

# HOUSE BILL No. 4492

March 20, 2001, Introduced by Reps. Shackleton, Allen, Gosselin, Sheltroun and Julian 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.~~

6 (4) FOR STATE FISCAL YEARS AFTER THE 2000-2001 STATE FISCAL  
7 YEAR, THE DEPARTMENT OF TREASURY SHALL CAUSE TO BE PAID TO COUN-  
8 TIES AN AMOUNT EQUAL TO 25.06% OF 21.3% OF THE SALES TAX COLLEC-  
9 TIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30 OF  
10 THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE MADE WHICH SHALL  
11 BE BASED ON THE SUM OF THE AMOUNTS DETERMINED UNDER  
12 SUBDIVISIONS (B) AND (C) AS FOLLOWS:

13 (A) DETERMINE THE TOTAL INVENTORY AMOUNT WHICH IS THE SUM OF  
14 ALL PAYMENTS UNDER SECTION 12A FOR ALL COUNTIES FOR THE 1997-1998  
15 STATE FISCAL YEAR.

16 (B) DETERMINE THE COUNTY INVENTORY PAYMENT FOR EACH COUNTY  
17 FOR THE FOLLOWING YEARS AS FOLLOWS:

18 (i) FOR THE 2001-2002 STATE FISCAL YEAR, 83.3% OF THE TOTAL  
19 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
20 83.3% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE  
21 FISCAL YEAR AND 16.7% OF THE TOTAL INVENTORY AMOUNT SHALL BE DIS-  
22 TRIBUTED TO THE COUNTIES ON A PER CAPITA BASIS.

23 (ii) FOR THE 2002-2003 STATE FISCAL YEAR, 66.7% OF THE TOTAL  
24 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
25 66.7% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE  
26 FISCAL YEAR AND 33.3% OF THE TOTAL INVENTORY AMOUNT SHALL BE  
27 DISTRIBUTED TO COUNTIES ON A PER CAPITA BASIS.

1           (iii) FOR THE 2003-2004 STATE FISCAL YEAR, 50% OF THE TOTAL  
2 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
3 50% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE  
4 FISCAL YEAR AND 50% OF THE TOTAL INVENTORY AMOUNT SHALL BE DIS-  
5 TRIBUTED TO COUNTIES ON A PER CAPITA BASIS.

6           (iv) FOR THE 2004-2005 STATE FISCAL YEAR, 33.3% OF THE TOTAL  
7 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
8 33.3% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE  
9 FISCAL YEAR AND 66.7% OF THE TOTAL INVENTORY AMOUNT SHALL BE DIS-  
10 TRIBUTED TO COUNTIES ON A PER CAPITA BASIS.

11           (v) FOR THE 2005-2006 STATE FISCAL YEAR, 16.7% OF THE TOTAL  
12 INVENTORY AMOUNT SHALL BE DISTRIBUTED SO THAT EACH COUNTY GETS  
13 16.7% OF THE AMOUNT THAT COUNTY RECEIVED IN THE 1997-1998 STATE  
14 FISCAL YEAR AND 83.3% OF THE TOTAL INVENTORY AMOUNT SHALL BE DIS-  
15 TRIBUTED TO COUNTIES ON A PER CAPITA BASIS.

16           (vi) FOR THE 2006-2007 STATE FISCAL YEAR AND EACH STATE  
17 FISCAL YEAR AFTER THE 2006-2007 STATE FISCAL YEAR, 100% OF THE  
18 TOTAL INVENTORY AMOUNT SHALL BE DISTRIBUTED TO COUNTIES ON A PER  
19 CAPITA BASIS.

20           (c) DETERMINE THE COUNTY PER CAPITA PAYMENT BY SUBTRACTING  
21 THE TOTAL INVENTORY AMOUNT FROM 25.06% OF 21.3% OF THE SALES TAX  
22 COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30  
23 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE MADE. THE  
24 AMOUNT DETERMINED UNDER THIS SUBDIVISION SHALL BE DISTRIBUTED ON  
25 A PER CAPITA BASIS.

26           (5) The payments under ~~subsection (3)~~ SUBSECTIONS (3) AND  
27 (4) shall be made from revenues collected during the state fiscal

1 year in which the payments are made and shall be made during each  
2 October, December, February, April, June, and August. Payments  
3 shall be based on collections from the sales tax at a rate of 4%  
4 in the 2-month period ending the prior August 31, October 31,  
5 December 31, February 28, April 30, and June 30, and for the  
6 1996-1997 and 1997-1998 state fiscal years only the payments  
7 shall be reduced by 1/6 of the total distribution for the state  
8 fiscal year under section 12a. For state fiscal years after the  
9 1995-1996 state fiscal year, the collections from the sales tax  
10 otherwise available for distribution to counties under  
11 ~~subsection (3)~~ SUBSECTIONS (3) AND (4) in December shall be  
12 increased by \$17,000,000.00 and the collections from the sales  
13 tax otherwise available for distribution to counties under  
14 ~~subsection (3)~~ SUBSECTIONS (3) AND (4) in April shall be  
15 decreased by \$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 collec-  
19 tions from the state income tax and single business tax. Except  
20 as otherwise provided in subsection (2), the department of trea-  
21 sury shall cause to be paid to each city, village, and township  
22 its share, computed in accordance with the tax effort formula, of  
23 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, MCL  
2 206.1 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 PA  
6 228.

