

HOUSE BILL No. 5217

September 15, 2007, Introduced by Rep. Tobocman and referred to the Committee on Intergovernmental, Urban and Regional Affairs.

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 2006 PA 437.

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

9 (a) During each August, November, February, and May, the
10 collections from the state income tax for the quarter periods

1 ending the prior June 30, September 30, December 31, and March 31
2 that are available for distribution to cities, villages, and
3 townships under the income tax act of 1967, 1967 PA 281, MCL 206.1
4 to 206.532.

5 (b) The amount of the collections from the single business tax
6 available for distribution to cities, villages, and townships under
7 former section 136 of the single business tax act, 1975 PA 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 \$22,600,000.00.
12 The amount of collections otherwise available for distribution to
13 cities, villages, and townships in August, computed in accordance
14 with the tax effort formula, shall be decreased by \$67,800,000.00.

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

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

1 state fiscal year under section 12a, both of the following:

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

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

16 (5) Subject to section 13d, ~~for the 1998-1999 through 2006-~~
17 ~~2007 state fiscal years,~~ the department of treasury shall cause
18 distributions determined under subsections (6) to (13) to be paid
19 to each city, village, and township from an amount equal to 74.94%
20 of 21.3% of the sales tax collections at a rate of 4% in the 12-
21 month period ending June 30 of the state fiscal year in which the
22 payments are made. ~~After September 30, 2007, 74.94% of 21.3% of~~
23 ~~sales tax collections at a rate of 4% shall be distributed to~~
24 ~~cities, villages, and townships as provided by law.~~

25 (6) Subject to section 13d, for the 1998-1999 through ~~2006-~~
26 ~~2007-2007-2008~~ state fiscal years, except for the 2002-2003 through
27 ~~2006-2007-2007-2008~~ state fiscal years, and except as otherwise

1 provided in subsection (15), the department of treasury shall cause
2 to be paid \$333,900,000.00 to a city with a population of 750,000
3 or more as the total combined distribution under this act and
4 section 10 of article IX of the state constitution of 1963 as
5 annualized for any period of less than 12 months to that city. For
6 the 2002-2003 state fiscal year only, the total combined
7 distribution under this subsection and section 10 of article IX of
8 the state constitution of 1963 shall be the lesser of
9 \$322,213,500.00 or \$333,900,000.00 multiplied by the percentage as
10 determined under this subsection. For the 2002-2003 state fiscal
11 year, the percentage under this subsection shall be determined by
12 dividing the sum of all payments under section 10 of article IX of
13 the state constitution of 1963 and \$791,070,000.00 by
14 \$1,515,644,218.00. For the 2003-2004 state fiscal year only, the
15 total combined distribution under this subsection and section 10 of
16 article IX of the state constitution of 1963 shall be the lesser of
17 92%, or the percentage determined under this subsection, of the
18 total combined distribution under this subsection and section 10 of
19 article IX of the state constitution of 1963 for the 2002-2003
20 state fiscal year. For the 2003-2004 state fiscal year, the
21 percentage under this subsection shall be determined by dividing
22 the sum of all payments under section 10 of article IX of the state
23 constitution of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and
24 then subtracting 0.08. For the 2004-2005 state fiscal year only,
25 the total combined distribution under this subsection and section
26 10 of article IX of the state constitution of 1963 shall be the
27 lesser of 100%, or the percentage determined under this subsection,

1 of the total combined distribution under this subsection and
2 section 10 of article IX of the state constitution of 1963 for the
3 2003-2004 state fiscal year. For the 2004-2005 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 of
6 the state constitution of 1963 and \$445,300,000.00 by
7 \$1,126,300,000.00. For the 2005-2006 state fiscal year only, the
8 total combined distribution under this subsection and section 10 of
9 article IX of the state constitution of 1963 shall be the lesser of
10 100%, or the percentage determined under this subsection, of the
11 total combined distribution under this subsection and section 10 of
12 article IX of the state constitution of 1963 for the 2004-2005
13 state fiscal year. For the 2005-2006 state fiscal year, the
14 percentage under this subsection shall be determined by dividing
15 the sum of all payments under section 10 of article IX of the state
16 constitution of 1963 for the 2005-2006 state fiscal year and
17 \$423,350,000.00 by \$1,115,875,000.00. For the 2006-2007 state
18 fiscal year only, the total combined distribution under this
19 subsection and section 10 of article IX of the state constitution
20 of 1963 shall be the lesser of 100%, or the percentage determined
21 under this subsection, of the total combined distribution under
22 this subsection and section 10 of article IX of the state
23 constitution of 1963 for the 2005-2006 state fiscal year. For the
24 2006-2007 state fiscal year, the percentage under this subsection
25 shall be determined by dividing the sum of all payments under
26 section 10 of article IX of the state constitution of 1963 for the
27 2006-2007 state fiscal year and \$407,485,000.00 by

