



Counties in Michigan:  
An Exercise in Regional  
Government

# Counties in Michigan: An Exercise in Regional Government

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# County: Regional Government

- Economies of Scale
- Economies of Skill
- Less Income Inequalities
- Increase Impact of State Revenue Sharing
- Levy Local-Option Taxes at Regional Level

# Governance Structure

# Local Governments in Michigan

- 83 Counties
- 533 Cities and Villages
- 1,240 Townships
- Creatures of State
- Overlapping Geographical Boundaries, Service Responsibility, and Taxing Authority

# County Governance

- Boards of Commissioners
- Election of Clerk, Register of Deeds, Treasurer, Sheriff, and Prosecuting Attorney
- General Law Counties (79 of 83)
- Optional Unified Counties (Bay and Oakland)
  - Appointed Administrator
  - Elected Executive
- Charter Counties (Macomb and Wayne)

# County Government Accountability

Degree of Accountability Afforded through County Organizing Laws



- Antiquated Structure
- Executive Authority Disbursed
- Basic Structure has Existed Since Statehood in 1830s



# County Demographics

# Michigan Counties

- Very Diverse
- Range from Very Rural to Very Urban
- Differences between Urban and Rural Populations
  - Urban Areas: Higher Service Needs but also More Municipalities
  - Rural Areas: May Require More Services from County Level

# Local Government Revenue

# Local Revenue Sources

- Local Property Tax
- State Revenue Sharing
- Other Local Taxes
  - Michigan Counties: Selective Sales Taxes
  - Michigan Cities: Income Tax
  - Counties in Other States: Income, Sales, Motor Fuel, Alcohol, Tobacco, Utility Users Taxes
- Fees for Services

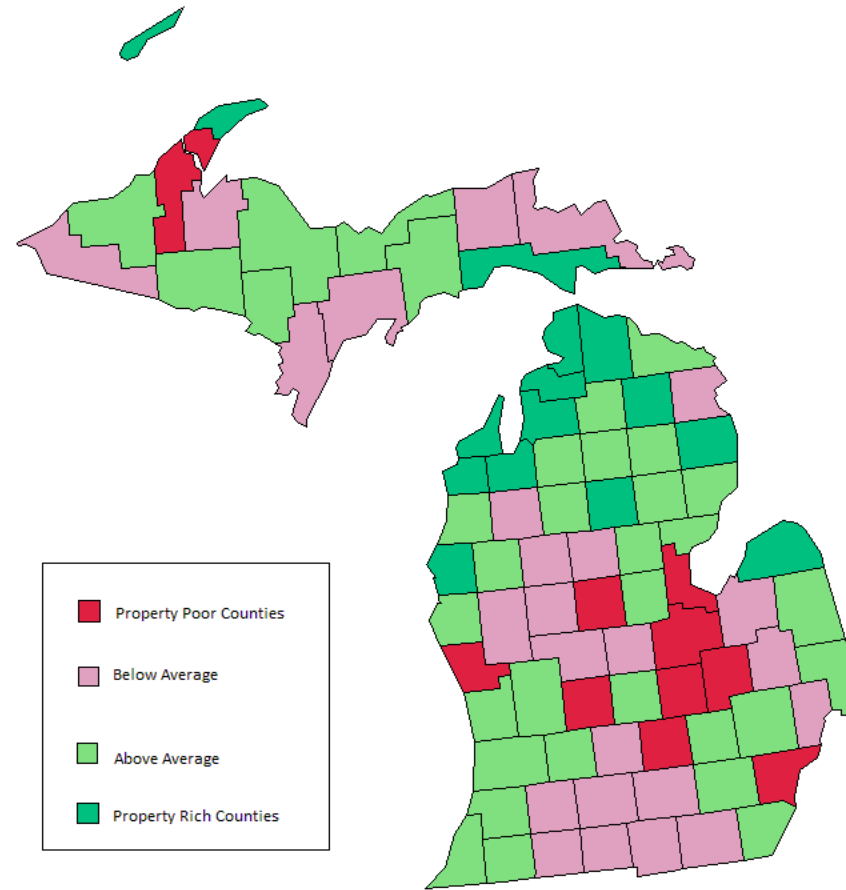
# County General Fund and All Other Governmental Funds Revenue

- Property Taxes: 34.0%
- State Contributions: 13.8%
- State Revenue Sharing: 3.5%
- Other Services and Fees: 14.0%
- Federal Contributions: 6.4%
- Remaining Revenue
  - Parks and Recreation Fees
  - Other Revenue
  - Licenses and Permits
  - Interests, Rents, and Royalties
  - Fines and Forfeits
  - Contributions from Other Local Governments

