

# CLINTON COUNTY BOARD OF COMMISSIONERS

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**COURTHOUSE  
100 E. STATE STREET  
ST. JOHNS, MICHIGAN 48879-1571  
989-224-5120**



**Administrator  
Ryan L. Wood**

## RESOLUTION 2004-23

### Resolution to Support the Proposal to Collect County General Fund Taxes in July and to Continue County Revenue Sharing

Governor Granholm, in her proposed FY 2004-2005 budget for the state of Michigan, completely eliminated \$183.5 million in revenue sharing payments to counties, and proposed that the county general fund millage be collected in July instead of December, with the funds collected twice within the counties' fiscal year to be reserved so that counties may withdraw down an amount each ensuing year equal to the eliminated revenue sharing payment plus inflation, and

**WHEREAS**, many counties and legislators voiced opposition to the July tax collection due to concern about the effect it would have on taxpayer's escrow accounts, and many counties were skeptical that the state would actually restore revenue sharing when the reserve accounts were depleted, and

**WHEREAS**, counties worked closely with the Michigan Department of Treasury to modify the proposal to have the summer tax collection phased in over a three year period, thereby lessening the impact upon taxpayers, and

**WHEREAS**, the elimination of county revenue sharing without any method of replacement would create a shortfall of \$434,000 in the county's 2004 Budget and \$1 million in the 2005 Budget, and would be financially devastating to county programs and services, and

**WHEREAS**, if the amount eliminated from the state budget was spread equally among local units that receive statutory revenue sharing, Clinton County would receive a 17% reduction, and if that amount was spread among local units according to the revenue sharing formula, Clinton County would receive a 45.4% reduction, and

**WHEREAS**, any one of these other alternatives would threaten Clinton County's ability to provide many of its current non-mandated services to the residents, and the revised proposal establishes a revenue sharing reserve fund that will replace the loss of state revenue sharing dollars until approximately 2014 for Clinton County, and

**WHEREAS**, the revised proposal to move the collection date of the county general fund millage to July would result in no annual tax increase for residents, other than that which occurs through inflation but would require that residents pay one-third of the county general fund millage amount in July over a three year period, which would result in the early payment of \$97 on a \$100,000 home with a taxable value of \$50,000, and

**WHEREAS**, farmers and senior citizens are allowed to defer paying summer taxes until the normal December tax collection because of existing provisions in current law, and

**WHEREAS**, the Governor's office has made assurances that counties will continue to be included in the statutory revenue sharing formula and the appropriation for county revenue sharing will continue to be included in the general appropriations act, with the understanding that the payment will not be made to a county until the funds in its reserve account are depleted.

**NOW, THEREFORE, BE IT RESOLVED**, that the Clinton County Board of Commissioners hereby supports the revised proposal for a summer tax collection of county general fund millages, which is to be phased-in over a period of three years beginning in July, 2005, and will allow counties to withdraw amounts equal to the suspended state revenue sharing payments from a Revenue Sharing Reserve Fund beginning in December, 2004.

Be It Further Resolved that this support is given contingent upon the inclusion of counties in the revenue sharing formula and the inclusion of an unreduced appropriation for county revenue sharing in the general appropriations act, with the understanding that it will not be paid to a county until the funds in its reserve account are depleted.

Be It Further Resolved that copies of this resolution be forwarded to Governor Jennifer Granholm, State Senators Alan Cropsy and Ken Sikkema, State Representatives Rick Johnson, Scott Hummel and Larry Jullian, State Treasurer Jay Rising, State Budget Director Mary A. Lannoye, The Michigan Association of Counties, and the 82 County Boards of Commissioners in the State of Michigan.

STATE OF MICHIGAN  
COUNTY OF CLINTON

I, DIANE ZUKER, Clerk of the County of Clinton do hereby certify that the foregoing Resolution was duly adopted by the Clinton County Board of Commissioners at the regular meeting held August 31, 2004 and is on file in the records of this office.

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Diane Zuker, Clinton County Clerk