

REVENUE SHARING TRUST FUND

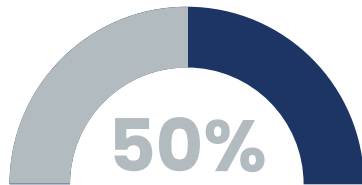
Revenue-sharing payments to local governments have steadily increased throughout the last decade.

However, cities, townships, and villages still receive approximately **\$800 million less** than full funding, according to PA 532 of 1998.

Michigan's local governments had 21,950 fewer employees in 2022 than they did in 2002.



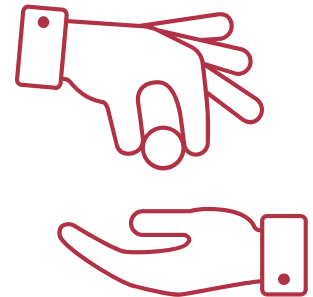
25% of all jobs lost were public safety related.



Revenue sharing provides up to 50% of local government revenue. The state should ensure that revenue sharing is dependable, regardless of the current economy or a community's prosperity.

Michigan communities face property tax caps, which restricts their ability to generate their own revenue.

Revenue sharing helps fill the gaps.



The creation of a Revenue Sharing Trust Fund would provide a sustainable and consistent source of revenue for local governments, including cities, townships, villages, and counties.

Data sourced from the Michigan Citizens Research Council, the Michigan Municipal League, and the House Fiscal Agency.

REVENUE SHARING TRUST FUND

*MICHIGAN HAS SHARED PART OF ITS REVENUE
WITH LOCAL GOVERNMENTS SINCE 1933.*

SERVE AS A PRIMARY FUNDING SOURCE

Revenue sharing is one of two primary funding sources local governments rely on to provide core services such as public safety, safe drinking water, park maintenance, and small business support.

SUPPLEMENT LIMITED PROPERTY TAXES

Michigan limits property tax growth through a rate limit, an assessment limit, and a levy limit. Most states only use one, making Michigan's property tax limitations among the strictest in the nation.

ONE OF TWO REVENUE SOURCES

Property tax limitations, coupled with the challenge of gaining voter approval for tax increases, leave local governments with few alternative revenue sources, making them dependent on state revenue sharing.

A STABLE INVESTMENT

It's extremely difficult for community leaders to announce a new building improvement program, infrastructure project, or public safety initiative when they're unsure if they will have the same state investments to continue those efforts the following year.

BUILT-IN FLEXIBILITY

A Revenue Sharing Trust Fund based on sales tax would automatically adjust for economic fluctuations, allowing the fund to naturally decrease during economic downturns without the need for the state to impose cuts. This built-in flexibility ensures that the fund remains aligned with the state's financial health, providing all entities with a sustainable approach to revenue sharing.

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