7 (2) The amount of collections of the state income tax other-  
8 wise available for distribution to cities, villages, and town-  
9 ships in November, February, and May, computed in accordance with  
10 the tax effort formula, shall be increased by \$22,600,000.00.

11 The amount of collections otherwise available for distribution to  
12 cities, villages, and townships in August, computed in accordance  
13 with the tax effort formula, shall be decreased by  
14 \$67,800,000.00.

15 (3) This subsection applies to distributions to cities, vil-  
16 lages, 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 col-  
4 lections 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 reve-  
16 nues 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~~ 2000-2001 state fiscal years, ~~and for the period of~~  
20 ~~October 1, 2006 through June 30, 2007,~~ the department of trea-  
21 sury shall cause distributions determined under subsections (6)  
22 to (13) to be paid to each city, village, and township from an  
23 amount equal to 74.94% of 21.3% of the sales tax collections at a  
24 rate of 4% in the 12-month period ending June 30 of the state  
25 fiscal year in which the payments are made. ~~After June 30,~~  
26 ~~2007, 74.94% of 21.3% of sales tax collections at a rate of 4%~~

1 ~~shall be distributed to cities, villages, and townships as~~  
2 ~~provided by law.~~

3 (6) Subject to section 13d, for the 1998-1999 through  
4 ~~2005-2006~~ 2000-2001 state fiscal years ~~and for the period of~~  
5 ~~October 1, 2006 through June 30, 2007~~ and except as provided in  
6 subsection (15), the department of treasury shall cause to be  
7 paid \$333,900,000.00 to a city with a population of 750,000 or  
8 more as the total combined distribution under this act and sec-  
9 tion 10 of article IX of the state constitution of 1963 as annua-  
10 lized for any period of less than 12 months to that city.

11 (7) Distributions under subsections (8) to (13) to cities,  
12 villages, and townships with populations of less than 750,000  
13 shall be made from the amount available for distribution under  
14 this section that remains after the distribution under subsection  
15 (6) is made.

16 (8) Subject to section 13d, for the 1998-1999 through  
17 ~~2005-2006~~ 2000-2001 state fiscal years, ~~and for the period of~~  
18 ~~October 1, 2006 through June 30, 2007,~~ for cities, villages, and  
19 townships with populations of less than 750,000, subject to the  
20 limitations under this section, a taxable value payment shall be  
21 made to each city, village, and township determined as follows:

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

26 (b) Determine the statewide per capita taxable value by  
27 dividing the total taxable value of all cities, villages, and



1 townships by the total population of all cities, villages, and  
2 townships.

3 (c) Determine the per capita taxable value ratio for each  
4 city, village, and township by dividing the statewide per capita  
5 taxable value by the per capita taxable value for that city, vil-  
6 lage, or township.

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

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

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

21 (g) Determine the taxable value payment for each city, vil-  
22 lage, and township by multiplying the result under  
23 subdivision (f) by the adjusted taxable value population for that  
24 city, village, or township.

25 (9) Subject to section 13d, for the 1998-1999 through  
26 ~~2005-2006~~ 2000-2001 state fiscal years, ~~and for the period of~~  
27 ~~October 1, 2006 through June 30, 2007,~~ subject to the

1 limitations under this section and except as provided in  
2 subsection (14), a unit type population payment shall be made to  
3 each city, village, and township with a population of less than  
4 750,000 determined as follows:

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

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

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

11 (iii) For a township with a population of more than 10,000  
12 but less than 20,001, the unit type population weight factor is  
13 1.44.

14 (iv) For a township with a population of more than 20,000  
15 but less than 40,001, the unit type population weight factor is  
16 1.73.

17 (v) For a township with a population of more than 40,000 but  
18 less than 80,001, the unit type population weight factor is  
19 2.07.

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

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

24 (viii) For a village with a population of more than 5,000  
25 but less than 10,001, the unit type population weight factor is  
26 1.8.

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

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

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

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

9 (xiii) For a city with a population of more than 20,000 but  
10 less than 40,001, the unit type population weight factor is  
11 4.32.

12 (xiv) For a city with a population of more than 40,000 but  
13 less than 80,001, the unit type population weight factor is  
14 5.18.

15 (xv) For a city with a population of more than 80,000 but  
16 less than 160,001, the unit type population weight factor is  
17 6.22.

18 (xvi) For a city with a population of more than 160,000 but  
19 less than 320,001, the unit type population weight factor is  
20 7.46.

21 (xvii) For a city with a population of more than 320,000 but  
22 less than 640,001, the unit type population weight factor is  
23 8.96.

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

26 (b) Determine the adjusted unit type population for each  
27 city, village, and township by multiplying the unit type

1 population weight factor for that city, village, or township as  
2 determined under subdivision (a) by the population of the city,  
3 village, or township.

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

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

13 (e) Determine the unit type population payment for each  
14 city, village, and township by multiplying the result under sub-  
15 division (d) by the adjusted unit type population for that city,  
16 village, or township.

