Sec. 18. (1) Each city, village, or township shall report its local taxes and special assessments and cities and townships shall report their overlapping taxes to the department of treasury by March 1. A city, village, or township that levied less than 1 mill in the immediately preceding calendar year, when it reports its local taxes, shall also report whether its levied millage rate would have been at least 1 mill except for the millage reductions pursuant to section 31 of article IX of the state constitution of 1963; except for a millage reduction pursuant to section 34 of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.34 of the Michigan Compiled Laws; or except for the fact that the city, village, or township did not elect to increase the millage rate permitted by operation of section 24e(2) of Act No. 206 of the Public Acts of 1893, being section 211.24e of the Michigan Compiled Laws, or for any combination of these exceptions. If a city, village, or township fails to report as provided in this section, the department of treasury shall give notice of the failure to the assessor and the chief executive officer of the city, village, or township. After the department of treasury gives notice, payments under this act shall be withheld. The withheld payments may later be issued if the city, village, or township reports before the end of the revenue sharing year. Not later than May 15, the department of treasury shall report to the department of management and budget the local taxes, special assessments, overlapping taxes, and taxable value, and whether the levied millage rate would have been at least 1 mill if the required millage reductions or limitations had not been applied, for each city, village, and township for the immediately preceding calendar year. In determining and reporting the overlapping taxes for a township and the villages within the township, the department of treasury shall prorate and allocate the overlapping taxes levied in the township to the township and each village in the same ratio that the taxable value of the unincorporated area of the township and of each village bears to the total taxable value of the township.

(2) Before December 2 of each year, each city, village, and township shall report to the department of treasury, on a form prepared by the department of treasury in consultation with the department of management and budget, all local revenues collected by the city, village, or township in the local unit's fiscal year that ends during the immediately preceding July 1 to June 30 period. The department of treasury shall accumulate the reports and submit a summary to the department of management and budget by February 1. The department of management and budget shall analyze the reports and shall make recommendations to the legislature regarding other local general fund revenues that the department considers reflective of or equivalent to local tax effort. Other local revenues do not include state or federal shared revenues, block grants, or categorical grants, or grants or gifts from other sources, but do include fees or charges imposed by the city, village, or township for municipal purposes.

(3) The department of treasury shall report to the department of management and budget the tax collections available for distribution. The department of management and budget may make the distribution in a single warrant. A millage rate certified to be levied for a city, village, or township of 1 mill or more that is reduced below 1 mill pursuant to section 31 of article IX of the state constitution of 1963, pursuant to section 34 of Act No. 206 of the Public Acts of 1893, or because the city, village, or township did not elect to increase the millage rate permitted by operation of section 24e(2) of Act No. 206 of the Public Acts of 1893, or due to any combination of these factors, shall be considered by the department of management and budget to be 1 mill for all of the following purposes:

(a) Payments under sections 12(2) and 15, which payments shall be calculated using the actual local property taxes.

(b) Determining whether the city, village, or township is eligible under section 14 for payments based upon the tax burden formula, which formula shall be calculated using the actual local property taxes.

(c) Determining whether the city, village, or township is eligible under section 14a for payments based upon the special census formula, which formula shall be calculated using the actual local property taxes.