## The Center for Local, State, and Urban Policy

Gerald R. Ford School of Public Policy >> University of Michigan

### Michigan Public Policy Survey September 2016

# Local officials say Michigan's system of funding local government is broken, and seek State action to fix it

By Sarah Mills and Thomas Ivacko

This report presents views of Michigan's local government leaders regarding the state's system of funding local government, whether it needs to be reformed, and what reforms they prefer. It also includes their preferences for raising additional local revenues if given the opportunity to levy local-option taxes. The findings are based on responses to statewide surveys of local government leaders in the Spring 2016 wave of the Michigan Public Policy Survey (MPPS).

>> The Michigan Public Policy Survey (MPPS) is a census survey of all 1,856 general purpose local governments in Michigan conducted by the Center for Local, State, and Urban Policy (CLOSUP) at the University of Michigan in partnership with the Michigan Municipal League, Michigan Townships Association, and Michigan Association of Counties. The MPPS takes place twice each year and investigates local officials' opinions and perspectives on a variety of important public policy issues. Respondents for the Spring 2016 wave of the MPPS include county administrators, board chairs, and clerks; city mayors, managers, and clerks; village presidents, managers, and clerks; and township supervisors, managers, and clerks from 1,378 jurisdictions across the state.

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### **Key Findings**

- In 2016, 64% of local officials say that the state's system of funding local government is broken and needs significant reform, up from 58% in 2012.
  - » Just 40% (down from 43% in 2012) believe that the current system of funding local government will allow them to maintain their jurisdiction's current services.
  - » Only 23% (down from 26% in 2012) believe they will be able to improve or expand their services in the future under the current system.
- The belief that the system is broken is shared by a majority of local leaders from jurisdictions large and small, from every region of the state, and by a majority of both Republican and Democratic local leaders.
  - » By population size, 87% of leaders in the largest jurisdictions think the system is broken, as do 60% of leaders in the smallest jurisdictions.
  - » By political party, 59% of Republican local leaders think the system is broken, as do 72% of Democrats.
- Out of eleven possible reforms presented to them, a majority of all local officials express support for just three reforms to the system: compelling the state to pay for "unfunded mandates" imposed on local governments (82% support), restoring full statutory revenue sharing (76%), and reforming the Headlee Amendment to eliminate or limit millage rate roll-backs (57%).
  - » Looking just at the state's largest jurisdictions, a majority of local leaders support nine of the 11 possible reforms.
- Most (66%) local leaders say they would support raising additional local revenues if they were given additional discretion to do so, but only 31% would pursue more than two new local revenue streams, and there is no overall consensus on which options would be best.
  - » Out of nine options presented, the two with the most support among local officials are raising local property tax millage rates (40%) and levying a local sales tax on alcohol, tobacco, etc. (32%).
  - » A majority of local leaders say they would not levy a general local sales tax, local gas tax, local motor vehicle license/registration fee, or local income tax if given the option to do so.

### **Background**

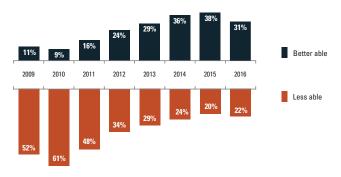
Michigan local governments have faced complex fiscal challenges for years. As the state suffered through what became known as the nation's decade-long "single state recession" beginning around the year 2000, the state government began a series of significant cuts in revenue sharing to local governments that by some estimates now total over \$7 billion. On top of those cuts, when the Great Recession hit in 2008, local property tax revenues plummeted, resulting in an unforeseen major fiscal challenge to the most important source of funding local government. Furthermore, this one-two punch on the revenue side of local finance was exacerbated by costs that continued to increase for public service provision, including costs associated with employee and retiree fringe benefits, pensions, infrastructure needs, and much more.

