

# SENATE BILL No. 733

September 24, 2003, Introduced by Senators McMANUS, CROPSEY and PATTERSON 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 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

1 income tax otherwise available for distribution to counties in  
2 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~~ **state fiscal year and** state fiscal  
15 years ~~and for the period of October 1, 2006 through September~~  
16 ~~30, 2007~~ **after the 1998-1999 state fiscal year**, the department  
17 of treasury shall cause to be paid to counties all of the  
18 following:

19 (a) Except as provided in subdivision (c), an amount equal to  
20 the amount the county was eligible to receive under section 12a  
21 in the 1997-1998 state fiscal year.

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

1 counties is less than 25.06% of 21.3% of the sales tax rate of  
2 4%, any reduction made necessary by this appropriation in  
3 distributions to counties shall first be applied to the  
4 distribution under this subdivision.

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

24 ~~(4) After September 30, 2007, 25.06% of 21.3% of the sales~~  
25 ~~tax collections at a rate of 4% shall be distributed to counties~~  
26 ~~as provided by law.~~

27 (5) The payments under subsection (3) shall be made from

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

16       Sec. 13. (1) This subsection and subsection (2) apply to  
17 distributions to cities, villages, and townships during the state  
18 fiscal years before the 1996-1997 state fiscal year of  
19 collections from the state income tax and single business tax.  
20 Except as otherwise provided in subsection (2), the department of  
21 treasury shall cause to be paid to each city, village, and  
22 township its share, computed in accordance with the tax effort  
23 formula, of the following revenues:

24       (a) During each August, November, February, and May, the  
25 collections from the state income tax for the quarter periods  
26 ending the prior June 30, September 30, December 31, and March 31  
27 that are available for distribution to cities, villages, and

1 townships under the income tax act of 1967, 1967 PA 281,  
2 MCL 206.1 to 206.532.

3 (b) The amount of the collections from the single business  
4 tax available for distribution to cities, villages, and townships  
5 under former section 136 of the single business tax act, 1975  
6 PA 228.

7 (2) The amount of collections of the state income tax  
8 otherwise available for distribution to cities, villages, and  
9 townships in November, February, and May, computed in accordance  
10 with the tax effort formula, shall be increased by  
11 \$22,600,000.00. The amount of collections otherwise available  
12 for distribution to cities, villages, and townships in August,  
13 computed in accordance with the tax effort formula, shall be  
14 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  
18 effort formula an amount equal to 75.5% of the difference between  
19 21.3% of the sales tax collections at a rate of 4% in the  
20 12-month period ending June 30 of the state fiscal year in which  
21 the payments are made and the total distribution for the state  
22 fiscal year under 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  
26 of 4% in the 12-month period ending June 30 of the state fiscal  
27 year in which the payments are made and the total distribution

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

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

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

18 (5) Subject to section 13d, for the 1998-1999 through  
19 ~~2005-2006~~ **2003-2004** state fiscal years, ~~and for the period of~~  
20 ~~October 1, 2006 through September 30, 2007,~~ the department of  
21 treasury shall cause distributions determined under subsections  
22 (6) to (13) to be paid to each city, village, and township from  
23 an amount equal to 74.94% of 21.3% of the sales tax collections  
24 at a rate of 4% in the 12-month period ending June 30 of the  
25 state fiscal year in which the payments are made. After  
26 September 30, ~~2007~~ **2004**, 74.94% of 21.3% of sales tax  
27 collections at a rate of 4% shall be distributed to cities,

1 villages, and townships ~~as provided by law~~ on a per capita  
2 basis.

