

**SUBSTITUTE FOR
SENATE BILL NO. 561**

A bill to amend 1971 PA 140, entitled
"Glenn Steil state revenue sharing act of 1971,"
by amending section 12a (MCL 141.912a), as amended by 1998 PA 532.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 12a. (1) For state fiscal years before the 1998-1999
2 state fiscal year, the department of treasury shall calculate the
3 amount of payment to be made to a city, village, or township by
4 multiplying the amount of state equalized value of tax exempt
5 inventory property as certified by the department of treasury under
6 former section 132 of the single business tax act, 1975 PA 228,
7 times the property tax rate for each taxing unit as certified each
8 year to the department of treasury for purposes of this act.
- 9 (2) For state fiscal years before the 1998-1999 state fiscal
10 year, the department of treasury shall pay to each county each
11 year, following the year the amount was calculated, an amount equal

1 to the product of the state equalized value of inventory as
2 certified by the department of treasury under former section 132 of
3 the single business tax act, 1975 PA 228, times the county property
4 tax rate for the county as reported each year to the department of
5 treasury.

6 (3) For state fiscal years after the 1995-1996 state fiscal
7 year in which payment is made under this section, the payment under
8 this section shall be from the collections, exclusive of the amount
9 designated for assistance to townships, cities, and villages under
10 section 10 of article IX of the state constitution of 1963, of the
11 sales tax levied at a rate of 4%.

12 (4) Payments made under this section, and the allocation and
13 appropriation of amounts necessary to make the payments under this
14 section, shall include interest which shall accrue on the unpaid
15 balance. Interest shall accrue at the rate determined under section
16 13b.

17 (5) A payment required to be made under this section shall not
18 be delayed so as to cause interest to accrue pursuant to subsection
19 (4) unless the delay in any payment is authorized by a written
20 directive issued and signed by the governor that conforms to and is
21 subject to section 13b(2) and (3).

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

27 (7) For state fiscal years before the 1998-1999 state fiscal

1 year, the treasurer of any city, village, township, or county who
2 collects money for an authority that levies property taxes, shall
3 pay an eligible authority its proportionate share of the
4 reimbursements under this section. The proportionate share is the
5 percentage that the property taxes collected by the authority are
6 to the property taxes of the assessing unit. The property taxes of
7 the authorities may be added to the millages used to determine
8 payments under this section. For an authority to be eligible for
9 compensation under this section, that authority shall have an
10 authorization to have taxes levied for its use as provided by law.
11 School districts, intermediate school districts, community college
12 districts, vocational education districts, and special education
13 districts are not included under this section.

14 (8) Subject to section 13d, for the 1998-1999 through ~~2005-~~
15 ~~2006-2006-2007~~ state fiscal years, ~~and for the period of October 1,~~
16 ~~2002 through June 30, 2007,~~ the treasurer of any city, village,
17 township, or county who collects money for an authority that levies
18 property taxes shall pay an eligible authority, from the payments
19 received under this act, the amount received by the eligible
20 authority under subsection (7) for the 1997-1998 state fiscal year.
21 School districts, intermediate school districts, community college
22 districts, vocational education districts, and special education
23 districts are not included under this section.

24 (9) The state treasurer may make a disbursement for a payment
25 under this section that has been delayed in advance of the date the
26 delayed payment is expected to be paid.

27 (10) Payments under this section to cities and villages shall

- 1 be made on or before October 31 and payments under this section to
- 2 counties and townships shall be made on or before February 28.