In the midst of these challenges, the Michigan Public Policy Survey (MPPS) was launched in the spring of 2009, in time to measure statewide local fiscal headwinds at their worst in 2010. On the Spring 2010 MPPS, 61% of local jurisdictions said they were less able to meet their financial needs compared to the previous fiscal year, while just 9% of jurisdictions said they were better able to meet their financial needs. In the years since 2010, the number of jurisdictions reporting improved fiscal health on the MPPS gradually increased, while the number of local governments reporting declining fiscal health gradually decreased (see *Figure 1*). In 2013 the trend of improvement slowed, but then small gains continued in both 2014 and 2015.<sup>2</sup>

As reported last month, however, the trend of improvement has now reversed.<sup>3</sup> For the first time since 2010, the percentage of local jurisdictions reporting they are better able to meet their fiscal needs compared to the previous year fell, while the percentage of jurisdictions reporting they are less able to meet fiscal needs increased. This reversal has happened despite the fact that Michigan's economy has continued to improve, and it calls into question whether or not the state's system of funding local government is essentially broken. Indeed, looking more broadly at the State's laws and policies governing local jurisdictions, researchers at Michigan State University recently concluded that "Michigan incubates financial stress among its local governments."<sup>4</sup>

The MPPS first investigated local leaders' views on the state's system of funding local government in 2012, and found that 58% believed the system was in need of significant reform.<sup>5</sup> At that time, less than a majority (43%) believed the system would provide sufficient funds for their jurisdictions to maintain their current services into the future, even if the economy continued to improve. Now, after four years of continued economic improvement, the MPPS revisited this question to gather local leaders' current views on the state's system of funding local government.

Figure 1
Percentage of jurisdictions reporting they are better or less able to meet their fiscal needs in current year compared to previous year, 2009, 2016



Note: responses for "neither better nor less able" and "don't know" not shown



## Local governments of all sizes think Michigan's system of funding local government is broken

Since the housing market crash that launched the Great Recession in 2008, property tax revenues have rebounded to a significant extent in many places. In addition, Michigan's unemployment rate is at its lowest in 15 years, 6 and yet local officials are even more pessimistic today about their ability to maintain and improve local government services in the long-run than they were four years ago. Now, just 40% of local leaders think that Michigan's system of funding local government will allow them to maintain services (compared to 43% in 2012), and just 23% (compared to 26% in 2012) believe they will be able to improve or expand services in the future (see *Figure 2* for 2016 data).

Reflecting these changes, local leaders are now even more convinced that the state's system of funding local government is broken. The 2016 MPPS finds 64% of local officials believe the system is broken, including 28% who strongly feel this way (see *Figure 3a*). While 18% are neutral saying they neither agree nor disagree, only 12% of local leaders disagree that the system of funding local government is currently in need of significant reform.

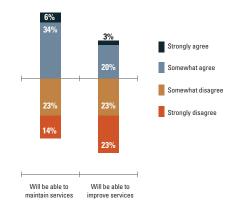
In MPPS surveys over the past eight years, CLOSUP has found that the state's largest jurisdictions have experienced the most dramatic year-to-year swings in fiscal health, perhaps as a result of the complexity of their service delivery arrangements and funding sources. It is not surprising, then, that belief in the need to reform the system of funding local government is more common in the state's larger communities. Among local leaders from the largest jurisdictions, 87% believe the system needs significant reform, including 59% who strongly agree (see *Figure 3b*). Still, even among the state's smallest jurisdictions, a majority (60%) agrees that significant reforms to the system are necessary.

Whether breaking the responses down by region of the state or jurisdiction type (i.e., city, county, township, and village), a majority of all subgroups believe the system of funding local government in Michigan is broken and needs significant reform. (Note: for breakdowns by region and jurisdiction type on this and other metrics, see the MPPS online data tables at http://closup. umich.edu/michigan-public-policy-survey/spring-2016-data.)

These beliefs also transcend political party identification. Among local leaders that self-identify as Republicans, 59% believe the system is broken, as do 72% who self-identify as Democrats, and 80% who self-identify as Independents.

