



CRC Notes

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LOCAL BALLOT ISSUES IN THE 2004 GENERAL ELECTION

Michigan voters were asked to vote on many issues in the 2004 general election, including two statewide ballot proposals and 459 local ballot issues in various counties, cities, townships, school districts and local authorities throughout the State.

Using a list of state and local ballot issues compiled by the Michigan Department of State and Publius.org to create the Michigan Electronic Voter Guide, CRC analyzed the 459 ballot issues – 49 county, 127 city, 269 township, 10 special authority, and 5 public school district – to create the following summary of the issues voted on in the 2004 general election (the number of ballot issues discussed in this paper add up to 460 – one city issue is counted twice because it encompasses a governance and a tax question). Because this election constitutes only a snapshot of voter sentiment on local ballot issues, no attempt is made here to draw long-term conclusions.

Tax Issues

Almost three-quarters of the 459 local ballot issues presented to electors in the November 2004 general election were tax issues. Local governments placed tax issues on the ballot for several reasons (See **Table 1**).

Tax Increases. Local governments are required to obtain voter approval before enacting any increases in the tax rate above those in effect in 1978 (Michigan Constitution, Article IX, section 31).

Ballot issues requesting voter approval for tax increases appeared on the ballot in several forms.

Several units simply asked for authority to levy new property taxes or to increase the rate of existing taxes.

In lieu of state laws or locally-adopted charters establishing tax limi-

tations, non-charter units of government – generally counties, general law townships, and intermediate school districts – either are subject to tax limitations through a process that allows a county allocation board to allocate up to 15 mills for their operations or have fixed tax limitations totaling up to 18 mills adopted by the electors in each county. Almost 70 percent of the proposed tax increases (139 of 204) were counties and townships requesting authority to increase the applicable tax limitations that apply under these 15- and 18-mill tax limitations.

Cities and villages, up against tax limits established in their charters, can request voter approval of charter amendments to tax at higher rates. Electors in North Muskegon, the only city to make such a request, approved a higher tax limit.

Although voter approval is not required for special assessments (un-

Table 1
Tax-Related Local Ballot Issues on the November 2004 General Election

	Counties			Cities			Townships		
	Issues	Approvals	Percent	Issues	Approvals	Percent	Issues	Approvals	Percent
Tax Increases	31	13	41.9	11	5	45.5	152	76	50.0
Headlee Overrides	1	-	-	2	2	100.0	25	11	44.0
Tax Renewals	14	14	100.0	7	5	71.4	80	72	90.0
Bond Issues	<u>1</u>	<u>1</u>	100.0	<u>7</u>	<u>7</u>	100.0	<u>3</u>	<u>1</u>	33.3
Total	47	28	59.6	27	19	70.4	260	160	61.5
	Authorities			Public Schools			Total		
	Issues	Approvals	Percent	Issues	Approvals	Percent	Issues	Approvals	Percent
Tax Increases	8	6	75.0	2	2	100.0	204	102	50.0
Headlee Overrides	-	-	-	-	-	-	28	13	46.4
Tax Renewals	1	1	100.0	3	3	100.0	105	95	90.5
Bond Issues	<u>1</u>	<u>1</u>	100.0	-	-	-	<u>12</u>	<u>10</u>	83.3
Total	10	8	80.0	5	5	100.0	349	220	63.0

Note: There were actually only 327 tax-related ballot issues. The issues proposed in 20 townships and 2 cities are counted twice because they were seeking millage renewals along with new taxes or Headlee overrides.

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less specified in a city charter), 8 local units asked voter approval as a good faith measure and to be consistent with the requirements of other taxes. Of those 8 requests for increased special assessments, only 2 were approved by the local electorate.

Finally, 10 out of 12 ballot issues were approved authorizing local units to sell bonds. The two failed proposals included a bond proposal to finance capital improvements and one to finance the pavement of roads. Of the 10 bond issues that were approved, 8 were to finance capital improvements, 1 was for the purchase of a new fire truck, and the other was for the purchase and improvement of land for public parks. These bond proposals included an increase in property taxes to repay the principal and interest.

Tax rate increases accounted for approximately 60 percent of the tax issues electors voted on in the 2004 general election. Half of these issues received voter approval.

Headlee Overrides. Section 31 of Article IX of the Michigan Constitution also requires that if the growth in existing property tax base in a unit of local government increases faster than the rate of inflation, the maximum authorized rate must be reduced or “rolled back” by a commensurate amount so as to produce the same property tax levy as would have been obtained from the old base adjusted for inflation. The limits set in Section 31 are designed to prevent the property tax revenues of local governments from growing more rapidly than the inflation rate unless voters explicitly endorse such growth. While hundreds of units had millage rollbacks in 2004, only 28 units requested voter approval of overrides. The requested millage restoration in these units would have increased tax rates by an average of 0.2493 mills (25 cents per \$1,000 of taxable value).