1 \$1,106,410,000.00. FOR THE 2007-2008 STATE FISCAL YEAR ONLY, THE
2 TOTAL COMBINED DISTRIBUTION UNDER THIS SUBSECTION AND SECTION 10 OF
3 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 SHALL BE THE LESSER OF
4 100%, OR THE PERCENTAGE DETERMINED UNDER THIS SUBSECTION, OF THE
5 TOTAL COMBINED DISTRIBUTION UNDER THIS SUBSECTION AND SECTION 10 OF
6 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 FOR THE 2006-2007
7 STATE FISCAL YEAR. FOR THE 2007-2008 STATE FISCAL YEAR, THE
8 PERCENTAGE UNDER THIS SUBSECTION SHALL BE DETERMINED BY DIVIDING
9 THE SUM OF ALL PAYMENTS UNDER SECTION 10 OF ARTICLE IX OF THE STATE
10 CONSTITUTION OF 1963 FOR THE 2007-2008 STATE FISCAL YEAR AND
11 \$400,885,000.00 BY \$1,086,350,000.00.

12 (7) Except as otherwise provided in this subsection,
13 distributions under subsections (8) to (13) to cities, villages,
14 and townships with populations of less than 750,000 shall be made
15 from the amount available for distribution under this section that
16 remains after the distribution under subsection (6) is made. For
17 the 2002-2003 state fiscal year only, each city, village, and
18 township with a population of less than 750,000 shall receive the
19 lesser of 96.5%, or the percentage determined under this
20 subsection, of the amount that the city, village, or township would
21 have received if the total available for distribution under
22 subsections (8) to (13) were \$363,069,728.00 and the total
23 available for distribution under section 10 of article IX of the
24 state constitution of 1963 were \$607,125,488.00. The total amount
25 available for distribution to all cities, villages, and townships
26 under this subsection shall not exceed \$936,238,383.00. For the
27 2002-2003 state fiscal year, the percentage under this subsection

1 shall be determined by dividing the sum of all payments under
2 section 10 of article IX of the state constitution of 1963 and
3 \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state
4 fiscal year only, each city, village, and township with a
5 population of less than 750,000 shall receive an amount equal to
6 the lesser of 92%, or the percentage determined under this
7 subsection, of the amount distributed to the city, village, or
8 township under this subsection and section 10 of article IX of the
9 state constitution of 1963 for the 2002-2003 state fiscal year. For
10 the 2003-2004 state fiscal year, the percentage under this
11 subsection shall be determined by dividing the sum of all payments
12 under section 10 of article IX of the state constitution of 1963
13 and \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.08.
14 For the 2004-2005 state fiscal year only, the combined distribution
15 under this subsection and section 10 of article IX of the state
16 constitution of 1963 to each city, village, and township with a
17 population of less than 750,000 shall be the lesser of 100%, or the
18 percentage determined under this subsection, of the total combined
19 distribution to that city, village, or township under this
20 subsection and section 10 of article IX of the state constitution
21 of 1963 for the 2003-2004 state fiscal year. For the 2004-2005
22 state fiscal year, the percentage under this subsection shall be
23 determined by dividing the sum of all payments under section 10 of
24 article IX of the state constitution of 1963 and \$445,300,000.00 by
25 \$1,126,300,000.00. For the 2005-2006 state fiscal year only, the
26 total combined distribution under this subsection and section 10 of
27 article IX of the state constitution of 1963 shall be the lesser of