17 (10) Subject to section 13d, for the 1998-1999 through  
18 ~~2005-2006~~ 2000-2001 state fiscal years, ~~and for the period of~~  
19 ~~October 1, 2006 through June 30, 2007,~~ subject to the limita-  
20 tions under this section, a yield equalization payment shall be  
21 made to each city, village, and township with a population of  
22 less than 750,000 sufficient to provide the guaranteed tax base  
23 for a local tax effort not to exceed 0.02. The payment shall be  
24 determined as follows:

25 (a) The guaranteed tax base is the maximum combined state  
26 and local per capita taxable value that can be guaranteed in a  
27 state fiscal year to each city, village, and township for a local

1 tax effort not to exceed 0.02 if an amount equal to 74.94% of  
2 21.3% of the state sales tax at a rate of 4% is distributed to  
3 cities, villages, and townships whose per capita taxable value is  
4 below the guaranteed tax base.

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

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

12 (ii) The local tax effort of the city, village, or township,  
13 not to exceed 0.02, multiplied by the population of that city,  
14 village, or township.

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

17 (11) For THE 1998-1999 THROUGH 2000-2001 state fiscal years,  
18 ~~after the 1997-1998 state fiscal year,~~ distributions under this  
19 section for cities, villages, and townships with populations of  
20 less than 750,000 shall be determined as follows:

21 (a) For the 1998-1999 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) Ninety percent of the total amount available for distri-  
25 bution under subsections (8), (9), and (10) for the 1998-1999  
26 state fiscal year multiplied by the city's, village's, or  
27 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) Ten percent of the total amount available for distribu-  
6 tion under subsections (8), (9), and (10) for the 1998-1999 state  
7 fiscal year multiplied by the percentage share of the distribu-  
8 tion amounts calculated under subsections (8), (9), and (10).

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

12 (i) Eighty percent of the total amount available for distri-  
13 bution 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 distributions under this sec-  
16 tion 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) Twenty percent of the total amount available for dis-  
21 tribution under subsections (8), (9), and (10) for the 1999-2000  
22 state fiscal year multiplied by the city's, village's, or  
23 township's percentage share of the distribution amounts calcu-  
24 lated under subsections (8), (9), and (10).

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

1           (i) Seventy 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 city's, village's,  
4 or township's percentage share of the distributions under this  
5 section and section 12a minus the amount of a distribution under  
6 this section and section 12a to a city that is eligible to  
7 receive a distribution under subsection (6) in the 1997-1998  
8 state fiscal year.

9           (ii) Thirty 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 percentage share of the dis-  
12 tribution amounts calculated under subsections (8), (9), and  
13 (10).

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

17       ~~(i) Sixty 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 city's, village's, or~~  
20 ~~township's percentage share of the distributions under this sec-~~  
21 ~~tion and section 12a minus the amount of a distribution under~~  
22 ~~this section and section 12a to a city that is eligible to~~  
23 ~~receive a distribution under subsection (6) in the 1997-1998~~  
24 ~~state fiscal year.~~

25       ~~(ii) Forty 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 percentage share of the~~

1 ~~distribution amounts calculated under subsections (8), (9), and~~  
2 ~~(10).~~

3 ~~(e) For the 2002-2003 state fiscal year, the payment under~~  
4 ~~this section for each city, village, and township shall be the~~  
5 ~~sum of the following:~~

6 ~~(i) 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 city's, village's, or~~  
9 ~~township's percentage share of the distributions under this sec-~~  
10 ~~tion and section 12a minus the amount of a distribution under~~  
11 ~~this section and section 12a to a city that is eligible to~~  
12 ~~receive a distribution under subsection (6) in the 1997-1998~~  
13 ~~state fiscal year.~~

14 ~~(ii) 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 percentage share of the dis-~~  
17 ~~tribution amounts calculated under subsections (8), (9), and~~  
18 ~~(10).~~

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

22 ~~(i) Forty 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 city's, village's, or~~  
25 ~~township's percentage share of the distributions under this sec-~~  
26 ~~tion and section 12a minus the amount of a distribution under~~  
27 ~~this section and section 12a to a city that is eligible to~~



1 ~~receive a distribution under subsection (6) in the 1997-1998~~  
2 ~~state fiscal year.~~

3 ~~(ii) Sixty percent of the total amount available for distri-~~  
4 ~~bution under subsections (8), (9), and (10) for the 2003-2004~~  
5 ~~state fiscal year multiplied by the percentage share of the dis-~~  
6 ~~tribution amounts calculated under subsections (8), (9), and~~  
7 ~~(10).~~

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

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

19 ~~(ii) Seventy percent of the total amount available for dis-~~  
20 ~~tribution under subsections (8), (9), and (10) for the 2004-2005~~  
21 ~~state fiscal year multiplied by the percentage share of the dis-~~  
22 ~~tribution amounts calculated under subsections (8), (9), and~~  
23 ~~(10).~~

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

1 ~~(i) Twenty percent of the total amount available for~~  
2 ~~distribution under subsections (8), (9), and (10) for the~~  
3 ~~2005-2006 state fiscal year multiplied by the city's, village's,~~  
4 ~~or township's percentage share of the distributions under this~~  
5 ~~section and section 12a minus the amount of a distribution under~~  
6 ~~this section and section 12a to a city that is eligible to~~  
7 ~~receive a distribution under subsection (6) in the 1997-1998~~  
8 ~~state fiscal year.~~