Figure 2

Local leaders' views on whether Michigan's current system of funding local government will provide adequate funding to maintain or improve the services their jurisdiction provides



Note: responses for "neither agree nor disagree" and "don't know" not shown

Figure 3a

Local leaders' views on whether Michigan's current system of funding local government is broken and needs significant reform

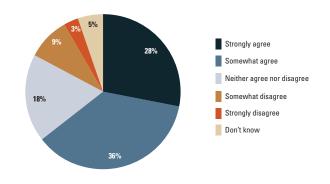
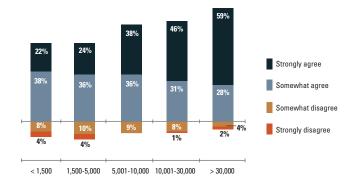


Figure 3b

Local leaders' views on whether Michigan's current system of funding local government is broken and needs significant reform, by population



Note: responses for "neither agree nor disagree" and "don't know" not shown

### How to reform the system? Three reforms rise to the top

In 2012, the MPPS offered local officials the opportunity to suggest reforms to the system of funding local government. Their suggestions included changes to specific provisions within the Headlee Amendment and Proposal A, which govern property taxes, as well as suggestions that would give local governments more latitude to raise revenues from other sources.

On the 2016 survey, after presenting officials with 11 of the possible reforms that were suggested, the MPPS finds unequivocal support for two (see *Figure 4a*):

- compelling the state to pay for "unfunded mandates" imposed on local governments (82% support);
- restoring full statutory revenue sharing, in effect, reversing the cuts that began in 2000 (76%).

Notably, both of these actions would impact the state budget first, and would not necessarily require raising state or local taxes; other State budget items could be cut in order to provide more funding to local governments. In addition, these reforms could make a significant impact on local budgets. A 2009 State Commission tasked to report on the impact of unfunded mandates found they imposed costs on local government finances estimated at over \$2.2 billion per year. Further, State cuts to revenue sharing payments from 2002 to 2016 amounted to an estimated \$7.5 billion being diverted in that time period.

A majority of local leaders (57%) also support reforming the Headlee Amendment to eliminate or limit millage rate roll-backs. These roll-backs occur when the annual growth in taxable value in a jurisdiction exceeds the rate of inflation, forcing jurisdictions to reduce their millage rate so that the community's overall tax revenue growth does not exceed the rate of inflation. The fiscal

Support for and opposition to reforms of Michigan's system of funding local government 1%1% Compel the State to pay for "unfunded 16% 60% mandates" imposed on local governments Restore full statutory revenue sharing 21% (i.e., reverse cuts that began in early 2000s) Reform Headlee Amendment to 31% 29% eliminate or limit millage rate roll-backs Establish automatic millage rate "roll-ups" 36% 16% (increases up to the maximum authorized millage rate when tax base grows slower than inflation) Reform Proposal A to allow more taxable 13% 34% 16% value growth for individual properties 41% 14% Increase maximum allowable local millage rates Increase rates on state taxes with revenue-38% sharing components (e.g., sales, gas) Add services that are not currently 15% 45% 10% taxed to the state sales tax base Allow local governments to raise revenues through local-option taxes (e.g., sales, gas, hotel taxes, etc.) Reform tax increment financing/tax captures (e.g., **55**% DDAs, TIFs, LDFAs) to limit impact on general government revenues 11% 13% 51% Enable regional tax-base sharing among local units Neither support nor oppose, or don't know Strongly support Strongly oppose Somewhat oppose Somewhat support

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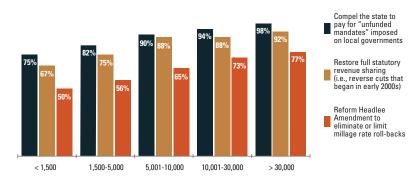


impact of the Headlee policies is particularly evident post-Recession. While property tax revenues plummeted as home values sank in 2008 and subsequent years, Headlee's inflationary cap has limited year-over-year growth of property tax revenues to minor annual growth rates in the current era of low inflation, even though property values have grown substantially in many locations. In other words, a great deal of increased property value is now going un-taxed because of low inflationary caps.

Because local officials in larger jurisdictions are the most adamant that changes to the system of funding local government are needed, it is perhaps unsurprising that they are more supportive of reforms to the system compared to local leaders in smaller jurisdictions. Among leaders in the state's largest jurisdictions, 98% support compelling the State to pay for unfunded mandates, 92% support restoring full statutory revenue sharing, and 77% support reforming Headlee to limit roll-backs. However, each of these top three reforms are also supported by a majority of officials in each of the other population categories (see *Figure 4b*). Among local officials in the state's smallest jurisdictions, 75% support compelling the State to pay for unfunded mandates, 67% support restoring full statutory revenue sharing, and 50% support reforming Headlee.