1 100%, or the percentage determined under this subsection, of the
2 total combined distribution under this subsection and section 10 of
3 article IX of the state constitution of 1963 for the 2004-2005
4 state fiscal year. For the 2005-2006 state fiscal year, the
5 percentage under this subsection shall be determined by dividing
6 the sum of all payments under section 10 of article IX of the state
7 constitution of 1963 for the 2005-2006 state fiscal year and
8 \$423,350,000.00 by \$1,115,875,000.00. For the 2006-2007 state
9 fiscal year only, the total combined distribution under this
10 subsection and section 10 of article IX of the state constitution
11 of 1963 shall be the lesser of 100%, or the percentage determined
12 under this subsection, of the total combined distribution under
13 this subsection and section 10 of article IX of the state
14 constitution of 1963 for the 2005-2006 state fiscal year. For the
15 2006-2007 state fiscal year, the percentage under this subsection
16 shall be determined by dividing the sum of all payments under
17 section 10 of article IX of the state constitution of 1963 for the
18 2006-2007 state fiscal year and \$407,485,000.00 by
19 \$1,106,410,000.00. **FOR THE 2007-2008 STATE FISCAL YEAR ONLY, THE**
20 **TOTAL COMBINED DISTRIBUTION UNDER THIS SUBSECTION AND SECTION 10 OF**
21 **ARTICLE IX OF THE STATE CONSTITUTION OF 1963 SHALL BE THE LESSER OF**
22 **100%, OR THE PERCENTAGE DETERMINED UNDER THIS SUBSECTION, OF THE**
23 **TOTAL COMBINED DISTRIBUTION UNDER THIS SUBSECTION AND SECTION 10 OF**
24 **ARTICLE IX OF THE STATE CONSTITUTION OF 1963 FOR THE 2006-2007**
25 **STATE FISCAL YEAR. FOR THE 2007-2008 STATE FISCAL YEAR, THE**
26 **PERCENTAGE UNDER THIS SUBSECTION SHALL BE DETERMINED BY DIVIDING**
27 **THE SUM OF ALL PAYMENTS UNDER SECTION 10 OF ARTICLE IX OF THE STATE**

1 **CONSTITUTION OF 1963 FOR THE 2007-2008 STATE FISCAL YEAR AND**

2 **\$400,885,000.00 BY \$1,086,350,000.00.** The amount of the adjustment
3 under this subsection shall be accomplished by reducing the
4 payments under subsections (8) to (13), and payments under section
5 10 of article IX shall not be reduced based on any adjustments made
6 under this subsection.

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

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

16 (b) Determine the statewide per capita taxable value by
17 dividing the total taxable value of all cities, villages, and
18 townships by the total population of all cities, villages, and
19 townships.

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

24 (d) Determine the adjusted taxable value population for each
25 city, village, and township by multiplying the per capita taxable
26 value ratio as determined under subdivision (c) for that city,
27 village, or township by the population of that city, village, or

1 township.

2 (e) Determine the total statewide adjusted taxable value
3 population which is the sum of all adjusted taxable value
4 population for all cities, villages, and townships.

5 (f) Determine the taxable value payment rate by dividing
6 74.94% of 21.3% of the sales tax collections at a rate of 4% in the
7 12-month period ending June 30 of the state fiscal year in which
8 the payments under this subsection are made by 3, and dividing that
9 result by the total statewide adjusted taxable value population as
10 determined under subdivision (e).

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

15 (9) Subject to section 13d, ~~for the 1998-1999 through 2005-~~
16 ~~2006 state fiscal years and for the period of October 1, 2006~~
17 ~~through September 30, 2007,~~ subject to the limitations under this
18 section and except as provided in subsection (14), a unit type
19 population payment shall be made to each city, village, and
20 township with a population of less than 750,000 determined as
21 follows:

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

24 (i) For a township with a population of 5,000 or less, the unit
25 type population weight factor is 1.0.

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

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

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

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

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

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

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

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

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

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

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

21 (xiii) For a city with a population of more than 20,000 but less
22 than 40,001, the unit type population weight factor is 4.32.

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

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

27 (xvi) For a city with a population of more than 160,000 but

1 less than 320,001, the unit type population weight factor is 7.46.

2 (xvii) For a city with a population of more than 320,000 but
3 less than 640,001, the unit type population weight factor is 8.96.

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

6 (b) Determine the adjusted unit type population for each city,
7 village, and township by multiplying the unit type population
8 weight factor for that city, village, or township as determined
9 under subdivision (a) by the population of the city, village, or
10 township.