9 ~~(ii) Eighty percent of the total amount available for dis-~~  
10 ~~tribution under subsections (8), (9), and (10) for the 2005-2006~~  
11 ~~state fiscal year multiplied by the percentage share of the dis-~~  
12 ~~tribution amounts calculated under subsections (8), (9), and~~  
13 ~~(10).~~

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

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

24 ~~(ii) Ninety percent of the total amount available for dis-~~  
25 ~~tribution under subsections (8), (9), and (10) for the 2006-2007~~  
26 ~~state fiscal year multiplied by the percentage share of the~~

1 ~~distribution amounts calculated under subsections (8), (9), and~~  
2 ~~(10).~~

3       (12) Except as otherwise provided in this subsection FOR  
4 STATE FISCAL YEARS BEFORE THE 2001-2002 STATE FISCAL YEAR, the  
5 total payment to any city, village, or township under this act  
6 and section 10 of article IX of the state constitution of 1963  
7 shall not increase by more than 8% over the amount of the payment  
8 under this act and section 10 of article IX of the state consti-  
9 tution of 1963 in the immediately preceding state fiscal year.  
10 From the amount not distributed because of the limitation imposed  
11 by this subsection, the department shall distribute an amount to  
12 certain cities, villages, and townships such that the percentage  
13 increase in the total payment under this act and section 10 of  
14 article IX of the state constitution of 1963 from the immediately  
15 preceding state fiscal year to each of those cities, villages,  
16 and townships is equal to, but does not exceed, the percentage  
17 increase from the immediately preceding state fiscal year of any  
18 city, village, or township that does not receive a distribution  
19 under this subsection. ~~This subsection does not apply for state~~  
20 ~~fiscal years after the 2000 federal decennial census becomes~~  
21 ~~official to a city, village, or township with a 10% or more~~  
22 ~~increase in population from the official 1990 federal decennial~~  
23 ~~census to the official 2000 federal decennial census.~~

24       (13) The percentage allocations to distributions under sub-  
25 sections (8) to (10) pursuant to subsection (11) shall be calcu-  
26 lated as if, in any state fiscal year, the amount appropriated  
27 under this section for distribution to cities, villages, and

1 townships is 74.94% of 21.3% of the sales tax at a rate of 4%.  
2 If the amount appropriated under this section to cities, vil-  
3 lages, and townships is less than 74.94% of 21.3% of the sales  
4 tax at a rate of 4%, any reduction made necessary by this appro-  
5 priation in distributions to cities, villages, and townships  
6 shall first be applied to the distribution under subsections (8)  
7 to (10) and any remaining amount shall be applied to the other  
8 distributions under this section.

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

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

1 compared to sales tax collections for the immediately preceding  
2 state fiscal year.

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

15       (17) FOR STATE FISCAL YEARS AFTER THE 2000-2001 STATE FISCAL  
16 YEAR, THE DEPARTMENT OF TREASURY SHALL CAUSE DISTRIBUTIONS DETER-  
17 MINED UNDER SUBSECTIONS (18) AND (19) TO BE PAID TO EACH CITY,  
18 VILLAGE, AND TOWNSHIP FROM AN AMOUNT EQUAL TO 74.94% OF 21.3% OF  
19 THE SALES TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD  
20 ENDING JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS ARE  
21 MADE, REDUCED BY \$18,000,000.00, WHICH \$18,000,000.00 SHALL BE  
22 DISTRIBUTED TO CITIES, VILLAGES, AND TOWNSHIPS BY APPROPRIATION  
23 TO BE USED FOR DISTRESSED COMMUNITIES. DISTRIBUTIONS UNDER THIS  
24 SUBSECTION ARE SUBJECT TO SUBSECTION (23).

25       (18) THE DISTRIBUTION UNDER SUBSECTION (17) IS CALCULATED AS  
26 FOLLOWS AND AS PROVIDED UNDER SUBSECTION (19):

1 (A) DETERMINE THE PER CAPITA TAXABLE VALUE FOR EACH CITY,  
2 VILLAGE, AND TOWNSHIP BY DIVIDING THE TAXABLE VALUE OF EACH CITY,  
3 VILLAGE, AND 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 STATEWIDE PER CAPITA TAXABLE VALUE STAN-  
10 DARD DEVIATION WHICH IS THE STANDARD DEVIATION OF PER CAPITA TAX-  
11 ABLE VALUE OF CITIES, VILLAGES, AND TOWNSHIPS WITH A PER CAPITA  
12 TAXABLE VALUE THAT IS GREATER THAN ZERO AND LESS THAN  
13 \$50,000.00.

14 (D) DETERMINE PER CAPITA TAXABLE VALUE VARIANCE FOR EACH  
15 CITY, VILLAGE, AND TOWNSHIP BY DIVIDING THE DIFFERENCE BETWEEN  
16 PER CAPITA TAXABLE VALUE FOR EACH CITY, VILLAGE, AND TOWNSHIP AND  
17 THE STATEWIDE PER CAPITA TAXABLE VALUE BY THE STATEWIDE PER  
18 CAPITA TAXABLE VALUE STANDARD DEVIATION.

19 (E) DETERMINE THE TAXABLE VALUE POPULATION WEIGHT FACTOR FOR  
20 EACH CITY, VILLAGE, AND TOWNSHIP USING THE PER CAPITA TAXABLE  
21 VALUE VARIANCE DETERMINED UNDER SUBDIVISION (D) AS FOLLOWS:

22 (i) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF GREATER THAN  
23 2.5, THE TAXABLE VALUE POPULATION WEIGHT FACTOR EQUALS 0.10.

