



CRC

THE 2000 CENSUS AND
STATE AND LOCAL FINANCE IN MICHIGAN

March 2000

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Citizens Research Council of Michigan

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The 2000 Census and State and Local Finance in Michigan

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The 2000 Census and State and Local Finance in Michigan

Summary

While references to population appear throughout the Michigan statutes, the decennial federal census has a significant effect on state-local financial relations only in a relatively small number of programs and statutes.

The 2000 census counts have a greater potential than those in the 1990 census to redistribute funds in Michigan. Population change in the 1980s was relatively small at the state level, and units experiencing little population change experienced little change in their per capita distributions. Overall, population increased only 0.4 percent from 1980 to 1990 as the state experienced substantial out-migration. The projected increase in the 1990s exceeds six percent and units experiencing no change in population will likely lose revenues in the year the new census figures are first used in grant areas based on per capita calculations. This is true because the available revenue to distribute in most programs would not be expected to grow by as much as six percent.

The largest state program in which census population counts affect the distribution of funds is the state's unrestricted revenue sharing program for counties, cities, villages, and townships. More than \$1.5 billion of earmarked state sales tax revenues will be distributed to these units in FY2001, with their populations entering into the calculations of virtually all of the allocations through several complex formulas. State transportation fund allocations to local units use population in a variety of ways to determine payments in excess of \$1 billion.

Population counts generally affect payments evenly. Typically as population changes, the payments rise or fall roughly in proportion to the population changes. However, in several state laws population levels determine whether a unit is permitted to levy a tax, receive a grant, or charge higher taxes or fees than other units. These are abrupt thresholds—"cliffs"—that may cause major discontinuities in a unit's overall financial situation. Such cliffs exist in formulas used to distribute some transportation funds to local units. The legislature in 1998 introduced, for the first time, cliffs in a portion of the state revenue sharing formula calculations.

A majority of the statutes containing population counts as a determinant of taxing authority refer to large units, in particular the City of Detroit and Wayne County.

- Most references to Detroit have used 1,000,000 as the population level, but recent recognition of the likelihood of Detroit's 2000 population falling below that level has caused reductions to 750,000 to be made in several statutes. Additional changes will likely be considered after the census results are released.
- References to Wayne County generally refer to a population exceeding 2,000,000. While projections for Wayne County call for the county to remain above that threshold, the margin is relatively small and falling below 2,000,000 is possible, which would create pressure to change the population threshold to a lower figure.

This study identifies 34 provisions in state law where a reference to local government population affects state and local government finance: 11 affect the allocation of state funds to local governments and 22 affect local governments' authority to raise revenue.

If the 2000 census projections hold true, local government finances stand to be affected by population provisions in 11 of these 34 laws, as follows:

Allocation of State Funds

- Twice in the State Trunk Line System Act;
- Revised Judicature Act;
- Social Welfare Act;
- State Revenue Sharing Act;
- Emergency Management Act;
- Veterans' convention; county appropriation Act;

Authority to Raise Revenue

- Downtown Development Authority Act;
- City Income Tax Act;
- Hospitals and Sanitoria Act; and
- Stadium Facility Tax Act.

The potential changes of the most significance are the provisions in:

- (1) the State Revenue Sharing Act that eliminate limitations on growth for as many as 1,000 cities, villages, and townships whose population increases more than ten percent between censuses;
- (2) the Downtown Development Authority Act that could allow Detroit to raise its tax from one to two mills; and
- (3) the City Income Tax Act that could restrict Saginaw's ability to levy its tax at a rate higher than that generally allowed other cities.

Federal programs use census data to allocate funds, but the data used are usually population characteristics that relate to the target clientele of the federal program. The total census population counts of the state and local units seldom enter into funding allocations.

Michigan's population growth has lagged that of the nation for three decades and Michigan's share of the 2000 U.S. population will be smaller than in 1990. That decline will cause some adverse financial effects in federal program areas where state share of national population determines funding allocations.

The potential adverse effects of the undercount problems

of the 2000 census on Michigan as a whole have been exaggerated. Undercounting as a percentage of total population for Michigan is likely to be below the national average in 2000 as was the case in 1990. According to the U.S. Census Bureau, in 1990 only 13 states experienced a smaller percentage of its population undercounted than Michigan. A 1999 U.S. Governmental Accounting Office report ranked Michigan 4th from the bottom of all states in terms of the impact of using statistically adjusted population data to distribute federal grant funds. The report shows that had adjusted population data been used to calculate grant amounts, Michigan would have lost about \$50 million annually for the most recent year data are available.

Using population counts with no statistical adjustment for undercounting would likely benefit Michigan vis a vis the rest of the nation in areas where the state's share of the U.S. population determines funding allocations or political power. While this is true at the state level, Michigan's constituent local units will likely be confronted with differential undercount percentages. Areas where undercounting is the greatest, such as larger cities, would benefit from statistically adjusted population figures being used instead of unadjusted counts. Units with low undercount percentages would benefit from using unadjusted totals. It is in the interest of any unit to work to minimize the amount of undercounting regardless of efforts going on elsewhere.

Individuals from several organizations provided information that assisted in the preparation of this report. In particular, the Citizens Research Council of Michigan thanks the Michigan Legislative Service Bureau, the Michigan Department of Management and Budget, the Michigan Department of Treasury, the Michigan Municipal League, and Michigan State University.

The 2000 Census and State and Local Finance in Michigan

I. Introduction

The enumeration of Michigan's population in the 2000 decennial census has reminded citizens and government officials of the potential effects changes in population may have on a broad range of issues.

Michigan's population has declined as a share of the U.S. population in the past two censuses. If recent estimates hold, that trend will continue with the 2000 census. With declines in population share come losses in political representation. Seats in the U.S. House of Representatives are based on population. Local areas in the state are subject to shifts in representation in the Michigan legislature as population distribution ebbs and flows.

Population distribution and change also affect revenues. Amounts paid by the federal government to state and local government are sometimes directly affected by census population counts. Several state programs use census population counts, sometimes with weighting schemes, to determine how much funding each local governmental unit receives.

As April 1 nears, interest and concern about the potentially adverse consequences of the census have heightened. Various predictions have been made about the effect on Detroit and other urban communities, and strong encouragement from public officials for everyone to be counted are heard with increasing frequency.

This report seeks to promote understanding of the impact of changes in population, as measured by the 2000 Census of Population, on matters pertaining directly to government finance. The state and federal governments use population counts of governmental units in a variety of ways in allocat-

ing funds to those units. Often, a dedicated sum of money is divided by the total population of those sharing a program responsibility or a revenue source, and each unit receives its share of the funding; its population multiplied by a statewide per capita amount. Sometimes demographic characteristics collected in the decennial census are used to determine payment amounts. Population thresholds are used to determine the eligibility of units to participate in funding and other characteristics or criteria are used to determine the actual payments to the eligible units.

This report focuses on State of Michigan programs and statutes where:

- The amount of money received by the unit from the state is directly affected by the unit's official population, as enumerated by the census;
- A local unit's authority to levy a tax or charge a fee is directly dependent on the unit's official population.

The research process identified several federal programs that allocate funds based partly on population characteristics defined by the census. Examples include segments of the population such as rural, urban, and farm population. Other characteristics include age group, income status, and ethnicity. Out of more than 30 federal programs using census data, only five use total population even in part to determine payment amounts, and only one of those programs uses total population exclusively to determine allocations. This report provides only summary treatment of federal programs that directly calculate funding allocations, based, in whole or part, on the *total* number of persons enumerated in the census.

