



HOUSE BILL No. 5065

September 19, 1995, Introduced by Reps. Bullard, Lowe, London, Dobb, Perricone, Green and Horton and referred to the Committee on Appropriations.

A bill to amend sections 12, 13, 14a, 15, and 18 of Act No. 140 of the Public Acts of 1971, entitled as amended "State revenue sharing act of 1971," sections 12 and 18 as amended by Act No. 299 of the Public Acts of 1994 and section 13 as amended by Act No. 68 of the Public Acts of 1992, being sections 141.912, 141.913, 141.914a, 141.915, and 141.918 of the Michigan Compiled Laws; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 12, 13, 14a, 15, and 18 of Act No. 140
2 of the Public Acts of 1971, sections 12 and 18 as amended by Act
3 No. 299 of the Public Acts of 1994 and section 13 as amended by
4 Act No. 68 of the Public Acts of 1992, being sections 141.912,
5 141.913, 141.914a, 141.915, and 141.918 of the Michigan Compiled
6 Laws, are amended to read as follows:

1 Sec. 12. (1) The department of management and budget shall
2 cause to be paid to each city, village, and township its share,
3 computed on a per capita basis, during each August, November,
4 February, and May, of the collections from the sales tax for the
5 quarter periods ending the ~~prior~~ IMMEDIATELY PRECEDING June 30,
6 September 30, December 31, and March 31 that are available for
7 distribution to cities, villages, and townships.

8 (2) During each calendar year after 1992, the department of
9 management and budget shall cause to be advanced and paid in June
10 to cities, villages, and townships on a per capita basis
11 \$9,500,000.00 of the amount that would otherwise be paid in
12 August pursuant to subsection (1).

13 (3) During June of each calendar year before 1993, the
14 department of management and budget shall cause to be paid on a
15 per capita basis \$9,500,000.00 of the intangibles tax collections
16 to each city, village, or township levying at least 1 mill local
17 property tax in the IMMEDIATELY preceding calendar year. During
18 October of each calendar year after 1992, the department of man-
19 agement and budget shall cause to be paid on a per capita basis
20 \$9,500,000.00 of the intangibles tax collections to each city,
21 village, or township ~~levying at least 1 mill~~ THAT LEVIED A
22 local property tax in the IMMEDIATELY preceding calendar year.
23 ~~For the state fiscal year beginning October 1, 1993, no payments~~
24 ~~shall be made under this subsection.~~ For the state fiscal year
25 beginning October 1, 1994, no payments shall be made under this
26 subsection.

1 Sec. 13. (1) Except as otherwise provided in this section,
2 the department of management and budget shall cause to be paid to
3 each city, village, and township its ALLOCATED share ~~computed~~
4 ~~in accordance with the tax effort formula,~~ of the following
5 revenues:

6 (a) During each August, November, February, and May, the
7 collections from the state income tax for the quarter periods
8 ending the ~~prior~~ IMMEDIATELY PRECEDING June 30, September 30,
9 December 31, and March 31 that are available for distribution to
10 cities, villages, and townships under the income tax act of 1967,
11 Act No. 281 of the Public Acts of 1967, being sections 206.1 to
12 206.532 of the Michigan Compiled Laws. BEFORE NOVEMBER 1996,
13 DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED USING THE
14 TAX EFFORT FORMULA. BEGINNING IN NOVEMBER 1996 AND BEFORE
15 NOVEMBER 1997, 3/4 OF THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVI-
16 SION SHALL BE ALLOCATED USING THE TAX EFFORT FORMULA, AND 1/4 OF
17 THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED
18 ON A PER CAPITA BASIS. BEGINNING IN NOVEMBER 1997 AND BEFORE
19 NOVEMBER 1998, 1/2 OF THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVI-
20 SION SHALL BE ALLOCATED USING THE TAX EFFORT FORMULA, AND 1/2 OF
21 THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED
22 ON A PER CAPITA BASIS. BEGINNING IN NOVEMBER 1998 AND BEFORE
23 NOVEMBER 1999, 1/4 OF THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVI-
24 SION SHALL BE ALLOCATED USING THE TAX EFFORT FORMULA, AND 3/4 OF
25 THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED
26 ON A PER CAPITA BASIS. BEGINNING IN NOVEMBER 1999, DISTRIBUTIONS
27 UNDER THIS SUBDIVISION SHALL BE ALLOCATED ON A PER CAPITA BASIS.

