

City Newsletter



VOL. XI-V

Prepared by the Office of the City Manager

September-October 1972

"Men do not stumble over mountains, but over molehills."
Confucius

Revenue Sharing

The President signed into law H.R. 14370, as amended by the Senate and adjusted by a House-Senate Conference Committee. The measure finally signed by the President is not without strings, as was the original bill proposed by the cities, counties, and states. It provides specific formulas as to the distribution of the amounts appropriated to the states. It establishes limitations over the purposes for which the revenues may be expended. It sets up certain wage levels, and it requires that local agencies use certain fiscal, accounting and auditing guidelines that are to be established by regulations formulated by the Treasurer of the United States.

The revenue sharing is broken up into seven periods and these periods must be maintained separately as to reports both for budgets and expenditures. The periods are listed below:

1. January 1, 1972 - June 30, 1972 (due sometime in December)
2. July 1, 1972 - December 31, 1972 (due January 5, 1973)
3. January 1, 1973 - June 30, 1973*
4. July 1, 1973 - June 30, 1974*
5. July 1, 1974 - June 30, 1975*
6. July 1, 1975 - June 30, 1976*
7. July 1, 1976 - December 31, 1976*

*To be paid in quarterly installments, five days following the end of each quarter.

The measure was passed with much opposition by members of Congress that did not think that there were sufficient rules and regulations in the measure. Since Congress passed the measure, it can also, at any time amend or even cancel the law providing that there are sufficient votes and the President does not use his veto. Therefore, although the law was created for a five year period, most agencies are aware that any amount of money they receive should be treated as one time receipts and budgeted accordingly. The City Council will adopt budgets for the first two periods sometime in the next few months and is planning to make use of public opinion in whatever budget they adopt.