II. State Programs and Law

The “census effects” on Michigan state and local finance have multiple dimensions.

Per capita distributions of funds will change as amounts of money are divided by different population totals. Units growing less rapidly than the total population generally lose funding at the point new population figures are first used in a calculation, although year-to-year growth in revenues in

the implementation year mitigate the declines to some extent. The magnitude of such effects can be very large for a unit experiencing significant declines in population, such as drops associated with the loss of a major employer such as a military base.

Some programs employ weights that differ as population size changes. The weights can change abruptly as popula-

Who Is That City of More Than 65,000?

Since 1908, Michigan’s Constitutions have contained provisions restricting the passage of local or special acts. The rationale for this provision appears to include preventing the legislature from becoming entangled in detailed local matters to the detriment of dealing with matters of state-wide significance. Also, the restriction is in general harmony with home rule provisions expanding local control for these units. Population thresholds are used by the legislature to avoid the local and special act restrictions in the State Constitution. Article IV, section 29, reads, in part:

The legislature shall pass no local or special act in any case where a general act can be made applicable, and whether a general act can be made applicable shall be a judicial question. No local or special act shall take effect until approved by two-thirds of the members elected to and serving in each house and by a majority of the electors voting thereon in the district affected.

Article IV, section 30 reads:

The assent of two-thirds of the members elected and serving in each house of the legislature shall be required for the appropriation of public money or property for local or private purposes.

Presented with significant legal barriers to passing legislation singling out units for special treatment, the legislature seized on an approach that has successfully neutralized the constitutional restriction on local acts. Michigan law is laced with passages such as this one from the City Income Tax Act:

This section applies only to a city with a population of more than 140,000 and less than 750,000 or a city with a population of more than 65,000 and less than 100,000 in a county with a population less than 300,000.

In reality, when applied to actual 1990 census populations, this section says:

This section applies only to the cities of Grand Rapids, Flint, Warren, Kalamazoo, and Saginaw (but not Dearborn, Farmington Hills, Pontiac, Royal Oak, Southfield, St. Clair Shores, Taylor, Troy, and Westland—all cities between 65,000 and 100,000, but in counties with more than 300,000 people).

As the 2000 census nears, it is interesting to contemplate whether failure to meet a population requirement such as the one above will negate a unit’s authority to levy a tax or participate in some other special program. Alternatively, compliance with the requirement at the time authority was exercised might mean the authority continues until such time as state statute explicitly removes such authority. If a unit abruptly loses the authority to levy a tax or fee the financial ability to operate specific programs could be compromised. Loss of a major revenue source could cause reverberations throughout a unit’s total budget. With the loss of a fee or tax would also come windfall benefits to taxpayers. This is an issue the courts may confront in the years to come.

tion thresholds are reached, creating “cliffs” that usually benefit units whose growth places them in a higher bracket and penalize units if their population totals happen to fall off the cliff. Such schemes may cause disproportionately large changes in payments as a result of relatively small changes in population.

Population sometimes appears in statutes as a way of providing authority to a select group of local units to levy a tax or charge a fee or levy a tax at a higher or lower rate than other units. This may be based on programmatic or financial rationale. In some instances population size is used as a means to identify a single unit for special treatment (see box on page 2).

Changes in population could grant authority to additional units. It is not clear whether changes in population would automatically withdraw authority to levy a tax or charge a fee, as long as the unit complied with the statute when the tax or fee was instituted. This general question may be tested in the courts in the next few years.

The tables that follows are structured to provide consistent information for each statute that uses population counts as a determinant of taxing authority or the amount of financial aid received. Each entry begins with the title of the act. Under the heading “Legal Citation” is found the Michigan Compiled Laws and Michigan Statutes Annotated citations. (The on-line version of this report provides links to the actual statutory language for those needing to obtain more detail on a particular provision.) Under “Description”, a summary of the relevant provision in the law is provided. “Units Affected” includes, where practical, a listing of units covered by the provision. “Impact and Potential Financial Loss” identifies specific financial impacts that the 2000 census may bring, where practical, and generalized effects where specific data are not available.

The specific acts are organized into two categories:

- **Allocation of Funds**—acts using population counts as a means of determining the allocation of funds to units of government
- **Authority to Raise Revenue**—acts using population counts to determine which units of government are eli-

gible to levy a tax or charge a fee.

Many of the acts have a relatively small financial effect on the units receiving aid or authorized to levy taxes or fees. However, some of the acts affect the distribution of hundreds of millions of dollars or tax levies of major importance to the units affected. Among them are:

- The State’s unrestricted revenue sharing program uses census population counts in a variety of ways to allocate more than \$1.5 billion to counties, cities, villages, and townships.
- Over \$1 billion of transportation funds are allocated by the state to local units of government using formulas which include population in the calculations.
- The City Income Tax statute contains special provisions referring to cities with populations of various sizes but without naming the cities specifically. The provisions permit the cities to levy rates higher than those levied by other cities, thereby raising additional revenues totaling about \$200 million for the units affected.
- The City of Detroit is authorized, by reference to a city with population of more than 750,000, to levy a Utility Users Excise Tax yielding about \$50 million.

Throughout the tables, following the heading “Impact and Potential Financial Effect” are estimates based on the likelihood that the 2000 census counts will cause changes in authority to charge fees or levy taxes or the amounts of payments received from other governments. The population projections upon which these statements are based were prepared by the Michigan Department of Management and Budget and published by the Michigan Department of Treasury in its report Local Revenue Sharing FY 2001 Estimates. The CRC Revenue Sharing Calculator (<http://calculator.crcmich.org/>) uses these projections in the current version that also reflects the Governor’s FY 2001 budget proposal. The projections are subject to errors large enough to render some predictions inaccurate. Local officials are urged to substitute detailed information and expert judgment into any process focusing on the impact of the census on their unit.

Finally, a few statutes were identified that appear to be obsolete. This is the case in areas where population size is used to authorize a one-time action by a local unit of gov-

ernment, such as building a facility, and the action has already been taken by the unit. In such cases, consideration should be given to removing the statute from the books.

The census is conducted around April 1, 2000 and the statistics measure the population and its characteristics on that date. It takes several months following April 1 for the Census Bureau personnel to compile and verify the data. Federal law requires that the Census Bureau provide detailed data to each state no later than April 1, 2001. The data needed to make the determinations identified in this report will be included in this data. However, the effective date of the data's use may vary by program. For example, the state revenue sharing allocations begin using 2000 census counts effective October 1, 2000, six months after the census is taken and more than six months before the census figures are available for use. Following the availability of the census counts, adjustments are made in the payments for the remainder of the state fiscal year to compensate for any under or over payments that may have occurred. Other programs may make the census count effective as early as April 1, 2000. Authorization based on population size to charge a fee or to levy a tax is likely to always be prospective from the date the data are available.

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A. Allocation of Funds

State laws in this category use census population counts as a means of determining the allocation of funds to units of government.

Metropolitan Transportation Authorities Act of 1967

PUBLIC ACT: Public Act 204 of 1967

LEGAL CITATION: M.C.L.—124.404a M.S.A.—5.3475(104a)

DESCRIPTION: For a city having a population of 750,000 or more within a metropolitan area, the county within which such a city is located, and all contiguous counties are required to form a “Regional Transit Coordinating Council” for the purpose of establishing and directing public transportation policy within the metropolitan area. The council receives transportation operating and capital assistance grants.