11 (c) Determine the total statewide adjusted unit type
12 population, which is the sum of the adjusted unit type population
13 for 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 of
16 4% in the 12-month period ending June 30 of the state fiscal year
17 in which the payments under this subsection are made by 3, and then
18 dividing that result by the total statewide adjusted unit type
19 population as determined under subdivision (c).

20 (e) Determine the unit type population payment for each city,
21 village, and township by multiplying the result under subdivision
22 (d) by the adjusted unit type population for that city, village, or
23 township.

24 (10) Subject to section 13d, ~~for the 1998-1999 through 2005-~~
25 ~~2006 state fiscal years and for the period of October 1, 2006~~
26 ~~through September 30, 2007,~~ subject to the limitations under this
27 section, a yield equalization payment shall be made to each city,

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 and
6 local per capita taxable value that can be guaranteed in a state
7 fiscal year to each city, village, and township for a local tax
8 effort not to exceed 0.02 if an amount equal to 74.94% of 21.3% of
9 the state sales tax at a rate of 4% is distributed to cities,
10 villages, and townships whose per capita taxable value is below the
11 guaranteed tax base.

12 (b) The full yield equalization payment to each city, village,
13 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 difference
16 between the guaranteed tax base determined in subdivision (a) and
17 the per capita taxable value of the city, village, or township.

18 (ii) The local tax effort of the city, village, or township,
19 not to exceed 0.02, multiplied by the population of that city,
20 village, or township.

21 (c) The yield equalization payment is the full yield
22 equalization payment divided by 3.

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

27 (a) For the 1998-1999 state fiscal year, the payment under

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

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

11 (ii) Ten percent of the total amount available for distribution
12 under subsections (8), (9), and (10) for the 1998-1999 state fiscal
13 year multiplied by the percentage share of the distribution amounts
14 calculated under subsections (8), (9), and (10).

15 (b) For the 1999-2000 state fiscal year, the payment under
16 this section for each city, village, and township shall be the sum
17 of the following:

18 (i) Eighty percent of the total amount available for
19 distribution under subsections (8), (9), and (10) for the 1999-2000
20 state fiscal year multiplied by the city's, village's, or
21 township's percentage share of the distributions under this section
22 and section 12a minus the amount of a distribution under this
23 section and section 12a to a city that is eligible to receive a
24 distribution under subsection (6) in the 1997-1998 state fiscal
25 year.

26 (ii) Twenty percent of the total amount available for
27 distribution under subsections (8), (9), and (10) for the 1999-2000

1 state fiscal year multiplied by the city's, village's, or
2 township's percentage share of the distribution amounts calculated
3 under subsections (8), (9), and (10).

4 (c) For the 2000-2001 state fiscal year, the payment under
5 this section for each city, village, and township shall be the sum
6 of the following:

7 (i) Seventy percent of the total amount available for
8 distribution under subsections (8), (9), and (10) for the 2000-2001
9 state fiscal year multiplied by the city's, village's, or
10 township's percentage share of the distributions under this section
11 and section 12a minus the amount of a distribution under this
12 section and section 12a to a city that is eligible to receive a
13 distribution under subsection (6) in the 1997-1998 state fiscal
14 year.

15 (ii) Thirty percent of the total amount available for
16 distribution under subsections (8), (9), and (10) for the 2000-2001
17 state fiscal year multiplied by the percentage share of the
18 distribution amounts calculated under subsections (8), (9), and
19 (10).

20 (d) For the 2001-2002 state fiscal year, the payment under
21 this section for each city, village, and township shall be the sum
22 of the following:

23 (i) Sixty percent of the total amount available for
24 distribution under subsections (8), (9), and (10) for the 2001-2002
25 state fiscal year multiplied by the city's, village's, or
26 township's percentage share of the distributions under this section
27 and section 12a minus the amount of a distribution under this

1 section and section 12a to a city that is eligible to receive a
2 distribution under subsection (6) in the 1997-1998 state fiscal
3 year.

4 (ii) Forty percent of the total amount available for
5 distribution under subsections (8), (9), and (10) for the 2001-2002
6 state fiscal year multiplied by the percentage share of the
7 distribution amounts calculated under subsections (8), (9), and
8 (10).

