

AxMITax Poses Significant Threat to Communities



An ongoing effort known as “Ax MI Tax” aims to eliminate all real and personal property taxes in Michigan. This ballot initiative is being pursued by individuals who say they “don’t care” about the services that would be lost if they are successful, an approach that devalues the importance of all community services in the State of Michigan.

This proposal seeks to cut over \$17 billion in funding for schools, roads, recreation, and public safety. At the same time, it provides only fractional and restricted replacement funding to cities, villages, townships, and counties with no replacement revenue to schools or other authorities.

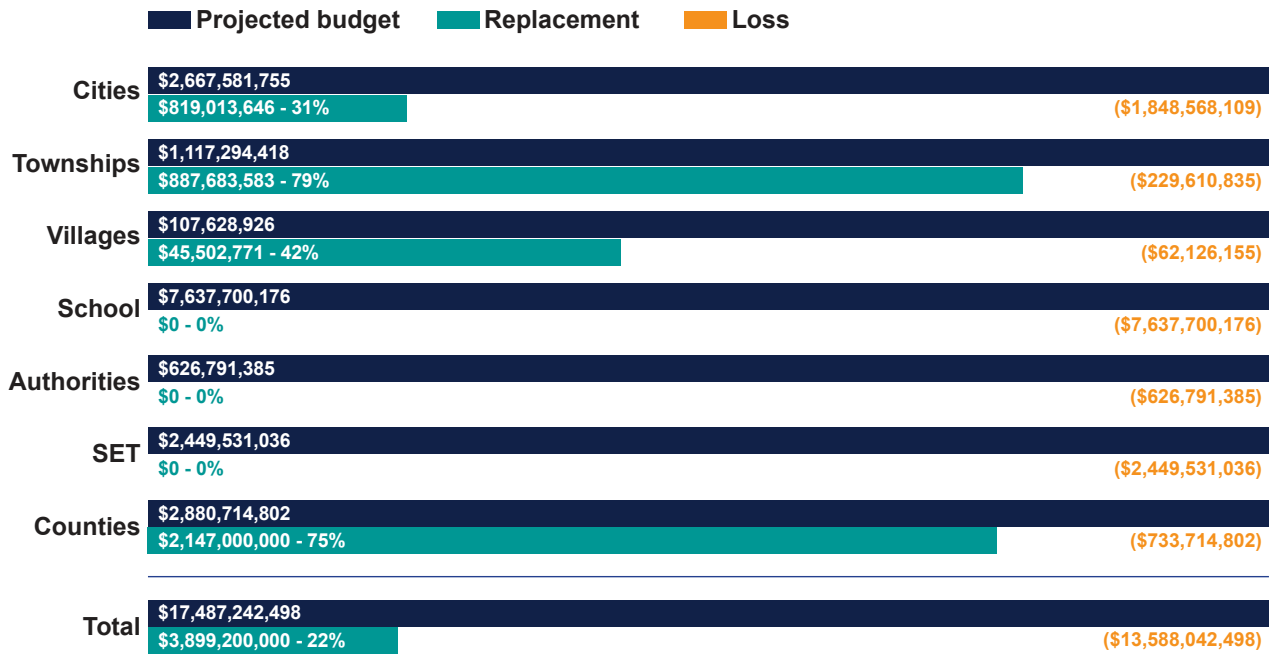
As you know, Southeast Michigan communities are filled with spaces, activities, and core services that residents rely on daily. These include: public safety, senior services, roads and water infrastructure, trash collection, education opportunities, libraries, and more. To fund these services, our communities rely on property taxes. These property taxes are vital to realizing SEMCOG’s vision that all people of Southeast Michigan benefit from a connected, thriving region of small towns, dynamic urban centers, active waterfronts, diverse neighborhoods, premiere educational institutions and abundant agricultural, recreational, and natural areas.

The proposal language includes the following:

- Eliminating all current and future State, county, and municipal personal property taxes.
- Redistributing State tax revenue from sales, income, marijuana, alcohol, and tobacco to cities, villages, townships, and counties.
- Redistributed tax revenue can only be expended on essential services and infrastructure, which are narrowly defined as: public safety, courts, roads, and water infrastructure.
- Requiring 60% of voters to approve local taxes and 2/3 vote of the Legislature to increase any state tax by more than .01% over five years.

While reducing taxes may seem appealing, this proposal will have profoundly negative impacts on the people and services it claims to protect. The elimination of these resources will make it impossible for State and local governments to deliver core services, invest in our infrastructure, and spur economic growth.

Statewide aggregate impacts



Source: Michigan Municipal League

Here are some of the outcomes if this ballot initiative is passed:

- Eliminates all millages 45 days after the passage of the proposal, including local schools, libraries, parks authorities, garbage pick-up, road millages, public safety authorities, transit, senior services, etc.
- Provides no clear funding mechanisms to hold elections or operate jails.
- Jeopardizes skilled public sector jobs, leading to increased unemployment and straining the Michigan economy.
- Reduces the ability of Michigan-based businesses to attract and retain workers in a state that has devalued the public services, educational opportunities, and amenities their employees seek.
- Cuts \$10 billion in classroom funding from schools with zero replacement revenue.
- Eliminates roughly 45% of Intermediate School District (ISD) funding, which supports special education services.
- Removes \$450 million for libraries, with no replacement considerations.
- Cuts roughly 1/3 of the funding for community colleges, which provide local, cost-effective access to higher education.
- Eliminates ad valorem special assessments that fund public safety, like police and fire operations.

This ballot initiative would have a catastrophic economic and social impact on every community whose services provide value to residents and businesses. Property taxes serve a clear purpose. In their absence, we lose far more than the ability to provide services; we lose the ability for people to choose and contribute to the community where they live.

Contact: Michael Spence, Government Affairs Manager, SEMCOG