UNITS AFFECTED: The City of Detroit, Wayne County, Oakland County, and Macomb County.

IMPACT & POTENTIAL FINANCIAL EFFECT: None—Detroit’s population is not expected to fall below 750,000 in the 2000 census.

Michigan Highway System Act of 1951 — Mass Transportation Funding

PUBLIC ACT: Public Act 51 of 1951

LEGAL CITATION: M.C.L.—247.650e M.S.A.—9.1097(10e)

DESCRIPTION: Eligible authorities and eligible governmental agencies which provide public transportation services in urbanized areas with a population greater than 100,000 are eligible for reimbursement of up to 50 percent of their eligible operating expenses. Eligible authorities and eligible governmental agencies which provide public transportation services in urbanized areas with a population less than or equal to 100,000 and nonurbanized areas are eligible for reimbursement of up to 60 percent of their eligible operating expenses.

UNITS AFFECTED: All public transportation authorities and all local units of government individually providing public transportation.

IMPACT & POTENTIAL FINANCIAL EFFECT: None—no units are expected to cross this threshold. Lenawee County and the Bay Area Transportation Authority (Grand Traverse and Leelanau counties) are expected to have populations approaching, but not exceeding, 100,000.

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Michigan Highway System Act of 1951 — City and Village Distribution

PUBLIC ACT: Public Act 51 of 1951

LEGAL CITATION: M.C.L.—247.663 M.S.A.—9.1097(13)

DESCRIPTION: Sixty percent of the funds distributed to cities and villages will be returned in the same proportion that the population of each bears to the total population. Forty percent of the funds will be returned in the same proportion that the equivalent major mileage in each unit bears to the total equivalent major mileage in all cities and villages. The “equivalent major mileage” is the sum of two times the state trunk line mileage certified by the State Transportation Department as of March 31 of each year, as being in a city and village having a population of 25,000 or more plus the major street mileage in each city and village multiplied by the following factor depending on population levels.

1.0	Less than 2,000
1.1	2,001 to 10,000
1.2	10,001 to 20,000
1.3	20,001 to 30,000
1.4	30,001 to 40,000
1.5	40,001 to 50,000
1.6	50,001 to 65,000
1.7	65,001 to 80,000
1.8	80,001 to 95,000
1.9	95,001 to 160,000
2.0	160,001 to 320,000

For cities over 320,000 population, by a factor of 2.1 increased successively by 0.1 for each 160,000 population increment over 320,000. The distributions are used on major and local street systems.

UNITS AFFECTED: All cities over 25,000 (See Appendix B).

**IMPACT & POTENTIAL
FINANCIAL EFFECT:**

Less than 2,000

Leslie, Vicksburg, Harbor Beach, Iron River, Constantine, and Ontonagon may receive less in returned distributions because the multiplier will be reduced to 1.0 from 1.1.

2,001 to 10,000

Harrison, Hart, West Branch, Middleville, Kalkaska, Shelby, and Pinckney may receive more in returned distributions because the multiplier will be increased to 1.1 from 1.0.

10,001 to 20,000

Albion and Farmington are expected to receive less in returned distributions because the multiplier will be reduced to 1.2 from 1.3. Hazel Park, Highland Park and Marquette will receive less in returned distributions because the multiplier will be reduced to 1.2 from 1.3

20,001 to 30,000

Fenton, Wixom, Walker, and Wayne are expected to receive more in returned distributions because the multiplier will be increased to 1.3 from 1.2. Oak Park is expected to receive less in returned distributions because the multiplier will be reduced to 1.3 from 1.4.

40,001 to 50,000

Novi, Midland, and Kentwood are expected to receive more in returned distributions because the multiplier will be increased to 1.5 from 1.4. East Lansing is expected to receive less in returned distributions because the multiplier will be reduced to 1.5 from 1.6.

50,001 to 65,000

Royal Oak, St. Clair Shores, and Saginaw are expected to receive less in returned distributions because the multiplier will be reduced to 1.6 from 1.7.

65,001 to 80,000

Rochester Hills and Wyoming are expected to gain returned distributions because the multiplier will be increased to 1.7 from 1.6.

80,001 to 95,000

Farmington Hills is expected to gain returned distributions because the multiplier will be increased to 1.8 from 1.7.

Michigan Highway System Act of 1951 — County Distribution

PUBLIC ACT: Public Act 51 of 1951

LEGAL CITATION: M.C.L.—247.662 M.S.A.—9.1097(12)

DESCRIPTION: Thirty-five percent of funds distributed for local road systems under county jurisdiction are returned to the counties based on the proportion that the total population outside of incorporated municipalities in each county bears to the total population outside of incorporated municipalities in all of the counties of the state.

UNITS AFFECTED: Wayne County and all county road commissions.

IMPACT & POTENTIAL FINANCIAL EFFECT: All counties will receive funding proportional to their non-urbanized populations.

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Transportation Economic Development Fund Act of 1987

PUBLIC ACT: Public Act 231 of 1987

LEGAL CITATION: M.C.L.—247.911 M.S.A.—9.393(111)

DESCRIPTION: Transportation Economic Development Fund projects include widening of city major streets in counties with populations of more than 400,000 in accordance with a schedule based on certain specified population levels.

Population of Percentage Funds	
1,750,000/more	16%
1,000,000 to 1,750,000	40%
600,000 to 1,000,000	20%
400,000 to 600,000	24%

When two or more counties occupy the same category, funds are equally divided. Projects funded are used for the widening of county primary roads or major streets or for advanced traffic management systems in eligible counties.

UNITS AFFECTED: This act affects cities in Wayne, Oakland, Macomb, Kent, and Genesee counties.

IMPACT & POTENTIAL FINANCIAL EFFECT: None—All five counties are expected to retain their current standing.

Natural Resources and Environmental Protection Act of 1994

PUBLIC ACT: Public Act 451 of 1994

LEGAL CITATION: M.C.L.—324.19105 M.S.A.—13A.19105

DESCRIPTION: Clean Michigan Fund grants to establish a revolving loan fund may be made to counties having a population of less than 12,000. The county can not utilize more than one percent for the administration of the loan program.

UNITS AFFECTED: Based on the 1990 population, the following counties are affected:

- Alcona
 - Alger
 - Baraga
 - Keweenaw
 - Lake
 - Luce
 - Mackinac
 - Montmorency
 - Ontonagon
 - Oscoda
 - Schoolcraft
-

IMPACT & POTENTIAL

FINANCIAL EFFECT: None—These counties are not expected to rise above 12,000 in 2000.

The 2000 Census and State and Local Finance in Michigan

Revised Judicature Act of 1961

PUBLIC ACT: Public Act 236 of 1961

LEGAL CITATION: M.C.L.—600.4851 M.S.A.—27A.4851

DESCRIPTION: Imposes county law library fund contributions by counties based on specified population level ranges.

Population	Sum Credited
250,000 to 1,000,000	\$8,500
50,000 to 250,000	\$6,500
35,000 to 50,000	\$4,500
20,000 to 35,000	\$3,500
10,000 to 20,000	\$2,500
Less than 10,000	\$2,000

This fund is used for the purpose of establishing, operating, and maintaining a law library for the use of the circuit, district, and probate courts in the county and for the officers of the courts and persons having business in the courts.

