

SENATE BILL No. 379

April 17, 2001, Introduced by Senator JAYE and referred to the Committee on Appropriations.

A bill to amend 1971 PA 140, entitled
"Glenn Steil state revenue sharing act of 1971,"
by amending sections 11 and 13 (MCL 141.911 and 141.913), as
amended by 1998 PA 532.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) For state fiscal years before the 1996-1997
2 state fiscal year, the department of management and budget shall
3 cause to be paid during each August, November, February, and May,
4 to counties on a per capita basis the collections from the state
5 income tax as certified by the department of treasury for the
6 quarter periods ending the prior June 30, September 30, December
7 31, and March 31 that are available for distribution to and
8 retention by counties.

9 (2) For state fiscal years beginning after September 30,
10 1992 and ending before October 1, 1996, the collections from the

1 state income tax otherwise available for distribution to counties
2 in November for the quarter period ending the prior September 30
3 shall be increased by \$35,900,000.00 and the collections from the
4 state income tax otherwise available for distribution to counties
5 in August for the quarter period ending the prior June 30 shall
6 be decreased by \$35,900,000.00.

7 (3) For the 1996-1997 and 1997-1998 state fiscal years, the
8 department of treasury shall cause to be paid to counties on a
9 per capita basis an amount equal to 24.5% of the difference
10 between 21.3% of the sales tax collections at a rate of 4% in the
11 12-month period ending June 30 of the state fiscal year in which
12 the payments are made and the total distribution for the state
13 fiscal year under section 12a. Subject to section 13d, for the
14 1998-1999 through ~~2005-2006~~ 2000-2001 state fiscal years, ~~and~~
15 ~~for the period of October 1, 2006 through June 30, 2007,~~ the
16 department of treasury shall cause to be paid to counties both of
17 the following:

18 (a) An amount equal to the amount the county was eligible to
19 receive under section 12a in the 1997-1998 state fiscal year.

20 (b) An amount equal to 25.06% of 21.3% of the sales tax col-
21 lections at a rate of 4% in the 12-month period ending June 30 of
22 the state fiscal year in which the payments are made minus the
23 amount determined under subdivision (a), which REMAINDER shall be
24 distributed on a per capita basis. If the amount appropriated
25 under this section to counties is less than 25.06% of 21.3% of
26 the sales tax rate of 4%, any reduction made necessary by this

1 appropriation in distributions to counties shall first be applied
2 to the distribution under this subdivision.

3 (4) ~~After June 30, 2007, 25.06% of 21.3% of the sales tax~~
4 ~~collections at a rate of 4% shall be distributed to counties as~~
5 ~~provided by law.~~ FOR STATE FISCAL YEARS BEGINNING AFTER
6 SEPTEMBER 30, 2001, AN AMOUNT EQUAL TO 25.06% OF 21.3% OF THE
7 SALES TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD
8 ENDING JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE
9 MADE SHALL BE DISTRIBUTED TO COUNTIES ON A PER CAPITA BASIS.

10 (5) The payments under ~~subsection (3)~~ SUBSECTIONS (3) AND
11 (4) shall be made from revenues collected during the state fiscal
12 year in which the payments are made and shall be made during each
13 October, December, February, April, June, and August. Payments
14 shall be based on collections from the sales tax at a rate of 4%
15 in the 2-month period ending the prior August 31, October 31,
16 December 31, February 28, April 30, and June 30, and for the
17 1996-1997 and 1997-1998 state fiscal years only the payments
18 shall be reduced by 1/6 of the total distribution for the state
19 fiscal year under section 12a. For state fiscal years after the
20 1995-1996 state fiscal year, the collections from the sales tax
21 otherwise available for distribution to counties under
22 ~~subsection (3)~~ SUBSECTIONS (3) AND (4) in December shall be
23 increased by \$17,000,000.00 and the collections from the sales
24 tax otherwise available for distribution to counties under
25 ~~subsection (3)~~ SUBSECTIONS (3) AND (4) in April shall be
26 decreased by \$17,000,000.00.

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 collec-
4 tions from the state income tax and single business tax. Except
5 as otherwise provided in subsection (2), the department of trea-
6 sury shall cause to be paid to each city, village, and township
7 its share, computed in accordance with the tax effort formula, of
8 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
12 that are available for distribution to cities, villages, and
13 townships under the income tax act of 1967, 1967 PA 281,
14 MCL 206.1 to 206.532.

15 (b) The amount of the collections from the single business
16 tax available for distribution to cities, villages, and townships
17 under former section 136 of the single business tax act, 1975
18 PA 228.

