

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4492

A bill to amend 1971 PA 140, entitled  
"Glenn Steil state revenue sharing act of 1971,"  
by amending sections 11, 12, and 13 (MCL 141.911, 141.912, and 141.913),  
as  
amended by 1998 PA 532 and section 12 as amended by 1996 PA 342.

**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

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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 state fiscal years and for the period  
15 of October 1, 2006 through ~~June~~ SEPTEMBER 30, 2007, the depart-  
16 ment of treasury shall cause to be paid to counties both of the  
17 following:

18 (a) ~~An~~ EXCEPT AS PROVIDED IN SUBDIVISION (C), AN amount  
19 equal to the amount the county was eligible to receive under  
20 section 12a in the 1997-1998 state fiscal year.

21 (b) ~~An~~ EXCEPT AS PROVIDED IN SUBDIVISION (C), AN amount  
22 equal to 25.06% of 21.3% of the sales tax collections at a rate  
23 of 4% in the 12-month period ending June 30 of the state fiscal  
24 year in which the payments are made minus the amount determined  
25 under subdivision (a) which shall be distributed on a per capita  
26 basis. If the amount appropriated under this section to counties  
27 is less than 25.06% of 21.3% of the sales tax rate of 4%, any

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1 reduction made necessary by this appropriation in distributions  
2 to counties shall first be applied to the distribution under this  
3 subdivision.

4 (C) FOR THE 2002-2003 STATE FISCAL YEAR ONLY, EACH COUNTY  
5 SHALL RECEIVE 96.5% OF THE AMOUNT THAT THE COUNTY WOULD HAVE  
6 RECEIVED IF THE TOTAL AVAILABLE FOR DISTRIBUTION UNDER SUBDIVI-  
7 SIONS (A) AND (B) WERE \$211,549,002.00. THE TOTAL AMOUNT AVAIL-  
8 ABLE FOR DISTRIBUTION TO ALL COUNTIES UNDER THIS SUBDIVISION  
9 SHALL NOT EXCEED \$204,144,787.00.

10 (4) After ~~June~~ SEPTEMBER 30, 2007, 25.06% of 21.3% of the  
11 sales tax collections at a rate of 4% shall be distributed to  
12 counties as provided by law.

13 (5) The payments under subsection (3) shall be made from  
14 revenues collected during the state fiscal year in which the pay-  
15 ments are made and shall be made during each October, December,  
16 February, April, June, and August. Payments shall be based on  
17 collections from the sales tax at a rate of 4% in the 2-month  
18 period ending the prior August 31, October 31, December 31,  
19 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. For state fiscal years after the 1995-1996 state  
23 fiscal year, the collections from the sales tax otherwise avail-  
24 able for distribution to counties under subsection (3) in  
25 December shall be increased by \$17,000,000.00 and the collections  
26 from the sales tax otherwise available for distribution to

1 counties under subsection (3) in April shall be decreased by  
2 \$17,000,000.00.

Sec. 12. (1) For state fiscal years before the 1996-1997 state fiscal year, the department of treasury shall cause to be paid to each city, village, and township its share, computed on a per capita basis, during each August, November, February, and May, of the collections designated for assistance to townships, cities, and villages under section 10 of article IX of the state constitution of 1963 from the sales tax for the quarter periods ending the prior June 30, September 30, December 31, and March 31 that are available for distribution to cities, villages, and townships.

(2) For state fiscal years before the 1996-1997 state fiscal year, during each calendar year, the department of treasury shall cause to be advanced and paid in June to cities, villages, and townships on a per capita basis \$9,500,000.00 of the amount that would otherwise be paid in August pursuant to subsection (1).

(3) For state fiscal years after the 1995-1996 state fiscal year AND BEFORE THE 2003-2004 STATE FISCAL YEAR, the department shall cause to be paid to each city, village, and township its share, computed on a per capita basis, during each October, December, February, April, June, and August, the collections designated for assistance to cities, villages, and townships under section 10 of article IX of the state constitution of 1963 from the sales tax, the collections that are available for distribution to cities, villages, and townships. Payments under this subsection shall be based on collections from the sales tax at a rate of 4% in the 2-month period ending the prior August 31, October 31, December 31, February 28, April 30, and June 30.

