



SaveMI City



Invest. Attract. Grow.



saveMlcity.org



The Issue:

Michigan's System for Funding Our Communities is Broken

Michigan ranks DEAD LAST in the nation when it comes to investing in our communities. Local governments even struggle to provide basic services, like police and fire protection, quality roads, and infrastructure. Due to these challenges, creating the vibrant places sought by talent is nearly impossible.

The Solution:

Invest in Our Communities

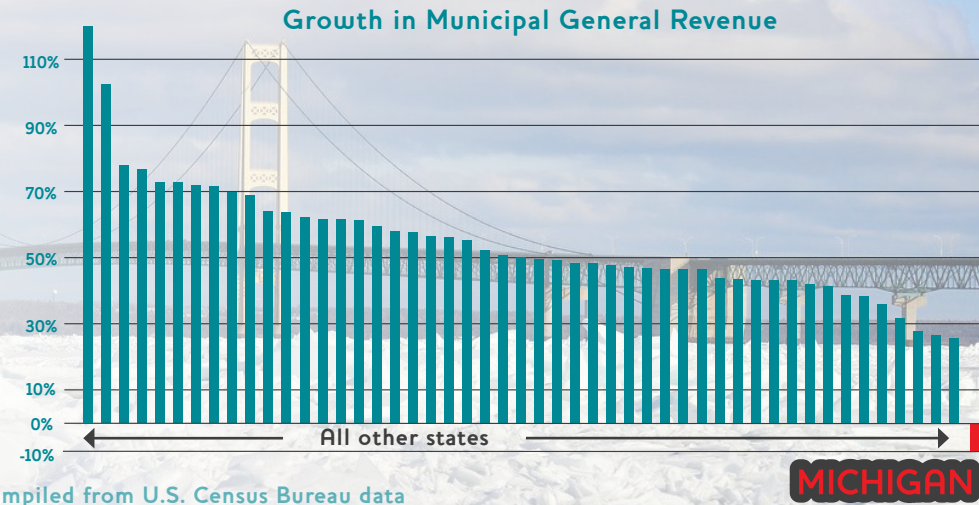
Our business leaders know how hard it is to attract well-educated, talented workers. Talent chooses where to work based on opportunities to live, play, enjoy, and learn in a region. They're looking for affordable housing, accessible transportation, quality education, and diverse recreational opportunities.

Michigan must invest in its communities so they can offer amenities talent wants and job providers demand.

“We are **dead last** in this state in providing direct support to cities and there are consequences to that decision. It is incumbent upon policymakers to accept this reality and to do something about it.”

-U.S. Rep. Dan Kildee (MI-5)

Michigan ranks **DEAD LAST** in investing in its communities*



*Source: Compiled from U.S. Census Bureau data

Solution No. 1: Restore Michigan's Investment in Our Communities

Revenue sharing – a main source of income for local government – has been negatively impacted since 2002, as the state has diverted \$8.6 billion away from cities, villages, townships, and counties.

Specifically, we should:

- Restore revenue sharing cuts from the last 15 years by fully funding the state's statutory revenue sharing formula. This action would result in increased support for local communities by \$600 million each year.

Solution No. 2: Ensure the Property Tax System Tracks with the Economy

The largest source of revenue for local services is property taxes. Michigan's system of taxation is broken because property taxes drop in a recession but do not rebound in a growing economy.

Specifically, we should:

- Change property tax laws by removing conflicts between the Headlee Amendment and Proposal A to allow local government revenue to track consistently with the economy.

Solution No. 3: Provide More Local Funding Options

Michigan places many restrictions on local municipalities when it comes to their revenue-generating options. These rules significantly limit a community's ability to invest in itself.

Specifically, we should:

- Provide more local options for communities, their residents, and local businesses to fund critical services. These alternatives could include additional special assessment authority, expanding existing local taxing authority available to other entities, and grants for public safety.

Solution No. 4: Reduce the Cost of Government

Aging infrastructure and skyrocketing growth in legacy costs – like pensions and retiree health insurance obligations – prevent a community's ability to invest in critical services important to current and prospective residents.

Specifically, we should:

- Change existing laws to discourage wasteful duplication of infrastructure and services.
- Equip local governments with the tools they need to control and modernize legacy benefits to reflect the current economic climate while still offering appropriate benefit packages.

What is SaveMlCity?

SaveMlCity is a campaign to educate Michigan residents, decision-makers and businesses about how municipalities are funded in our state and why the current system does not work for our communities. Money that is owed to our cities, villages, and townships by state statute has been redirected to plug holes in the state budget.

That money should have gone to our communities – where local people have a say on how it is spent on local needs.

Learn more. Spread the word. Get involved.

Help us invest in communities so we can attract talent that Michigan businesses so desperately need and want.

Learn more at SaveMlCity.org.

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