19 (2) The amount of collections of the state income tax other-
20 wise available for distribution to cities, villages, and town-
21 ships in November, February, and May, computed in accordance with
22 the tax effort formula, shall be increased by \$22,600,000.00.
23 The amount of collections otherwise available for distribution to
24 cities, villages, and townships in August, computed in accordance
25 with the tax effort formula, shall be decreased by
26 \$67,800,000.00.

1 (3) This subsection applies to distributions to cities,
2 villages, and townships for the 1996-1997 state fiscal year. The
3 department shall cause to be paid in accordance with the tax
4 effort formula an amount equal to 75.5% of the difference between
5 21.3% of the sales tax collections at a rate of 4% in the
6 12-month period ending June 30 of the state fiscal year in which
7 the payments are made and the total distribution for the state
8 fiscal year under section 12a.

9 (4) The department of treasury shall cause to be paid during
10 the 1997-1998 state fiscal year an amount equal to 75.5% of the
11 difference between 21.3% of the sales tax collections at a rate
12 of 4% in the 12-month period ending June 30 of the state fiscal
13 year in which the payments are made and the total distribution
14 for the state fiscal year under section 12a, both of the
15 following:

16 (a) To each city, village, and township, the amount of col-
17 lections distributed under subsection (3) to cities, villages,
18 and townships for the 1996-1997 state fiscal year or its pro rata
19 share of the collections if the collections are less than the
20 amount of collections distributed under subsection (3) for the
21 1996-1997 state fiscal year. A city's, village's, or township's
22 share of revenues under this subdivision shall be computed using
23 the tax effort formula.

24 (b) To each city, village, and township its share of the
25 collections to the extent the total collections available for
26 distribution under this subsection exceed the amount distributed
27 to cities, villages, and townships under subdivision (a) for the

1 fiscal year. A city's, village's, or township's share of
2 revenues under this subdivision shall be computed on a per capita
3 basis.

4 (5) Subject to section 13d, for the 1998-1999 through
5 ~~2005-2006 state fiscal years and for the period of October 1,~~
6 ~~2006 through June 30, 2007~~ 2000-2001 STATE FISCAL YEARS, the
7 department of treasury shall cause distributions determined under
8 subsections (6) to ~~(13)~~ (16) to be paid to each city, village,
9 and township from an amount equal to 74.94% of 21.3% of the sales
10 tax collections at a rate of 4% in the 12-month period ending
11 June 30 of the state fiscal year in which the payments are made.
12 ~~After June 30, 2007, 74.94% of 21.3% of sales tax collections at~~
13 ~~a rate of 4% shall be distributed to cities, villages, and town-~~
14 ~~ships as provided by law.~~

15 (6) Subject to section 13d, for the 1998-1999 through
16 ~~2005-2006 state fiscal years and for the period of October 1,~~
17 ~~2006 through June 30, 2007~~ 2000-2001 STATE FISCAL YEARS and
18 except as provided in subsection (15), the department of treasury
19 shall cause to be paid \$333,900,000.00 to a city with a popula-
20 tion of 750,000 or more as the total combined distribution under
21 this act and section 10 of article IX of the state constitution
22 of 1963 as annualized for any period of less than 12 months to
23 that city.

24 (7) Distributions under subsections (8) to (13) to cities,
25 villages, and townships with populations of less than 750,000
26 shall be made from the amount available for distribution under

1 this section that remains after the distribution under subsection
2 (6) is made.

3 (8) Subject to section 13d, for the 1998-1999 through
4 ~~2005-2006 state fiscal years and for the period of October 1,~~
5 ~~2006 through June 30, 2007~~ 2000-2001 STATE FISCAL YEARS, for
6 cities, villages, and townships with populations of less than
7 750,000, subject to the limitations under this section, a taxable
8 value payment shall be made to each city, village, and township
9 determined as follows:

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

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

18 (c) Determine the per capita taxable value ratio for each
19 city, village, and township by dividing the statewide per capita
20 taxable value by the per capita taxable value for that city, vil-
21 lage, or township.

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

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

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

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

14 (9) Subject to section 13d, for the 1998-1999 through
15 ~~2005-2006 state fiscal years and for the period of October 1,~~
16 ~~2006 through June 30, 2007~~ 2000-2001 STATE FISCAL YEARS, subject
17 to the limitations under this section and except as provided in
18 subsection (14), a unit type population payment shall be made to
19 each city, village, and township with a population of less than
20 750,000 determined as follows:

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

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

25 (ii) For a township with a population of more than 5,000 but
26 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
2 but less than 20,001, the unit type population weight factor is
3 1.44.