UNITS AFFECTED: According to the 1990 population, the following units are affected by the act.

250,000 to 1,000,000

- Genesee
- Ingham
- Kent
- Macomb
- Washtenaw

50,000 to 250,000

- Allegan
- Barry
- Bay
- Berrien
- Calhoun
- Clinton
- Eaton
- Grand Traverse
- Ionia
- Isabella
- Jackson
- Kalamazoo
- Lapeer
- Lenawee
- Livingston
- Marquette
- Midland
- Monroe
- Montcalm
- Muskegon
- Ottawa
- Saginaw
- Shiawassee
- St. Clair
- St. Joseph
- Tuscola
- Van Buren

35,000 to 50,000

- Branch
- Cass
- Delta
- Gratiot
- Hillsdale
- Houghton
- Mecosta
- Newaygo
- Sanilac

According to 2000 population projections, Huron and Chippewa counties are expected to rise above 35,000.

20,000 to 35,000

- Alpena
- Charlevoix
- Cheboygan
- Chippewa
- Clare
- Dickinson
- Emmet
- Gladwin
- Huron
- Iosco
- Manistee
- Mason
- Menominee
- Oceana
- Osceola
- Wexford

Otsego, Antrim, Ogemaw, and Roscommon counties are all expected to rise above 20,000 in the 2000 census.

10,000 to 20,000

- Alcona
- Antrim
- Arenac
- Benzie
- Crawford
- Gogebic
- Iron
- Kalkaska
- Leelanau
- Mackinaw
- Missaukee
- Ogemaw
- Otsego
- Presque Isle
- Roscommon

Montmorency and Lake counties are expected to rise above 10,000 in the 2000 census.

Less than 10,000

- Alger
- Barry
- Keweenaw
- Lake
- Luce
- Montmorency
- Ontonagon
- Oscoda
- Schoolcraft

IMPACT & POTENTIAL FINANCIAL EFFECT:

35,000 to 50,000

Huron and Chippewa will receive an additional \$1,000 for their county law library funds.

20,000 to 35,000

Otsego, Antrim, Ogemaw, and Roscommon will receive an additional \$1,000 for their county law library funds.

10,000 to 20,000

Montmorency and Lake are expected to receive an additional \$500 for their county law library funds.

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Social Welfare Act of 1939

PUBLIC ACT: Public Act 280 of 1939

LEGAL CITATION: M.C.L.—400.117e M.S.A.—16.490(27e)

DESCRIPTION: A county having a population of less than 75,000 shall be eligible to receive an annual basic grant of state funds of \$15,000. The grant may be used only to supplement added juvenile justice service costs. The grant is currently appropriated by the state.

UNITS AFFECTED: According to the 1990 population, the following counties have populations of less than 75,000.

- Alcona
- Alger
- Alpena
- Antrim
- Arenac
- Barry
- Benzie
- Branch
- Cass
- Charlevoix
- Cheboygan
- Chippewa
- Clare
- Clinton
- Crawford
- Delta
- Dickinson
- Emmet
- Gladwin
- Gogebic
- Grand Traverse
- Gratiot
- Hillsdale
- Houghton
- Huron
- Ionia
- Iosco
- Iron
- Isabella
- Kalkaska
- Keweenaw
- Lake
- Lapeer
- Leelanau
- Luce
- Mackinaw
- Manistee
- Marquette
- Mason
- Mecosta
- Menominee
- Missaukee
- Montcalm
- Montmorency
- Newaygo
- Oceana
- Ogemaw
- Ontonagon
- Osceola
- Oscoda
- Otsego
- Presque Isle
- Roscommon
- Sanilac
- Schoolcraft
- Shiawassee
- St Joseph
- Tuscola
- Van Buren
- Wexford

**IMPACT & POTENTIAL
FINANCIAL EFFECT:**

Grand Traverse, Lapeer, and Van Buren counties will probably grow above 75,000, thus losing grant eligibility.

State Revenue Sharing Act of 1971

PUBLIC ACT: Public Act 140 of 1971

LEGAL CITATION: M.C.L.—141.913 M.S.A.—5.3194(413)

DESCRIPTION: This act provides for revenue sharing distributions for cities, villages, townships, and counties based on several formulas using census population counts for the local units as part of the calculations. For the 1998-99 through 2005-06 state fiscal years and the October 1, 2006, through June 30, 2007, period, \$333.9 million is allocated to a city with a population of 750,000 or more (Detroit). All other cities, and all counties, villages and townships receive distributions based almost entirely on calculations involving census population counts. Most of the county allocations are based on a straight per capita calculation. Cities, villages, and townships receive allocations based on a three-part statutory formula, a straight per capita constitutional formula, and a ten-year phase in of the new statutory formula (approved in December 1998) and phase out of the old formula. Limitations are placed on the annual growth in total statutory and constitutional payments. The component formulas all include census population counts as part of the formula calculations. One-third of the statutory formula is based on a population-weighting scheme to make per capita allocations, determined as follows:

Townships

<u>Weight Factor</u>	<u>Population</u>
1.0	5,000 or less
1.2	5,001 to 10,000
1.44	10,001 to 20,000
4.32	20,001 to 40,000
5.18	40,001 to 80,000
6.22	80,001 or more

Villages

<u>Weight Factor</u>	<u>Population</u>
1.5	5,000 or less
1.8	5,001 to 10,000
2.16	10,001 or more

Cities

<u>Weight Factor</u>	<u>Population</u>
2.5	5,000 or less
3.0	5,001 to 10,000
3.6	10,001 to 20,000
4.32	20,001 to 40,000
5.18	40,001 to 80,000
6.22	80,001 to 160,000
7.46	160,000 to 320,000
8.96	320,001 to 640,000
10.75	640,001 or more

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A township that provides for or makes available police and fire services on a 24-hour basis either through contracting for or directly employing personnel, water and sewer to 50 percent or more of its residents, and has a population of 10,000 or more shall use the unit type population weight factor for a city with the same population as the township. Townships of 20,000 or more that do not offer one or more of the above services also are treated as a city for allocation purposes.

Another third of the statutory allocation is based on weighted population for each unit calculated by dividing the statewide taxable value per capita by the comparable figure for each unit. Allocations are based on the weighted-population of the unit times the statewide per capita figure computed using total weighted population.

The remaining third of the statutory formula uses taxable value per capita of each unit to determine an equalized yield guarantee payment (if any) based on the unit tax rate (up to 20 mills) and a state-wide per capita taxable value guarantee of approximately \$22,000.

Each city, village, and township also is allocated an amount equal to its census population count multiplied by a statewide per capita figure, about \$65 in FY2000. This portion of revenue sharing is required by the Michigan Constitution.

UNITS AFFECTED:

Since allocations are almost entirely based on census population counts, every city except Detroit, and all counties, villages, and townships are affected by the act.

IMPACT & POTENTIAL FINANCIAL EFFECT:

The act contains a provision eliminating growth limitations for cities, villages, and townships whose population increases more than ten percent between censuses. This provision will affect FY2001 allocations. As many as 1,000 local units (more than 50 percent of all units) could be affected and receive relatively large increases in their revenue sharing distributions. Units with smaller population growth or decline may experience smaller increases or declines in distributions in FY2001.

