

**RESOLUTION SUPPORTING SAME PERCENTAGE INCREASE
IN REVENUE SHARING
FOR DETROIT AS OTHER MICHIGAN MUNICIPALITIES IN HOUSE
BILL 5780**

BY COUNCIL PRESIDENT KENNETH V. COCKREL JR

WHEREAS Since December 2003, the Michigan Legislature has cut revenue sharing to the City of Detroit by the same across-the-board percentage that it did other municipalities, with absolutely no regard to the actual dollar amount said cuts cost the state's largest city.

WHEREAS Reductions to revenue sharing for Michigan cities, villages and townships have totaled \$227 million since December 2003; and Detroit – home to roughly 10 percent of the state's population – has absorbed \$51.6 million, or 23 percent, of those cuts.

WHEREAS The Legislature, pursuant Public Act 532 of 1998, promised to appropriate to the City of Detroit \$333.9 million each state fiscal year from October 1, 1998 through June 30, 2007 – unless during that period, state sales tax collections, which pay for the revenue sharing program, dropped from one state fiscal year to the next.

WHEREAS Total state sales tax collections have remained robust since enactment of Public Act 532 of 1998 and never fallen from one state fiscal year to the next; yet, the Michigan Legislature still cut revenue sharing to the City of Detroit from \$333.9 million per year to today's level of about \$285 million per year.

WHEREAS the Michigan House of Representatives has proposed in House Bill 5780, the 2007 General Government budget bill, an across-the-board 2 percent increase in revenue sharing, with a cap of no more than \$2 million to any one municipality.

WHEREAS A 2 percent increase in its current revenue sharing allocation would amount to an additional \$5.7 million for the City of Detroit, but the \$2 million cap currently in House Bill 5780 would compel the city to forgo \$3.7 million.

WHEREAS The \$2 million cap affects only the City of Detroit and would represent to the city a 0.7 percent increase in revenue sharing in 2007 over the current year appropriation.

WHEREAS The prospective 0.7 percent increase in revenue sharing amounts to roughly one-third of the raise the Legislature plans to award other Michigan municipalities and, by its very nature, sets up the City of Detroit for disparate treatment from other local units of government.

WHEREAS Revenue sharing pays for such direct city services as police and fire protection, streetlights and roads – areas in which City of Detroit needs are no less important than other municipalities. **NOW THEREFORE BE IT**

RESOLVED That the Detroit City Council urges the Michigan Legislature to remove the \$2 million cap currently in House Bill 5780 and to give the City of Detroit the same percentage

increase in revenue sharing that it plans to afford other municipalities in the state's 2007 budget.
AND BE IT FINALLY

RESOLVED That a copy of this Resolution be sent to Mayor Kwame M. Kilpatrick, Governor Jennifer Granholm, all members of the Michigan House and Senate, City of Detroit Lansing Lobbyist Marge Malarney & Associates and the Michigan Municipal League.