These population size differences also continue for most of the other reforms presented to local leaders. A majority of local leaders in the state's largest jurisdictions, for example, support nine of the 11 possible reforms, while these top three are the only reforms supported by a majority in jurisdictions with less than 5,000 residents. Breakdowns by population size for all 11 reforms can be found in *Appendix A*.

Figure 4b
Support for the top three possible reforms to Michigan's system of funding local government, by jurisdiction population size



Note: responses for "strongly support" and "somewhat support" are combined

### Local leaders express uncertainty, rather than opposition, for other reforms

While the eight other possible reforms included on the MPPS are not supported by a majority of local officials statewide, there isn't necessarily much opposition to them. The two reforms with the highest opposition—adding services that are not currently taxed to the state sales tax base, and allowing local governments to raise revenues through local-option taxes (e.g., a local gas tax or local sales tax)—are only opposed by 26% of local officials. Instead, for each of these lower-priority reforms, at least a third of local officials answered that they "neither support nor oppose" the change or "don't know" (refer back to *Figure 4a*).

This high level of ambivalence or uncertainty is particularly striking for two of the options: reforming tax increment financing or "tax captures" to limit the impact on general government revenues (55% neither support nor oppose, or don't know) and enabling regional tax base sharing among local units (51% neither support nor oppose, or don't know).

Reforms for special taxing authorities (like Downtown Development Authorities) are popular among officials from the state's largest jurisdictions (62% support; 19% oppose), which are the most likely to use these taxing authorities. By contrast, among officials from the state's smallest jurisdictions, where these special taxing authorities are much less common, there is more support (26%) than opposition (9%) for reforming this taxing approach. But even more so, two-thirds (65%) of local leaders in these small communities say they "neither support nor oppose" changing tax capture rules or "don't know" (see *Figure 5*.)

There is a similar pattern of high uncertainty among the state's many small jurisdictions for enabling regional tax-base sharing among local units. Over half (58%) of officials from jurisdictions with less than 1,500 residents answered that they "neither support nor oppose" or "don't know" whether the state should enable regional tax-base sharing among local units. However, even those from the state's largest jurisdictions are unsure about this reform, with 38% of local leaders in these large jurisdictions answering this way (see *Figure 6*).

Figure 5
Support for and opposition to reforming tax increment financing authorities, by jurisdiction population size

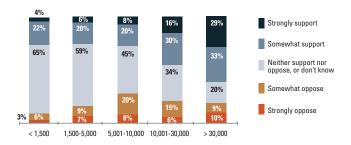
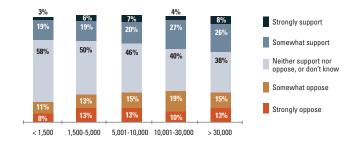


Figure 6
Support and opposition to enabling regional tax-base sharing, by jurisdiction population size





### Most local governments are willing to raise limited new local revenues, but with little agreement on mechanisms

While local leaders are most supportive of reforms that would directly impact the state's budget (such as funding currently unfunded state mandates and restoring full revenue sharing), they are not necessarily opposed to raising new local revenues. When asked about nine different local revenue options, nearly two-thirds (66%) of local leaders say that they would support introducing or

increasing at least one of the proposed options. However, there is no consensus on which option local government leaders prefer. And, importantly, relatively few local leaders would support raising additional local funds from more than one or two of the possible options.

Of nine possible local taxes asked about on the MPPS, the only option where the number of officials in support outnumbers those in opposition is for increasing local property tax millage rates (see *Figure 7a*). This is the only option on the list that all local governments are currently authorized to levy. Overall, 40% of local officials would support increasing property tax millage rates compared to 32% who would oppose doing so. This would be supported by 50% of the state's largest jurisdictions, but also 38% of the smallest.

Levying a local sales tax on "sin" items such as alcohol and tobacco is the next popular option with 32% of local government officials in support of introducing this in their jurisdiction, if given the authority to do so. As with property tax increases, opinions about the sin tax are nearly equal across population categories, with 30% of the state's smallest jurisdictions and 31% of the state's largest jurisdictions saying they would support levying such a tax. Even so, local officials in 41% of jurisdictions statewide a(and 41% each in the smallest and largest jurisdictions) say they would oppose introducing a sales tax on alcohol, tobacco, etc.

