

Act No. 168
Public Acts of 1993
Approved by the Governor
September 16, 1993
Filed with the Secretary of State
September 16, 1993

STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993

Introduced by Senator Gast

ENROLLED SENATE BILL No. 695

AN ACT to amend section 136 of Act No. 228 of the Public Acts of 1975, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," as amended by Act No. 159 of the Public Acts of 1992, being section 208.136 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Section 136 of Act No. 228 of the Public Acts of 1975, as amended by Act No. 159 of the Public Acts of 1992, being section 208.136 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 136. (1) The department of treasury shall total the amounts payable to cities, villages, and townships under section 134 between July 1, 1976 and February 1, 1977, but excluding any payments under section 137.

(2) Between July 1, 1977 and February 28, 1978, an additional amount of the single business tax equal to 5% of the amount calculated in subsection (1) shall be distributed to all cities, villages, and townships through the tax effort formula as defined in the state revenue sharing act of 1971, Act No. 140 of the Public Acts of 1971, as amended, being sections 141.901 to 141.921 of the Michigan Compiled Laws.

(3) For every year following June 30, 1978, the growth in the single business tax payable to cities, villages, and townships by the tax effort formula is calculated in the following manner:

(a) The percentage that the amount calculated in subsection (1) is of the gross collections before refunds of the single business tax from July 1, 1976, through June 30, 1977.

(b) The percentage calculated in subdivision (a) is multiplied by the gross collections before refunds of the single business tax from each July 1 through June 30, starting with the gross collections before refunds from July 1, 1977, through June 30, 1978. From this amount subtract the amount necessary to make the payments to cities, villages, and townships under section 134 for the same year. The difference shall be distributed to cities, villages, and townships by the tax effort formula between October 1 and February 28 following the calculation based upon the preceding June 30. At least 1/2 of this payment shall be distributed before November 1 in any year that money is distributed under this section. Funds not distributed pursuant to this subdivision after March 1, 1992 and before October 1, 1992 shall lapse to the general fund at the close of the fiscal year ending September 30, 1992.

(4) During each June, starting in 1976, the department of treasury shall distribute to cities, villages, and townships through the tax effort formula, as defined in Act No. 140 of the Public Acts of 1971, an amount to replace payments to cities, villages, and townships from the intangibles tax previously made under section 13 of Act No. 140 of the Public Acts of 1971, as amended, being section 141.913 of the Michigan Compiled Laws, determined as follows:

(a) For the June 1976 payment only, \$35,000,000.00 of the collections of the tax levied by this act and for the June 1977 payment only, \$35,000,000.00 of the collections of the tax levied by this act.

(b) For payments after January 1, 1978, a percentage of the gross collections before refunds of the tax levied by this act for the most recent fully completed July 1 through June 30 period as certified by the department of treasury as of May 31. The percentage set aside for distribution is calculated by dividing \$40,000,000.00 by the gross collections before refunds of the single business tax from July 1, 1976, through June 30, 1977. For the 1992-1993 state fiscal year, the amount determined under this subsection shall be reduced by \$11,775,000.00 before the distribution under this subsection is made. For the 1993-94 state fiscal year, the amount determined under this subsection shall be reduced by \$6,863,000.00 before the distribution under this subsection is made.

(5) A city, village, or township is not eligible for a payment under subsection (4) unless that local unit of government requires sealed competitive bidding for any contract of \$20,000.00 or more except a contract for professional services or emergency repairs or services exempted pursuant to a written policy adopted or approved by the governing body of the local unit of government. This section shall not apply to transactions between governmental units.

This act is ordered to take immediate effect.

Secretary of the Senate.

Co-Clerk of the House of Representatives.

Approved -----

Governor.