CRC created an online Revenue Sharing Calculator so local government officials and citizens can estimate how the new revenue sharing law affects their units. As part of the calculator, population is a variable that can be set independently by the user. To see how the new laws affect each unit and how changing populations interact with that law, go to <http://calculator.crcmich.org/>. Population estimates for each unit are available on the calculator.

Emergency Management Act of 1976

PUBLIC ACT: Public Act of 390 of 1976

LEGAL CITATION: M.C.L.—30.419 M.S.A.—4.824(29)

DESCRIPTION: Upon the declaration of a state of disaster or a state of emergency, the governor may authorize an expenditure from the disaster contingency fund to provide state assistance to counties and municipalities when federal assistance is not available. Rules governing the application and eligibility for the use of the state disaster contingency fund are as follows:

- evidence that the applicant is a county that maintains an emergency management program, reviewed and determined to be current and adequate by the emergency management division;
- evidence that a municipality with a population of 10,000 or more either maintains a separate emergency management program reviewed and determined to be current or evidence that the municipality is incorporated in the county emergency management program;
- county’s operational plan was implemented in a timely manner at the beginning of the disaster;
- reimbursement for expenditures will be limited to public damage and direct loss as a result of the disaster or emergency;
- a disaster assessment team established by the emergency management division of the Department of State Police will substantiate the damages claimed by the applicant.

UNITS AFFECTED: Based on the 1990 census, 162 municipalities had populations of 10,000 or more.

IMPACT & POTENTIAL FINANCIAL EFFECT:

According to 2000 population projections, Oscoda, Farmington, and Albion are expected to drop below 10,000. These units could become ineligible to receive assistance grants from the disaster contingency fund. The following units are expected to rise above 10,000 in the 2000 census:

- | | | |
|----------------|---------------|----------------|
| • Allendale | • Grand Haven | • Scio |
| • Alpine | • Grosse Ile | • South Lyon |
| • Cannon | • Hartland | • Spring Field |
| • East Bay | • Lyon | • Spring Lake |
| • Fenton | • Monitor | • Superior |
| • Flushing | • Oakland | • Texas |
| • Fort Gratiot | • Oxford | • Wixom |

These units could receive eligibility for assistance grants from the disaster contingency fund.

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B. Authority to Raise Revenue

State laws in this category use census population counts to determine which units of government are eligible to levy a tax or charge a fee.

Marriage License Act of 1887

PUBLIC ACT: Public Act 128 of 1887

LEGAL CITATION: M.C.L.—551.103 M.S.A.—25.33

DESCRIPTION: A charter county having a population of more than 2,000,000 may impose by ordinance a marriage license fee or non-resident marriage license fee, or both, different from the amount prescribed for other counties. Subsection 2 states that a fee of \$20 shall be paid for the license. If both parties are non-residents, an additional \$10 shall be paid. The charter county shall allocate the fee for family counseling services and shall not impose a fee greater than the cost of the service.

UNITS AFFECTED: Wayne County

IMPACT & POTENTIAL FINANCIAL EFFECT: While Wayne County's population is not expected to fall below 2,000,000, the margin is relatively small and falling below 2,000,000 is quite possible. If the population falls below the threshold, a loss of funds could occur.

General Property Tax Act of 1893

PUBLIC ACT: Public Act 206 of 1893

LEGAL CITATION: M.C.L.—211.142a M.S.A.—7.201 (Repealed effective 2006)

DESCRIPTION: A charter county having a population of more than 2,000,000 may impose a different fee than other counties for the service of recording a tax purchaser's notice and proof of service of a property owner's failure to redeem delinquent taxes. In counties under 2,000,000 the fee is 50¢ for filing the notice and 50¢ for recording the notice. A county of more than 2,000,000 shall not impose a fee that is greater than the cost of the service for which the fee is charged.

UNITS AFFECTED: Wayne County

IMPACT & POTENTIAL FINANCIAL EFFECT: While Wayne County's population is not expected to fall below 2,000,000, the margin is relatively small and falling below 2,000,000 is quite possible. If the population falls below the threshold, a loss of funds could occur.

Transcripts and Abstracts of Records Act of 1895

PUBLIC ACT:	Public Act 161 of 1895
LEGAL CITATION:	M.C.L.—48.101 M.S.A.—5.711
DESCRIPTION:	A county treasurer shall make, upon request, a transcript of any paper or record on file in the treasurer’s office and require a fee depending on the service. The fees range from 25¢ to \$1 for various types of documents. A charter county with a population of more than 2,000,000 may impose by ordinance a different amount for a fee prescribed in this act. The charter county shall not impose a fee greater than the cost of the service for which the fee is charged.
UNITS AFFECTED:	Wayne County
IMPACT & POTENTIAL FINANCIAL EFFECT:	While Wayne County’s population is not expected to fall below 2,000,000, the margin is relatively small and falling below 2,000,000 is possible. If the population falls below the threshold, a loss of funds could occur.

Public Health Code Act of 1978

PUBLIC ACT:	Public Act 368 of 1978
LEGAL CITATION:	M.C.L.—333.2891 M.S.A.—14.15(2891)
DESCRIPTION:	The state registrar or local registrar shall, upon receipt of a written request and payment of the prescribed fee, conduct a search for vital records for persons who purport to be eligible to receive a copy, certified copy, or certificate of registration of the requested document. The fees range from \$4 to \$26 for various types of documents. A charter county with a population of more than 2,000,000 may adopt a system of fees greater than those set forth in the act. A charter county shall not impose a fee greater than the cost of the service for which that fee is charged.
UNITS AFFECTED:	Wayne County
IMPACT & POTENTIAL FINANCIAL EFFECT:	While Wayne County’s population is not expected to fall below 2,000,000, the margin is relatively small and falling below 2,000,000 is possible. If the population falls below the threshold, a loss of funds could occur.

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Carrying on Business Under an Assumed or Fictitious Name Act of 1907

PUBLIC ACT: Public Act 101 of 1907

LEGAL CITATION: M.C.L.—445.1 M.S.A.—19.821

DESCRIPTION: A person must receive a certificate to carry on, conduct, or transact business under an assumed name. The certificate should be filed in the office of the clerk and at the time of the filing, the person will pay the clerk a filing fee of \$6. A charter county with a population of more than 2,000,000 may impose by ordinance a different amount for the filing fee. The fee must not be greater than the cost of the service.

UNITS AFFECTED: Wayne County

IMPACT & POTENTIAL FINANCIAL EFFECT: While Wayne County's population is not expected to fall below 2,000,000, the margin is relatively small and falling below 2,000,000 is possible. If the population falls below the threshold and the threshold is not lowered by the legislature, a loss of funds could occur.

Real Estate Transfer Tax Act of 1966

PUBLIC ACT: Public Act 134 of 1966

LEGAL CITATION: M.C.L.—207.504 M.S.A.—7.456(4)

DESCRIPTION: This tax is levied on the transfer of real estate. The rate of the Real Estate Transfer Tax is 55¢ in a county with a population of less than 2,000,000 and not more than 75¢ as authorized by the county board of commissioners in a county of 2,000,000 or more for each \$500 or fraction of total value.

UNITS AFFECTED: Wayne County.

IMPACT & POTENTIAL FINANCIAL EFFECT: While Wayne County's population is not expected to fall below 2,000,000, the margin is relatively small and falling below 2,000,000 is possible. However, Wayne County currently levies 55¢, so the effect of its population falling below 2,000,000 would be to preclude increasing the tax above 55¢.