4 (iv) For a township with a population of more than 20,000
5 but less than 40,001, the unit type population weight factor is
6 1.73.

7 (v) For a township with a population of more than 40,000 but
8 less than 80,001, the unit type population weight factor is
9 2.07.

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

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

14 (viii) For a village with a population of more than 5,000
15 but less than 10,001, the unit type population weight factor is
16 1.8.

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

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

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

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

25 (xiii) For a city with a population of more than 20,000 but
26 less than 40,001, the unit type population weight factor is
27 4.32.

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

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

7 (xvi) For a city with a population of more than 160,000 but
8 less than 320,001, the unit type population weight factor is
9 7.46.

10 (xvii) For a city with a population of more than 320,000 but
11 less than 640,001, the unit type population weight factor is
12 8.96.

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

15 (b) Determine the adjusted unit type population for each
16 city, village, and township by multiplying the unit type popula-
17 tion weight factor for that city, village, or township as deter-
18 mined under subdivision (a) by the population of the city, vil-
19 lage, or township.

20 (c) Determine the total statewide adjusted unit type popula-
21 tion, which is the sum of the adjusted unit type population for
22 all cities, villages, and townships.

23 (d) Determine the unit type population payment rate by
24 dividing 74.94% of 21.3% of the sales tax collections at a rate
25 of 4% in the 12-month period ending June 30 of the state fiscal
26 year in which the payments under this subsection are made by 3,

1 and then dividing that result by the total statewide adjusted
2 unit type population as determined under subdivision (c).

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

7 (10) Subject to section 13d, for the 1998-1999 through
8 ~~2005-2006 state fiscal years and for the period of October 1,~~
9 ~~2006 through June 30, 2007~~ 2000-2001 STATE FISCAL YEARS, subject
10 to the limitations under this section, a yield equalization pay-
11 ment shall be made to each city, village, and township with a
12 population of less than 750,000 sufficient to provide the guaran-
13 teed tax base for a local tax effort not to exceed 0.02. The
14 payment shall be determined as follows:

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

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

25 (i) An amount greater than zero that is equal to the differ-
26 ence 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 equali-
7 zation payment divided by 3.

8 (11) For THE 1998-1999 THROUGH 2000-2001 state fiscal years,
9 ~~after the 1997-1998 state fiscal year,~~ distributions under this
10 section for cities, villages, and townships with populations of
11 less than 750,000 shall be 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 distri-
16 bution under subsections (8), (9), and (10) for the 1998-1999
17 state fiscal year multiplied by the city's, village's, or
18 township's percentage share of the distributions under this sec-
19 tion 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 distribu-
24 tion under subsections (8), (9), and (10) for the 1998-1999 state
25 fiscal year multiplied by the percentage share of the distribu-
26 tion amounts calculated under subsections (8), (9), 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 distri-
5 bution under subsections (8), (9), and (10) for the 1999-2000
6 state fiscal year multiplied by the city's, village's, or
7 township's percentage share of the distributions under this sec-
8 tion 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 dis-
13 tribution under subsections (8), (9), and (10) for the 1999-2000
14 state fiscal year multiplied by the city's, village's, or
15 township's percentage share of the distribution amounts calcu-
16 lated 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 dis-
21 tribution under subsections (8), (9), and (10) for the 2000-2001
22 state fiscal year multiplied by the city's, village's, or
23 township's percentage share of the distributions under this sec-
24 tion 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 distri-~~
10 ~~bution under subsections (8), (9), and (10) for the 2001-2002~~
11 ~~state fiscal year multiplied by the city's, village's, or~~
12 ~~township's percentage share of the distributions under this sec-~~
13 ~~tion 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 distri-~~
18 ~~bution under subsections (8), (9), and (10) for the 2001-2002~~
19 ~~state fiscal year multiplied by the percentage share of the dis-~~
20 ~~tribution amounts calculated under subsections (8), (9), and~~
21 ~~(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 distri-~~
26 ~~bution under subsections (8), (9), and (10) for the 2002-2003~~
27 ~~state fiscal year multiplied by the city's, village's, or~~

~~1 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 distri=
7 bution under subsections (8), (9), and (10) for the 2002-2003
8 state fiscal year multiplied by the percentage share of the dis=
9 tribution amounts calculated under subsections (8), (9), and
10 (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 distri=
15 bution under subsections (8), (9), and (10) for the 2003-2004
16 state fiscal year multiplied by the city's, village's, or
17 township's percentage share of the distributions under this sec=
18 tion 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 distri=
23 bution under subsections (8), (9), and (10) for the 2003-2004
24 state fiscal year multiplied by the percentage share of the dis=
25 tribution amounts calculated under subsections (8), (9), and
26 (10).~~