3 (6) Subject to section 13d, for the 1998-1999 through  
4 ~~2005-2006~~ 2003-2004 state fiscal years, ~~and for the period of~~  
5 ~~October 1, 2006 through September 30, 2007,~~ except for the  
6 2002-2003 and 2003-2004 state fiscal years, and except as  
7 otherwise provided in subsection (15), the department of treasury  
8 shall cause to be paid \$333,900,000.00 to a city with a  
9 population of 750,000 or more as the total combined distribution  
10 under this act and section 10 of article IX of the state  
11 constitution of 1963 as annualized for any period of less than 12  
12 months to that city. For the 2002-2003 state fiscal year only,  
13 the total combined distribution under this subsection and  
14 section 10 of article IX of the state constitution of 1963 shall  
15 be the lesser of \$322,213,500.00 or \$333,900,000.00 multiplied by  
16 the percentage as determined under this subsection. For the  
17 2002-2003 state fiscal year, the percentage under this subsection  
18 shall be determined by dividing the sum of all payments under  
19 section 10 of article IX of the state constitution of 1963 and  
20 \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state  
21 fiscal year only, the total combined distribution under this  
22 subsection and section 10 of article IX of the state constitution  
23 of 1963 shall be the lesser of 97%, or the percentage determined  
24 under this subsection, of the total combined distribution under  
25 this subsection and section 10 of article IX of the state  
26 constitution of 1963 for the 2002-2003 state fiscal year. For  
27 the 2003-2004 state fiscal year, the percentage under this

1 subsection shall be determined by dividing the sum of all  
2 payments under section 10 of article IX of the state constitution  
3 of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then  
4 subtracting 0.03.

5 (7) Except as otherwise provided in this subsection,  
6 distributions under subsections (8) to (13) to cities, villages,  
7 and townships with populations of less than 750,000 shall be made  
8 from the amount available for distribution under this section  
9 that remains after the distribution under subsection (6) is  
10 made. For the 2002-2003 state fiscal year only, each city,  
11 village, and township with a population of less than 750,000  
12 shall receive the lesser of 96.5%, or the percentage determined  
13 under this subsection, of the amount that the city, village, or  
14 township would have received if the total available for  
15 distribution under subsections (8) to (13) were \$363,069,728.00  
16 and the total available for distribution under section 10 of  
17 article IX of the state constitution of 1963 were  
18 \$607,125,488.00. The total amount available for distribution to  
19 all cities, villages, and townships under this subsection shall  
20 not exceed \$936,238,383.00. For the 2002-2003 state fiscal year,  
21 the percentage under this subsection shall be determined by  
22 dividing the sum of all payments under section 10 of article IX  
23 of the state constitution of 1963 and \$791,070,000.00 by  
24 \$1,515,644,218.00. For the 2003-2004 state fiscal year only,  
25 each city, village, and township with a population of less than  
26 750,000 shall receive an amount equal to the lesser of 97%, or  
27 the percentage determined under this subsection, of the amount



1 distributed to the city, village, or township under this  
2 subsection and section 10 of article IX of the state constitution  
3 of 1963 for the 2002-2003 state fiscal year. For the 2003-2004  
4 state fiscal year, the percentage under this subsection shall be  
5 determined by dividing the sum of all payments under section 10  
6 of article IX of the state constitution of 1963 and  
7 \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.03.  
8 The amount of the adjustment under this subsection shall be  
9 accomplished by reducing the payments under subsections (8) to  
10 (13), and payments under section 10 of article IX shall not be  
11 reduced based on any adjustments made under this subsection.

12 (8) Subject to section 13d, for the 1998-1999 through  
13 ~~2005-2006~~ **2003-2004** state fiscal years, ~~and for the period of~~  
14 ~~October 1, 2006 through September 30, 2007,~~ for cities,  
15 villages, and townships with populations of less than 750,000,  
16 subject to the limitations under this section, a taxable value  
17 payment shall be made to each city, village, and township  
18 determined as follows:

19 (a) Determine the per capita taxable value for each city,  
20 village, and township by dividing the taxable value of that city,  
21 village, or township by the population of that city, village, or  
22 township.

23 (b) Determine the statewide per capita taxable value by  
24 dividing the total taxable value of all cities, villages, and  
25 townships by the total population of all cities, villages, and  
26 townships.

27 (c) Determine the per capita taxable value ratio for each

1 city, village, and township by dividing the statewide per capita  
2 taxable value by the per capita taxable value for that city,  
3 village, or township.