(4) FOR STATE FISCAL YEARS AFTER THE 2002-2003 STATE FISCAL YEAR, THE DEPARTMENT SHALL CAUSE TO BE PAID TO EACH CITY, VILLAGE, AND TOWNSHIP ITS SHARE OF THE SALES TAX COLLECTIONS DESIGNATED FOR ASSISTANCE TO CITIES, VILLAGES, AND TOWNSHIPS UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 FROM THE SALES TAX. PAYMENTS UNDER THIS SUBSECTION SHALL BE MADE DURING EACH OCTOBER, DECEMBER, FEBRUARY, APRIL, JUNE, AND AUGUST, BASED ON COLLECTIONS FROM THE SALES TAX AT A RATE OF 4% IN THE 2-MONTH PERIOD ENDING THE PRIOR AUGUST 31, OCTOBER 31, DECEMBER 31, FEBRUARY 28, APRIL 30, AND JUNE 30. THE PAYMENTS UNDER THIS SUBSECTION SHALL BE MADE FROM REVENUES COLLECTED DURING THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE MADE.

3 Sec. 13. (1) This subsection and subsection (2) apply to  
4 distributions to cities, villages, and townships during the state  
5 fiscal years before the 1996-1997 state fiscal year of collec-  
6 tions from the state income tax and single business tax. Except  
7 as otherwise provided in subsection (2), the department of trea-  
8 sury shall cause to be paid to each city, village, and township  
9 its share, computed in accordance with the tax effort formula, of  
10 the following revenues:

11 (a) During each August, November, February, and May, the  
12 collections from the state income tax for the quarter periods  
13 ending the prior June 30, September 30, December 31, and March 31

14 that are available for distribution to cities, villages, and

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

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

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

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1 with the tax effort formula, shall be decreased by  
2 \$67,800,000.00.

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

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

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

26 (b) To each city, village, and township its share of the  
27 collections to the extent the total collections available for

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1 distribution under this subsection exceed the amount distributed  
2 to cities, villages, and townships under subdivision (a) for the  
3 fiscal year. A city's, village's, or township's share of reve-  
4 nues under this subdivision shall be computed on a per capita  
5 basis.

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

17 (6) Subject to section 13d, for the 1998-1999 through  
18 2005-2006 state fiscal years and for the period of October 1,  
19 2006 through ~~June~~ SEPTEMBER 30, 2007, EXCEPT FOR THE 2002-2003  
20 STATE FISCAL YEAR, and except as OTHERWISE provided in subsection  
21 (15), the department of treasury shall cause to be paid  
22 \$333,900,000.00 to a city with a population of 750,000 or more as  
23 the total combined distribution under this act and section 10 of  
24 article IX of the state constitution of 1963 as annualized for  
25 any period of less than 12 months to that city. FOR THE  
26 2002-2003 STATE FISCAL YEAR ONLY, THE TOTAL COMBINED DISTRIBUTION

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1 UNDER THIS SUBSECTION AND SECTION 10 OF ARTICLE IX OF THE STATE  
2 CONSTITUTION OF 1963 SHALL BE \$322,213,500.00.

3 (7) ~~Distributions~~ EXCEPT AS OTHERWISE PROVIDED IN THIS  
4 SUBSECTION, DISTRIBUTIONS under subsections (8) to (13) to  
5 cities, villages, and townships with populations of less than  
6 750,000 shall be made from the amount available for distribution  
7 under this section that remains after the distribution under sub-  
8 section (6) is made. FOR THE 2002-2003 STATE FISCAL YEAR ONLY,  
9 EACH CITY, VILLAGE, AND TOWNSHIP WITH A POPULATION OF LESS THAN  
10 750,000 SHALL RECEIVE 96.5% OF THE AMOUNT THAT THE CITY, VILLAGE,  
11 OR TOWNSHIP WOULD HAVE RECEIVED IF THE TOTAL AVAILABLE FOR DIS-  
12 TRIBUTION UNDER SUBSECTIONS (8) TO (13) WERE \$363,069,728.00 AND  
13 THE TOTAL AVAILABLE FOR DISTRIBUTION UNDER SECTION 10 OF ARTICLE  
14 IX OF THE STATE CONSTITUTION OF 1963 WERE \$607,125,488.00. THE  
15 TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION TO ALL CITIES, VILLAGES,  
16 AND TOWNSHIPS UNDER THIS SUBSECTION SHALL NOT EXCEED  
17 \$936,238,383.00. THE AMOUNT OF THE ADJUSTMENT UNDER THIS SUBSEC-  
18 TION SHALL BE ACCOMPLISHED BY REDUCING THE PAYMENTS UNDER  
19 SUBSECTIONS (8) TO (13), AND PAYMENTS UNDER SECTION 10 OF  
20 ARTICLE IX SHALL NOT BE REDUCED BASED ON ANY ADJUSTMENTS MADE  
21 UNDER THIS SUBSECTION.

