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Michigan Municipal League Wants to Reform State Municipal Finance.

Great places make for a strong economy, and the research supports that contention. By employing community-based placemaking strategies, we strengthen both our economic and social future. On behalf of the Michigan Municipal League, I am pleased to be coming to Adrian on Monday to explain how at the heart of great places are strong cities, but in Michigan we are failing our communities.

Across the country, cities account for over 80 percent of GDP, but in Michigan we are disinvesting in this vital resource.

A recent report, "Michigan's Great Disinvestment: How State Policies Have Forced Our Communities into Fiscal Crisis," was prepared for the League using information from state and local records as well as census data. The report details the economic challenges facing Michigan's communities.

Michigan is the only state where total municipal revenue declined from 2002 to 2012, an 8 percent reduction before considering inflation. Revenues remain below the 2002 level for most communities.

Michigan has cut state support for cities more than any state in the nation. Since 2002, the state has diverted from communities more than \$7.5 billion in revenue sharing to balance its own budget shortfalls. For example, Lenawee County communities have seen their revenue sharing cut by \$25 million over the last 14 years. Adrian's revenue sharing has been cut by \$9.4 million; other cities throughout Lenawee lost between \$119,000 and \$2.9 million since 2002. As a result, most communities in the county have had to reduce their police and fire forces, cut back on road and sidewalk repairs, and generally reduce their services to citizens - including rural residents who often work or play in communities from Tecumseh to Morenci.

How is this possible? State policies that hamstring cities by over constraining property tax growth, cuts in state revenue sharing and few local options for raising revenue. Michigan is one of only a handful of states that so aggressively limits the ability of local governments to raise their own revenues to address their issues, while simultaneously reducing state support.

After years of working within the existing paradigms, the League and other partners are undertaking a major legislative and policy push detailed at saveMIcity.org. This Save Michigan Cities effort is aimed at reforming municipal finance in Michigan to encourage renewed investment in our communities.

As part of this initiative, the League is traveling throughout the state discussing the state's broken system for funding municipalities. This statewide tour comes to Adrian for a public saveMIcity event 3:30 p.m. Monday, Dec. 12, at Siena Heights University, 1247 E. Siena Heights Drive in Adrian at Dominican Hall's Rueckert Auditorium. The event is free and open to the public.

This is intended to be an examination of how we can do things differently in Michigan to assure that local government can't just survive, but can thrive. To that end, the League is developing policy

recommendations around three themes: Cost Containment, Revenue Enhancement, and Structure of Government.

We are taking this three-pronged approach to break away from the historically limiting tactic of incremental change within the context of where we are today. We also want to hear your ideas and innovative approaches, so that together we can take bold action to create a new future for communities around Michigan.

Tony Minghine is the associate executive director and chief operating officer of the Michigan Municipal League, which is involved in local government in Michigan. Minghine will speak about state municipal finance Monday, Dec. 12, in Adrian.

Michigan Municipal League

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www.mml.org

Posted Dec 9, 2016 at 9:37 AM

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