

SENATE BILL No. 1104

March 18, 2004, Introduced by Senators JOHNSON and EMERSON 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 section 13 (MCL 141.913), as amended by 2003 PA 168.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

1 that are available for distribution to cities, villages, and
2 townships under the income tax act of 1967, 1967 PA 281,
3 MCL 206.1 to 206.532.

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

8 (2) The amount of collections of the state income tax
9 otherwise available for distribution to cities, villages, and
10 townships in November, February, and May, computed in accordance
11 with the tax effort formula, shall be increased by
12 \$22,600,000.00. The amount of collections otherwise available
13 for distribution to cities, villages, and townships in August,
14 computed in accordance with the tax effort formula, shall be
15 decreased by \$67,800,000.00.

16 (3) This subsection applies to distributions to cities,
17 villages, and townships for the 1996-1997 state fiscal year. The
18 department shall cause to be paid in accordance with the tax
19 effort formula an amount equal to 75.5% of the difference between
20 21.3% of the sales tax collections at a rate of 4% in the
21 12-month period ending June 30 of the state fiscal year in which
22 the payments are made and the total distribution for the state
23 fiscal year under section 12a.

24 (4) The department of treasury shall cause to be paid during
25 the 1997-1998 state fiscal year an amount equal to 75.5% of the
26 difference between 21.3% of the sales tax collections at a rate
27 of 4% in the 12-month period ending June 30 of the state fiscal

1 year in which the payments are made and the total distribution
2 for the state fiscal year under section 12a, both of the
3 following:

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

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

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

1 2004-2005 state fiscal year, this amount shall be reduced by the
2 amount paid during that state fiscal year for the state's
3 payments in lieu of taxes on property held by the state under
4 subpart 14 of part 21 of the natural resources and environmental
5 protection act, 1994 PA 451, MCL 324.2152 to 324.2154, as
6 adjusted under section 2153 of subpart 14 of part 21 of the
7 natural resources and environmental protection act, 1994 PA 451,
8 MCL 324.2153. The amount determined under this subsection as the
9 reduction for each state fiscal year shall be used to make
10 payments in lieu of taxes for that fiscal year. The amount
11 required for payments in lieu of taxes under subpart 14 of part
12 21 of the natural resources and environmental protection act,
13 1994 PA 451, MCL 324.2152 to 324.2154, shall be adjusted based on
14 the percentage change in the amount allocated under this section
15 and section 10 of article IX of the state constitution of 1963.
16 If the amount available for payments in lieu of taxes is greater
17 than or less than the amount required for payments in lieu of
18 taxes, the amount available for payments in lieu of taxes shall
19 be distributed in the same proportion that each payment is to the
20 total of all payments in lieu of taxes for the state fiscal year.
21 After September 30, 2007, 74.94% of 21.3% of sales tax
22 collections at a rate of 4% shall be distributed to cities,
23 villages, and townships as provided by law.

24 (6) Subject to section 13d, for the 1998-1999 through
25 ~~2005-2006~~ 2006-2007 state fiscal years, ~~and for the period of~~
26 ~~October 1, 2006 through September 30, 2007,~~ except for the
27 2002-2003 ~~and 2003-2004~~ through 2004-2005 state fiscal years,

1 and except as otherwise provided in subsection (15), the
2 department of treasury shall cause to be paid \$333,900,000.00 to
3 a city with a population of 750,000 or more as the total combined
4 distribution under this act and section 10 of article IX of the
5 state constitution of 1963 as annualized for any period of less
6 than 12 months to that city. For the 2002-2003 state fiscal year
7 only, the total combined distribution under this subsection and
8 section 10 of article IX of the state constitution of 1963 shall
9 be the lesser of \$322,213,500.00 or \$333,900,000.00 multiplied by
10 the percentage as determined under this subsection. For the
11 2002-2003 state fiscal year, the percentage under this subsection
12 shall be determined by dividing the sum of all payments under
13 section 10 of article IX of the state constitution of 1963 and
14 \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state
15 fiscal year only, the total combined distribution under this
16 subsection and section 10 of article IX of the state constitution
17 of 1963 shall be the lesser of ~~97%~~ **92%**, or the percentage
18 determined under this subsection, of the total combined
19 distribution under this subsection and section 10 of article IX
20 of the state constitution of 1963 for the 2002-2003 state fiscal
21 year. For the 2003-2004 state fiscal year, the percentage under
22 this subsection shall be determined by dividing the sum of all
23 payments under section 10 of article IX of the state constitution
24 of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then
25 subtracting ~~0.03~~ **0.08**. **For the 2004-2005 state fiscal year**
26 **only, the total combined distribution under this subsection and**
27 **section 10 of article IX of the state constitution of 1963 shall**

1 be the total combined distribution under this subsection and
2 section 10 of article IX of the state constitution of 1963 for
3 the 2003-2004 state fiscal year reduced by a percentage computed
4 by dividing the total amount to be paid during the 2004-2005
5 state fiscal year for the state's payments in lieu of taxes on
6 property held by the state pursuant to subpart 14 of part 21 of
7 the natural resources and environmental protection act, 1994 PA
8 451, MCL 324.2152 to 324.2154, by the total amount distributed to
9 cities, villages, and townships under this section and section 10
10 of article IX of the state constitution of 1963 during the
11 2003-2004 state fiscal year.