Four of the nine possible local tax options would be opposed by more than half of the state's local officials. A majority of the state's local leaders—in jurisdictions large and small—say they would oppose levying a local sales tax (54% oppose), local gas tax (57%), and local income tax (59%). Overall, 52% of local leaders say they would oppose levying a local motor vehicle license or registration fee, but there is not quite majority opposition

**Figure 7a**Support for and opposition to local-revenue options, assuming every jurisdiction had the authority to levy these options

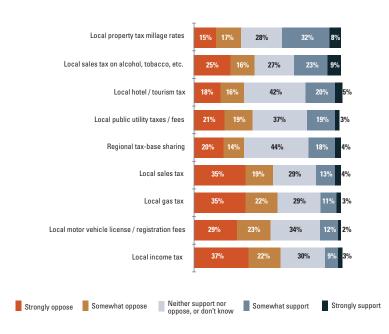
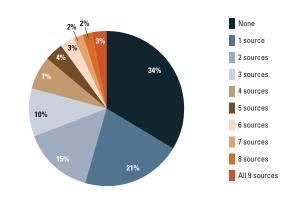


Figure 7b
Number of local revenue options (from list of nine presented in Figure 7a) local leaders say they would support pursuing



in jurisdictions with more than 10,000. [Note: Breakdowns by population size for all nine local revenue options are in *Appendix B*.]

While 66% of local leaders would support raising some kind of additional local revenues if given the authority, 21% would only take advantage of one of the possible options, and just 31% would pursue more than two new revenue streams (see Figure 7b). Clearly, if Lansing consider giving new authority to local governments, local leaders say a one-size-fits-all approach would not be helpful.

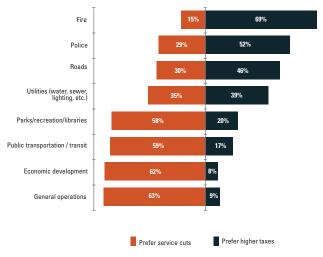
## Local officials believe their citizens prefer service cuts to tax hikes for all but public safety services

If authorized to levy new local revenue options, for which types of services might local officials pursue additional funding? In terms of the trade-off between services and taxes, local officials think that there are very few types of services for which citizens would choose paying higher taxes in order to avoid service cuts. Specifically, a majority of local officials think their citizens would be willing to pay higher taxes to avoid cuts to fire (69%) or police (52%) services (see *Figure 8*). By contrast, most local officials think that their citizens would prefer taking service cuts in order to avoid paying higher taxes for general government operations, economic development, parks/recreation/libraries, or public transit in the communities where these services are offered. Roads and utilities are a bit of a middle ground. More local leaders (though less than a majority) think that their communities would prefer increased taxes for these services than to see cuts.

One reason perceived support may be low for most local-option taxes is that most leaders (79%) believe their citizens are satisfied with their jurisdictions' services today (see *Figure 9*).

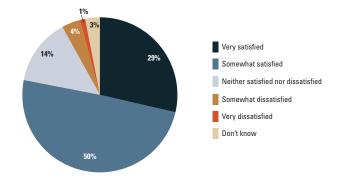
In addition, 79% of local officials themselves say they are either somewhat satisfied or very satisfied overall with their jurisdiction's current services today, the same percentage as found when first asked this question in 2012. However, while local leaders' overall satisfaction with the package of services is unchanged since the question was first asked in 2012, there may already be some negative change in these views. In 2012, 39% were very satisfied with their jurisdictions' services, compared to 33% today. If local leaders are right that the State's system of funding local government won't allow them to maintain services going forward, it might be expected that satisfaction with services will continue to decrease in the future unless there are reforms to the way local governments are funded.