1 (b) During each June the amount of the collections from the
2 single business tax that is available for distribution to cities,
3 villages, and townships under section 136(4) of the single busi-
4 ness tax act, Act No. 228 of the Public Acts of 1975, being sec-
5 tion 208.136 of the Michigan Compiled Laws. BEFORE JUNE 1997,
6 DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED USING THE
7 TAX EFFORT FORMULA. FOR JUNE 1997, 3/4 OF THE TOTAL DISTRIBU-
8 TIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED USING THE TAX
9 EFFORT FORMULA, AND 1/4 OF THE TOTAL DISTRIBUTIONS UNDER THIS
10 SUBDIVISION SHALL BE ALLOCATED ON A PER CAPITA BASIS. FOR
11 JUNE 1998, 1/2 OF THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVISION
12 SHALL BE ALLOCATED USING THE TAX EFFORT FORMULA, AND 1/2 OF THE
13 TOTAL DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED ON
14 A PER CAPITA BASIS. FOR JUNE 1999, 1/4 OF THE TOTAL DISTRIBU-
15 TIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED USING THE TAX
16 EFFORT FORMULA, AND 3/4 OF THE TOTAL DISTRIBUTIONS UNDER THIS
17 SUBDIVISION SHALL BE ALLOCATED ON A PER CAPITA BASIS. BEGINNING
18 IN JUNE 2000, DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE ALLO-
19 CATED ON A PER CAPITA BASIS.

20 (c) The amount of the collections from the single business
21 tax available for distribution to cities, villages, and townships
22 under section 136(2) and (3) of ~~the single business tax act~~ ACT
23 NO. 228 OF THE PUBLIC ACTS OF 1975. BEFORE OCTOBER 1, 1996, DIS-
24 TRIBUTIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED USING THE
25 TAX EFFORT FORMULA. BEGINNING OCTOBER 1, 1996 AND BEFORE
26 OCTOBER 1, 1997, 3/4 OF THE TOTAL DISTRIBUTIONS UNDER THIS
27 SUBDIVISION SHALL BE ALLOCATED USING THE TAX EFFORT FORMULA, AND

1 1/4 OF THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE
2 ALLOCATED ON A PER CAPITA BASIS. BEGINNING OCTOBER 1, 1997 AND
3 BEFORE OCTOBER 1, 1998, 1/2 OF THE TOTAL DISTRIBUTIONS UNDER THIS
4 SUBDIVISION SHALL BE ALLOCATED USING THE TAX EFFORT FORMULA, AND
5 1/2 OF THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE
6 ALLOCATED ON A PER CAPITA BASIS. BEGINNING OCTOBER 1, 1998 AND
7 BEFORE OCTOBER 1, 1999, 1/4 OF THE TOTAL DISTRIBUTIONS UNDER THIS
8 SUBDIVISION SHALL BE ALLOCATED USING THE TAX EFFORT FORMULA, AND
9 3/4 OF THE TOTAL DISTRIBUTIONS UNDER THIS SUBDIVISION SHALL BE
10 ALLOCATED ON A PER CAPITA BASIS. BEGINNING OCTOBER 1, 1999, DIS-
11 TRIBUTIONS UNDER THIS SUBDIVISION SHALL BE ALLOCATED ON A PER
12 CAPITA BASIS.

13 (2) ~~The amount of collections available for distribution to~~
14 ~~cities, villages, and townships under subsection (1)(a) in August~~
15 ~~1992 after the application of section 481(7) of the income tax~~
16 ~~act of 1967, Act No. 281 of the Public Acts of 1967, being sec-~~
17 ~~tion 206.481 of the Michigan Compiled Laws, shall not be distrib-~~
18 ~~uted but shall lapse to the general fund at the close of the~~
19 ~~fiscal year ending September 30, 1992.~~ For state fiscal years
20 beginning after September 30, 1992, the amount of collections
21 otherwise available for distribution to cities, villages, and
22 townships UNDER SUBSECTION (1)(A) in November, February, and May
23 ~~, computed in accordance with the tax effort formula,~~ shall be
24 increased by \$22,600,000.00. For state fiscal years beginning
25 after September 30, 1992, the amount of collections otherwise
26 available for distribution to cities, villages, and townships

1 UNDER SUBSECTION (1)(A) in August ~~, computed in accordance with~~
2 ~~the tax effort formula,~~ shall be decreased by \$67,800,000.00.