# National Association of Counties Report

- County Revenue
  - 76% from Own Sources
  - 24% from Other Sources
- County Portion of Total Property Tax Revenue in Each State
  - 24% Across Country
  - Less Than 10% in Five States (including Michigan)
- 93% of State and Federal Funding to Counties Restricted

# County Taxable Values



# Local Government Service Provision



# Local Government Services

- County: Administrative Arm of State Government to Regional Local Government
- Local Government Service Provision Complicated
- Core or Mandated, Public Safety, Essential, and Secondary or Discretionary Services
  - How Impacted by State Law
  - 2005 Catalog of Local Government Service Provision

# Core or Mandated Services

- Legislative Services
- Clerk
- Register of Deeds
- Treasurer
- Sheriff
- Prosecuting Attorney
- Court System
- Corrections Services and Jails
- Administration and General Government Services

# Core or Mandated Services

- Tax Allocation and Collection
- Elections
- Property Assessment and Equalization
- Information Technology
- Buildings and Grounds Services
- Engineering and Legal Services
- Health and Welfare Functions
- Road Commission and Road Services
- Drain Commissioner

# Public Safety Services

- Police Services
- Fire Services
- Ambulance/Emergency Medical Services (EMS)
- 9-1-1 Dispatch Services
- Public Safety Departments

# Essential Services

- Planning and Zoning Services
- Public Works and Infrastructure
- Sanitation and Landfill Services
- Environmental Services

# Secondary or Discretionary Services

- Parks and Recreation
- Libraries
- Cultural Amenities
- Economic Development
- Public Transportation
- Animal Services