24 (ii) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
25 EQUAL TO 2.5 AND GREATER THAN 1.5, THE TAXABLE VALUE POPULATION  
26 WEIGHT FACTOR EQUALS 0.35.

1           (iii) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN  
2 OR EQUAL TO 1.5 AND GREATER THAN 0.5, THE TAXABLE VALUE  
3 POPULATION WEIGHT FACTOR EQUALS 0.65.

4           (iv) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
5 EQUAL TO 0.5 AND GREATER THAN 0.2, THE TAXABLE VALUE POPULATION  
6 WEIGHT FACTOR EQUALS 0.85.

7           (v) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
8 EQUAL TO 0.2 AND GREATER THAN -0.2, THE TAXABLE VALUE POPULATION  
9 WEIGHT FACTOR EQUALS 1.00.

10          (vi) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
11 EQUAL TO -0.2 AND GREATER THAN -0.5, THE TAXABLE VALUE POPULATION  
12 WEIGHT FACTOR EQUALS 1.15.

13          (vii) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN  
14 OR EQUAL TO -0.5 AND GREATER THAN -1.5, THE TAXABLE VALUE POPULA-  
15 TION WEIGHT FACTOR EQUALS 1.40.

16          (viii) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN  
17 OR EQUAL TO -1.5 AND GREATER THAN -2.5, THE TAXABLE VALUE POPULA-  
18 TION WEIGHT FACTOR EQUALS 1.65.

19          (ix) FOR A PER CAPITA TAXABLE VALUE VARIANCE OF LESS THAN OR  
20 EQUAL TO -2.5, THE TAXABLE VALUE POPULATION WEIGHT FACTOR EQUALS  
21 1.90.

22          (F) DETERMINE THE ADJUSTED TAXABLE VALUE POPULATION FOR EACH  
23 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE TAXABLE VALUE POP-  
24 ULATION WEIGHT FACTOR AS DETERMINED UNDER SUBDIVISION (E) FOR  
25 EACH CITY, VILLAGE, AND TOWNSHIP BY THE POPULATION OF THE CITY,  
26 VILLAGE, OR TOWNSHIP.

1 (G) 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 (H) DETERMINE THE PER CAPITA PAYMENT AMOUNT BY SUBTRACTING  
5 \$18,000,000.00 FROM 74.94% OF 21.3% OF THE SALES TAX COLLECTIONS  
6 AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING JUNE 30 OF THE  
7 STATE FISCAL YEAR IN WHICH THE PAYMENTS UNDER THIS SUBSECTION ARE  
8 MADE AND MULTIPLY THAT RESULT BY 45%, AND DIVIDING THAT RESULT BY  
9 THE TOTAL STATEWIDE ADJUSTED TAXABLE VALUE POPULATION AS DETER-  
10 MINED UNDER SUBDIVISION (G).

11 (I) DETERMINE THE TAXABLE VALUE VARIANCE BY MULTIPLYING THE  
12 RESULT UNDER SUBDIVISION (H) BY THE ADJUSTED TAXABLE VALUE POPU-  
13 LATION FOR EACH CITY, VILLAGE, AND TOWNSHIP.

14 (J) DETERMINE THE UNIT TYPE POPULATION WEIGHT FACTOR FOR  
15 EACH CITY, VILLAGE, AND TOWNSHIP AS FOLLOWS:

16 (i) FOR A TOWNSHIP WITH A POPULATION OF LESS THAN 10,000,  
17 THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.0.

18 (ii) FOR A TOWNSHIP WITH A POPULATION OF 10,000 OR MORE BUT  
19 LESS THAN 25,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.2.

20 (iii) FOR A TOWNSHIP WITH A POPULATION OF 25,000 OR MORE BUT  
21 LESS THAN 50,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 1.8.

22 (iv) FOR A TOWNSHIP WITH A POPULATION OF 50,000 OR MORE, THE  
23 UNIT TYPE POPULATION WEIGHT FACTOR IS 2.4.

24 (v) FOR A VILLAGE WITH A POPULATION OF LESS THAN 1,000, THE  
25 UNIT TYPE POPULATION WEIGHT FACTOR IS 1.5.

26 (vi) FOR A VILLAGE WITH A POPULATION OF 1,000 OR MORE, THE  
27 UNIT TYPE POPULATION WEIGHT FACTOR IS 2.0.



1           (vii) FOR A CITY WITH A POPULATION OF LESS THAN 5,000, THE  
2 UNIT TYPE POPULATION WEIGHT FACTOR IS 2.5.

3           (viii) FOR A CITY WITH A POPULATION OF 5,000 OR MORE BUT  
4 LESS THAN 10,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 2.8.

5           (ix) FOR A CITY WITH A POPULATION OF 10,000 OR MORE BUT LESS  
6 THAN 30,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.0.

7           (x) FOR A CITY WITH A POPULATION OF 30,000 OR MORE BUT LESS  
8 THAN 50,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.2.

9           (xi) FOR A CITY WITH A POPULATION OF 50,000 OR MORE BUT LESS  
10 THAN 60,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS 3.3.