4 (d) Determine the adjusted taxable value population for each  
5 city, village, and township by multiplying the per capita taxable  
6 value ratio as determined under subdivision (c) for that city,  
7 village, or township by the population of that city, village, or  
8 township.

9 (e) Determine the total statewide adjusted taxable value  
10 population which is the sum of all adjusted taxable value  
11 population for all cities, villages, and townships.

12 (f) Determine the taxable value payment rate by dividing  
13 74.94% of 21.3% of the sales tax collections at a rate of 4% in  
14 the 12-month period ending June 30 of the state fiscal year in  
15 which the payments under this subsection are made by 3, and  
16 dividing that result by the total statewide adjusted taxable  
17 value population as determined under subdivision (e).

18 (g) Determine the taxable value payment for each city,  
19 village, and township by multiplying the result under  
20 subdivision (f) by the adjusted taxable value population for that  
21 city, village, or township.

22 (9) Subject to section 13d, for the 1998-1999 through  
23 ~~2005-2006~~ **2003-2004** state fiscal years, ~~and for the period of~~  
24 ~~October 1, 2006 through September 30, 2007,~~ subject to the  
25 limitations under this section and except as provided in  
26 subsection (14), a unit type population payment shall be made to  
27 each city, village, and township with a population of less than

1 750,000 determined as follows:

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

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

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

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

11 (iv) For a township with a population of more than 20,000 but  
12 less than 40,001, the unit type population weight factor is  
13 1.73.

14 (v) For a township with a population of more than 40,000 but  
15 less than 80,001, the unit type population weight factor is  
16 2.07.

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

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

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

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

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

27 (xi) For a city with a population of more than 5,000 but less

1 than 10,001, the unit type population weight factor is 3.0.

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

4 (xiii) For a city with a population of more than 20,000 but  
5 less than 40,001, the unit type population weight factor is  
6 4.32.

7 (xiv) For a city with a population of more than 40,000 but  
8 less than 80,001, the unit type population weight factor is  
9 5.18.

10 (xv) For a city with a population of more than 80,000 but  
11 less than 160,001, the unit type population weight factor is  
12 6.22.

13 (xvi) For a city with a population of more than 160,000 but  
14 less than 320,001, the unit type population weight factor is  
15 7.46.

16 (xvii) For a city with a population of more than 320,000 but  
17 less than 640,001, the unit type population weight factor is  
18 8.96.

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

21 (b) Determine the adjusted unit type population for each  
22 city, village, and township by multiplying the unit type  
23 population weight factor for that city, village, or township as  
24 determined under subdivision (a) by the population of the city,  
25 village, or township.

26 (c) Determine the total statewide adjusted unit type  
27 population, which is the sum of the adjusted unit type population

1 for all cities, villages, and townships.

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

8 (e) Determine the unit type population payment for each city,  
9 village, and township by multiplying the result under subdivision  
10 (d) by the adjusted unit type population for that city, village,  
11 or township.

12 (10) Subject to section 13d, for the 1998-1999 through  
13 ~~2005-2006~~ **2003-2004** state fiscal years, ~~and for the period of~~  
14 ~~October 1, 2006 through September 30, 2007,~~ subject to the  
15 limitations under this section, a yield equalization payment  
16 shall be made to each city, village, and township with a  
17 population of less than 750,000 sufficient to provide the  
18 guaranteed tax base for a local tax effort not to exceed 0.02.  
19 The payment shall be determined as follows:

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

27 (b) The full yield equalization payment to each city,

1 village, and township is the product of the amounts determined  
2 under subparagraphs (i) and (ii):

3 (i) An amount greater than zero that is equal to the  
4 difference between the guaranteed tax base determined in  
5 subdivision (a) and the per capita taxable value of the city,  
6 village, or township.

7 (ii) The local tax effort of the city, village, or township,  
8 not to exceed 0.02, multiplied by the population of that city,  
9 village, or township.

10 (c) The yield equalization payment is the full yield  
11 equalization payment divided by 3.