22 (8) Subject to section 13d, for the 1998-1999 through  
23 2005-2006 state fiscal years and for the period of October 1,  
24 2006 through ~~June~~ SEPTEMBER 30, 2007, for cities, villages, and  
25 townships with populations of less than 750,000, subject to the  
26 limitations under this section, a taxable value payment shall be  
27 made to each city, village, and township determined as follows:



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1 (a) Determine the per capita taxable value for each city,  
2 village, and township by dividing the taxable value of that city,  
3 village, or township by the population of that city, village, or  
4 township.

5 (b) Determine the statewide per capita taxable value by  
6 dividing the total taxable value of all cities, villages, and  
7 townships by the total population of all cities, villages, and  
8 townships.

9 (c) Determine the per capita taxable value ratio for each  
10 city, village, and township by dividing the statewide per capita  
11 taxable value by the per capita taxable value for that city, vil-  
12 lage, or township.

13 (d) Determine the adjusted taxable value population for each  
14 city, village, and township by multiplying the per capita taxable  
15 value ratio as determined under subdivision (c) for that city,  
16 village, or township by the population of that city, village, or  
17 township.

18 (e) Determine the total statewide adjusted taxable value  
19 population which is the sum of all adjusted taxable value popula-  
20 tion for all cities, villages, and townships.

21 (f) Determine the taxable value payment rate by dividing  
22 74.94% of 21.3% of the sales tax collections at a rate of 4% in  
23 the 12-month period ending June 30 of the state fiscal year in  
24 which the payments under this subsection are made by 3, and  
25 dividing that result by the total statewide adjusted taxable  
26 value population as determined under subdivision (e).

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1 (g) Determine the taxable value payment for each city,  
2 village, and township by multiplying the result under  
3 subdivision (f) by the adjusted taxable value population for that  
4 city, village, or township.

5 (9) Subject to section 13d, for the 1998-1999 through  
6 2005-2006 state fiscal years and for the period of October 1,  
7 2006 through ~~June~~ SEPTEMBER 30, 2007, subject to the limita-  
8 tions under this section and except as provided in subsection  
9 (14), a unit type population payment shall be made to each city,  
10 village, and township with a population of less than 750,000  
11 determined as follows:

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

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

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

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

21 (iv) For a township with a population of more than 20,000  
22 but less than 40,001, the unit type population weight factor is  
23 1.73.

24 (v) For a township with a population of more than 40,000 but  
25 less than 80,001, the unit type population weight factor is  
26 2.07.

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

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

5           (viii) For a village with a population of more than 5,000  
6 but less than 10,001, the unit type population weight factor is  
7 1.8.

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

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

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

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

16          (xiii) For a city with a population of more than 20,000 but  
17 less than 40,001, the unit type population weight factor is  
18 4.32.

19          (xiv) For a city with a population of more than 40,000 but  
20 less than 80,001, the unit type population weight factor is  
21 5.18.

22          (xv) For a city with a population of more than 80,000 but  
23 less than 160,001, the unit type population weight factor is  
24 6.22.

25          (xvi) For a city with a population of more than 160,000 but  
26 less than 320,001, the unit type population weight factor is  
27 7.46.

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1           (xvii) For a city with a population of more than 320,000 but  
2 less than 640,001, the unit type population weight factor is  
3 8.96.

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

6           (b) Determine the adjusted unit type population for each  
7 city, village, and township by multiplying the unit type popula-  
8 tion weight factor for that city, village, or township as deter-  
9 mined under subdivision (a) by the population of the city, vil-  
10 lage, or township.

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

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

20           (e) Determine the unit type population payment for each  
21 city, village, and township by multiplying the result under sub-  
22 division (d) by the adjusted unit type population for that city,  
23 village, or township.

