA 468 and section 13 as amended by
1996 PA 342.

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.

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

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

~~1 distributed under this subsection shall be deposited in the
2 revenue sharing reserve fund created in subsection (5).~~

3 (4) The payments under subsection (3) shall be made from
4 revenues collected during the state fiscal year in which the pay-
5 ments are made and shall be made during each October, December,
6 February, April, June, and August. Payments shall be based on
7 collections from the sales tax at a rate of 4% in the 2-month
8 period ending the prior August 31, October 31, December 31,
9 February 28, April 30, and June 30, less 1/6 of the total distri-
10 bution for the state fiscal year under section 12a. For state
11 fiscal years after the 1995-1996 state fiscal year, the collec-
12 tions from the sales tax otherwise available for distribution to
13 counties under subsection (3) in December shall be increased by
14 \$17,000,000.00 and the collections from the sales tax otherwise
15 available for distribution to counties under subsection (3) in
16 April shall be decreased by \$17,000,000.00.

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

19 Sec. 13. (1) This subsection and subsection (2) apply to
20 distributions to cities, villages, and townships during the state
21 fiscal years before the 1996-1997 state fiscal year of collec-
22 tions from the state income tax and single business tax. Except
23 as otherwise provided in subsection (2), the department of trea-
24 sury shall cause to be paid to each city, village, and township
25 its share, computed in accordance with the tax effort formula, of
26 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, ~~Act No. 281 of the~~
6 ~~Public Acts of 1967, being sections 206.1 to 206.532 of the~~
7 ~~Michigan Compiled Laws~~ 1967 PA 281, MCL 206.1 TO 206.532.

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

13 (2) The amount of collections of the state income tax other-
14 wise available for distribution to cities, villages, and town-
15 ships in November, February, and May, computed in accordance with
16 the tax effort formula, shall be increased by \$22,600,000.00.
17 The amount of collections otherwise available for distribution to
18 cities, villages, and townships in August, computed in accordance
19 with the tax effort formula, shall be decreased by
20 \$67,800,000.00.

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

1 the payments are made and the total distribution for the state
2 fiscal year under section 12a.

3 (4) The department of treasury shall cause to be paid during
4 the 1997-1998 state fiscal year an amount equal to 75.5% of the
5 difference between 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 are made and the total distribution
8 for the state fiscal year under section 12a, both of the
9 following:

10 (a) To each city, village, and township, the amount of col-
11 lections distributed under subsection (3) to cities, villages,
12 and townships for the 1996-1997 state fiscal year or its pro rata
13 share of the collections if the collections are less than the
14 amount of collections distributed under subsection (3) for the
15 1996-1997 state fiscal year. A city's, village's, or township's
16 share of revenues under this subdivision shall be computed using
17 the tax effort formula.

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

25 (5) For state fiscal years after the 1997-1998 state fiscal
26 year, the department of treasury shall cause to be paid to each
27 city, village, and township from an amount equal to 75.5% of the

1 difference between 21.3% of the sales tax collections at a rate
2 of 4% in the 12-month period ending June 30 of the state fiscal
3 year in which the payments are made and the total distribution
4 for the state fiscal year under section 12a, ~~the amount distrib-~~
5 ~~uted to the city, village, or township under this section during~~
6 ~~the immediately preceding state fiscal year or its pro rata share~~
7 ~~of the collections if the collections are less than the amount of~~
8 ~~collections that were available for distribution in the immedi-~~
9 ~~ately preceding state fiscal year. Each state fiscal year after~~
10 ~~the 1997-1998 state fiscal year, the amount by which the total~~
11 ~~collections available for distribution under this subsection~~
12 ~~exceed the amount distributed under this subsection shall be~~
13 ~~deposited in the revenue sharing reserve created in section~~
14 ~~11(5) EACH CITY'S, VILLAGE'S, AND TOWNSHIP'S SHARE OF REVENUE~~
15 ~~DISTRIBUTED UNDER THIS SECTION SHALL BE COMPUTED ON A PER CAPITA~~
16 ~~BASIS.~~

17 (6) The department of treasury shall pay to counties,
18 cities, townships, and villages by October 31, 1995, \$2.00 per
19 parcel for the administrative costs associated with the process-
20 ing of homestead affidavits filed in those counties, cities,
21 townships, and villages before December 1, 1994.

22 (7) The payments under subsections (3), (4), and (5) shall
23 be made during each October, December, February, April, June, and
24 August. Payments under subsections (3), (4), and (5) shall be
25 based on collections from the sales tax at the rate of 4% in the
26 2-month period ending the prior August 31, October 31, December

1 31, February 28, April 30, and June 30, less 1/6 of the total
2 distribution for the state fiscal year under section 12a.

3 (8) Payments under this section shall be made from revenues
4 collected during the state fiscal year in which the payments are
5 made.

6 (9) Distributions provided for by this act are subject to an
7 annual appropriation by the legislature.