3 Sec. 14a. If a special census of a city, village, or town-
4 ship that levied ~~at least 1 mill~~ A local property tax in the
5 IMMEDIATELY preceding calendar year ~~is determined to meet~~ MEETS
6 the requirements of section 7, the department of management and
7 budget, during ~~July, 1976 and~~ each July, ~~thereafter,~~ shall
8 cause to be paid as a supplemental payment to the city, village,
9 or township its proportionate share of the amount available for
10 this purpose. ~~, the share to~~ THE SHARE SHALL be determined by
11 multiplying the aggregate per capita amount of payments ~~it~~ THE
12 CITY, VILLAGE, OR TOWNSHIP received under sections 12, 13, ~~14~~
13 and 15 for the IMMEDIATELY preceding July 1 to June 30 payment
14 period by ~~its~~ THE excess increase in population OF THE CITY,
15 VILLAGE, OR TOWNSHIP determined under section 7. IF A SUPPLEMEN-
16 TAL PAYMENT UNDER THIS SECTION IS MADE IN THE JULY IMMEDIATELY
17 FOLLOWING THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT REPEALED
18 FORMER SECTION 14, THE AGGREGATE PER CAPITA AMOUNT OF PAYMENTS
19 CALCULATED UNDER THIS SECTION FOR THE PURPOSE OF DETERMINING THAT
20 SUPPLEMENTAL PAYMENT SHALL INCLUDE ANY PAYMENT THE CITY, VILLAGE,
21 OR TOWNSHIP RECEIVED UNDER FORMER SECTION 14 FOR THE JULY 1 TO
22 JUNE 30 PAYMENT PERIOD IMMEDIATELY PRECEDING THE SUPPLEMENTAL
23 PAYMENT. The amount necessary to provide the distribution
24 required by this section is appropriated each fiscal year from
25 the state general fund.

26 Sec. 15. (1) If a city, village, or township would be paid
27 less than \$17.00 per capita during any period from July 1 to June

1 30 from the revenue distributed under sections 12 and 13, ~~and~~
2 ~~payments under section 14,~~ an additional sum necessary to pro-
3 vide a total of \$17.00 per capita shall be paid.

4 (2) ~~Beginning July 1, 1975, if~~ IF a city, village, or
5 township that levied the following local property tax mills in
6 the calendar year preceding a July 1 to June 30 payment period
7 would be paid less than the following corresponding totals per
8 capita during any period from July 1 to June 30 from the revenues
9 distributed under sections 12 and 13, ~~and payments under section~~
10 ~~14,~~ an additional sum necessary to provide such totals per
11 capita shall be paid:

Local Property Tax Mills	Per Capita Payments
At least 1.0, but less than 1.5	-\$20.50 \$39.00
At least 1.5, but less than 2.0	-\$21.00 \$39.50
At least 2.0, but less than 2.5	-\$21.50 \$40.00
At least 2.5, but less than 3.0	-\$22.00 \$40.50
At least 3.0, but less than 3.5	-\$22.50 \$41.00
At least 3.5, but less than 4.0	-\$23.00 \$41.50
At least 4.0, but less than 4.5	-\$23.50 \$42.00
At least 4.5, but less than 5.0	-\$24.00 \$42.50
At least 5.0, but less than 5.5	-\$24.50 \$43.00
At least 5.5 or more	-\$25.00 \$43.50

24 (3) Beginning July 1, ~~1976~~ 1995, the per capita payments
25 listed in subsection (2) shall be increased ~~-\$.50 per capita and~~
26 ~~beginning July 1, 1977 and each July 1 thereafter, a further~~

1 ~~increase of~~ \$1.00 per capita during that and each subsequent
2 July 1 to June 30 payment period. ~~shall be added.~~

3 (4) The additional sum necessary to provide the distribution
4 required by this section is appropriated each fiscal year from
5 the state general fund.

6 Sec. 18. (1) Each city, village, or township shall report
7 its local AD VALOREM PROPERTY taxes and special assessments ~~and~~
8 ~~cities and townships shall report their overlapping taxes~~ to the
9 department of treasury by March 1 OF EACH YEAR THROUGH 1999. ~~A~~
10 ~~city, village, or township that levied less than 1 mill in the~~
11 ~~immediately preceding calendar year, when it reports its local~~
12 ~~taxes, shall also report whether its levied millage rate would~~
13 ~~have been at least 1 mill except for the millage reductions pur-~~
14 ~~suant to section 31 of article IX of the state constitution of~~
15 ~~1963, except for a millage reduction pursuant to section 34 of~~
16 ~~the general property tax act, Act No. 206 of the Public Acts of~~
17 ~~1893, as amended, being section 211.34 of the Michigan Compiled~~
18 ~~Laws, or except for the fact that the city, village, or township~~
19 ~~did not elect to increase the millage rate permitted by operation~~
20 ~~of section 24e(2) of Act No. 206 of the Public Acts of 1893,~~
21 ~~being section 211.24e of the Michigan Compiled Laws, or for any~~
22 ~~combination of these exceptions.~~ If a city, village, or township
23 fails to report as provided in this section, the department of
24 treasury shall give notice of the failure to the assessor and the
25 chief executive officer of the city, village, or township. After
26 the department of treasury gives such notice, payments under this
27 act of revenues collected under the single business tax act, Act

