

SENATE BILL No. 1111

March 18, 2004, Introduced by Senators SWITALSKI and EMERSON and referred to the Committee on Finance.

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending section 11 (MCL 141.911), as amended by 2003 PA 168.

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, 1992
10 and ending before October 1, 1996, the collections from the state
11 income tax otherwise available for distribution to counties in

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

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

17 (a) Except as provided in subdivision (c) **and subsection (6)**,
18 an amount equal to the amount the county was eligible to receive
19 under section 12a in the 1997-1998 state fiscal year.

20 (b) Except as provided in subdivision (c) **and subsection (6)**,
21 an amount equal to 25.06% of 21.3% of the sales tax collections
22 at a rate of 4% in the 12-month period ending June 30 of the
23 state fiscal year in which the payments are made minus the amount
24 determined under subdivision (a) which shall be distributed on a
25 per capita basis. If the amount appropriated under this section
26 to counties is less than 25.06% of 21.3% of the sales tax rate of
27 4%, any reduction made necessary by this appropriation in

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

3 (c) For the 2002-2003 state fiscal year only, each county
4 shall receive the lesser of 96.5%, or the percentage determined
5 under this subdivision, of the amount that the county would have
6 received if the total available for distribution under
7 subdivisions (a) and (b) were \$211,549,002.00. The total amount
8 available for distribution to all counties under this subdivision
9 shall not exceed \$204,144,787.00. For the 2002-2003 state fiscal
10 year, the percentage under this subdivision shall be determined
11 by dividing the sum of all payments under section 10 of article
12 IX of the state constitution of 1963 and \$791,070,000.00 by
13 \$1,515,644,218.00. For the 2003-2004 state fiscal year only,
14 each county shall receive the lesser of ~~97%~~ **92%**, or the
15 percentage determined under this subdivision, of the amount
16 distributed to the county under this subsection for the 2002-2003
17 state fiscal year, **which amount for each county for the 2003-2004**
18 **state fiscal year shall be reduced by an additional 9.1%**. For
19 the 2003-2004 state fiscal year, the percentage under this
20 subdivision shall be determined by dividing the sum of all
21 payments under section 10 of article IX of the state constitution
22 of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then
23 subtracting ~~0.03~~ **0.08**.

24 (4) After September 30, 2007 **and subject to the limitations**
25 **in subsections (3) and (6)**, 25.06% of 21.3% of the sales tax
26 collections at a rate of 4% shall be distributed to counties as
27 provided by law.

1 (5) The payments under subsection (3) shall be made from
2 revenues collected during the state fiscal year in which the
3 payments are made and shall be made during each October,
4 December, February, April, June, and August. Payments shall be
5 based on collections from the sales tax at a rate of 4% in the
6 2-month period ending the prior August 31, October 31, December
7 31, February 28, April 30, and June 30, and for the 1996-1997 and
8 1997-1998 state fiscal years only the payments shall be reduced
9 by 1/6 of the total distribution for the state fiscal year under
10 section 12a. For state fiscal years after the 1995-1996 state
11 fiscal year, the collections from the sales tax otherwise
12 available for distribution to counties under subsection (3) in
13 December shall be increased by \$17,000,000.00 and the collections
14 from the sales tax otherwise available for distribution to
15 counties under subsection (3) in April shall be decreased by
16 \$17,000,000.00.

17 (6) For state fiscal years beginning after September 30,
18 2004, each county shall receive a payment equal to the amount by
19 which the balance in its revenue sharing reserve fund under
20 section 44a of the general property tax act, 1893 PA 206, MCL
21 211.44a, for the county's most recent fiscal year that ends prior
22 to the January 1 of the state's fiscal year is less than the
23 amount calculated under section 44a(12) of the general property
24 tax act, 1893 PA 206, MCL 211.44a, for the county fiscal year
25 that begins in the state's fiscal year. Payments under this
26 subsection shall be adjusted as necessary to reflect partial
27 county fiscal years and prorated based on the total amount

1 appropriated for distribution to all counties.