



GENERAL REVENUE SHARING
FACT SHEET

Introduction

General revenue sharing is authorized by Title I of the State and Local Fiscal Assistance Act of 1972 (P.L. 92-512). The law authorizes the return of some \$30.2 billion to units of general government in the United States over a five-year period that ends with December 1976. Nearly 39,000 states, counties, cities, towns, townships, Indian tribes and Alaskan native villages are now receiving "shared revenues" on a regular basis - in four quarterly payments each year.

Basic Requirements

Although no application is made for shared revenues; and despite the fact that the money may be spent with very few restrictions, there are some simple requirements of the State and Local Fiscal Assistance Act of 1972 that must be observed. For example,

- the money must be spent in accordance with laws and procedures that apply to the expenditure of a recipient government's own funds.
- shared revenues may not be used to match other Federal funds.
- the law prohibits the use of the funds in any activity in which there is discrimination because of race, color, national origin or sex.
- if shared revenues are used to pay 25% or more of the cost of a construction project, Federal wage rates must be paid (i.e. the Davis-Bacon Act applies).
- a state government may spend its money for any activity that is a legal use of its own funds.
- a local government (i.e. county, city etc.) may use the funds for any capital project (capital, as defined by local law) or for operating and maintenance of programs and projects in the following so-called "priority category" areas: public safety, public transportation, recreation, environmental protection, financial administration, health, libraries, and/or social services for the poor or aged.

Some Facts and Figures

The law authorizes the distribution of general revenue sharing funds according to the following schedule:

<u>Entitlement Period</u>	<u>Amount (Billions)</u>	<u>When Paid</u>
Jan-Jun '72	\$2.65	12/7/72
Jul-Dec '72	2.65	1/5/73
Jan-Jun '73	2.99	4/6/73 and 7/6/73
Jul '73 - Jun '74	6.05	Quarterly: Oct '73, Jan, Apr, Jul '74
Jul '74 - Jun '75	6.20	Quarterly: Oct '74, Jan, Apr, Jul '75
Jul '75 - Jun '76	6.35	Quarterly: Oct '75, Jan, Apr, Jul '76
Jul '76 - Dec '76	3.33	Oct '76, Jan '77

Private organizations and agencies or special-purpose governmental units (such as fire districts) may request and receive shared revenues from states and/or local governments if the governments' own laws permit such transfers of their own funds.