Only 13 units received voter approval for Headlee overrides, with an average millage increase of 0.0389 (4 cents per \$1,000 of taxable value), well below the average proposed override (See **Table 2**).

Table 2
Requested Override of Headlee Rollback Millages

	<u>Number of Units</u>	<u>Average Override</u>	<u>Passed</u>	<u>Average Override</u>
Counties	1	0.5016	0	0.0000
Cities	2	0.0264	2	0.0264
Townships	25	0.2200	11	0.0903
Total	28	0.2493	13	0.0389

Table 3
Purpose of Millage Requests at the 2004 General Election

<u>Purpose</u>	<u>Millage Requests</u>	<u>Issues Receiving Voter Approval</u>	
		<u>Number</u>	<u>Percent</u>
Public Safety	111	84	75.7
Roads	72	39	54.2
Libraries/Cultural Facilities	23	10	43.5
General Operations/Personnel	22	5	22.7
Parks and Recreation	21	11	52.4
Senior Citizens	17	13	76.5
Capital Improvements	15	6	40.0
Conservation	14	5	35.7
Acquire Property	10	5	50.0
Mosquito/Gypsy Moth Control	8	7	87.5
Public Transportation	8	5	62.5
Sidewalks/Bike paths	6	2	33.3
Water/Sewer	5	4	80.0
Public Schools/Colleges	5	5	100.0
Street Lighting/Electrical Services	5	2	40.0
Hospitals/Medical Care Facilities	4	4	100.0
Establish Separate Tax Limitations	3	1	33.3
Cemeteries	2	1	50.0
County Jail/Prisoners	2	-	-
Juvenile Delinquent/Child Protective Services	2	1	50.0
Economic Development/Zoning Costs	2	1	50.0
Airport Operations & Maintenance	2	1	50.0
ADA Compliance	2	-	-
Refuse/Trash Collection	1	1	100.0
Landfill/Transfer Stations	1	1	100.0
Veterans' Affairs/Services	1	1	100.0
Animal Control	<u>1</u>	<u>1</u>	100.0
Total	365	216	59.2

Note: There were actually only 327 tax-related ballot issues. The proposals in some units were counted multiple times because they were for multiple purposes.

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Millage Renewals. The other major category of tax issues was millage renewals. The General Property Tax Act requires local units proposing the issuance of bonds, imposing a new millage, or increasing or renewing existing millages to specify the millage rate, the estimated amount of revenue that will be collected in the first year levied, a statement of the purpose for the millage, and *the duration of the millage in years*. At the end of the duration, the local units may let the millage expire or request voter approval for renewal of the millage.

At the 2004 general election, local government experienced wholesale voter approval for millage renewals. Only 10 millage renewals were rejected, while 95 units received voter approval for their renewal requests.

Millage Purposes. Local units of government in Michigan and the electors showed a preference for taxes in which the resulting revenues are dedicated to specific purposes. Only 22 tax issues – just over 6

percent of all tax-related ballot issues – sought voter approval for the levy of taxes for the general operations of local units, and only 5 of those millage requests received voter approval. All other millage requests proposed to dedicate the millages to specific purposes (see **Table 3**).

By far, the most common purpose for which local governments sought approval was public safety – police, fire, emergency medical service (EMS)/ambulance, 9-1-1 dispatch services, and communication equipment for these functions. The units seeking approval for these millages were quite successful, with 75.7 percent of the issues approved. The next most frequent purpose for which millages were proposed were for road improvements, which did not fare quite as well, receiving support only a little over half of the time.

Libraries and parks and recreation were the subject of 23 and 21 millage requests respectively. Library millages were approved

only 43.5 percent of the time, with all 4 cities approving their library millage requests, only 26.7 percent (4 of 15) of townships approving library millages, and 50 percent (2 of 4) of multi-jurisdiction library authority millages passing. Parks and recreation projects fared slightly better, with millages being approved in 52.4 percent of the jurisdictions.

Interestingly, millages for property conservation were fairly common on the ballot in 2004 with 14 jurisdictions proposing tax increases or renewals for conservation purposes. However, they were not as popular with voters, with only 5 receiving voter approval.

Summary. Overall, voters were supportive of tax renewals and bond proposals, each receiving over 80 percent approval. However, authorization to collect new taxes was only granted 50 percent of the time, and Headlee overrides were only approved 46.4 percent of the time.

Governance Issues

Out of the 459 local ballot issues on general election ballots, 133 asked for the input of the electors on matters of governance. While all of the governance issues may have been important to the units that placed them on the ballots, the issues varied in relative significance statewide from adopting new city charters to advisory questions on consolidating governments to a charter amendment legalizing marijuana for medical treatment.

Consolidation. Electors in the City of Grand Blanc were asked a non-binding advisory question pertaining to city and township consolidation. The proposal was rejected by electors in the City; however, it was only an advisory question and Township electors were not presented with a similar question to gauge their support for consolidation.

