

# **Bond Case Briefs**

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## **APPORTIONMENT - MICHIGAN**

### **Taxpayers for Michigan Constitutional Government v. Department of Technology , Management and Budget**

**Court of Appeals of Michigan - July 30, 2019 - N.W.2d - 2019 WL 3432064**

Taxpayer organization brought action against state, state departments of technology, management and budget, and office of auditor general, to enforce state constitutional amendment requiring state to apportion certain percentage of spending to local government.

The Court of Appeals held that:

- Taxpayer organization had standing to bring action;
- Classification of state spending paid to local governments, pursuant to constitutional amendment governing state school funding, as spending paid to local government did not violate Headlee Amendment;
- State spending on public school academies (PSAs) constituted spending on units of local government under Headlee Amendment;
- State spending to fund new mandates could not be included in calculation of proportion of total state spending paid to units of local government under Headlee Amendment; and
- Mandamus was appropriate remedy for taxpayer organization to enforce Headlee Amendment.

Taxpayer organization, comprised of both individual residents of state and cities within state, had standing to bring action against state, state departments of technology, management and budget, and office of auditor general, to enforce constitutional amendment requiring state to apportion certain percentage of spending to local government, where “any taxpayer” of state had standing to bring suit under amendment.

Plain language of section of Headlee Amendment prohibiting reduction in proportion of state spending paid to units of local government did not guarantee that any individual local unit of government would receive same amount of funds year to year, but rather prohibited reduction in proportion of “total state spending paid to all units of Local Government,” and thus classification of state spending paid to local governments, pursuant to constitutional amendment governing state school funding, as spending paid to local government did not violate Headlee Amendment.

Public school academies (PSAs) were “school districts” for purposes of calculating state funding of education, and thus state spending on PSAs constituted spending on units of local government under state constitutional amendment requiring state to apportion certain percentage of spending to local government; revised school code provided that PSAs were school districts for purposes of constitutional amendment governing state school funding, and school aid statute included PSAs in definition of “district.”

Allowing state spending used to fund new state mandates, under section of Headlee Amendment requiring state to pay increased necessary costs of new mandates, to be included in calculation of proportion of total state spending paid to units of local government, under section of Headlee

Amendment prohibiting state from reducing proportion of state spending paid to local governments, would allow funding for new mandates to serve conflicting purposes of funding new mandates, but de-funding existing local services, and thus state spending to fund new mandates could not be included in calculation of proportion of total state spending paid to units of local government.

Mandamus was appropriate remedy for taxpayer organization in action against state and state departments to enforce state constitutional amendment requiring state to apportion certain percentage of spending to local government; statute implementing amendment established state's ministerial duty to collect, report, and place on public record information regarding state's compliance with amendment.