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

1 the percentage under this subsection shall be determined by
2 dividing the sum of all payments under section 10 of article IX
3 of the state constitution of 1963 and \$791,070,000.00 by
4 \$1,515,644,218.00. For the 2003-2004 state fiscal year only,
5 each city, village, and township with a population of less than
6 750,000 shall receive an amount equal to the lesser of ~~97%~~ 92%,
7 or the percentage determined under this subsection, of the amount
8 distributed to the city, village, or township under this
9 subsection and section 10 of article IX of the state constitution
10 of 1963 for the 2002-2003 state fiscal year. For the 2003-2004
11 state fiscal year, the percentage under this subsection shall be
12 determined by dividing the sum of all payments under section 10
13 of article IX of the state constitution of 1963 and
14 \$724,800,000.00 by \$1,407,850,000.00 and then subtracting ~~0.03~~
15 0.08. For the 2004-2005 state fiscal year only, each city,
16 village, and township with a population of less than 750,000
17 shall receive an amount equal to the amount distributed to that
18 city, village, or township under this subsection and section 10
19 of article IX of the state constitution of 1963 for the 2003-2004
20 state fiscal year, reduced by a percentage computed by dividing
21 the total amount to be paid during the 2004-2005 state fiscal
22 year for the state's payments in lieu of taxes on property held
23 by the state pursuant to subpart 14 of part 21 of the natural
24 resources and environmental protection act, 1994 PA 451, MCL
25 324.2152 to 324.2154, by the total amount distributed to cities,
26 villages, and townships under this section and section 10 of
27 article IX of the state constitution of 1963 during the 2003-2004

1 **state fiscal year.** The amount of the adjustment under this
2 subsection shall be accomplished by reducing the payments under
3 subsections (8) to (13), and payments under section 10 of
4 article IX shall not be reduced based on any adjustments made
5 under this subsection.

6 (8) Subject to section 13d, for the 1998-1999 through
7 ~~2005-2006~~ **2006-2007** state fiscal years, ~~and for the period of~~
8 ~~October 1, 2006 through September 30, 2007,~~ for cities,
9 villages, and townships with populations of less than 750,000,
10 subject to the limitations under this section, a taxable value
11 payment shall be made to each city, village, and township
12 determined as follows:

13 (a) Determine the per capita taxable value for each city,
14 village, and township by dividing the taxable value of that city,
15 village, or township by the population of that city, village, or
16 township.

17 (b) Determine the statewide per capita taxable value by
18 dividing the total taxable value of all cities, villages, and
19 townships by the total population of all cities, villages, and
20 townships.

21 (c) Determine the per capita taxable value ratio for each
22 city, village, and township by dividing the statewide per capita
23 taxable value by the per capita taxable value for that city,
24 village, or township.

25 (d) Determine the adjusted taxable value population for each
26 city, village, and township by multiplying the per capita taxable
27 value ratio as determined under subdivision (c) for that city,

1 village, or township by the population of that city, village, or
2 township.

3 (e) Determine the total statewide adjusted taxable value
4 population which is the sum of all adjusted taxable value
5 population for all cities, villages, and townships.

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

12 (g) Determine the taxable value payment for each city,
13 village, and township by multiplying the result under
14 subdivision (f) by the adjusted taxable value population for that
15 city, village, or township.

16 (9) Subject to section 13d, for the 1998-1999 through
17 2005-2006 state fiscal years and for the period of October 1,
18 2006 through September 30, 2007, subject to the limitations under
19 this section and except as provided in subsection (14), a unit
20 type population payment shall be made to each city, village, and
21 township with a population of less than 750,000 determined as
22 follows:

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

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

27 (ii) For a township with a population of more than 5,000 but

1 less than 10,001, the unit type population weight factor is 1.2.

2 (iii) For a township with a population of more than 10,000
3 but less than 20,001, the unit type population weight factor is
4 1.44.

5 (iv) For a township with a population of more than 20,000 but
6 less than 40,001, the unit type population weight factor is
7 1.73.