11           (xii) FOR A CITY WITH A POPULATION OF 60,000 OR MORE BUT  
12 LESS THAN 100,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
13 3.5.

14           (xiii) FOR A CITY WITH A POPULATION OF 100,000 OR MORE BUT  
15 LESS THAN 140,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
16 4.0.

17           (xiv) FOR A CITY WITH A POPULATION OF 140,000 OR MORE BUT  
18 LESS THAN 180,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
19 4.1.

20           (xv) FOR A CITY WITH A POPULATION OF 180,000 OR MORE BUT  
21 LESS THAN 1,000,000, THE UNIT TYPE POPULATION WEIGHT FACTOR IS  
22 4.2.

23           (xvi) FOR A CITY WITH A POPULATION OF 1,000,000 OR MORE, THE  
24 UNIT TYPE POPULATION WEIGHT FACTOR IS 4.5.

25           (K) DETERMINE THE ADJUSTED UNIT TYPE POPULATION FOR EACH  
26 CITY, VILLAGE, AND TOWNSHIP BY MULTIPLYING THE UNIT TYPE  
27 POPULATION WEIGHT FACTOR FOR EACH CITY, VILLAGE, AND TOWNSHIP AS

1 DETERMINED UNDER SUBDIVISION (J) BY THE POPULATION OF THE CITY,  
2 VILLAGE, OR TOWNSHIP.

3 (I) DETERMINE THE TOTAL STATEWIDE ADJUSTED UNIT TYPE POPULA-  
4 TION WHICH IS THE SUM OF THE ADJUSTED UNIT TYPE POPULATION FOR  
5 ALL CITIES, VILLAGES, AND TOWNSHIPS.

6 (M) DETERMINE THE PER CAPITA PAYMENT AMOUNT BY SUBTRACTING  
7 \$18,000,000.00 FROM AN AMOUNT EQUAL TO 74.94% OF 21.3% OF THE  
8 SALES TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD  
9 ENDING JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS  
10 UNDER THIS SUBSECTION ARE MADE, MULTIPLYING THAT AMOUNT BY 45%,  
11 AND THEN DIVIDING THAT RESULT BY THE TOTAL STATEWIDE ADJUSTED  
12 UNIT TYPE POPULATION AS DETERMINED UNDER SUBDIVISION (I).

13 (N) DETERMINE THE UNIT TYPE POPULATION PAYMENT BY MULTIPLY-  
14 ING THE RESULT UNDER SUBDIVISION (M) BY THE ADJUSTED UNIT TYPE  
15 POPULATION FOR EACH CITY, VILLAGE, AND TOWNSHIP.

16 (19) THE DISTRIBUTION UNDER SUBSECTION (17) SHALL BE CALCU-  
17 LATED AS FOLLOWS AND AS PROVIDED UNDER SUBSECTION (18):

18 (A) DETERMINE THE TAXABLE VALUE PER CAPITA GUARANTEE AMOUNT  
19 WHICH IS THE AMOUNT NEEDED TO ASSURE THAT THE TOTAL OF ALL YIELD  
20 EQUALIZATION PAYMENTS ARE EQUAL TO 74.94% OF 21.3% OF THE SALES  
21 TAX COLLECTIONS AT A RATE OF 4% IN THE 12-MONTH PERIOD ENDING  
22 JUNE 30 OF THE STATE FISCAL YEAR IN WHICH THE PAYMENTS UNDER THIS  
23 SUBSECTION ARE MADE MINUS \$18,000,000.00.

24 (B) DETERMINE THE EQUALIZATION BASE FOR EACH CITY, VILLAGE,  
25 OR TOWNSHIP, WHICH IS EITHER OF THE FOLLOWING:

26 (i) IF THE PER CAPITA TAXABLE VALUE AS DETERMINED UNDER  
27 SUBSECTION (18)(A) FOR THE CITY, VILLAGE, OR TOWNSHIP IS LESS

1 THAN THE TAXABLE VALUE PER CAPITA GUARANTEE AMOUNT, THE  
2 EQUALIZATION BASE FOR THE CITY, VILLAGE, OR TOWNSHIP IS THE TAX-  
3 ABLE VALUE PER CAPITA GUARANTEE AMOUNT MINUS PER CAPITA TAXABLE  
4 VALUE FOR THAT CITY, VILLAGE, OR TOWNSHIP.

5 (ii) IF THE PER CAPITA TAXABLE VALUE AS DETERMINED UNDER  
6 SUBSECTION (18)(A) FOR THE CITY, VILLAGE, OR TOWNSHIP IS GREATER  
7 THAN OR EQUAL TO THE TAXABLE VALUE PER CAPITA GUARANTEE AMOUNT,  
8 THE EQUALIZATION BASE FOR THE CITY, VILLAGE, OR TOWNSHIP IS  
9 ZERO.

10 (C) DETERMINE THE PER CAPITA YIELD FOR EACH CITY, VILLAGE,  
11 AND TOWNSHIP BY MULTIPLYING THE EQUALIZATION BASE FOR THE CITY,  
12 VILLAGE, OR TOWNSHIP BY THE LOCAL TAX EFFORT AS DETERMINED UNDER  
13 THIS ACT FOR EACH CITY, VILLAGE, AND TOWNSHIP.

