October 11, 2011

The following is an excerpt from the minutes of a Regular Meeting of the Madison Heights City Council of the City of Madison Heights, Oakland County, Michigan held on October 10, 2011, at 7:30 p.m. Daylight Savings Time in the Municipal Building in said City.

Present: Mayor Swanson, Mayor Pro Tem Hartwell, Councilmembers Clark, Corbett, Geralds, Gettings and Scott.

Absent: None.

300. Legislative Issue - Proposed Repeal of Personal Property Tax Resolution.

Motion by Councilman Clark, seconded by Councilwoman Scott, to adopt the resolution urging the Legislature and the Governor to replace the Michigan Personal Property Tax, if eliminated, to local units of government; and to authorize the Mayor to forward letters to our legislative representatives requesting support of the City’s position as follows:

FULL REPLACEMENT OF MICHIGAN’S PERSONAL PROPERTY TAX

Whereas, the City of Madison Heights has experienced a significant decline in revenue sharing and property tax values, which has caused unprecedented fiscal constraints; and,

Whereas, this property value decline has resulted in a reduction of $2.5 million in property tax revenue this year alone; and,

Whereas, at the same time Madison Heights has confronted consistent reductions in State Shared Revenue of $2.1 million per year, as part of the $4 billion in cuts to State Shared Revenue statewide; and,

Whereas, due to this unrelenting fiscal pressure, Madison Heights has been compelled to reduce the level of municipal services provided to the residents, businesses and visitors to our community; and,

Whereas, these municipal services protect the health, safety and welfare of our citizens, and are an essential component of building a strong local economy and maintaining a vibrant community; and,
300. Legislative Issue - Proposed Repeal of Personal Property Tax Resolution (cont.)

Whereas, it is proposed by some that the Michigan Personal Property Tax be erased; and,

Whereas, an additional loss of municipal revenue will compound and exacerbate the financial hardship this community, and its residents and its businesses, are currently experiencing; and,

Whereas, the Personal Property Tax is relied upon by Madison Heights, comprising 15% of our taxable value and as much as 50% of the taxable value in some other communities; and,

Whereas, the importance of the Personal Property Tax to local communities is underscored by the fact that it is a particularly stable source of needed revenue, facilitating efficient management by the Madison Heights Mayor and Council and City Manager; and,

Whereas, the elimination of the Personal Property Tax would result in an additional $1.2 billion loss to local governments state-wide and would result in a loss of $2.6 million every year to Madison Heights; and,

Whereas, even further cuts in vital local services would be unprecedented, unwarranted and destructive to the fabric of our community.

Now, Therefore, Be It Resolved, that the City of Madison Heights urges the Legislature and the Governor to specifically condition any change in the Michigan Personal Property Tax that would result in a reduction in revenue from this tax to local governments, to a full – not partial – amount of replacement revenue.

Be It Further Resolved, that the City of Madison Heights urges the Legislature and the Governor to condition any reduction in revenue to local units of government from the Michigan Personal Property Tax to the passage of an amendment of the Michigan Constitution to protect the full amount of replacement revenue.

Be It Finally Resolved, that on behalf of our citizens, businesses and visitors, and in recognition of the vital importance substantial and stable revenue derived from Michigan’s Personal Property Tax will have on our future economic success, the City of Madison Heights urges the Legislature and the Governor to Replace, not Erase, the Michigan Personal Property Tax.

Yea:  Getttings, Hartwell, Scott, Swanson, Clark, Corbett
Nay:  Geralsd
City of Madison Heights
Certified Resolution
October 11, 2011

CERTIFICATION:

I, the duly authorized City Clerk of the City of Madison Heights do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Madison Heights City Council on October 10, 2011.

Marilyn J. Haley
City Clerk