9 (e) For the 2002-2003 state fiscal year, the payment under
10 this section for each city, village, and township shall be the sum
11 of the following:

12 (i) Fifty percent of the total amount available for
13 distribution under subsections (8), (9), and (10) for the 2002-2003
14 state fiscal year multiplied by the city's, village's, or
15 township's percentage share of the distributions under this section
16 and section 12a minus the amount of a distribution under this
17 section and section 12a to a city that is eligible to receive a
18 distribution under subsection (6) in the 1997-1998 state fiscal
19 year.

20 (ii) Fifty percent of the total amount available for
21 distribution under subsections (8), (9), and (10) for the 2002-2003
22 state fiscal year multiplied by the percentage share of the
23 distribution amounts calculated under subsections (8), (9), and
24 (10).

25 (f) For the 2003-2004 state fiscal year, the payment under
26 this section for each city, village, and township shall be the sum
27 of the following:

1 (i) Forty percent of the total amount available for
2 distribution under subsections (8), (9), and (10) for the 2003-2004
3 state fiscal year multiplied by the city's, village's, or
4 township's percentage share of the distributions under this section
5 and section 12a minus the amount of a distribution under this
6 section and section 12a to a city that is eligible to receive a
7 distribution under subsection (6) in the 1997-1998 state fiscal
8 year.

9 (ii) Sixty percent of the total amount available for
10 distribution under subsections (8), (9), and (10) for the 2003-2004
11 state fiscal year multiplied by the percentage share of the
12 distribution amounts calculated under subsections (8), (9), and
13 (10).

14 (g) For the 2004-2005 state fiscal year, the payment under
15 this section for each city, village, and township shall be the sum
16 of the following:

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

25 (ii) Seventy percent of the total amount available for
26 distribution under subsections (8), (9), and (10) for the 2004-2005
27 state fiscal year multiplied by the percentage share of the

1 distribution amounts calculated under subsections (8), (9), and
2 (10).

3 (h) For the 2005-2006 state fiscal year, the payment under
4 this section for each city, village, and township shall be the sum
5 of the following:

6 (i) Twenty percent of the total amount available for
7 distribution under subsections (8), (9), and (10) for the 2005-2006
8 state fiscal year multiplied by the city's, village's, or
9 township's percentage share of the distributions under this section
10 and section 12a minus the amount of a distribution under this
11 section and section 12a to a city that is eligible to receive a
12 distribution under subsection (6) in the 1997-1998 state fiscal
13 year.

14 (ii) Eighty percent of the total amount available for
15 distribution under subsections (8), (9), and (10) for the 2005-2006
16 state fiscal year multiplied by the percentage share of the
17 distribution amounts calculated under subsections (8), (9), and
18 (10).

19 (i) For the period of October 1, 2006 through September 30,
20 2007, the payment under this section for each city, village, and
21 township shall be the sum of the following:

22 (i) Ten percent of the total amount available for distribution
23 under subsections (8), (9), and (10) for the 2006-2007 state fiscal
24 year multiplied by the city's, village's, or township's percentage
25 share of the distributions under this section and section 12a minus
26 the amount of a distribution under this section and section 12a to
27 a city that is eligible to receive a distribution under subsection

1 (6) in the 1997-1998 state fiscal year.

2 (ii) Ninety percent of the total amount available for
3 distribution under subsections (8), (9), and (10) for the 2006-2007
4 state fiscal year multiplied by the percentage share of the
5 distribution amounts calculated under subsections (8), (9), and
6 (10).

7 (12) Except as otherwise provided in this subsection, the
8 total payment to any city, village, or township under this act and
9 section 10 of article IX of the state constitution of 1963 shall
10 not increase by more than 8% over the amount of the payment under
11 this act and section 10 of article IX of the state constitution of
12 1963 in the immediately preceding state fiscal year. From the
13 amount not distributed because of the limitation imposed by this
14 subsection, the department shall distribute an amount to certain
15 cities, villages, and townships such that the percentage increase
16 in the total payment under this act and section 10 of article IX of
17 the state constitution of 1963 from the immediately preceding state
18 fiscal year to each of those cities, villages, and townships is
19 equal to, but does not exceed, the percentage increase from the
20 immediately preceding state fiscal year of any city, village, or
21 township that does not receive a distribution under this
22 subsection. This subsection does not apply for state fiscal years
23 after the 2000 federal decennial census becomes official to a city,
24 village, or township with a 10% or more increase in population from
25 the official 1990 federal decennial census to the official 2000
26 federal decennial census.