24           (10) Subject to section 13d, for the 1998-1999 through  
25 2005-2006 state fiscal years and for the period of October 1,  
26 2006 through ~~June~~ SEPTEMBER 30, 2007, subject to the  
27 limitations under this section, a yield equalization payment

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1 shall be made to each city, village, and township with a  
2 population of less than 750,000 sufficient to provide the guaran-  
3 teed tax base for a local tax effort not to exceed 0.02. The  
4 payment shall be determined as follows:

5 (a) The guaranteed tax base is the maximum combined state  
6 and local per capita taxable value that can be guaranteed in a  
7 state fiscal year to each city, village, and township for a local  
8 tax effort not to exceed 0.02 if an amount equal to 74.94% of  
9 21.3% of the state sales tax at a rate of 4% is distributed to  
10 cities, villages, and townships whose per capita taxable value is  
11 below the guaranteed tax base.

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

15 (i) An amount greater than zero that is equal to the differ-  
16 ence between the guaranteed tax base determined in  
17 subdivision (a) and the per capita taxable value of the city,  
18 village, or township.

19 (ii) The local tax effort of the city, village, or township,  
20 not to exceed 0.02, multiplied by the population of that city,  
21 village, or township.

22 (c) The yield equalization payment is the full yield equali-  
23 zation payment divided by 3.

24 (11) For state fiscal years after the 1997-1998 state fiscal  
25 year, distributions under this section for cities, villages, and  
26 townships with populations of less than 750,000 shall be  
27 determined as follows:

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1 (a) For the 1998-1999 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) Ninety percent of the total amount available for distri-  
5 bution under subsections (8), (9), and (10) for the 1998-1999  
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) Ten percent of the total amount available for distribu-  
13 tion under subsections (8), (9), and (10) for the 1998-1999 state  
14 fiscal year multiplied by the percentage share of the distribu-  
15 tion amounts calculated under subsections (8), (9), and (10).

16 (b) For the 1999-2000 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) Eighty percent of the total amount available for distri-  
20 bution under subsections (8), (9), and (10) for the 1999-2000  
21 state fiscal year multiplied by the city's, village's, or  
22 township's percentage share of the distributions under this sec-  
23 tion 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.

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1           (ii) Twenty percent of the total amount available for  
2 distribution under subsections (8), (9), and (10) for the  
3 1999-2000 state fiscal year multiplied by the city's, village's,  
4 or township's percentage share of the distribution amounts calcu-  
5 lated under subsections (8), (9), and (10).

6           (c) For the 2000-2001 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) Seventy percent of the total amount available for dis-  
10 tribution under subsections (8), (9), and (10) for the 2000-2001  
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) Thirty percent of the total amount available for dis-  
18 tribution under subsections (8), (9), and (10) for the 2000-2001  
19 state fiscal year multiplied by the percentage share of the dis-  
20 tribution amounts calculated under subsections (8), (9), and  
21 (10).

22           (d) For the 2001-2002 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) Sixty percent of the total amount available for distri-  
26 bution under subsections (8), (9), and (10) for the 2001-2002  
27 state fiscal year multiplied by the city's, village's, or

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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) Forty percent of the total amount available for distri-  
7 bution under subsections (8), (9), and (10) for the 2001-2002  
8 state fiscal year multiplied by the percentage share of the dis-  
9 tribution amounts calculated under subsections (8), (9), and  
10 (10).

11 (e) For the 2002-2003 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) Fifty percent of the total amount available for distri-  
15 bution under subsections (8), (9), and (10) for the 2002-2003  
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) Fifty percent of the total amount available for distri-  
23 bution under subsections (8), (9), and (10) for the 2002-2003  
24 state fiscal year multiplied by the percentage share of the dis-  
25 tribution amounts calculated under subsections (8), (9), and  
26 (10).



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1 (f) For the 2003-2004 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) Forty percent of the total amount available for distri-  
5 bution under subsections (8), (9), and (10) for the 2003-2004  
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) Sixty percent of the total amount available for distri-  
13 bution under subsections (8), (9), and (10) for the 2003-2004  
14 state fiscal year multiplied by the percentage share of the dis-  
15 tribution amounts calculated under subsections (8), (9), and  
16 (10).

17 (g) For the 2004-2005 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) Thirty percent of the total amount available for distri-  
21 bution under subsections (8), (9), and (10) for the 2004-2005  
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.

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1           (ii) Seventy percent of the total amount available for  
2 distribution under subsections (8), (9), and (10) for the  
3 2004-2005 state fiscal year multiplied by the percentage share of  
4 the distribution amounts calculated under subsections (8), (9),  
5 and (10).

