

**SUBSTITUTE FOR
SENATE BILL NO. 1104**

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 2004 PA 77.

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
4 collections from the state income tax and single business tax.
5 Except as otherwise provided in subsection (2), the department of
6 treasury shall cause to be paid to each city, village, and
7 township its share, computed in accordance with the tax effort
8 formula, of the following revenues:

9 (a) During each August, November, February, and May, the
10 collections from the state income tax for the quarter periods
11 ending the prior June 30, September 30, December 31, and March 31

1 that are available for distribution to cities, villages, and
2 townships under the income tax act of 1967, 1967 PA 281, MCL
3 206.1 to 206.532.

4 (b) The amount of the collections from the single business
5 tax available for distribution to cities, villages, and townships
6 under former section 136 of the single business tax act, 1975 PA
7 228.

8 (2) The amount of collections of the state income tax
9 otherwise available for distribution to cities, villages, and
10 townships in November, February, and May, computed in accordance
11 with the tax effort formula, shall be increased by
12 \$22,600,000.00. The amount of collections otherwise available
13 for distribution to cities, villages, and townships in August,
14 computed in accordance with the tax effort formula, shall be
15 decreased by \$67,800,000.00.

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

24 (4) The department of treasury shall cause to be paid during
25 the 1997-1998 state fiscal year an amount equal to 75.5% of the
26 difference between 21.3% of the sales tax collections at a rate
27 of 4% in the 12-month period ending June 30 of the state fiscal

1 year in which the payments are made and the total distribution
2 for the state fiscal year under section 12a, both of the
3 following:

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

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

19 (5) Subject to section 13d, for the 1998-1999 through
20 ~~2005-2006~~ **2006-2007** state fiscal years, ~~and for the period of~~
21 ~~October 1, 2006 through September 30, 2007,~~ the department of
22 treasury shall cause distributions determined under subsections
23 (6) to (13) to be paid to each city, village, and township from
24 an amount equal to 74.94% of 21.3% of the sales tax collections
25 at a rate of 4% in the 12-month period ending June 30 of the
26 state fiscal year in which the payments are made. After
27 September 30, 2007, 74.94% of 21.3% of sales tax collections at a

1 rate of 4% shall be distributed to cities, villages, and
2 townships as provided by law.

3 (6) Subject to section 13d, for the 1998-1999 through
4 ~~2005-2006~~ **2006-2007** state fiscal years, ~~and for the period of~~
5 ~~October 1, 2006 through September 30, 2007,~~ except for the
6 2002-2003 and 2003-2004 state fiscal years, and except as
7 otherwise provided in subsection (15), the department of treasury
8 shall cause to be paid \$333,900,000.00 to a city with a
9 population of 750,000 or more as the total combined distribution
10 under this act and section 10 of article IX of the state
11 constitution of 1963 as annualized for any period of less than 12
12 months to that city. For the 2002-2003 state fiscal year only,
13 the total combined distribution under this subsection and section
14 10 of article IX of the state constitution of 1963 shall be the
15 lesser of \$322,213,500.00 or \$333,900,000.00 multiplied by the
16 percentage as determined under this subsection. For the
17 2002-2003 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 and
20 \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state
21 fiscal year only, the total combined distribution under this
22 subsection and section 10 of article IX of the state constitution
23 of 1963 shall be the lesser of 92%, or the percentage determined
24 under this subsection, of the total combined distribution under
25 this subsection and section 10 of article IX of the state
26 constitution of 1963 for the 2002-2003 state fiscal year. For
27 the 2003-2004 state fiscal year, the percentage under this

1 subsection shall be determined by dividing the sum of all
2 payments under section 10 of article IX of the state constitution
3 of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then
4 subtracting 0.08. For the 2004-2005 state fiscal year only, the
5 total combined distribution under this subsection and section 10
6 of article IX of the state constitution of 1963 shall be the
7 lesser of 100%, or the percentage determined under this
8 subsection, of the total combined distribution under this
9 subsection and section 10 of article IX of the state constitution
10 of 1963 for the 2003-2004 state fiscal year. For the 2004-2005
11 state fiscal year, the percentage under this subsection shall be
12 determined by dividing the sum of all payments under section 10
13 of article IX of the state constitution of 1963 and
14 \$445,300,000.00 by \$1,126,300,000.00.