Figure 8
Local leaders views' on whether citizens would pay higher taxes to avoid service cuts, or take service cuts to avoid higher taxes for a range of services, among jurisdictions that provide the service



Note: responses for "don't know" not shown

Figure 9
Percentage of local leaders who think the majority of their jurisdiction's citizens are satisfied or dissatisfied with the services the jurisdiction currently provides





### **Conclusion**

A growing majority of Michigan local government leaders believe the state's system of funding their jurisdictions is broken, with fewer believing the system will allow their jurisdictions to maintain their package of services going forward, even if the economy continues to improve, compared to when these questions were first asked in 2012. In fact, while Michigan's economy has continued to improve since the end of the Great Recession, the MPPS recently reported a reversal in trends of gradually improving local government fiscal health. Local leaders' predictions from 2012 about inadequacies in the state's system of funding may already be coming true.

When presented with 11 possible reforms to the system of funding local government, however, local leaders overall express majority support for only three options: compelling the state to fund currently unfunded mandates placed on local governments, restoring full statutory revenue sharing, and easing or eliminating the tax limitations established by the Headlee Amendment to the State Constitution. Still, there is little outright opposition to any of the possible reforms; instead, many local leaders, especially those in the state's smallest jurisdictions, are ambivalent about other possible reforms. And, among officials in the largest jurisdictions there is majority support for nine of the 11 possible reforms.

Local leaders think their citizens have little appetite to pay more taxes at the local level, other than for core services such as public safety, and possibly for infrastructure such as roads. Nonetheless, when posed with nine different local revenue options—including many that they are not currently authorized to levy—a majority of local leaders say they would take advantage of at least one such option, particularly increasing property tax millage rates. However, relatively few would try to implement more than one or two hypothetical new local tax options.

If Lansing is to undertake reform of the state's system of funding local government, one thing is clear: a one-size-fits-all approach is unlikely to succeed. Given the ambivalence local leaders overall express for many types of possible reform, a wider and deeper conversation is needed.

#### **Notes**

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### **Survey Background and Methodology**

The MPPS is a biannual survey of each of Michigan's 1,856 units of general purpose local government, conducted once each spring and fall. While the spring surveys consist of multiple batteries of the same "core" fiscal, budgetary and operational policy questions and are designed to build-up a multi-year time-series of data, the fall surveys focus on various other topics.

In the Spring 2016 iteration, surveys were sent by the Center for Local, State, and Urban Policy (CLOSUP) via the internet and hardcopy to top elected and appointed officials (including county administrators and board chairs; city mayors and managers; village presidents, clerks, and managers; and township supervisors, clerks, and managers) from all 83 counties, 278 cities, 255 villages, and 1,240 townships in the state of Michigan.

The Spring 2016 wave was conducted from April 4 – June 6, 2016. A total of 1,378 jurisdictions in the Spring 2016 wave returned valid surveys (62 counties, 222 cities, 190 villages, and 903 townships), resulting in a 74% response rate by unit. The margin of error for the survey for the survey as a whole is +/- 1.34%. The key relationships discussed in the above report are statistically significant at the p<.05 level or below, unless otherwise specified. Missing responses are not included in the tabulations, unless otherwise specified. Some report figures may not add to 100% due to rounding within response categories. Quantitative data are weighted to account for non-response. "Voices Across Michigan" verbatim responses, when included, may have been edited for clarity and brevity. Contact CLOSUP staff for more information.

Detailed tables of the data analyzed in this report broken down three ways—by jurisdiction type (county, city, township, or village); by population size of the respondent's community, and by the region of the respondent's jurisdiction—are available online at the MPPS homepage: http://closup.umich.edu/mpps.php.

The survey responses presented here are those of local Michigan officials, while further analysis represents the views of the authors. Neither necessarily reflects the views of the University of Michigan, or of other partners in the MPPS.



### **Appendices**

Appendix A

Support for and opposition to reforms of Michigan's system of funding local government, by jurisdiction population size