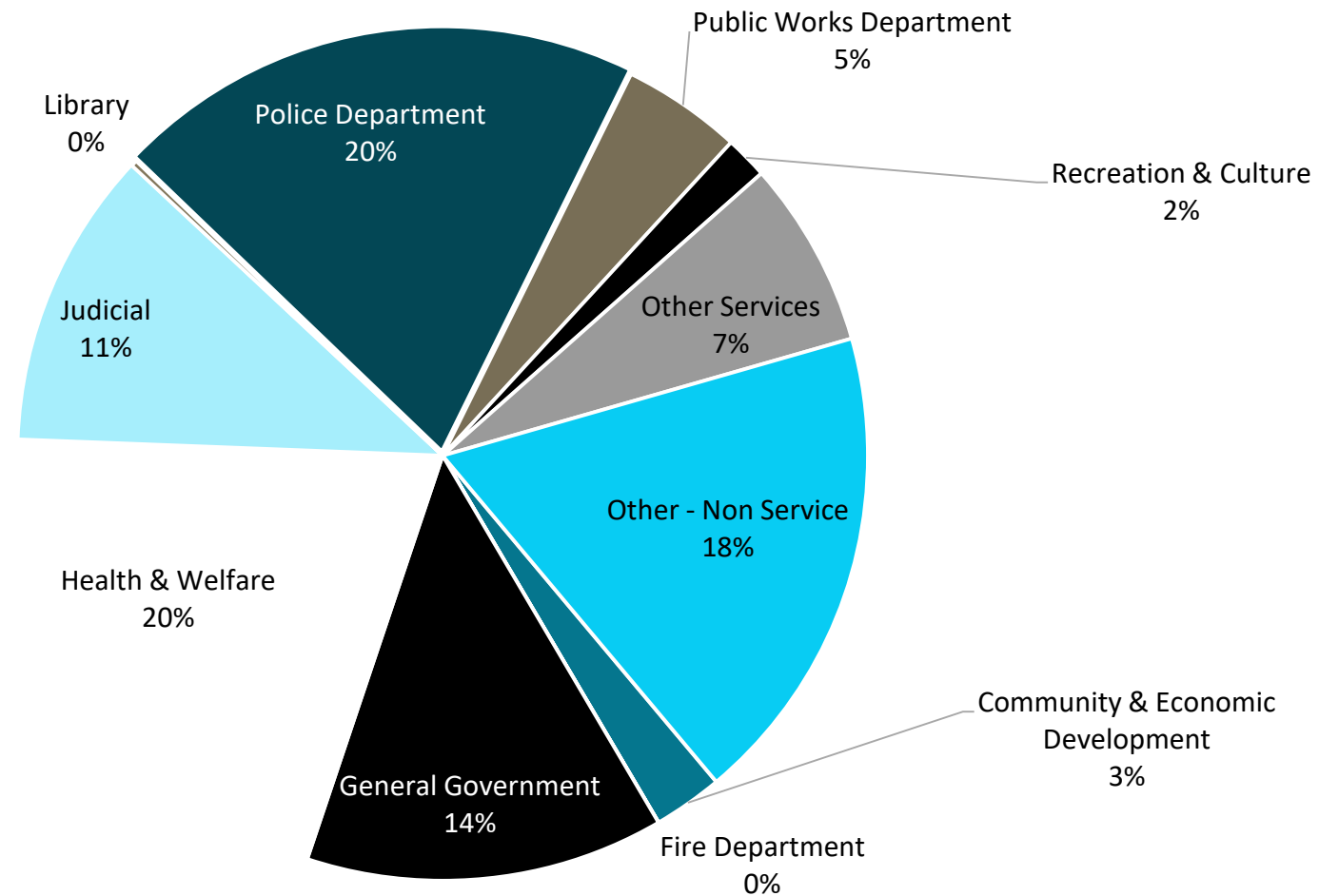
# County Expenditures

# General Fund and All Other Governmental Funds Expenditures

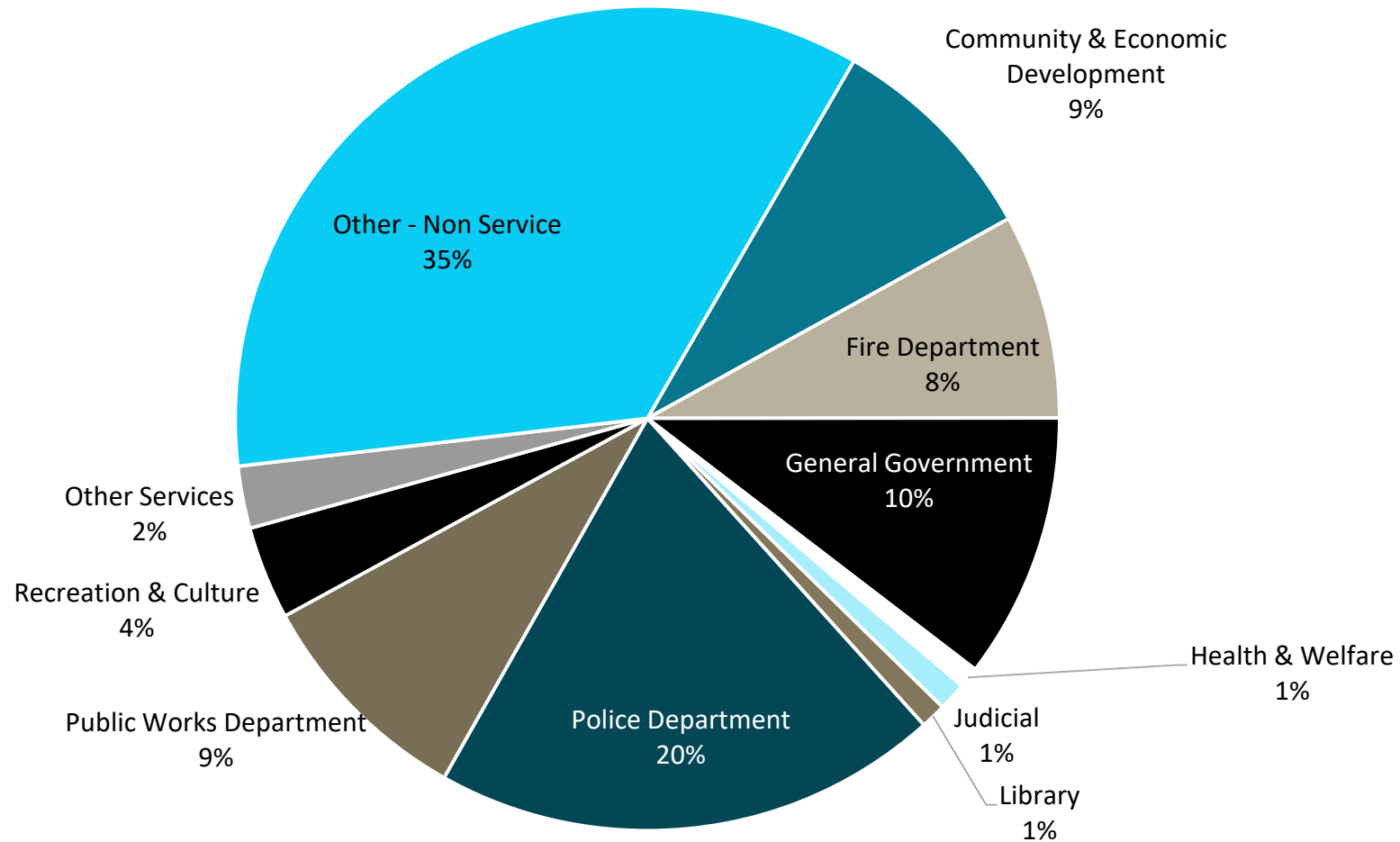
- General Government: 13.6%
- Judicial Services: 11.3%
- Health and Welfare Services: 20.5%
- Sheriff and Police Services: 20.1%
- Remaining Expenditures
  - Fire Department
  - Public Works Department
  - Recreation and Culture
  - Library
  - Community and Economic Development



