City of St. Johns

A Resolution in Support of

Fully Replacing, Not Just Erasing,

Michigan’s Personal Property Tax

At a regular meeting of the City of St. Johns City Commission held at the Clinton County Courthouse, 100 East State Street, Suite #2200, St. Johns, Michigan 48879, at 7:00 p.m. on the 12th day of September, 2011;

Present: Dana C. Beaman, Heather Hanover, Bill Jackson, Michael Nobach

Absent: None

The following resolution was offered by Commissioner Jackson and supported by Commissioner Hanover.

Whereas, the City of St. Johns has experienced a significant decline in property tax values, which has caused unprecedented fiscal constraints; and

Whereas, this decline has resulted in a reduction of property tax revenue in the last several years; and

Whereas, at the same time the City of St. Johns has confronted consistent reductions in State Shared Revenue, as part of the $4 Billion in cuts to State Shared Revenue state-wide; and

Whereas, due to this unrelenting fiscal pressure, the City of St. Johns has been compelled to reduce the level of municipal services historically provided to the residents, businesses and schools in 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

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—its residents and its businesses—are currently experiencing; and

Whereas, the Personal Property Tax is relied upon by Michigan’s local governments, comprising about 11% of their taxable value state-wide, and as much as 50% of the taxable value in some 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 City of St. Johns’ elected and appointed local officials; and
Whereas, the elimination of the Personal Property Tax would result in another $1.2 billion loss to local governments state-wide, and would result in a loss of $168,029, every year, to the City of St. Johns; 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 St. Johns 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; and

Be It Further Resolved, that the City of St. Johns urges the Legislature and the governor 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; and

Be It Finally Resolved, that on behalf of our citizens, businesses and schools, 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 St. Johns urges the Legislature and the governor to Replace, not Erase, the Michigan Personal Property Tax.

YEA: Beaman, Hanover, Jackson, Nobach

NAY: None

Resolution declared adopted.

Dana C. Beaman, Mayor

Mindy J. Seavey, City Clerk

This is to certify that the foregoing is a true and complete copy of action taken by the City of St. Johns City Commission at a regular meeting held on September 12, 2011.

Mindy J. Seavey, City Clerk