

RESOLUTION IN SUPPORT OF BACK REVENUE SHARING

Gladwin County Board of Commissioners

RESOLUTION #2021- 07

SUPPORTING PASSAGE OF LEGISLATION TO PROVIDE BACK REVENUE SHARING TO COUNTIES

WHEREAS, Gladwin County has a population of 25,337 (2018) and is projected to receive \$545,848.00 or \$21.54 per person in Revenue Sharing dollars in 2021.

WHEREAS, Gladwin County is very thankful for the Revenue Sharing dollars it has received. Traditionally, State Revenue Sharing was among the County's large revenue sources.

WHEREAS, Gladwin County received \$608,881.00 in Revenue Sharing dollars in year, 2001, which was greater than the amount project for 2021.

WHEREAS, counties agreed to a tax shift in 2004 that resulted in excess revenue in property taxes. These funds were restricted into a County Revenue Sharing Reserve Fund (CRSRF).

WHEREAS, counties went off a statutory revenue sharing in 2004 to save the State money during a budget crisis and agreed to pay themselves the annual Revenue Sharing payments out of the CRSRF until those funds were exhausted.

WHEREAS, this self-payment system saved the State more than \$1.5 billion to date, and Gladwin County alone save the State \$698,347.00.

WHEREAS, each county exhausted their reserve fund at different times. (See Table A)

WHEREAS, the agreement to pay themselves their own Revenue Sharing included a provision that when they exhausted their CRSRF, they could come back on the State system at the rate they were paying themselves.

WHEREAS, the State continued to cut Revenue Sharing between 2009 and 2014, resulting in a breach of this agreement and a reduction in Revenue Sharing for those counties that came back on the system between 2008 and 2014.

WHEREAS, the counties that exhausted their CRSRF earlier than others were, and continue to be, negatively affected by the reduction in eligible payments.

WHEREAS, counties have individually and collectively "lost" by the State discontinuing CPI increases once the State resumed responsibility for CRS payments.

WHEREAS, the State has demonstrated a consistent divestment from local municipal finance through the years and over multiple administrations from both major political parties. The County of Gladwin would respectfully request the utmost consideration during the State's budget process and request the statutory component of the Revenue Sharing model be adjusted.

THEREFORE, BE IT RESOLVED that **GLADWIN COUNTY** supports legislation to ensure proper Revenue Sharing adjustments are made to cover the shortfalls that continue to adversely impact Gladwin residents.

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to the Governor of the State of Michigan, Senator John Moolenaar, Representative Jason Wentworth, and all affected Michigan Counties for their consideration and action.

Motion by Commissioner Taylor

Motion Supported by Commissioner K. Grove

Ayes: 5

Nays: 0

Adopted this 25th day of May 2021.

Karrie Hulme
Karrie Hulme, Gladwin County Clerk

Karen Moore
Karen Moore, Chairperson Board of Commissioners