15 (7) Except as otherwise provided in this subsection,
16 distributions under subsections (8) to (13) to cities, villages,
17 and townships with populations of less than 750,000 shall be made
18 from the amount available for distribution under this section
19 that remains after the distribution under subsection (6) is
20 made. For the 2002-2003 state fiscal year only, each city,
21 village, and township with a population of less than 750,000
22 shall receive the lesser of 96.5%, or the percentage determined
23 under this subsection, of the amount that the city, village, or
24 township would have received if the total available for
25 distribution under subsections (8) to (13) were \$363,069,728.00
26 and the total available for distribution under section 10 of
27 article IX of the state constitution of 1963 were

1 \$607,125,488.00. The total amount available for distribution to
2 all cities, villages, and townships under this subsection shall
3 not exceed \$936,238,383.00. For the 2002-2003 state fiscal year,
4 the percentage under this subsection shall be determined by
5 dividing the sum of all payments under section 10 of article IX
6 of the state constitution of 1963 and \$791,070,000.00 by
7 \$1,515,644,218.00. For the 2003-2004 state fiscal year only,
8 each city, village, and township with a population of less than
9 750,000 shall receive an amount equal to the lesser of 92%, or
10 the percentage determined under this subsection, of the amount
11 distributed to the city, village, or township under this
12 subsection and section 10 of article IX of the state constitution
13 of 1963 for the 2002-2003 state fiscal year. For the 2003-2004
14 state fiscal year, the percentage under this subsection shall be
15 determined by dividing the sum of all payments under section 10
16 of article IX of the state constitution of 1963 and
17 \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.08.
18 For the 2004-2005 state fiscal year only, the combined
19 distribution under this subsection and section 10 of article IX
20 of the state constitution of 1963 to each city, village, and
21 township with a population of less than 750,000 shall be the
22 lesser of 100%, or the percentage determined under this
23 subsection, of the total combined distribution to that city,
24 village, or township under this subsection and section 10 of
25 article IX of the state constitution of 1963 for the 2003-2004
26 state fiscal year. For the 2004-2005 state fiscal year, the
27 percentage under this subsection shall be determined by dividing

1 the sum of all payments under section 10 of article IX of the
2 state constitution of 1963 and \$445,300,000.00 by
3 \$1,126,300,000.00. The amount of the adjustment under this
4 subsection shall be accomplished by reducing the payments under
5 subsections (8) to (13), and payments under section 10 of article
6 IX shall not be reduced based on any adjustments made under this
7 subsection.

8 (8) Subject to section 13d, for the 1998-1999 through
9 ~~2005-2006~~ 2006-2007 state fiscal years, ~~and for the period of~~
10 ~~October 1, 2006 through September 30, 2007,~~ for cities,
11 villages, and townships with populations of less than 750,000,
12 subject to the limitations under this section, a taxable value
13 payment shall be made to each city, village, and township
14 determined as follows:

15 (a) Determine the per capita taxable value for each city,
16 village, and township by dividing the taxable value of that city,
17 village, or township by the population of that city, village, or
18 township.

19 (b) Determine the statewide per capita taxable value by
20 dividing the total taxable value of all cities, villages, and
21 townships by the total population of all cities, villages, and
22 townships.

23 (c) Determine the per capita taxable value ratio for each
24 city, village, and township by dividing the statewide per capita
25 taxable value by the per capita taxable value for that city,
26 village, or township.

27 (d) Determine the adjusted taxable value population for each

1 city, village, and township by multiplying the per capita taxable
2 value ratio as determined under subdivision (c) for that city,
3 village, or township by the population of that city, village, or
4 township.