6           (h) For the 2005-2006 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) Twenty percent of the total amount available for distri-  
10 bution under subsections (8), (9), and (10) for the 2005-2006  
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) Eighty percent of the total amount available for dis-  
18 tribution under subsections (8), (9), and (10) for the 2005-2006  
19 state fiscal year multiplied by the percentage share of the dis-  
20 tribution amounts calculated under subsections (8), (9), and  
21 (10).

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

25           (i) Ten percent of the total amount available for distribu-  
26 tion under subsections (8), (9), and (10) for the 2006-2007 state  
27 fiscal year multiplied by the city's, village's, or township's

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

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

10 (12) Except as otherwise provided in this subsection, the  
11 total payment to any city, village, or township under this act  
12 and section 10 of article IX of the state constitution of 1963  
13 shall not increase by more than 8% over the amount of the payment  
14 under this act and section 10 of article IX of the state consti-  
15 tution of 1963 in the immediately preceding state fiscal year.  
16 From the amount not distributed because of the limitation imposed  
17 by this subsection, the department shall distribute an amount to  
18 certain cities, villages, and townships such that the percentage  
19 increase in the total payment under this act and section 10 of  
20 article IX of the state constitution of 1963 from the immediately  
21 preceding state fiscal year to each of those cities, villages,  
22 and townships is equal to, but does not exceed, the percentage  
23 increase from the immediately preceding state fiscal year of any  
24 city, village, or township that does not receive a distribution  
25 under this subsection. This subsection does not apply for state  
26 fiscal years after the 2000 federal decennial census becomes  
27 official to a city, village, or township with a 10% or more

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1 increase in population from the official 1990 federal decennial  
2 census to the official 2000 federal decennial census.

3 (13) The percentage allocations to distributions under sub-  
4 sections (8) to (10) pursuant to subsection (11) shall be calcu-  
5 lated as if, in any state fiscal year, the amount appropriated  
6 under this section for distribution to cities, villages, and  
7 townships is 74.94% of 21.3% of the sales tax at a rate of 4%.  
8 If the amount appropriated under this section to cities, vil-  
9 lages, and townships is less than 74.94% of 21.3% of the sales  
10 tax at a rate of 4%, any reduction made necessary by this appro-  
11 priation in distributions to cities, villages, and townships  
12 shall first be applied to the distribution under subsections (8)  
13 to (10) and any remaining amount shall be applied to the other  
14 distributions under this section.

15 (14) A township that provides for or makes available fire,  
16 police on a 24-hour basis either through contracting for or  
17 directly employing personnel, water to 50% or more of its resi-  
18 dents, and sewer services to 50% or more of its residents and has  
19 a population of 10,000 or more or a township that has a popula-  
20 tion of 20,000 or more shall use the unit type population weight  
21 factor under subsection (9)(a) for a city with the same popula-  
22 tion as the township.

23 (15) For a state fiscal year in which the sales tax collec-  
24 tions decrease from the sales tax collections for the immediately  
25 preceding state fiscal year, the department shall reduce the  
26 amount to be distributed to a city with a population of 750,000  
27 or more under subsection (6) by an amount determined by

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1 subtracting the amount the city is eligible for under section 10  
2 of article IX of the state constitution of 1963 for the state  
3 fiscal year from \$333,900,000.00 and multiplying that result by  
4 the same percentage as the percentage decrease in sales tax col-  
5 lections for that state fiscal year as compared to sales tax col-  
6 lections for the immediately preceding state fiscal year. THIS  
7 SUBSECTION DOES NOT APPLY TO THE 2002-2003 STATE FISCAL YEAR.

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

20 (17) The payments under subsections (3), (4), and (5) shall  
21 be made during each October, December, February, April, June, and  
22 August. Payments under subsections (3), (4), and (5) shall be  
23 based on collections from the sales tax at the rate of 4% in the  
24 2-month period ending the prior August 31, October 31, December  
25 31, February 28, April 30, and June 30, and for the 1996-1997 and  
26 1997-1998 state fiscal years only, the payments shall be reduced

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1 by 1/6 of the total distribution for the state fiscal year under  
2 section 12a.

3 (18) Payments under this section shall be made from revenues  
4 collected during the state fiscal year in which the payments are  
5 made.

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