8 (v) For a township with a population of more than 40,000 but
9 less than 80,001, the unit type population weight factor is
10 2.07.

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

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

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

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

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

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

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

25 (xiii) For a city with a population of more than 20,000 but
26 less than 40,001, the unit type population weight factor is
27 4.32.

1 (xiv) For a city with a population of more than 40,000 but
2 less than 80,001, the unit type population weight factor is
3 5.18.

4 (xv) For a city with a population of more than 80,000 but
5 less than 160,001, the unit type population weight factor is
6 6.22.

7 (xvi) For a city with a population of more than 160,000 but
8 less than 320,001, the unit type population weight factor is
9 7.46.

10 (xvii) For a city with a population of more than 320,000 but
11 less than 640,001, the unit type population weight factor is
12 8.96.

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

15 (b) Determine the adjusted unit type population for each
16 city, village, and township by multiplying the unit type
17 population weight factor for that city, village, or township as
18 determined under subdivision (a) by the population of the city,
19 village, or township.

20 (c) Determine the total statewide adjusted unit type
21 population, which is the sum of the adjusted unit type population
22 for all cities, villages, and townships.

23 (d) Determine the unit type population payment rate by
24 dividing 74.94% of 21.3% of the sales tax collections at a rate
25 of 4% in the 12-month period ending June 30 of the state fiscal
26 year in which the payments under this subsection are made by 3,
27 and then dividing that result by the total statewide adjusted

1 unit type population as determined under subdivision (c).

2 (e) Determine the unit type population payment for each city,
3 village, and township by multiplying the result under subdivision
4 (d) by the adjusted unit type population for that city, village,
5 or township.

6 (10) 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 September 30, 2007, subject to the limitations under
9 this section, a yield equalization payment shall be made to each
10 city, village, and township with a population of less than
11 750,000 sufficient to provide the guaranteed tax base for a local
12 tax effort not to exceed 0.02. The payment shall be determined
13 as follows:

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

21 (b) The full yield equalization payment to each city,
22 village, and township is the product of the amounts determined
23 under subparagraphs (i) and (ii):

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

1 (ii) The local tax effort of the city, village, or township,
2 not to exceed 0.02, multiplied by the population of that city,
3 village, or township.

4 (c) The yield equalization payment is the full yield
5 equalization payment divided by 3.

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

10 (a) For the 1998-1999 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) Ninety percent of the total amount available for
14 distribution under subsections (8), (9), and (10) for the
15 1998-1999 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) Ten percent of the total amount available for
22 distribution under subsections (8), (9), and (10) for the
23 1998-1999 state fiscal year multiplied by the percentage share of
24 the distribution amounts calculated under subsections (8), (9),
25 and (10).

26 (b) For the 1999-2000 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) Eighty percent of the total amount available for
3 distribution under subsections (8), (9), and (10) for the
4 1999-2000 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) Twenty percent of the total amount available for
11 distribution under subsections (8), (9), and (10) for the
12 1999-2000 state fiscal year multiplied by the city's, village's,
13 or township's percentage share of the distribution amounts
14 calculated under subsections (8), (9), and (10).

15 (c) For the 2000-2001 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) Seventy percent of the total amount available for
19 distribution under subsections (8), (9), and (10) for the
20 2000-2001 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) Thirty percent of the total amount available for
27 distribution under subsections (8), (9), and (10) for the

1 2000-2001 state fiscal year multiplied by the percentage share of
2 the distribution amounts calculated under subsections (8), (9),
3 and (10).

4 (d) For the 2001-2002 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) Sixty percent of the total amount available for
8 distribution under subsections (8), (9), and (10) for the
9 2001-2002 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) Forty percent of the total amount available for
16 distribution under subsections (8), (9), and (10) for the
17 2001-2002 state fiscal year multiplied by the percentage share of
18 the distribution amounts calculated under subsections (8), (9),
19 and (10).

20 (e) For the 2002-2003 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) Fifty percent of the total amount available for
24 distribution under subsections (8), (9), and (10) for the
25 2002-2003 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) Fifty percent of the total amount available for
5 distribution under subsections (8), (9), and (10) for the
6 2002-2003 state fiscal year multiplied by the percentage share of
7 the distribution amounts calculated under subsections (8), (9),
8 and (10).

9 (f) For the 2003-2004 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) Forty percent of the total amount available for
13 distribution under subsections (8), (9), and (10) for the
14 2003-2004 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) Sixty percent of the total amount available for
21 distribution under subsections (8), (9), and (10) for the
22 2003-2004 state fiscal year multiplied by the percentage share of
23 the distribution amounts calculated under subsections (8), (9),
24 and (10).