5 (e) Determine the total statewide adjusted taxable value
6 population which is the sum of all adjusted taxable value
7 population for all cities, villages, and townships.

8 (f) Determine the taxable value payment rate by dividing
9 74.94% of 21.3% of the sales tax collections at a rate of 4% in
10 the 12-month period ending June 30 of the state fiscal year in
11 which the payments under this subsection are made by 3, and
12 dividing that result by the total statewide adjusted taxable
13 value population as determined under subdivision (e).

14 (g) Determine the taxable value payment for each city,
15 village, and township by multiplying the result under subdivision
16 (f) by the adjusted taxable value population for that city,
17 village, or township.

18 (9) Subject to section 13d, for the 1998-1999 through
19 2005-2006 state fiscal years and for the period of October 1,
20 2006 through September 30, 2007, subject to the limitations under
21 this section and except as provided in subsection (14), a unit
22 type population payment shall be made to each city, village, and
23 township with a population of less than 750,000 determined as
24 follows:

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

27 (i) For a township with a population of 5,000 or less, the

1 unit type population weight factor is 1.0.

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

4 (iii) For a township with a population of more than 10,000
5 but less than 20,001, the unit type population weight factor is
6 1.44.

7 (iv) For a township with a population of more than 20,000 but
8 less than 40,001, the unit type population weight factor is
9 1.73.

10 (v) For a township with a population of more than 40,000 but
11 less than 80,001, the unit type population weight factor is
12 2.07.

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

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

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

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

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

23 (xi) For a city with a population of more than 5,000 but less
24 than 10,001, the unit type population weight factor is 3.0.

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

27 (xiii) For a city with a population of more than 20,000 but

1 less than 40,001, the unit type population weight factor is
2 4.32.

3 (xiv) For a city with a population of more than 40,000 but
4 less than 80,001, the unit type population weight factor is
5 5.18.

6 (xv) For a city with a population of more than 80,000 but
7 less than 160,001, the unit type population weight factor is
8 6.22.

9 (xvi) For a city with a population of more than 160,000 but
10 less than 320,001, the unit type population weight factor is
11 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
14 8.96.

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

17 (b) Determine the adjusted unit type population for each
18 city, village, and township by multiplying the unit type
19 population weight factor for that city, village, or township as
20 determined under subdivision (a) by the population of the city,
21 village, or township.

22 (c) Determine the total statewide adjusted unit type
23 population, which is the sum of the adjusted unit type population
24 for all cities, villages, and townships.

25 (d) Determine the unit type population payment rate by
26 dividing 74.94% of 21.3% of the sales tax collections at a rate
27 of 4% in the 12-month period ending June 30 of the state fiscal

1 year in which the payments under this subsection are made by 3,
2 and then dividing that result by the total statewide adjusted
3 unit type population as determined under subdivision (c).

4 (e) Determine the unit type population payment for each city,
5 village, and township by multiplying the result under subdivision
6 (d) by the adjusted unit type population for that city, village,
7 or township.

8 (10) Subject to section 13d, for the 1998-1999 through
9 2005-2006 state fiscal years and for the period of October 1,
10 2006 through September 30, 2007, subject to the limitations under
11 this section, a yield equalization payment shall be made to each
12 city, village, and township with a population of less than
13 750,000 sufficient to provide the guaranteed tax base for a local
14 tax effort not to exceed 0.02. The payment shall be determined
15 as follows:

16 (a) The guaranteed tax base is the maximum combined state and
17 local per capita taxable value that can be guaranteed in a state
18 fiscal year to each city, village, and township for a local tax
19 effort not to exceed 0.02 if an amount equal to 74.94% of 21.3%
20 of the state sales tax at a rate of 4% is distributed to cities,
21 villages, and townships whose per capita taxable value is below
22 the guaranteed tax base.

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

26 (i) An amount greater than zero that is equal to the
27 difference between the guaranteed tax base determined in

1 subdivision (a) and the per capita taxable value of the city,
2 village, or township.