		Population Size					All
		<1,500	1,500- 5,000	5,001- 10,000	10,001- 30,000	>30,000	jurisdictions
Enable regional tax-base sharing among local units	Support	22%	25%	27%	31%	34%	25%
	Oppose	19%	26%	28%	29%	28%	24%
Reform tax increment financing/tax captures (e.g., DDAs, TIFs, LDFAs) to limit impact on general government revenues	Support	26%	26%	28%	46%	62%	30%
	Oppose	9%	16%	28%	21%	19%	15%
Allow local governments to raise revenues through local-option taxes (e.g., sales, gas, hotel taxes, etc.)	Support	25%	31%	41%	60%	65%	34%
	Oppose	27%	29%	23%	17%	17%	26%
Compel the State to pay for "unfunded mandates" imposed on local governments	Support	75%	82%	90%	94%	98%	82%
	Oppose	2%	3%	0%	1%	0%	2%
Increase maximum allowable local millage rates	Support	36%	40%	50%	66%	56%	42%
	Oppose	16%	18%	13%	13%	19%	16%
Reform Headlee Amendment to eliminate or limit millage rate roll-backs	Support	50%	56%	65%	73%	77%	57%
	Oppose	12%	14%	9%	8%	6%	12%
Establish automatic millage rate "roll-ups" (increases up to the maximum authorized millage rate when tax base grows slower than inflation)	Support	40%	41%	49%	55%	64%	44%
	Oppose	18%	23%	24%	17%	15%	20%
Reform Proposal A to allow more taxable value growth for individual properties	Support	35%	39%	55%	65%	75%	43%
	Oppose	23%	25%	24%	15%	5%	22%
Restore full statutory revenue sharing (i.e., reverse cuts that began in early 2000s)	Support	67%	75%	88%	88%	92%	76%
	Oppose	4%	4%	0%	2%	3%	4%
Add services that are not currently taxed to the state sales tax base	Support	22%	30%	39%	43%	40%	29%
	Oppose	27%	26%	24%	17%	27%	26%
Increase rates on state taxes with revenue-sharing components (e.g., sales, gas)	Support	31%	38%	49%	49%	51%	39%
	Oppose	27%	24%	21%	21%	20%	24%

Notes: Responses for "neither support nor oppose" and "don't know" not shown.



Appendix B
Support for and opposition to pursuing additional local revenues, by jurisdiction population size

		Population Size					- All
		<1,500	1,500- 5,000	5,001- 10,000	10,001- 30,000	>30,000	jurisdictions
Local property tax millage rates	Support	38%	35%	45%	50%	50%	40%
	Oppose	31%	36%	30%	28%	28%	32%
Local income tax	Support	7%	10%	17%	21%	25%	12%
	Oppose	61%	60%	53%	55%	50%	59%
Local sales tax	Support	13%	16%	23%	32%	25%	17%
	Oppose	55%	56%	50%	48%	50%	54%
Local gas tax	Support	10%	15%	18%	26%	17%	14%
	Oppose	59%	57%	55%	48%	54%	57%
Local sales tax on alcohol, tobacco, etc.	Support	30%	31%	39%	40%	31%	32%
	Oppose	41%	44%	38%	39%	41%	41%
Local public utility taxes / fees	Support	17%	23%	28%	31%	27%	22%
	Oppose	41%	41%	37%	32%	41%	40%
Local hotel / tourism tax	Support	20%	21%	24%	40%	47%	25%
	Oppose	35%	36%	35%	28%	20%	34%
Local motor vehicle license / registration fees	Support	9%	15%	21%	23%	21%	14%
	Oppose	56%	53%	46%	43%	43%	52%
Regional tax-base sharing	Support	20%	22%	24%	26%	30%	22%
	Oppose	30%	36%	37%	35%	28%	34%



### **Previous MPPS reports**

Michigan local governments report first declines in fiscal health trend since 2010 (August 2016)

Michigan local leaders' doubts continue regarding the state's direction (July 2016)

Hospital access primary emergency medical concern among many Michigan local officials (July 2016)

Firefighting services in Michigan: challenges and approaches among local governments (June 2016)

Most local officials are satisfied with law enforcement services, but almost half from largest jurisdictions say their funding is insufficient (April 2016)

Local leaders say police-community relations are good throughout Michigan, but those in large cities are concerned about potential civil unrest over police use-of-force (February 2016)

Report: Responding to budget surplus vs. deficit: the preferences of Michigan's local leaders and citizens (December 2015)

Michigan's local leaders concerned about retiree health care costs and their governments' ability to meet future obligations (October 2015)

Fiscal health rated relatively good for most jurisdictions, but improvement slows and decline continues for many (September 2015)

Confidence in Michigan's direction declines among state's local leaders (August 2015)

