

HOUSE BILL No. 5482

December 1, 2005, Introduced by Reps. Gosselin, Drolet, Steil, Hoogendyk and Palmer 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 11 (MCL 141.911), as amended by 2004 PA 356.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) For state fiscal years before the 1996-1997 state
2 fiscal year, the department of management and budget shall cause to
3 be paid during each August, November, February, and May, to
4 counties on a per capita basis the collections from the state
5 income tax as certified by the department of treasury for the
6 quarter periods ending the prior June 30, September 30, December
7 31, and March 31 that are available for distribution to and
8 retention by counties.

9 (2) For state fiscal years beginning after September 30, 1992

1 and ending before October 1, 1996, the collections from the state
2 income tax otherwise available for distribution to counties in
3 November for the quarter period ending the prior September 30 shall
4 be increased by \$35,900,000.00 and the collections from the state
5 income tax otherwise available for distribution to counties in
6 August for the quarter period ending the prior June 30 shall be
7 decreased by \$35,900,000.00.

8 (3) For the 1996-1997 and 1997-1998 state fiscal years, the
9 department of treasury shall cause to be paid to counties on a per
10 capita basis an amount equal to 24.5% of the difference between
11 21.3% of the sales tax collections at a rate of 4% in the 12-month
12 period ending June 30 of the state fiscal year in which the
13 payments are made and the total distribution for the state fiscal
14 year under section 12a. Subject to section 13d, for the 1998-1999
15 through 2005-2006 state fiscal years and for the period of October
16 1, 2006 through September 30, 2007, the department of treasury
17 shall cause to be paid to counties all of the following:

18 (a) Except as provided in subdivision (c), ~~and subsection (6)~~
19 ~~—~~ an amount equal to the amount the county was eligible to receive
20 under section 12a in the 1997-1998 state fiscal year.

21 (b) Except as provided in subdivision (c), ~~and subsection (6)~~
22 ~~—~~ an amount equal to 25.06% of 21.3% of the sales tax collections
23 at a rate of 4% in the 12-month period ending June 30 of the state
24 fiscal year in which the payments are made minus the amount
25 determined under subdivision (a) which shall be distributed on a
26 per capita basis. If the amount appropriated under this section to
27 counties is less than 25.06% of 21.3% of the sales tax rate of 4%,

1 any 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 the lesser of 96.5%, or the percentage determined
6 under this subdivision, of the amount that the county would have
7 received if the total available for distribution under subdivisions
8 (a) and (b) were \$211,549,002.00. The total amount available for
9 distribution to all counties under this subdivision shall not
10 exceed \$204,144,787.00. For the 2002-2003 state fiscal year, the
11 percentage under this subdivision shall be determined by dividing
12 the sum of all payments under section 10 of article IX of the state
13 constitution of 1963 and \$791,070,000.00 by \$1,515,644,218.00. For
14 the 2003-2004 state fiscal year only, each county shall receive the
15 lesser of 92%, or the percentage determined under this subdivision,
16 of the amount distributed to the county under this subsection for
17 the 2002-2003 state fiscal year. For the 2003-2004 state fiscal
18 year, the percentage under this subdivision shall be determined by
19 dividing the sum of all payments under section 10 of article IX of
20 the state constitution of 1963 and \$724,800,000.00 by
21 \$1,407,850,000.00 and then subtracting 0.08.

22 (4) After September 30, 2007 and subject to the limitations of
23 ~~subsections~~ **SUBSECTION** (3), ~~and (6)~~, 25.06% of 21.3% of the
24 sales tax collections at a rate of 4% shall be distributed to
25 counties as provided by law.

26 (5) The payments under subsection (3) shall be made from
27 revenues collected during the state fiscal year in which the

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

14 ~~—— (6) For state fiscal years beginning after September 30, 2004,~~
15 ~~the total amount distributed to each county under this section~~
16 ~~shall equal the amount by which the balance in its revenue sharing~~
17 ~~reserve fund under section 44a of the general property tax act,~~
18 ~~1893 PA 206, MCL 211.44a, for the county's most recent fiscal year~~
19 ~~that ends prior to the January 1 of the state's fiscal year is less~~
20 ~~than the amount calculated under section 44a(13) of the general~~
21 ~~property tax act, 1893 PA 206, MCL 211.44a, for the county fiscal~~
22 ~~year that begins in the state's fiscal year. Payments under this~~
23 ~~subsection shall be adjusted as necessary to reflect partial county~~
24 ~~fiscal years and prorated based on the total amount appropriated~~
25 ~~for distribution to all counties. Upon the exhaustion of each~~
26 ~~county's revenue sharing reserve fund, state revenue sharing within~~
27 ~~that county will be fully and permanently restored in an amount~~

~~1 equal to the total payments made to that county under this act in
2 the state fiscal year ending September 30, 2004, adjusted annually
3 through the date of restoration by the inflation rate, without
4 regard to an executive order issued after May 17, 2004, and
5 prorated based on the amount of the reserve fund used by the county
6 in the fiscal year during which payments are required to resume
7 under this subsection. As used in this subsection, "inflation rate"
8 means that term as defined in section 34d of the general property
9 tax act, 1893 PA 206, MCL 211.34d.~~

10 (6) ~~-(7)-~~ The department of treasury may withhold all or a
11 portion of payments under this section to a county that has not
12 timely furnished the statement required under section 151(1) of the
13 state school aid act of 1979, 1979 PA 94, MCL 388.1751, or
14 distributed an industrial facilities tax as required under 1974 PA
15 198, MCL 207.551 to 207.572, or the specific tax as required under
16 section 21b of the enterprise zone act, 1985 PA 224, MCL 125.2121b.
17 Before withholding all or a portion of the payments under this
18 section to a county, the department shall inform the county in
19 writing of the intent to withhold payments and offer an opportunity
20 for an informal conference on the matter.