

Municipal Revenue Sharing Account (MRSA) Fact Sheet

Background: The Municipal Revenue Sharing Account (MRSA) was established by PA 15-244, the FY 16 and FY 17 budget. The account was funded via a sales tax revenue diversion. The act also created four new grants, to be funded by MRSA.

1. Supplemental PILOT funding to towns with high levels of tax exempt property
2. Car tax grants to towns that lost revenue as a result of the motor vehicle mill rate cap
3. General revenue sharing grants to towns based on population and mill rates
4. Grants-in-aid to regional Councils of Government

Funding was also used to supplement ECS grants in FY 16 and FY 17.

Current Status: PA 17-2 JSS and PA 18-81 suspended the MRSA diversion for FY 17 through FY 21. Under current law the diversion is to restart at 0.5 percentage points of the 6.35% rate beginning in FY 22. The current estimated FY 22 transfer into the account is approximately \$365.0 million.

During the time the MRSA sales tax diversion has been suspended, MRSA grants have instead been partially funded via General Fund appropriations and other appropriated and non-appropriated funds, as noted in the chart below.

MRSA-Related Grant Funding, FY 19 to FY 21

MRSA Grant	FY 19	FY 20	FY 21
Supplemental PILOT ¹	36.8	36.8	36.8
Car Tax Grants ¹	28.1	29.9	32.3
COG Grants	4.1	4.1	4.1
Total	69.0	70.8	73.2
Funding Source	General Fund	General Fund ²	General Fund ²
¹ Supplemental PILOT grants are funded via a General Fund line item called Municipal Revenue Sharing from FY 18 to FY 21. Car Tax Grants are funded via a General Fund line item called Municipal Transition Grants from FY 18 to FY 21.			
² COG grants are funded via the non-appropriated Regional Performance Incentive Account in FY 20 and FY 21.			