1 No. 228 of the Public Acts of ~~1967~~ 1975, being sections 208.1
2 to 208.145 of the Michigan Compiled Laws, and of state income tax
3 revenues, TO THE EXTENT THOSE PAYMENTS ARE ALLOCATED ON THE BASIS
4 OF THE TAX EFFORT FORMULA, shall be withheld. The withheld pay-
5 ments may later be issued if the city, village, or township
6 reports before the end of the revenue sharing year. ~~Not later~~
7 ~~than May 15, the department of treasury shall report to the~~
8 ~~department of management and budget the local taxes, special~~
9 ~~assessments, overlapping taxes, and state equalized valuation,~~
10 ~~and whether the levied millage rate would have been at least 1~~
11 ~~mill if the required millage reductions or limitations had not~~
12 ~~been applied, for each city, village, and township for the imme-~~
13 ~~diately preceding calendar year. In determining and reporting~~
14 ~~the overlapping taxes for a township and the villages within the~~
15 ~~township, the department of treasury shall prorate and allocate~~
16 ~~the overlapping taxes levied in the township to the township and~~
17 ~~each village in the same ratio that the state equalized value of~~
18 ~~the unincorporated area of the township and of each village bears~~
19 ~~to the total state equalized value of the township.~~

20 ~~(2) Before December 2 of each year, each city, village, and~~
21 ~~township shall report to the department of treasury, on a form~~
22 ~~prepared by the department of treasury in consultation with the~~
23 ~~department of management and budget, all local revenues collected~~
24 ~~by the city, village, or township in the local unit's fiscal year~~
25 ~~which ends during the immediately preceding July 1 to June 30~~
26 ~~period. The department of treasury shall accumulate the reports~~
27 ~~and submit a summary to the department of management and budget~~

1 by February 1. ~~The department of management and budget shall~~
2 ~~analyze the reports and shall make recommendations to the legis-~~
3 ~~lature regarding other local general fund revenues that the~~
4 ~~department considers reflective of or equivalent to local tax~~
5 ~~effort. "Other local revenues" shall not include state or fed-~~
6 ~~eral shared revenues, block grants, or categorical grants, or~~
7 ~~grants or gifts from other sources, but shall include fees or~~
8 ~~charges imposed by the city, village, or township for municipal~~
9 ~~purposes.~~

10 (2) ~~(3)~~ The department of treasury ~~shall report to the~~
11 ~~department of management and budget the tax collections available~~
12 ~~for distribution. The department of management and budget~~ may
13 make ~~the~~ A distribution UNDER THIS ACT in a single warrant.

14 (3) EACH CITY, VILLAGE, OR TOWNSHIP SEEKING A PAYMENT UNDER
15 SECTION 15 SHALL REPORT ITS LOCAL AD VALOREM PROPERTY TAXES TO
16 THE DEPARTMENT OF TREASURY BY THE MARCH 1 PRECEDING THE PAYMENT.
17 A millage rate certified to be levied for a city, village, or
18 township of 1 mill or more that is reduced below 1 mill pursuant
19 to section 31 of article IX of the state constitution of 1963,
20 pursuant to section 34 of THE GENERAL PROPERTY TAX ACT, Act No.
21 206 of the Public Acts of 1893, ~~as amended~~ BEING SECTION 211.34
22 OF THE MICHIGAN COMPILED LAWS, or because the city, village, or
23 township did not elect to increase the millage rate permitted by
24 operation of section 24e(2) of Act No. 206 of the Public Acts of
25 1893, ~~as amended~~ BEING SECTION 211.24E OF THE MICHIGAN COMPILED
26 LAWS, or due to any combination of these factors, shall be
27 considered by the department of management and budget to be 1

1 mill for ~~all of the following purposes:~~ THE PURPOSE OF PAYMENTS
2 UNDER SECTION 15.

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

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

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

13 Section 2. The following acts and parts of acts are
14 repealed:

15 (a) Sections 6, 13a, 14, and 20 of Act No. 140 of the Public
16 Acts of 1971, being sections 141.906, 141.913a, 141.914, and
17 141.920 of the Michigan Compiled Laws.

18 (b) Effective January 1, 2000, section 5 of Act No. 140 of
19 the Public Acts of 1971, being section 141.905 of the Michigan
20 Compiled Laws.

21 (c) Effective July 1, 2000, section 4 of Act No. 140 of the
22 Public Acts of 1971, being section 141.904 of the Michigan
23 Compiled Laws.

24 Section 3. This amendatory act shall not take effect unless
25 Senate Bill No. _____ or House Bill No. 5066 (request
26 no. 02909'95 a) of the 88th Legislature is enacted into law.