University County Hospital Act of 1943

PUBLIC ACT: Public Act 236 of 1943

LEGAL CITATION: M.C.L.—331.251 M.S.A.—14.1149(1)

DESCRIPTION: Any county having a population of 500,000 or more, in which there is located a publicly owned university having a college of medicine may appropriate not to exceed \$2,000,000. Funds shall be used to assist in the cost of constructing and equipping a university county hospital for teaching and research.

UNITS AFFECTED: This language referred to Wayne County and Wayne University (which later became Wayne State University).

IMPACT & POTENTIAL FINANCIAL EFFECT: None—The language is outdated and consideration would be given to reviewing it to determine if it should be repealed..

Revised Judicature Act of 1961

PUBLIC ACT: Public Act 236 of 1961

LEGAL CITATION: M.C.L.—600.2529 M.S.A.—27A.2529

DESCRIPTION: This act imposes circuit court fees in counties of 1,000,000 or more. The fee is shared among the executive secretary of the Michigan judges retirement system, the secretary of the Michigan legislative retirement system, the state treasurer and the county treasurer.

UNITS AFFECTED: Wayne and Oakland are the only counties affected by this act.

IMPACT & POTENTIAL FINANCIAL EFFECT: None—Wayne and Oakland counties are not expected to fall below 1,000,000 in the 2000 census.

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Metropolitan Councils Act of 1989 — Detroit Area

PUBLIC ACT:	Public Act 292 of 1989
LEGAL CITATION:	M.C.L.—124.693 M.S.A.—5.4086(93)
DESCRIPTION:	The Metropolitan Councils Act allows one or more “qualified counties” in combination with one another and with one or more “qualified cities” to form a metropolitan region council. The council develops and enhances regional cultural institutions and local recreation and cultural facilities that are not primarily designed or used for professional sports, within qualified counties that participate in a council. A metropolitan region council may levy a property tax of up to 0.5 mills and must spend net revenues on cultural and recreational programs and facilities. A “qualified county” is defined as a county with a population of at least 780,000 that has a qualified city within its geographic boundaries or is contiguous to a county with a qualified city. A “qualified city” is defined as a city that is located in a participating qualified county, owns two or more regional cultural institutions, and has a population of at least 700,000.
UNITS AFFECTED:	According to the 1990 population, Wayne and Oakland counties and the City of Detroit are affected by this act.
IMPACT & POTENTIAL FINANCIAL EFFECT:	According to 2000 population projections, Macomb County could become a qualified county.

Metropolitan Councils Act of 1989 — Lenawee County

PUBLIC ACT:	Public Act 292 of 1989
LEGAL CITATION:	M.C.L.—124.715 M.S.A.—5.4086(115)
DESCRIPTION:	The Metropolitan Councils Act allows the creation of a metropolitan arts council by a metropolitan district which would develop and enhance cultural institutions and facilities within the geographic boundaries of the council. A metropolitan arts council may levy a property tax of up to 0.5 mills. A metropolitan district is defined as either a county with at least two state public universities or a county with a maximum population of 100,000 individuals and a boundary contiguous to a county with two state public universities.
UNITS AFFECTED:	According to the 1990 population, Lenawee is the only county affected by the population provisions of this act.
IMPACT & POTENTIAL FINANCIAL EFFECT:	None—Lenawee County is not expected to rise above 100,000 in the 2000 census.

Metropolitan Councils Act of 1989 — All Other Metropolitan Areas

PUBLIC ACT:	Public Act 292 of 1989
LEGAL CITATION:	M.C.L.—124.653 M.S.A.—5.4086(53)
DESCRIPTION:	In a metropolitan area with a population of less than 1,500,000 people, local governmental units are authorized to create metropolitan councils to levy a property tax. Each local governmental unit in a metropolitan council may be required to annually pay to the council an amount not to exceed 0.2 mills multiplied by the state equalized valuation of all taxable real and personal property within that local governmental unit. They may authorize the council to levy on all taxable real and personal property within the council area an ad valorem tax not to exceed 0.5 mills. Also a metropolitan district is defined as a county with a population of less than 100,000 and a boundary contiguous to a county with not less than two state public universities. Such a district may form a metropolitan arts council that may levy an ad valorem tax.
UNITS AFFECTED:	This affects all metropolitan areas except the Detroit PMSA. Lenawee County has a population of less than 100,000 and a boundary contiguous to a county (Washtenaw) with not less than two state public universities (University of Michigan and Eastern Michigan University).
IMPACT & POTENTIAL FINANCIAL EFFECT:	None—Detroit PMSA is not expected to drop below 1,500,000 and Lenawee is not expected to rise above 100,000 in 2000.

Home Rule City Act of 1909

PUBLIC ACT:	Public Act 279 of 1909
LEGAL CITATION:	M.C.L.—117.35a M.S.A.—5.2115(1)
DESCRIPTION:	Any municipality having a population of 1,000,000 or more may issue general obligation bonds and other evidence of debt for all lawful purposes in accordance with the state law.
UNITS AFFECTED:	Detroit is the only area affected and it is expected to fall below 1,000,000 in 2000.
IMPACT & POTENTIAL FINANCIAL EFFECT:	Local units of government have general authority to issue general obligation bonds, so it is unlikely that loss of the authority granted in this provision will have any effect.

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Downtown Development Authority (DDA) Act of 1975

PUBLIC ACT: Public Act 197 of 1975

LEGAL CITATION: M.C.L.—125.1662 M.S.A.—5.3010(12)

DESCRIPTION: A downtown development authority, with the approval of the municipal governing body, may levy an ad valorem tax on real and tangible personal property. A municipality having a population of 1,000,000 or more shall tax not more than one mill. If the population is less than 1,000,000, a municipality shall tax not more than two mills. The municipality collects the DDA tax .

UNITS AFFECTED: Detroit is the only area affected and it is expected to fall below 1,000,000.

IMPACT & POTENTIAL FINANCIAL EFFECT: Detroit could potentially raise the tax to two mills. The city currently levies one mill and collects nearly \$700,000.

City Income Tax Act of 1964 — City of Detroit

PUBLIC ACT: Public Act 284 of 1964

LEGAL CITATION: M.C.L.—141.503 M.S.A.—5.3194(3)

DESCRIPTION: In a city with a population of 750,000, the governing body may levy and collect an income tax at a rate to be determined. That rate may not be more than two percent on corporations and specified maximum tax rates on resident individuals and non-resident individuals. The maximum rates, before July 1, 1999 are 3.0 percent and 1.5 percent respectively. The rates decline by 0.1 percent and 0.05 percent each year until the rates are reduced to 2.0 percent and 1.0 percent.

UNITS AFFECTED: City of Detroit.

IMPACT & POTENTIAL FINANCIAL EFFECT: None—Detroit is not expected to fall below 750,000 in 2000.