Charter Amendments. The electors in the cities of Bridgman and Saginaw each opted to convene charter commissions for a general revision of their city charters. While these actions began the charter revision process, the charter revision process was ending

in other cities. The electors in Roosevelt Park and Rose City voted to adopt the new charters proposed by their charter commissions, and the electors in Norton Shores rejected a proposed new charter.

Eighteen cities presented multiple charter amendments to their electors dealing with many different issues:

Sturgis placed 14 charter amendments on the ballot for multiple purposes ranging from altering city boundaries and election procedures to increasing city borrowing and taxing authority and requiring competitive bidding procedures. Of these 14 proposals, 7 were approved.

The electors in Wakefield adopted 10 charter amendments that pertained to altering the procedures for elective office vacancies, eliminating city primary elections, reducing signature requirements for nominating petitions, changing the competitive bidding procedures, extending board of review meeting requirements, and repealing and revising other sections of the city charter.

Charlotte placed 7 charter amendments on the ballot. Six of these proposals passed, including those dealing with election procedures and requirements, city employment of former council members, extending the length of special assessment installment payments, and repealing a section of the city charter pertaining to ordinance prosecution limitations. A proposal to allow the city council more flexibility in choosing places to hold special meetings failed.

The electors of South Lyon approved 6 charter amendment proposals to increase the size of city council and alter election procedures and requirements to accommodate this increase.

Electors in Eastpointe approved 3 of the 4 charter amendments to change their election procedures.

Electors in Farmington adopted 4 charter amendments dealing with city retirement contributions and benefits.

Traverse City placed 4 charter amendments

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on the ballot (2 additional proposals for voter approval of property disposal were also placed on the ballot). The proposals to increase the city manager's spending limit and the mayor's term limit failed. The two other proposals passed; the first delineated that a city commissioner must resign before running for another office, and the second specified that the mayor pro tem serves as the mayor in the event of a vacancy.

Four cities – Kalamazoo, Lake City, Ferrysburg, and Williamston – put 3 charter amendment proposals on the ballot each. Of these 12 proposals, 7 were approved by the local electorate. The proposals that passed included amendments to: change city council term expiration dates and organizational meeting dates; revise procedures for selling city property; require the mayor to fill council vacancies within 60 days; repeal requirement that the mayor issue a written proclamation in support of U.S. Congressional term limits; require city residency of commissioners; and, allow the council to contract out for accounting services. The failed amendments consisted of provisions to repeal city term limits, reduce the number of summer tax installment payments, repeal the section of the city charter pertaining to city collection of delinquent taxes and require that delinquent accounts be handed over to the county treasurer, and change the city treasurer and clerk from elective to appointive office.

Seven additional cities (Ferndale, Holland,

Lincoln Park, Muskegon, Plainwell, Rockford, and Roseville) placed 2 charter amendments each on the ballot. Twelve of these proposals were approved including proposals to alter city election procedures, change the employee retirement system, deal with property disposal issues, change the dates pertaining to the city budget, change the terms of the mayor and council members, and expand the powers of the council. The 2 charter amendments that failed included a proposal to make the city treasurer an appointed, rather than elected, officer in Lincoln Park and a proposal to change the dates of the fiscal year in Muskegon.

Approved charter amendments in other cities included legalizing marijuana for medical treatment in Ann Arbor; establishing a minimum number of police officers per population in Dearborn and a minimum number of firefighters per population in Royal Oak; eliminating primary elections in Fennville; filling commissioner and elective office vacancies in Onaway and Madison Heights; increasing taxing authority in North Muskegon; and changing the charter wording dealing with the hiring of the city manager in Negaunee.

Defeated charter amendments included efforts to increase the maximum jail time for ordinance violations in Davison; lower the voter approval requirement for selling city property in Keego Harbor; eliminate primary elections in Rochester Hills; remove term limits in Rockwood; and, change the

terms for the mayor and council-members in Saline.

Township Trustees. Since 1958, townships with populations of 5,000 or more, or with 3,000 or more qualified and registered electors, may increase the number of elected trustees from 2 to 4 (Michigan Election Law, MCL 168.358). An increase in the number of trustees must be approved by the voters at a general November election or by a majority of the voters attending an annual meeting. In the 2004 general election, referenda were placed on the ballots in 4 townships with 3 approving increases in the number of trustees.

Township governance issues were not limited to increasing the number of township trustees. There were 25 other township governance proposals on the November ballot that covered the granting of electric, gas and/or solid waste franchises; providing solid waste collection and disposal services; planning/zoning referenda; property annexation; reestablishment of board meetings; the sale of spirits; withdrawing from a district library; increasing park commission membership; and, property use and disposal. Twelve of these 25 issues received approval from local electorates.

Summary. The electors were willing to approve most changes presented in governance issues, approving 91 of the 133 (68.4 percent) governance issues presented to them.