25 (g) For the 2004-2005 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) Thirty 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 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) Seventy percent of the total amount available for
10 distribution under subsections (8), (9), and (10) for the
11 2004-2005 state fiscal year multiplied by the percentage share of
12 the distribution amounts calculated under subsections (8), (9),
13 and (10).

14 (h) For the 2005-2006 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) Twenty percent of the total amount available for
18 distribution under subsections (8), (9), and (10) for the
19 2005-2006 state fiscal year multiplied by the city's, village's,
20 or township's percentage share of the distributions under this
21 section 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) Eighty percent of the total amount available for
26 distribution under subsections (8), (9), and (10) for the
27 2005-2006 state fiscal year multiplied by the percentage share of

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

3 (i) For the period of October 1, 2006 through September 30,
4 2007, the payment under this section for each city, village, and
5 township shall be the sum of the following:

6 (i) Ten percent of the total amount available for
7 distribution under subsections (8), (9), and (10) for the
8 2006-2007 state fiscal year multiplied by the city's, village's,
9 or township's percentage share of the distributions under this
10 section 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) Ninety percent of the total amount available for
15 distribution under subsections (8), (9), and (10) for the
16 2006-2007 state fiscal year multiplied by the percentage share of
17 the distribution amounts calculated under subsections (8), (9),
18 and (10).

19 (12) Except as otherwise provided in this subsection, the
20 total payment to any city, village, or township under this act
21 and section 10 of article IX of the state constitution of 1963
22 shall not increase by more than 8% over the amount of the payment
23 under this act and section 10 of article IX of the state
24 constitution of 1963 in the immediately preceding state fiscal
25 year. From the amount not distributed because of the limitation
26 imposed by this subsection, the department shall distribute an
27 amount to certain cities, villages, and townships such that the

1 percentage increase in the total payment under this act and
2 section 10 of article IX of the state constitution of 1963 from
3 the immediately preceding state fiscal year to each of those
4 cities, villages, and townships is equal to, but does not exceed,
5 the percentage increase from the immediately preceding state
6 fiscal year of any city, village, or township that does not
7 receive a distribution under this subsection. This subsection
8 does not apply for state fiscal years after the 2000 federal
9 decennial census becomes official to a city, village, or township
10 with a 10% or more increase in population from the official 1990
11 federal decennial census to the official 2000 federal decennial
12 census.

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

25 (14) A township that provides for or makes available fire,
26 police on a 24-hour basis either through contracting for or
27 directly employing personnel, water to 50% or more of its

1 residents, and sewer services to 50% or more of its residents and
2 has a population of 10,000 or more or a township that has a
3 population of 20,000 or more shall use the unit type population
4 weight factor under subsection (9)(a) for a city with the same
5 population as the township.

6 (15) For a state fiscal year in which the sales tax
7 collections decrease from the sales tax collections for the
8 immediately preceding state fiscal year, the department shall
9 reduce the amount to be distributed to a city with a population
10 of 750,000 or more under subsection (6) by an amount determined
11 by subtracting the amount the city is eligible for under section
12 10 of article IX of the state constitution of 1963 for the state
13 fiscal year from \$333,900,000.00 and multiplying that result by
14 the same percentage as the percentage decrease in sales tax
15 collections for that state fiscal year as compared to sales tax
16 collections for the immediately preceding state fiscal year.
17 This subsection does not apply to the 2002-2003 and 2003-2004
18 state fiscal years.

19 (16) Notwithstanding any other provision of this section for
20 the 1998-1999 state fiscal year, the total combined amount
21 received by each city, village, and township under this section
22 and section 10 of article IX of the state constitution of 1963
23 shall not be less than the combined amount received under this
24 section, section 12a, and section 10 of article IX of the state
25 constitution of 1963 in the 1997-1998 state fiscal year. The
26 increase, if any, for each city, village, and township from the
27 1997-1998 state fiscal year, other than a city that receives a

1 distribution under subsection (6), shall be reduced by a uniform
2 percentage to the extent necessary to fund distributions under
3 this subsection.

4 (17) The payments under subsections (3), (4), and (5) shall
5 be made during each October, December, February, April, June, and
6 August. Payments under subsections (3), (4), and (5) shall be
7 based on collections from the sales tax at the rate of 4% in the
8 2-month period ending the prior August 31, October 31, December
9 31, February 28, April 30, and June 30, and for the 1996-1997 and
10 1997-1998 state fiscal years only, the payments shall be reduced
11 by 1/6 of the total distribution for the state fiscal year under
12 section 12a.

13 (18) Payments under this section shall be made from revenues
14 collected during the state fiscal year in which the payments are
15 made.

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