City Income Tax Act of 1964 — Cities of Flint, Grand Rapids, and Saginaw

PUBLIC ACT:	Public Act 284 of 1964
LEGAL CITATION:	M.C.L.—141.503c M.S.A.—5.3194(3c)
DESCRIPTION:	A city that levied the city income tax before March 30, 1989 may increase the rate to an annual tax of not more than 1.5 percent on corporations and resident individuals and not more than 0.75 percent on non-resident individuals, but not more than half of the tax rate shall be imposed on resident individuals but may be imposed on non-residents. The authority is granted to a city with more than 140,000 and less than 1,000,000 or a city with a population of more than 65,000 and less than 100,000 in a county with a population less than 300,000.
UNITS AFFECTED:	The units potentially affected are Flint, Grand Rapids, and Saginaw.
IMPACT & POTENTIAL FINANCIAL EFFECT:	The population of Grand Rapids is expected to remain above 140,000 in 2000. Flint’s population is expected to drop below 140,000 in 2000, but the city has not used this language to levy a higher rate in the past. Saginaw’s population is expected to drop below 65,000 in 2000. It is not clear that failing to comply with this language would cause Saginaw to lose authority to levy the 1.5 percent resident and 0.75 percent non-resident rates. If the authority were lost and the rates had to be reduced, approximately \$5 million in revenue would be lost.

Utility Users Tax Act of 1990

PUBLIC ACT:	Public Act 100 of 1990
LEGAL CITATION:	M.C.L.—141.1152 M.S.A.—5.3188(252)
DESCRIPTION:	A city having a population of 750,000 or more may levy, assess, and collect a Utility User Tax as provided by ordinance. The rate shall not exceed five percent. The first \$45,000,000 of revenue shall be used exclusively to retain and hire police officers.
UNITS AFFECTED:	City of Detroit.
IMPACT & POTENTIAL FINANCIAL EFFECT:	None—Detroit is not expected to fall below 750,000 in the 2000 census.

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Emergency Telephone Service Enabling Act of 1986

PUBLIC ACT: Public Act 32 of 1986

LEGAL CITATION: M.C.L.—484.1401 M.S.A.—22.1467(401)

DESCRIPTION: A 9-1-1 emergency telephone operational charge will be imposed in a county with less than 500,000. The technical and operational charge shall not be levied or collected after December 31, 2006. However, if all or a portion of the charge pledged as security for the payment of bonds, the charge shall be levied to the extent required to pay the debt service.

UNITS AFFECTED: This act affects all counties except Kent, Macomb, Oakland, and Wayne.

**IMPACT & POTENTIAL
FINANCIAL EFFECT:** None—These counties are not expected to fall below 500,000 in the 2000 census. No other counties are expected to increase to 500,000 or more.

Hospitals and Sanatoria Act of 1909

PUBLIC ACT: Public Act 139 of 1909

LEGAL CITATION: M.C.L.—331.102 M.S.A.—14.1122

DESCRIPTION: Counties having a population of 25,000 or more shall be required to assess and levy a tax of not more than one mill on each dollar of assessed valuation for a period not to exceed two years. This tax would be used to construct and assist in the construction of a hospital or sanitarium within the county.

UNITS AFFECTED: In 1990 there were 50 counties with populations less than 25,000.

- Allegan
- Alpena
- Barry
- Bay
- Berrien
- Branch
- Calhoun
- Cass
- Chippewa
- Clinton
- Delta
- Dickinson
- Eaton
- Genesee
- Grand Traverse
- Gratiot
- Hillsdale
- Houghton
- Huron
- Ingham
- Ionia
- Iosco
- Isabella
- Jackson
- Kalamazoo
- Kent
- Lapeer
- Lenawee
- Livingston
- Macomb
- Marquette
- Mason
- Mecosta
- Midland
- Monroe
- Montcalm
- Muskegon
- Newaygo
- Oakland
- Ottawa
- Shiawassee
- Saginaw
- Sanilac
- St. Clair
- St. Joseph
- Tuscola
- Van Buren
- Washtenaw
- Wayne
- Wexford

IMPACT & POTENTIAL FINANCIAL EFFECT:

According to 2000 population projections, Clare, Emmet, Oceana, Charlevoix, and Gladwin counties will be added to this list because they will rise above 25,000. They may gain authority to assess and levy the tax. Iosco County, however, is expected to drop below 25,000. Iosco would lose authority to the tax.

The authority to levy this tax has not been exercised in many years and consideration should be given to reviewing whether this portion of the act is needed any longer.

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Accommodations Tax Act of 1974 — Cities of Detroit and Grand Rapids

PUBLIC ACT: Public Act 263 of 1974

LEGAL CITATION: M.C.L.—141.867 M.S.A.—5.3194(377)

DESCRIPTION: The act defines permissible uses of this excise tax on lodging to include financing the construction of a museum if the museum is located in a city with a population of 180,000 or more.

UNITS AFFECTED: Detroit and Grand Rapids are the only cities affected.

IMPACT & POTENTIAL

FINANCIAL EFFECT: None—Both cities are expected to exceed 180,000 in the 2000 census.

Accommodations Tax Act of 1974 — Counties with Large Cities

PUBLIC ACT: Public Act 263 of 1974

LEGAL CITATION: M.C.L.—141.862 M.S.A.—5.3194(372)

DESCRIPTION: A county having a population of less than 600,000 persons, and having a city of at least 40,000 population may enact an excise tax on the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests.

UNITS AFFECTED: Currently, eight counties have populations of less than 600,000 with a city of at least 40,000.

- Calhoun (Battle Creek)
 - Genesee (Flint)
 - Ingham (Lansing and East Lansing)
 - Kalamazoo (Kalamazoo)
 - Kent (Grand Rapids)
 - Muskegon (Muskegon)
 - Saginaw (Saginaw)
 - Washtenaw (Ann Arbor)
-

IMPACT & POTENTIAL

FINANCIAL EFFECT: The City of Muskegon is expected to fall below 40,000 and may lose authority to levy the accommodations tax.

Stadium Facility Tax Act of 1991

PUBLIC ACT: Public Act 180 of 1991

LEGAL CITATION: M.C.L.—207.751 M.S.A.—7.559(1)

DESCRIPTION: “Eligible county” for the imposition of a stadium facility tax means a county with a population of 1,500,000 or more persons. “Eligible municipality” for the imposition of an accommodation tax means:

- a county with a population of less than 300,000 which contains a city with a population of more than 100,000 persons or the most populous city in the county
- a county with a population of less than 200,000 that contains a city with a population of more than 40,000 but less than 50,000 or the most populous city in the county
- a county with a population of more than 250,000 with an optional unified form of government or a city in that county which levies a city income tax
- a county that is not a charter county with a population of more than 500,000 and contains a city with a population of 180,000 or more persons, or the most populous city in that county

UNITS AFFECTED: The following counties are potentially affected by this act:

1,500,000 or more
Wayne is the only county with a population of more than 1,500,000.

County of 300,000 or less/city of 100,000 or more
Washtenaw County has a population of less than 300,000 and the City of Ann Arbor’s population is more than 100,000. Ingham County has a population of less than 300,000 and the City of Lansing’s population is more than 100,000.

County of 200,000 or less/city of 40,000 to 50,000
The population of Muskegon County is less than 200,000 and the population of the City of Muskegon is between 40,000 and 50,000.

County of 250,000 or more with optional unified government or a city that levies a city income tax
The population of Oakland County is more than 250,000 and has adopted the optional unified form of government. The City of Pontiac levies a city income tax.

County of 500,000 or more/city with 180,000 or more
The population of Kent County is more than 500,000 and the population of the City of Grand Rapid is more than 180,000.

IMPACT & POTENTIAL FINANCIAL EFFECT: Wayne County, the only county presently levying this tax, is not projected to fall below 1.5 million. According to 2000 population projections, Washtenaw County is expected to rise above 300,000 and could lose the authority to impose the tax. The City of Muskegon is expected to fall below 40,000 and authority to impose the tax could be lost.

