



City of Oak Park

"The Family City"

Sandra Gadd, *City Clerk*

Mayor
Gerald E. Naftaly
Mayor Pro Tem
Michael M. Seligson
Council Members
Willie Horton
Angela Diggs Jackson
Kirk Yousif

CM-03-93-06 RESOLUTION SUPPORTING FULL FORMULA FUNDING OF STATE REVENUE TO LOCAL GOVERNMENTS

Motion by Horton, seconded by Seligson, CARRIED UNANIMOUSLY: To receive a resolution from the City of Royal Oak strongly supporting full formula funding of State revenue to local government, and to adopt the following resolution:

- WHEREAS, As a component of tax restructuring, the consolidation of specific business taxes and the elimination of local option taxes, the State of Michigan developed a system of collecting local taxes at the State level for distribution to municipalities;
- WHEREAS, The Statutory Revenue Sharing Act currently earmarks a percentage of State Sales Tax for distribution to cities, villages and townships under a formula measuring local tax capacity, government type and population;
- WHEREAS, Statutory Revenue Sharing is the only State tax policy attempting to level the playing field by providing more funding to communities with low tax bases;
- WHEREAS, Local government recognizes and accepts the fact that there will be fluctuations in the State economy impacting the statutory shared revenues, however, the State began ignoring the revenue sharing commitment in 1991;
- WHEREAS, The current budget proposed by Governor Granholm diverts over \$600 million of statutory funding for cities, villages and townships to the State;
- WHEREAS, In the past 5 years, approximately 40% of the State budget deficit has been assumed by cities, villages and townships as the State continues to reduce revenue commitments and shift funding responsibility;
- WHEREAS, The hardest hit have been fully developed urban areas already losing revenue under Michigan's property tax system as revised following the passage of Proposal A; and
- WHEREAS, It is inconceivable that the Governor and Legislature continue to put our State's future in jeopardy by mandating cuts to public safety and core services which define our quality of life.
- NOW, THEREFORE, BE IT RESOLVED, that the Governor, Senate, and House of Representatives of the State of Michigan are hereby strongly urged to fully fund the current formula of local revenues collected by the state and distributed under the Statutory Act.

BE IT FURTHER RESOLVED, that a copy of this Resolution be forwarded to Governor Granholm, Senator Jacobs, Representatives Meisner and Condino, the Michigan Municipal League, and surrounding communities.

I, Sandra K. Gadd, the duly appointed and qualified City Clerk for the City of Oak Park, Oakland County, Michigan, do hereby certify that the foregoing resolution was adopted by the City Council at a regular meeting held on March 20, 2006.

A handwritten signature in cursive script that reads "Sandra K. Gadd". The signature is written in black ink and is positioned above a horizontal line.

Sandra K. Gadd, City Clerk