# County Expenditures by Percent



# Municipal Expenditures by Percent



# County Government in Other States

# Great Lakes States

- Library Services
- Solid Waste Services
- Public Safety Services
- Elections
- Tax Collection
- Regional Police Services

# Recommendations for Michigan

# County Government

- Not Uniform: Have to Understand Variance Across Counties
- Potential to Provide Expanded Regional Service Delivery
- Hindered by Governance Structure
  - General Law Counties: Plural Executive and Diffused Accountability
  - Stand-Alone Government Without Regional Emphasis
- Counties as Service Providers
- Strong County Leadership Needed

# County Revenue

- Authorize Levy of More Local-Option Taxes at County Level
- Redirect State Revenue Sharing to Counties by a Formula that Accounts for Variances in Fiscal Capacity
  - Problem: Creates Winners and Losers
  - May be More Palatable if Used to Distribute Larger Pot of Money

# County Service Delivery

- Criteria Used to Make Recommendations
  - Capital Intensive Services: Horizontal Collaboration
  - Technically Intensive Services: Vertical Collaboration
- Internally: Look to Future of County
- Externally: Understand Needs of Constituent Municipalities



# The State's Role

- Institutionalized Vertical Collaboration
- Direct Actions to Promote Local Government Collaboration
- County-Wide Shared Services Program
- Hindered Local Governments: Revenue Restrictions and Spending Requirements

# Information Technology Services

- MIS, GIS, Internet, Intranet, and Email and Webpage Services
- Backbone of Expanded County Services
- With Sufficient Computer and Network Infrastructure:
  - Staff to Manage Computers and Equipment
  - Serve Technology Needs of Counties and Local Units
  - GIS Services
  - Create and Maintain Websites and Email Services
  - Standardize Governmental Forms
  - Central Repository for Local Documents and Records
  - Ability to Process Credit Card Transactions Online

# Administration and General Government Services

- Human Resource Services: Personnel, Payroll and Benefits, and Training and Professional Development
  - County Could House Employees to Serve Needs of Local Units
- Fiscal Services: Accounting, Treasury, Purchasing, and Financial Record Keeping
  - County Level Accountants
  - Purchasing Functions and Decisions
- Document Services: Printing, Archiving, and Destroying

# Tax Collection

- County Level Tax Collection
  - Simplify Collection and Distribution
- Counties Collect Taxes in 45 States
- State Law Allows Local Units to Enter Into Agreement with County Treasurer

# Elections

- Consolidate Administration of Elections, Maintenance of Records, and Reporting of Results at County Level
  - Bring Uniformity to Task
  - Consolidate Duplicative Tasks
  - Would Not Diminish Local Nature of Voting Process
- Need to Amend Michigan Election Law

# Property Assessment and Equalization

- Assessing and Equalization Not Duplicative Services, but Require Duplicative Functions and Knowledge
- State Law Allows Assessing to be Done at County Level
- Remove Need for County Equalization
- 30 States Do Assessing at County Level

# Road Commission and Road Services

- Counties Could Make Services Available to Any Local Jurisdiction to Care for Roads
- Provide Auxiliary Services for Municipal Road Agencies
- Provide Capital Intensive Services (Garages and Vehicles) and Technically Intensive Services (Mechanics)

# County Sheriff and Public Safety Services

- Duplicated at County and Local Level
- Service Needs Determined by Population, Geographic Area, Road Miles, and Population Density Levels
- County Sheriffs Could Provide Police Services
- Could Provide Support Services to Municipal Police and Fire Departments
- Regional Police and Public Safety



# Additional Service Recommendations

- Planning and Zoning Services
  - Regional Land Use Planning and Economic Development
  - Building Inspection Services
- Public Works and Sanitation Services
- Public Transportation Services
- Other Services
- County to County Collaboration

# Conclusion

# Regional Government in Michigan

- Local Governments Face Structural Problem
- One Potential Solution: Move More Local Government Services to Regional Level
- Prerequisites for Change
  - Modernize County Government
  - Need Resources to Meet Additional Needs
  - Need to Change County Mindset to One of Service Provider

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