12 (11) For **the 1997-1998 through 2003-2004** state fiscal years,  
13 ~~after the 1997-1998 state fiscal year,~~ distributions under this  
14 section for cities, villages, and townships with populations of  
15 less than 750,000 shall be determined as follows:

16 (a) For the 1998-1999 state fiscal year, the payment under  
17 this section for each city, village, and township shall be the  
18 sum of the following:

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

27 (ii) Ten percent of the total amount available for

1 distribution under subsections (8), (9), and (10) for the  
2 1998-1999 state fiscal year multiplied by the percentage share of  
3 the distribution amounts calculated under subsections (8), (9),  
4 and (10).

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

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

16 (ii) Twenty percent of the total amount available for  
17 distribution under subsections (8), (9), and (10) for the  
18 1999-2000 state fiscal year multiplied by the city's, village's,  
19 or township's percentage share of the distribution amounts  
20 calculated under subsections (8), (9), and (10).

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

24 (i) Seventy percent of the total amount available for  
25 distribution under subsections (8), (9), and (10) for the  
26 2000-2001 state fiscal year multiplied by the city's, village's,  
27 or township's percentage share of the distributions under this

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

5 (ii) Thirty percent of the total amount available for  
6 distribution under subsections (8), (9), and (10) for the  
7 2000-2001 state fiscal year multiplied by the percentage share of  
8 the distribution amounts calculated under subsections (8), (9),  
9 and (10).

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

13 (i) Sixty percent of the total amount available for  
14 distribution under subsections (8), (9), and (10) for the  
15 2001-2002 state fiscal year multiplied by the city's, village's,  
16 or township's percentage share of the distributions under this  
17 section and section 12a minus the amount of a distribution under  
18 this section and section 12a to a city that is eligible to  
19 receive a distribution under subsection (6) in the 1997-1998  
20 state fiscal year.

21 (ii) Forty percent of the total amount available for  
22 distribution under subsections (8), (9), and (10) for the  
23 2001-2002 state fiscal year multiplied by the percentage share of  
24 the distribution amounts calculated under subsections (8), (9),  
25 and (10).

26 (e) For the 2002-2003 state fiscal year, the payment under  
27 this section for each city, village, and township shall be the



1 sum of the following:

2       (i) Fifty percent of the total amount available for  
3 distribution under subsections (8), (9), and (10) for the  
4 2002-2003 state fiscal year multiplied by the city's, village's,  
5 or township's percentage share of the distributions under this  
6 section and section 12a minus the amount of a distribution under  
7 this section and section 12a to a city that is eligible to  
8 receive a distribution under subsection (6) in the 1997-1998  
9 state fiscal year.

10       (ii) Fifty percent of the total amount available for  
11 distribution under subsections (8), (9), and (10) for the  
12 2002-2003 state fiscal year multiplied by the percentage share of  
13 the distribution amounts calculated under subsections (8), (9),  
14 and (10).

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

18       (i) Forty percent of the total amount available for  
19 distribution under subsections (8), (9), and (10) for the  
20 2003-2004 state fiscal year multiplied by the city's, village's,  
21 or township's percentage share of the distributions under this  
22 section and section 12a minus the amount of a distribution under  
23 this section and section 12a to a city that is eligible to  
24 receive a distribution under subsection (6) in the 1997-1998  
25 state fiscal year.

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

1 2003-2004 state fiscal year multiplied by the percentage share of  
2 the distribution amounts calculated under subsections (8), (9),  
3 and (10).

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

7 ~~—— (i) Thirty percent of the total amount available for~~  
8 ~~distribution under subsections (8), (9), and (10) for the~~  
9 ~~2004-2005 state fiscal year multiplied by the city's, village's,~~  
10 ~~or township's percentage share of the distributions under this~~  
11 ~~section and section 12a minus the amount of a distribution under~~  
12 ~~this section and section 12a to a city that is eligible to~~  
13 ~~receive a distribution under subsection (6) in the 1997-1998~~  
14 ~~state fiscal year.~~

15 ~~—— (ii) Seventy percent of the total amount available for~~  
16 ~~distribution under subsections (8), (9), and (10) for the~~  
17 ~~2004-2005 state fiscal year multiplied by the percentage share of~~  
18 ~~the distribution amounts calculated under subsections (8), (9),~~  
19 ~~and (10).~~