27 (13) The percentage allocations to distributions under

1 subsections (8) to (10) pursuant to subsection (11) shall be
2 calculated as if, in any state fiscal year, the amount appropriated
3 under this section for distribution to cities, villages, and
4 townships is 74.94% of 21.3% of the sales tax at a rate of 4%. If
5 the amount appropriated under this section to cities, villages, and
6 townships is less than 74.94% of 21.3% of the sales tax at a rate
7 of 4%, any reduction made necessary by this appropriation in
8 distributions to cities, villages, and townships shall first be
9 applied to the distribution under subsections (8) to (10) and any
10 remaining amount shall be applied to the other distributions under
11 this section.

12 (14) A township that provides for or makes available fire,
13 police on a 24-hour basis either through contracting for or
14 directly employing personnel, water to 50% or more of its
15 residents, and sewer services to 50% or more of its residents and
16 has a population of 10,000 or more or a township that has a
17 population of 20,000 or more shall use the unit type population
18 weight factor under subsection (9)(a) for a city with the same
19 population as the township.

20 (15) For a state fiscal year in which the sales tax
21 collections decrease from the sales tax collections for the
22 immediately preceding state fiscal year, the department shall
23 reduce the amount to be distributed to a city with a population of
24 750,000 or more under subsection (6) by an amount determined by
25 subtracting the amount the city is eligible for under section 10 of
26 article IX of the state constitution of 1963 for the state fiscal
27 year from \$333,900,000.00 and multiplying that result by the same

1 percentage as the percentage decrease in sales tax collections for
2 that state fiscal year as compared to sales tax collections for the
3 immediately preceding state fiscal year. This subsection does not
4 apply to the 2002-2003 through ~~2006-2007~~**2007-2008** state fiscal
5 years.

6 (16) Notwithstanding any other provision of this section for
7 the 1998-1999 state fiscal year, the total combined amount received
8 by each city, village, and township under this section and section
9 10 of article IX of the state constitution of 1963 shall not be
10 less than the combined amount received under this section, section
11 12a, and section 10 of article IX of the state constitution of 1963
12 in the 1997-1998 state fiscal year. The increase, if any, for each
13 city, village, and township from the 1997-1998 state fiscal year,
14 other than a city that receives a distribution under subsection
15 (6), shall be reduced by a uniform percentage to the extent
16 necessary to fund distributions under this subsection.

17 (17) The payments under subsections (3), (4), and (5) shall be
18 made during each October, December, February, April, June, and
19 August. Payments under subsections (3), (4), and (5) shall be based
20 on collections from the sales tax at the rate of 4% in the 2-month
21 period ending the prior August 31, October 31, December 31,
22 February 28, April 30, and June 30, and for the 1996-1997 and 1997-
23 1998 state fiscal years only, the payments shall be reduced by 1/6
24 of the total distribution for the state fiscal year under section
25 12a.

26 (18) Payments under this section shall be made from revenues
27 collected during the state fiscal year in which the payments are

1 made.

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

4 (20) After the department has informed a city, village, or
5 township in writing of the intent to withhold all or a portion of
6 payments under this section and offered the affected city, village,
7 or township an opportunity for an informal conference on the
8 matter, the department of treasury may withhold all or a portion of
9 payments under this section to a city, village, or township that
10 has not distributed 1 or more of the following:

11 (a) An industrial facilities tax as required under 1974 PA
12 198, MCL 207.551 to 207.572.

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

15 (c) Any portion of the state education tax levied under the
16 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, or of
17 property taxes levied for any purpose by a local or intermediate
18 school district under the revised school code, 1976 PA 451, MCL
19 380.1 to 380.1852, determined by the state tax commission to have
20 been wrongfully captured and retained to implement a tax increment
21 financing plan under 1975 PA 197, MCL 125.1651 to 125.1681, the tax
22 increment finance authority act, 1980 PA 450, MCL 125.1801 to
23 125.1830, or the local development financing act, 1986 PA 281, MCL
24 125.2151 to 125.2174.