1 ~~(g) For the 2004-2005 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) Thirty percent of the total amount available for distri-~~
5 ~~bution under subsections (8), (9), and (10) for the 2004-2005~~
6 ~~state fiscal year multiplied by the city's, village's, or~~
7 ~~township's percentage share of the distributions under this sec-~~
8 ~~tion 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) Seventy percent of the total amount available for dis-~~
13 ~~tribution under subsections (8), (9), and (10) for the 2004-2005~~
14 ~~state fiscal year multiplied by the percentage share of the dis-~~
15 ~~tribution amounts calculated under subsections (8), (9), and~~
16 ~~(10).~~

17 ~~(h) For the 2005-2006 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) Twenty percent of the total amount available for distri-~~
21 ~~bution under subsections (8), (9), and (10) for the 2005-2006~~
22 ~~state fiscal year multiplied by the city's, village's, or~~
23 ~~township's percentage share of the distributions under this sec-~~
24 ~~tion 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.~~

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

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

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

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

(12) Except as otherwise provided in this subsection, FOR STATE FISCAL YEARS BEFORE THE 2001-2002 STATE FISCAL YEAR, the total payment to any city, village, or township under this act and section 10 of article IX of the state constitution of 1963 shall not increase by more than 8% over the amount of the payment under this act and section 10 of article IX of the state constitution of 1963 in the immediately preceding state fiscal

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

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

1 (14) ~~A~~ FOR A STATE FISCAL YEAR BEFORE THE 2001-2002 STATE
2 FISCAL YEAR IN WHICH A township ~~that~~ provides for or makes
3 available fire, police on a 24-hour basis either through con-
4 tracting for or directly employing personnel, water to 50% or
5 more of its residents, and sewer services to 50% or more of its
6 residents and has a population of 10,000 or more or ~~a township~~
7 ~~that~~ has a population of 20,000 or more, THE TOWNSHIP shall use
8 the unit type population weight factor under subsection (9)(a)
9 for a city with the same population as the township.

10 (15) For a state fiscal year BEFORE THE 2001-2002 STATE
11 FISCAL YEAR in which the sales tax collections decrease from the
12 sales tax collections for the immediately preceding state fiscal
13 year, the department shall reduce the amount to be distributed to
14 a city with a population of 750,000 or more under subsection (6)
15 by an amount determined by subtracting the amount the city is
16 eligible for under section 10 of article IX of the state consti-
17 tution of 1963 for the state fiscal year from \$333,900,000.00 and
18 multiplying that result by the same percentage as the percentage
19 decrease in sales tax collections for that state fiscal year as
20 compared to sales tax collections for the immediately preceding
21 state fiscal year.

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

1 constitution of 1963 in the 1997-1998 state fiscal year. The
2 increase, if any, for each city, village, and township from the
3 1997-1998 state fiscal year, other than a city that receives a
4 distribution under subsection (6), shall be reduced by a uniform
5 percentage to the extent necessary to fund distributions under
6 this subsection.

7 (17) SUBJECT TO SECTION 13D, FOR STATE FISCAL YEARS BEGIN-
8 NING AFTER SEPTEMBER 30, 2001, THE DEPARTMENT OF TREASURY SHALL
9 CAUSE TO BE PAID ON A PER CAPITA BASIS TO EACH CITY, VILLAGE, AND
10 TOWNSHIP AN AMOUNT EQUAL TO 74.94% OF 21.3% OF THE SALES TAX COL-
11 LECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30 OF
12 THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE MADE.

13 (18) ~~-(17)-~~ The payments under subsections (3), (4), and (5)
14 shall be made during each October, December, February, April,
15 June, and August. Payments under subsections (3), (4), and (5)
16 shall be based on collections from the sales tax at the rate of
17 4% in the 2-month period ending the prior August 31, October 31,
18 December 31, February 28, April 30, and June 30, and for the
19 1996-1997 and 1997-1998 state fiscal years only, the payments
20 shall be reduced by 1/6 of the total distribution for the state
21 fiscal year under section 12a.

22 (19) ~~-(18)-~~ Payments under this section shall be made from
23 revenues collected during the state fiscal year in which the pay-
24 ments are made.

25 (20) ~~-(19)-~~ Distributions provided for by this act are
26 subject to an annual appropriation by the legislature.