Michigan local government leaders' views on private roads (July 2015)

Few Michigan jurisdictions have adopted Complete Streets policies, though many see potential benefits (June 2015)

Michigan local leaders have positive views on relationships with county road agencies, despite some concerns (May 2015)

Michigan local government leaders say transit services are important, but lack of funding discourages their development (April 2015)

Michigan local leaders see need for state and local ethics reform (March 2015)

Local leaders say Michigan road funding needs major increase, but lack consensus on options that would raise the most revenue (February 2015)

Michigan local government leaders' views on employee pay and benefits (January 2015)

Despite increasingly formal financial management, relatively few Michigan local governments have adopted recommended policies (December 2014)

Most Michigan local officials are satisfied with their privatized services, but few seek to expand further (November 2014)

Michigan local governments finally pass fiscal health tipping point overall, but one in four still report decline (October 2014)

Beyond the coast, a tenuous relationship between Michigan local governments and the Great Lakes (September 2014)

Confidence in Michigan's direction holds steady among state's local leaders (August 2014)

Wind power as a community issue in Michigan (July 2014)

Fracking as a community issue in Michigan (June 2014)

The impact of tax-exempt properties on Michigan local governments (March 2014)

Michigan's local leaders generally support Detroit bankruptcy filing despite some concerns (February 2014)

Michigan local governments increasingly pursue placemaking for economic development (January 2014)

### The Center for Local, State, and Urban Policy

Views on right-to-work legislation among Michigan's local government leaders (December 2013)

Michigan local governments continue seeking, and receiving, union concessions (October 2013)

Michigan local government fiscal health continues gradual improvement, but smallest jurisdictions lagging (September 2013)

Local leaders evaluate state policymaker performance and whether Michigan is on the right track (August 2013)

Trust in government among Michigan's local leaders and citizens (July 2013)

Citizen engagement in the view of Michigan's local government leaders (May 2013)

Beyond trust in government: government trust in citizens? (March 2013)

Local leaders support reforming Michigan's system of funding local government (January 2013)

Local leaders support eliminating Michigan's Personal Property Tax if funds are replaced, but distrust state follow-through (November 2012)

Michigan's local leaders satisfied with union negotiations (October 2012)

Michigan's local leaders are divided over the state's emergency manager law (September 2012)

Fiscal stress continues for hundreds of Michigan jurisdictions, but conditions trend in positive direction overall (September 2012)

Michigan's local leaders more positive about Governor Snyder's performance, more optimistic about the state's direction (July 2012)

Data-driven decision-making in Michigan local government (June 2012)

State funding incentives increase local collaboration, but also raise concerns (March 2012)

Local officials react to state policy innovation tying revenue sharing to dashboards and incentive funding (January 2012)

MPPS finds fiscal health continues to decline across the state, though some negative trends eased in 2011 (October 2011)

Public sector unions in Michigan: their presence and impact according to local government leaders (August 2011)

Despite increased approval of state government performance, Michigan's local leaders are concerned about the state's direction (August 2011)

Local government and environmental leadership: views of Michigan's local leaders (July 2011)

Local leaders are mostly positive about intergovernmental cooperation and look to expand efforts (March 2011)

Local government leaders say most employees are not overpaid, though some benefits may be too generous (February 2011)

Local government leaders say economic gardening can help grow their economies (November 2010)

Local governments struggle to cope with fiscal, service, and staffing pressures (August 2010)

Michigan local governments actively promote U.S. Census participation (August 2010)

Fiscal stimulus package mostly ineffective for local economies (May 2010)

Fall 2009 key findings report: educational, economic, and workforce development issues at the local level (April 2010)

Local government officials give low marks to the performance of state officials and report low trust in Lansing (March 2010)

Local government fiscal and economic development issues (October 2009)

All MPPS reports are available online at: http://closup.umich.edu/mpps.php

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# The Center for Local, State, and Urban Policy (CLOSUP), housed at the University of Michigan's Gerald R. Ford School of Public Policy, conducts and supports applied policy research designed to inform state, local, and urban policy issues. Through integrated research, teaching, and outreach involving academic researchers, students, policymakers and practitioners, CLOSUP seeks to foster understanding of today's state and local policy problems, and to find effective

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