20 ~~—— (h) For the 2005-2006 state fiscal year, the payment under~~  
21 ~~this section for each city, village, and township shall be the~~  
22 ~~sum of the following:~~

23 ~~—— (i) Twenty percent of the total amount available for~~  
24 ~~distribution under subsections (8), (9), and (10) for the~~  
25 ~~2005-2006 state fiscal year multiplied by the city's, village's,~~  
26 ~~or township's percentage share of the distributions under this~~  
27 ~~section and section 12a minus the amount of a distribution under~~

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

~~4 ——— (ii) Eighty percent of the total amount available for  
5 distribution under subsections (8), (9), and (10) for the  
6 2005-2006 state fiscal year multiplied by the percentage share of  
7 the distribution amounts calculated under subsections (8), (9),  
8 and (10).~~

~~9 ——— (i) For the period of October 1, 2006 through September 30,  
10 2007, the payment under this section for each city, village, and  
11 township shall be the sum of the following:~~

~~12 ——— (i) Ten percent of the total amount available for  
13 distribution under subsections (8), (9), and (10) for the  
14 2006-2007 state fiscal year multiplied by the city's, village's,  
15 or township's percentage share of the distributions under this  
16 section and section 12a minus the amount of a distribution under  
17 this section and section 12a to a city that is eligible to  
18 receive a distribution under subsection (6) in the 1997-1998  
19 state fiscal year.~~

~~20 ——— (ii) Ninety percent of the total amount available for  
21 distribution under subsections (8), (9), and (10) for the  
22 2006-2007 state fiscal year multiplied by the percentage share of  
23 the distribution amounts calculated under subsections (8), (9),  
24 and (10).~~

25 (12) Except as otherwise provided in this subsection, **for**  
26 **state fiscal years before the 2004-2005 state fiscal year**, the  
27 total payment to any city, village, or township under this act

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

20 (13) The percentage allocations to distributions under  
21 subsections (8) to (10) pursuant to subsection (11) shall be  
22 calculated as if, in any state fiscal year, the amount  
23 appropriated under this section for distribution to cities,  
24 villages, and townships is 74.94% of 21.3% of the sales tax at a  
25 rate of 4%. If the amount appropriated under this section to  
26 cities, villages, and townships is less than 74.94% of 21.3% of  
27 the sales tax at a rate of 4%, any reduction made necessary by

1 this appropriation in distributions to cities, villages, and  
2 townships shall first be applied to the distribution under  
3 subsections (8) to (10) and any remaining amount shall be applied  
4 to the other distributions under this section.

5       (14) ~~—A—~~ **For state fiscal years before the 2004-2005 state**  
6 **fiscal year, distribution under this section for a** township that  
7 provides for or makes available fire, police on a 24-hour basis  
8 either through contracting for or directly employing personnel,  
9 water to 50% or more of its residents, and sewer services to 50%  
10 or more of its residents and has a population of 10,000 or more  
11 or a township that has a population of 20,000 or more shall ~~use~~  
12 **be determined by using** the unit type population weight factor  
13 under subsection (9)(a) for a city with the same population as  
14 the township.

15       (15) For a state fiscal year **before the 2004-2005 state**  
16 **fiscal year** in which the sales tax collections decrease from the  
17 sales tax collections for the immediately preceding state fiscal  
18 year, the department shall reduce the amount to be distributed to  
19 a city with a population of 750,000 or more under subsection (6)  
20 by an amount determined by subtracting the amount the city is  
21 eligible for under section 10 of article IX of the state  
22 constitution of 1963 for the state fiscal year from  
23 \$333,900,000.00 and multiplying that result by the same  
24 percentage as the percentage decrease in sales tax collections  
25 for that state fiscal year as compared to sales tax collections  
26 for the immediately preceding state fiscal year. This subsection  
27 does not apply to the 2002-2003 and 2003-2004 state fiscal

1 years.

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

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

23       (18) Payments under this section shall be made from revenues  
24 collected during the state fiscal year in which the payments are  
25 made.

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