14 (D) DETERMINE THE YIELD PAYMENT FOR EACH CITY, VILLAGE, AND  
15 TOWNSHIP BY MULTIPLYING THE PER CAPITA YIELD FOR EACH CITY, VIL-  
16 LAGE, AND TOWNSHIP BY THE POPULATION OF THAT CITY, VILLAGE, OR  
17 TOWNSHIP AND THEN MULTIPLYING THAT RESULT BY 10%.

18 (20) THE LOCAL UNIT TAX EFFORT RATE FOR A CITY, VILLAGE, OR  
19 TOWNSHIP UNDER SUBSECTION (19)(C) IS EQUAL TO THE LOCAL TAX  
20 EFFORT OF THE CITY, VILLAGE, OR TOWNSHIP OR 0.02, WHICHEVER IS  
21 LESS.

22 (21) DETERMINE THE GROWTH AMOUNT BY MULTIPLYING THE SUM OF  
23 THE AMOUNTS DETERMINED FOR ALL CITIES, VILLAGES, AND TOWNSHIPS  
24 UNDER SUBSECTION (19)(C) BY 10%.

25 (22) DETERMINE THE EXTENSION PAYMENT BY ADDING 10% OF EACH  
26 CITY'S, VILLAGE'S, AND TOWNSHIP'S PRO RATA SHARE OF THE 1997-1998  
27 PAYMENTS UNDER THIS SECTION TO THE CITY'S, VILLAGE'S, OR

1 TOWNSHIP'S PER CAPITA PORTION OF THE GROWTH AMOUNT DETERMINED  
2 UNDER SUBSECTION (21).

3 (23) THE AMOUNT DISTRIBUTED UNDER SUBSECTION (17) AND CALCU-  
4 LATED UNDER SUBSECTION (19) SHALL BE DETERMINED FOR THE FOLLOWING  
5 YEARS AS FOLLOWS:

6 (A) FOR THE 2001-2002 STATE FISCAL YEAR, 83.3% OF THE PAY-  
7 MENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER  
8 SUBSECTION (22) AND 16.7% OF THE PAYMENT SHALL BE CALCULATED  
9 USING THE FORMULA UNDER SUBSECTION (19).

10 (B) FOR THE 2002-2003 STATE FISCAL YEAR, 66.7% OF THE PAY-  
11 MENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER  
12 SUBSECTION (22) AND 33.3% OF THE PAYMENT SHALL BE CALCULATED  
13 USING THE FORMULA UNDER SUBSECTION (19).

14 (C) FOR THE 2003-2004 STATE FISCAL YEAR, 50.0% OF THE PAY-  
15 MENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER SUBSECTION  
16 (22) AND 50.0% OF THE PAYMENT SHALL BE CALCULATED USING THE FOR-  
17 MULA UNDER SUBSECTION (19).

18 (D) FOR THE 2004-2005 STATE FISCAL YEAR, 33.3% OF THE PAY-  
19 MENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER SUBSECTION  
20 (22) AND 66.7% OF THE PAYMENT SHALL BE CALCULATED USING THE FOR-  
21 MULA UNDER SUBSECTION (19).

22 (E) FOR THE 2005-2006 STATE FISCAL YEAR, 16.7% OF THE PAY-  
23 MENT SHALL BE THE EXTENSION AMOUNT CALCULATED UNDER SUBSECTION  
24 (22) AND 83.3% OF THE PAYMENT SHALL BE CALCULATED USING THE FOR-  
25 MULA UNDER SUBSECTION (19).

26 (F) FOR THE 2006-2007 STATE FISCAL YEAR AND EACH STATE  
27 FISCAL YEAR AFTER THE 2006-2007 STATE FISCAL YEAR, 100% OF THE

1 PAYMENT SHALL BE CALCULATED USING THE FORMULA UNDER SUBSECTION  
2 (19).

3 (24) THE TOTAL PAYMENTS FOR A STATE FISCAL YEAR TO EACH  
4 CITY, VILLAGE, OR TOWNSHIP UNDER SUBSECTION (17) AND SECTION 10  
5 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 SHALL NOT  
6 INCREASE BY MORE THAN 8% OVER THE AMOUNT OF THE PAYMENT UNDER  
7 THIS ACT AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION  
8 OF 1963 FOR THAT CITY, VILLAGE, OR TOWNSHIP IN THE IMMEDIATELY  
9 PRECEDING STATE FISCAL YEAR.

10 (25) FOR THE 2001-2002 STATE FISCAL YEAR, THE AMOUNT AVAIL-  
11 ABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DISTRIBUTED UNDER  
12 SUBSECTION (17) AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTI-  
13 TUTION OF 1963 SHALL BE DISTRIBUTED ON A PER CAPITA BASIS TO  
14 CITIES, VILLAGES, AND TOWNSHIPS THAT HAVE A DECREASE IN THEIR  
15 PAYMENT AMOUNTS OF 12% OR MORE FOR AN INITIAL DISTRIBUTION UNDER  
16 THIS SUBSECTION, OR ANY DECREASE FOR A SUBSEQUENT DISTRIBUTION  
17 UNDER THIS SUBSECTION IN THE SAME STATE FISCAL YEAR FOR THE STATE  
18 FISCAL YEAR UNDER THIS ACT AND UNDER SECTION 10 OF ARTICLE IX OF  
19 THE STATE CONSTITUTION OF 1963 AS COMPARED TO PAYMENTS UNDER THIS  
20 ACT AND UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION  
21 OF 1963 FOR THE IMMEDIATELY PRECEDING TAX YEAR.

