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Improving Revenues Must Be Used to Restore Revenue Sharing Cuts

Lansing Must Stop Taking from Local Residents to Fix State Budget Holes

LANSING, Mich. – Improving state sales and use tax revenues must be used to restore cuts to local police and fire agencies, water and sewer systems, roads and other essential local services, the Michigan Municipal League said today.

Since streamlining the tax code in the 1920s, the state has collected these taxes for local governments and returned them in the form of revenue sharing. But each year since 2000, the state has hijacked an ever-larger share to balance its own budget. In the past decade, lawmakers have withheld more than \$4 billion from local governments – funds desperately needed to pay for vital services such as police and fire protection, water and sewer services, roads, and garbage collection.

“Our new governor has asked local communities to tighten their belts and work toward common goals,” said League CEO & Executive Director Dan Gilmartin. “The League supports those efforts. But the state must stop filling holes in its budgets with funds that are collected at the local levels and should be used to fund essential local services. If Michigan is ever to have the types of places where young, college educated, talented and creative people want to live, the state must stop gutting the very services that serve as the foundation of prosperous communities.

“For some communities, returning even a small portion of lost revenue sharing funds could make the difference between viability and ruin,” said Gilmartin.

The Michigan Municipal League has a plan to help turn the state around and will announce it during a media round table event tentatively scheduled for 10 a.m. Wednesday, Jan. 26, in the League's Lansing office, 208 N. Capitol Ave., Lansing. Media interested in attending should contact Matt Bach, director of League communications, at (734) 669-6317 or mbach@mml.org.

[Michigan Municipal League](http://www.mml.org) advocates on behalf of its member communities in Lansing, Washington D.C., and the courts; provides educational opportunities for elected and appointed municipal officials; and assists municipal leaders in administering services to their communities through League programs and services.

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