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

6 (c) The yield equalization payment is the full yield
7 equalization payment divided by 3.

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

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

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

23 (ii) Ten percent of the total amount available for
24 distribution under subsections (8), (9), and (10) for the
25 1998-1999 state fiscal year multiplied by the percentage share of
26 the distribution amounts calculated under subsections (8), (9),
27 and (10).

1 (b) For the 1999-2000 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) Eighty percent of the total amount available for
5 distribution under subsections (8), (9), and (10) for the
6 1999-2000 state fiscal year multiplied by the city's, village's,
7 or township's percentage share of the distributions under this
8 section 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) Twenty percent of the total amount available for
13 distribution under subsections (8), (9), and (10) for the
14 1999-2000 state fiscal year multiplied by the city's, village's,
15 or township's percentage share of the distribution amounts
16 calculated under subsections (8), (9), and (10).

17 (c) For the 2000-2001 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) Seventy percent of the total amount available for
21 distribution under subsections (8), (9), and (10) for the
22 2000-2001 state fiscal year multiplied by the city's, village's,
23 or township's percentage share of the distributions under this
24 section 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.

1 (ii) Thirty percent of the total amount available for
2 distribution under subsections (8), (9), and (10) for the
3 2000-2001 state fiscal year multiplied by the percentage share of
4 the distribution amounts calculated under subsections (8), (9),
5 and (10).

6 (d) For the 2001-2002 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) Sixty percent of the total amount available for
10 distribution under subsections (8), (9), and (10) for the
11 2001-2002 state fiscal year multiplied by the city's, village's,
12 or township's percentage share of the distributions under this
13 section 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) Forty percent of the total amount available for
18 distribution under subsections (8), (9), and (10) for the
19 2001-2002 state fiscal year multiplied by the percentage share of
20 the distribution amounts calculated under subsections (8), (9),
21 and (10).

22 (e) For the 2002-2003 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) Fifty percent of the total amount available for
26 distribution under subsections (8), (9), and (10) for the
27 2002-2003 state fiscal year multiplied by the city's, village's,

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

11 (f) For the 2003-2004 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) Forty percent of the total amount available for
15 distribution under subsections (8), (9), and (10) for the
16 2003-2004 state fiscal year multiplied by the city's, village's,
17 or township's percentage share of the distributions under this
18 section 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) Sixty percent of the total amount available for
23 distribution under subsections (8), (9), and (10) for the
24 2003-2004 state fiscal year multiplied by the percentage share of
25 the distribution amounts calculated under subsections (8), (9),
26 and (10).

27 (g) For the 2004-2005 state fiscal year, the payment under

1 this section for each city, village, and township shall be the
2 sum of the following:

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

11 (ii) Seventy percent of the total amount available for
12 distribution under subsections (8), (9), and (10) for the
13 2004-2005 state fiscal year multiplied by the percentage share of
14 the distribution amounts calculated under subsections (8), (9),
15 and (10).

16 (h) For the 2005-2006 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) Twenty percent of the total amount available for
20 distribution under subsections (8), (9), and (10) for the
21 2005-2006 state fiscal year multiplied by the city's, village's,
22 or township's percentage share of the distributions under this
23 section 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.

27 (ii) Eighty percent of the total amount available for

1 distribution under subsections (8), (9), and (10) for the
2 2005-2006 state fiscal year multiplied by the percentage share of
3 the distribution amounts calculated under subsections (8), (9),
4 and (10).

5 (i) For the period of October 1, 2006 through September 30,
6 2007, the payment under this section for each city, village, and
7 township shall be the sum of the following:

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

16 (ii) Ninety percent of the total amount available for
17 distribution under subsections (8), (9), and (10) for the
18 2006-2007 state fiscal year multiplied by the percentage share of
19 the distribution amounts calculated under subsections (8), (9),
20 and (10).