22 (26) FOR THE 2002-2003 STATE FISCAL YEAR, THE AMOUNT AVAIL-  
23 ABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DISTRIBUTED UNDER  
24 SUBSECTION (17) AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTI-  
25 TUTION OF 1963 SHALL BE DISTRIBUTED ON A PER CAPITA BASIS TO  
26 CITIES, VILLAGES, AND TOWNSHIPS THAT HAVE A DECREASE IN THEIR  
27 PAYMENT AMOUNTS OF 10% OR MORE FOR AN INITIAL DISTRIBUTION UNDER

1 THIS SUBSECTION, OR ANY DECREASE FOR A SUBSEQUENT DISTRIBUTION  
2 UNDER THIS SUBSECTION IN THE SAME STATE FISCAL YEAR FOR THE STATE  
3 FISCAL YEAR UNDER THIS ACT AND UNDER SECTION 10 OF ARTICLE IX OF  
4 THE STATE CONSTITUTION OF 1963 AS COMPARED TO PAYMENTS UNDER THIS  
5 ACT AND UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION  
6 OF 1963 FOR THE IMMEDIATELY PRECEDING TAX YEAR.

7       (27) FOR THE 2003-2004 STATE FISCAL YEAR, THE AMOUNT AVAIL-  
8 ABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DISTRIBUTED UNDER  
9 SUBSECTION (17) AND SECTION 10 OF ARTICLE IX OF THE STATE CONSTI-  
10 TUTION OF 1963 SHALL BE DISTRIBUTED ON A PER CAPITA BASIS TO  
11 CITIES, VILLAGES, AND TOWNSHIPS THAT HAVE A DECREASE IN THEIR  
12 PAYMENT AMOUNTS OF 8% OR MORE FOR AN INITIAL DISTRIBUTION UNDER  
13 THIS SUBSECTION, OR ANY DECREASE FOR A SUBSEQUENT DISTRIBUTION  
14 UNDER THIS SUBSECTION IN THE SAME STATE FISCAL YEAR FOR THE STATE  
15 FISCAL YEAR UNDER THIS ACT AND UNDER SECTION 10 OF ARTICLE IX OF  
16 THE STATE CONSTITUTION OF 1963 AS COMPARED TO PAYMENTS UNDER THIS  
17 ACT AND UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION  
18 OF 1963 FOR THE IMMEDIATELY PRECEDING TAX YEAR.

19       (28) FOR THE 2004-2005 AND 2005-2006 STATE FISCAL YEARS, THE  
20 AMOUNT AVAILABLE FOR DISTRIBUTION IN EXCESS OF THE AMOUNT DIS-  
21 TRIBUTED UNDER SUBSECTION (17) AND SECTION 10 OF ARTICLE IX OF  
22 THE STATE CONSTITUTION OF 1963 SHALL BE DISTRIBUTED ON A PER  
23 CAPITA BASIS TO CITIES, VILLAGES, AND TOWNSHIPS THAT HAVE A  
24 DECREASE IN THEIR PAYMENT AMOUNTS OF 4% OR MORE FOR AN INITIAL  
25 DISTRIBUTION UNDER THIS SUBSECTION, OR ANY DECREASE FOR A SUBSE-  
26 QUENT DISTRIBUTION UNDER THIS SUBSECTION IN THE SAME STATE FISCAL  
27 YEAR FOR THE STATE FISCAL YEAR UNDER THIS ACT AND UNDER SECTION

1 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 AS COMPARED TO  
2 PAYMENTS UNDER THIS ACT AND UNDER SECTION 10 OF ARTICLE IX OF THE  
3 STATE CONSTITUTION OF 1963 FOR THE IMMEDIATELY PRECEDING TAX  
4 YEAR.

5 (29) FOR STATE FISCAL YEARS AFTER THE 2005-2006 STATE FISCAL  
6 YEAR, THE AMOUNT AVAILABLE FOR DISTRIBUTION IN EXCESS OF THE  
7 AMOUNT DISTRIBUTED UNDER SUBSECTION (17) AND SECTION 10 OF ARTI-  
8 CLE IX OF THE STATE CONSTITUTION OF 1963 SHALL BE DISTRIBUTED ON  
9 A PER CAPITA BASIS TO CITIES, VILLAGES, AND TOWNSHIPS THAT  
10 RECEIVE PAYMENTS IN THE STATE FISCAL YEAR THAT HAVE ANY DECREASE  
11 IN THEIR PAYMENT AMOUNTS FOR THE STATE FISCAL YEAR UNDER THIS ACT  
12 AND UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF  
13 1963 AS COMPARED TO PAYMENTS UNDER THIS ACT AND UNDER SECTION 10  
14 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 FOR THE IMMEDI-  
15 ATELY PRECEDING TAX YEAR.

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

25 (31) ~~(18)~~ Payments under this section shall be made from  
26 revenues collected during the state fiscal year in which the  
27 payments are made.

1           (32) ~~(19)~~ Distributions provided for by this act are  
2 subject to an annual appropriation by the legislature.