



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

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**September 2024**

**City, Village, and Township Revenue Sharing (CVTRS)  
Fiscal Year 2025  
Detailed Guidance**

**City, Village, and Township Revenue Sharing (CVTRS) Program**

For fiscal year (FY) 2025, the Legislature continued the CVTRS program payments. However, the program requirements and payment structure have been modified to provide additional revenue sharing funding to all local units. **All local units are eligible for these payments.**

**The FY 2025 CVTRS program includes the following payments:**

- CVTRS-Standard Payments – Local units that received an FY 2024 CVTRS payment
- **(NEW)** 3-Factor Formula Payments – All local units
  - Taxable Value Payment
  - Weighted Population Payment
  - Yield Equalization Payment

**Use of Funds:**

- A city, village, or township that has a retirement pension benefit system in underfunded status (under Section 5 of 2017 Public Act 202, MCL 38.2805) must allocate, to the local unit's pension unfunded liability, an amount equal to 50% of the difference between the local unit's FY 2025 total CVTRS payment amount and the local unit's FY 2024 total eligible CVTRS payment amount
  - A city, village, or township that has issued a municipal security (under Section 518 of 2001 Public Act 34, MCL 141.2518) is exempt from allocating FY 2025 CVTRS payment amounts to the local unit's pension unfunded liability
- A city, village, or township that does not have a retirement benefit system in underfunded status may use the funds for any purpose.

### **CVTRS-Standard Payment**

**Payments:** Based on FY 2024 CVTRS total eligible payment amount, regardless of whether any reporting requirements were satisfied in FY 2024

**Eligible Local Units:** Local units that received an FY 2024 CVTRS payment

**Documentation Requirements:** There are no submission requirements. Local units are not required to produce and submit any CVTRS documentation to receive FY 2025 CVTRS-Standard payments

**Payment Dates:** Local units will receive 1/6 of the FY 2025 CVTRS-Standard payment on the last business day of October, December, February, April, June, and August

### **3-Factor Formula Payments - Taxable Value (NEW)**

**Payments:** Based on taxable values and populations of local units

**Eligible Local Units:** All local units

**Documentation Requirements:** There are no submission requirements

**Payment Dates:**

- February 28, 2025 - 1/2 of the estimated FY 2025 payment
  - Payment based on 2023 taxable value data
  - June 30, 2025 - remaining FY 2025 payment
- Payment based on verified 2024 taxable value data
  - Payment will include any increase/decrease as a result of using 2023 taxable values in the February payment

**2024 Taxable Value Data Verification:** Local units will have the opportunity to review the 2024 taxable value data for accuracy.

- **Notification Timeline:** Local units will be notified before the end of November that 2024 taxable value data is available for review on the Michigan Department of Treasury (Treasury) website
- **Local Unit Action Item:** Review the 2024 taxable value data by **January 15, 2025**
  - If the local unit's 2024 taxable values are accurate
    - No additional action required
  - If the local unit's 2024 taxable values are not accurate
    - Local unit must submit corrected taxable value data to Treasury

**3-Factor Formula Payments - Weighted Population (NEW)**

**Payments:** Based on unit type population weight factors and populations for local units

Generally, an increased local unit type population weight factor would allow for an increased weighted population payment

**Unit Type Population Weight Factors**

<u>Population</u>	<u>Township</u>	<u>Village</u>	<u>City</u>
5,000 or less	1.00	1.50	2.50
5,001 – 10,000	1.20	1.80	3.00
10,001 – 20,000	1.44	2.16	3.60
20,001 – 40,000	4.32	N/A	4.32
40,001 – 80,000	5.18	N/A	5.18
80,001 – 160,000	6.22	N/A	6.22
160,001 – 320,000	N/A	N/A	7.46
320,001 – 640,000	N/A	N/A	8.96
640,001 or more	N/A	N/A	10.75

**Eligible Local Units:** All local units

**Documentation Requirements:** There are no submission requirements

**Townships with a Population Between 10,000 and 20,001:** The statute provides these townships the option to increase the local unit type population weight factor from 1.44 to 3.6 (this is equal to a city of the same size) by submitting documentation to Treasury indicating that the township provides for or makes available all of the following:

- Fire Services
- Police Services on 24-hour basis (via contracted or directly employed personnel)
- Water Services to 50% or more of its residents
- Sewer Services to 50% or more of its residents

**Note:** The current FY 2025 preliminary projections assumes that all of the townships with 10,000 – 20,001 populations qualify for the higher unit type population weight factor of 3.6

- **Notification Timeline:** Treasury will be contacting townships with a population between 10,000 and 20,000 in October/November
- **Local Unit Action Item:** None at this time

**Payment Dates:**

- February 28, 2025 - 1/2 of the estimated FY 2025 payment
- June 30, 2025 - remaining FY 2025 payment

### **3-Factor Formula Payments - Yield Equalization (NEW)**

**Payments:** Based on an amount that is sufficient to provide the guaranteed tax base for a local tax effort, not to exceed 0.02

**Eligible Local Units:** All local units

**Documentation Requirements:** There are no submission requirements

#### **Payment Dates:**

- February 28, 2025 - 1/2 of the estimated FY 2025 payment
  - Payment based on 2023 taxable values and 2023 millage rates
- June 30, 2025 - remaining FY 2025 payment
  - Payment based on verified 2024 taxable values and 2024 millage rates
  - Payment will include any increase/decrease as a result of using 2023 taxable values and 2023 millage rates in the February payment

**2024 Millage Data Verification:** Treasury will have 2024 millage rate data available for review on the Treasury Revenue Sharing website by May 1, 2025

- If the local unit's 2024 millage rates are accurate
  - No additional action required
- If the local unit's 2024 millage rates are not accurate
  - Local unit must submit corrected millage rates to Treasury by June 1, 2025

#### **Additional Information**

- Population (also known as Revenue Sharing Population) – 2020 Census gross population less 50% 2020 Census institutionalized population
- Detailed information and FY 2025 CVTRS projections can be found on Treasury's CVTRS website <https://www.michigan.gov/treasury/local/share/evip>
- If you have any questions, feel free to contact the Revenue Sharing and Grants Division by phone at 517-335-7484 or by email at [TreasRevenueSharing@michigan.gov](mailto:TreasRevenueSharing@michigan.gov)