



Resolution

Support for House Bills 4274 and 4275 of 2023

WHEREAS, the City of Marquette, Michigan has responsibility for ensuring the health, safety, and welfare of residents and visitors; and,

WHEREAS, one of two primary funding sources necessary for the provision of such services is derived from state revenue sharing; and,

WHEREAS, state revenue sharing began in the 1930s when Michigan started taxing enterprises that held licenses for alcoholic beverages; and,

WHEREAS, in 1946, the state constitution was amended to provide a constitutional revenue sharing payment based upon a percentage of the sales tax collections, to be distributed to municipalities on a per capita basis; and,

WHEREAS, numerous other changes to the statutory revenue sharing base have occurred since 1930 but remained fully funded except during a temporary period during the recession of 1980; and,

WHEREAS, state policymakers amended the law in 1998 to provide that statutory revenue sharing would be based upon a percentage of sales tax collections; and,

WHEREAS, the statutory revenue sharing formula has not been fully funded annually since 2001; and,

WHEREAS, statutory revenue sharing to local governments has been underfunded by more than \$10 billion since 2002; and,

WHEREAS, all state shared revenue for local units of government should be secured utilizing a trust fund model and should be calculated based on a percentage of sales tax collected allowing resources to rise and fall with economic change; and,

WHEREAS, House Bill 4274 aims to amend the Michigan Trust Fund Act to create a Revenue Sharing Trust Fund, which will allocate funds from sales tax revenue to local units of government; and

WHEREAS, House Bill 4275 seeks to amend the General Sales Tax Act to provide for the distribution of sales tax revenue to the Revenue Sharing Trust Fund; and

WHEREAS, these bills are tie-barred, meaning that neither will take effect unless both are enacted, ensuring a comprehensive approach to revenue sharing; and

WHEREAS, the establishment of the Revenue Sharing Trust Fund will provide a stable and predictable source of funding for local governments, enhancing their ability to deliver essential services to residents; and

WHEREAS, the proposed legislation has garnered significant bipartisan support, as evidenced by the overwhelming votes in favor in the House of Representatives; and

WHEREAS, the passage of these bills will strengthen the financial foundation of local governments, promoting fiscal responsibility and sustainability;

NOW, THEREFORE, WE, the Marquette City Commission, resolve to strongly support the House Bills 4274 and 4275 of 2023 and urges the Michigan Legislature to swiftly place these bills on the Governor's desk for signature.

Dated this 25th day of November, 2024.

Jessica Hanley
Mayor
City of Marquette