21 (12) Except as otherwise provided in this subsection, the
22 total payment to any city, village, or township under this act
23 and section 10 of article IX of the state constitution of 1963
24 shall not increase by more than 8% over the amount of the payment
25 under this act and section 10 of article IX of the state
26 constitution of 1963 in the immediately preceding state fiscal
27 year. From the amount not distributed because of the limitation

1 imposed by this subsection, the department shall distribute an
2 amount to certain cities, villages, and townships such that the
3 percentage increase in the total payment under this act and
4 section 10 of article IX of the state constitution of 1963 from
5 the immediately preceding state fiscal year to each of those
6 cities, villages, and townships is equal to, but does not exceed,
7 the percentage increase from the immediately preceding state
8 fiscal year of any city, village, or township that does not
9 receive a distribution under this subsection. This subsection
10 does not apply for state fiscal years after the 2000 federal
11 decennial census becomes official to a city, village, or township
12 with a 10% or more increase in population from the official 1990
13 federal decennial census to the official 2000 federal decennial
14 census.

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

27 (14) A township that provides for or makes available fire,

1 police on a 24-hour basis either through contracting for or
2 directly employing personnel, water to 50% or more of its
3 residents, and sewer services to 50% or more of its residents and
4 has a population of 10,000 or more or a township that has a
5 population of 20,000 or more shall use the unit type population
6 weight factor under subsection (9)(a) for a city with the same
7 population as the township.

8 (15) For a state fiscal year in which the sales tax
9 collections decrease from the sales tax collections for the
10 immediately preceding state fiscal year, the department shall
11 reduce the amount to be distributed to a city with a population
12 of 750,000 or more under subsection (6) by an amount determined
13 by subtracting the amount the city is eligible for under section
14 10 of article IX of the state constitution of 1963 for the state
15 fiscal year from \$333,900,000.00 and multiplying that result by
16 the same percentage as the percentage decrease in sales tax
17 collections for that state fiscal year as compared to sales tax
18 collections for the immediately preceding state fiscal year.
19 This subsection does not apply to the 2002-2003, ~~and~~ 2003-2004,
20 **and 2004-2005** state fiscal years.

21 (16) Notwithstanding any other provision of this section for
22 the 1998-1999 state fiscal year, the total combined amount
23 received by each city, village, and township under this section
24 and section 10 of article IX of the state constitution of 1963
25 shall not be less than the combined amount received under this
26 section, section 12a, and section 10 of article IX of the state
27 constitution of 1963 in the 1997-1998 state fiscal year. The

1 increase, if any, for each city, village, and township from the
2 1997-1998 state fiscal year, other than a city that receives a
3 distribution under subsection (6), shall be reduced by a uniform
4 percentage to the extent necessary to fund distributions under
5 this subsection.

6 (17) The payments under subsections (3), (4), and (5) shall
7 be made during each October, December, February, April, June, and
8 August. Payments under subsections (3), (4), and (5) shall be
9 based on collections from the sales tax at the rate of 4% in the
10 2-month period ending the prior August 31, October 31,
11 December 31, February 28, April 30, and June 30, and for the
12 1996-1997 and 1997-1998 state fiscal years only, the payments
13 shall be reduced by 1/6 of the total distribution for the state
14 fiscal year under section 12a.

15 (18) Payments under this section shall be made from revenues
16 collected during the state fiscal year in which the payments are
17 made.

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

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

27 (a) An industrial facilities tax as required under 1974 PA

1 198, MCL 207.551 to 207.572.

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

4 (c) Any portion of the state education tax levied under the
5 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, or
6 of property taxes levied for any purpose by a local or
7 intermediate school district under the revised school code, 1976
8 PA 451, MCL 380.1 to 380.1852, determined by the state tax
9 commission to have been wrongfully captured and retained to
10 implement a tax increment financing plan under 1975 PA 197, MCL
11 125.1651 to 125.1681, the tax increment finance authority act,
12 1980 PA 450, MCL 125.1801 to 125.1830, or the local development
13 financing act, 1986 PA 281, MCL 125.2151 to 125.2174.