The 2000 Census and State and Local Finance in Michigan

Natural Resources and Environmental Protection Act of 1995

PUBLIC ACT: Public Act 60 of 1995

LEGAL CITATION: M.C.L.—324.19508 M.S.A.—13A.19508

DESCRIPTION: Not more than \$10,000,000 may be used to provide grants to eligible communities to investigate and determine whether property within an eligible community is a site of environmental contamination and, if so, to characterize the nature and extent of the contamination. An eligible county refers to a city that has a population of greater than 10,000 and is located within a county that has a population density of less than 39 residents per square mile or a city that has a population of greater than 2,500 and is located within a county that has a population density of less than 39 residents per square mile.

UNITS AFFECTED: Sault Ste. Marie and Escanaba have populations greater than 10,000, located within a county that has a population density of less than 39 residents per square mile. Cheboygan, Iron Mountain, Hancock, Ishpeming, Menominee, Munising, Gaylord, and Manistique have populations of greater than 2,500 located within a county that has a population density of less than 39 residents per square mile.

IMPACT & POTENTIAL FINANCIAL EFFECT: The units currently affected are not expected to lose eligibility after the 2000 census.

III. Federal Programs

The decennial census has some effect on funding in many federal programs. Specific population characteristics, such as state share of U.S. rural population and percentage of population below the poverty level are found in many programs. More than 30 federal programs were identified that use census population characteristics to determine part or all of funding amounts paid to state or local governments. In addition, five programs were identified that use total population in the unit to determine some or all of the fund allocations. Included in that group are:

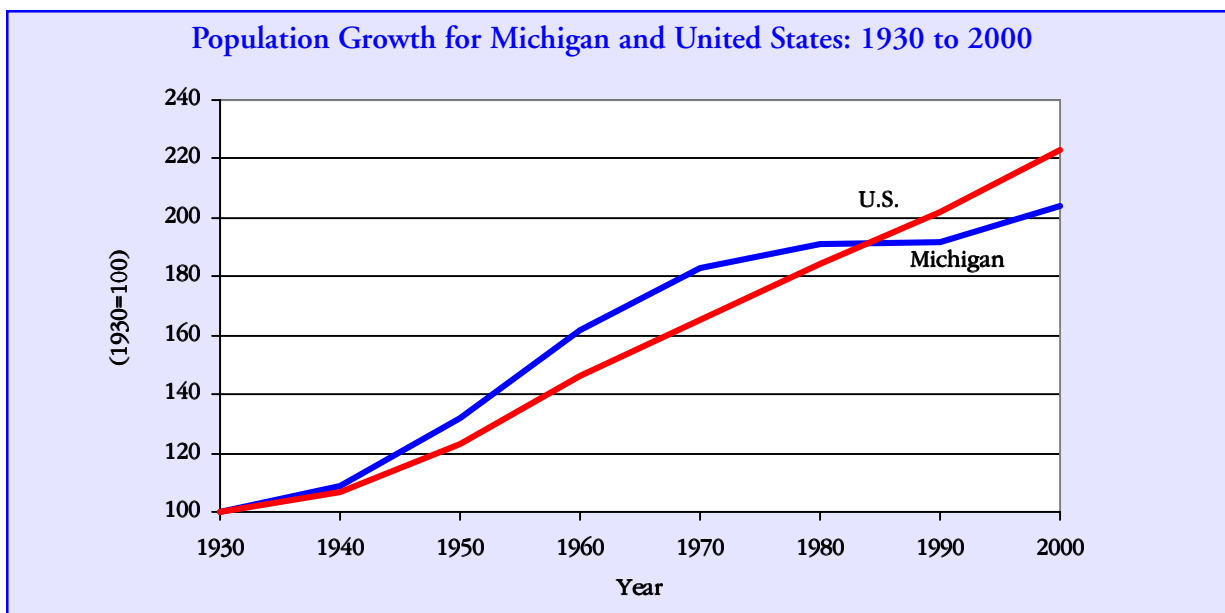
- Fish and Wildlife-Hunter Safety and Education
- Outdoor Recreation-Acquisition, Development, and Planning
- Airport Improvement Program
- Motor Carrier Safety Program
- State and Community Highway Safety

Population size enters into the determination of eligibility for programs with the actual allocation amounts subject to census population characteristics and other criteria. The Community Development Block Grants Program is an example using population size to establish eligibility and population characteristics to determine grant amounts.

Some very large federal programs are unaffected or only indirectly affected by the census. Medicaid, the largest fed-

eral to state grant program, allocates funds based on sharing eligible expenditures with states using matching rates. The matching rates use per capita personal income of the state in the calculation and states with relatively low per capita incomes receive higher matching rates than higher per capita income states. The denominator of the per capita income statistic is an estimate of the state's population, which is affected by the decennial census through the calibration process that takes place every ten years. Census data causes adjustments in past intercensal estimates and affects estimating methodology for post-censal periods.

Since Michigan's population growth has lagged behind the overall national growth in the 1990s, funding allocations from the federal government that are based on Michigan's share of the U.S. population will decline, unless offset by increases in total funds being allocated. Allocations based on population characteristics will be affected by the census, but it does not necessarily follow that Michigan's share of a subset of the total population (e.g. urban population, rural population, elderly population) will mirror the state's share or overall population. And it may signal good news if Michigan's share of some undesirable characteristic related to socio-economic status (e.g. persons below the poverty level) were to decline more than its overall population share.



The 2000 Census and State and Local Finance in Michigan

Appendix A

Michigan County Populations—1990 Census and 2000 Projections

	1990 Population	2000 Projected Population	Percent Change		1990 Population	2000 Projected Population	Percent Change
Alcona	10,135	11,360	12.1	Lake	8,566	11,027	28.7
Alger	8,784	9,643	9.8	Lapeer	74,339	90,210	21.3
Allegan	90,218	103,722	15.0	Leelanau	16,517	19,787	19.8
Alpena	30,568	30,133	(1.4)	Lenawee	90,864	98,808	8.7
Antrim	18,171	22,286	22.6	Livingston	115,232	152,917	32.7
Arenac	14,888	16,500	10.8	Luce	5,699	6,685	17.3
Baraga	7,900	8,323	5.4	Mackinac	10,669	11,095	4.0
Barry	50,031	55,133	10.2	Macomb	716,936	795,134	10.9
Bay	111,636	109,384	(2.0)	Manistee	21,247	23,612	11.1
Benzie	12,190	15,280	25.4	Marquette	70,416	58,154	(17.4)
Berrien	161,221	159,312	(1.2)	Mason	25,468	28,119	10.4
Branch	40,727	43,070	5.8	Mecosta	37,283	41,375	11.0
Calhoun	135,679	142,525	5.0	Menominee	24,910	24,390	(2.1)
Cass	49,453	49,551	0.2	Midland	75,614	82,908	9.6
Charlevoix	21,453	25,041	16.7	Missaukee	12,142	14,139	16.5
Cheboygan	21,383	24,332	13.8	Monroe	133,536	146,080	9.4
Chippewa	32,602	36,328	11.4	Montcalm	52,206	60,931	16.7
Clare	24,921	30,406	22.0	Montmorency	8,936	10,137	13.4
Clinton	57,879	64,372	11.2	Muskegon	157,429	166,906	6.0
Crawford	12,027	14,333	19.2	Newaygo	38,175	47,059	23.3
Delta	37,762	38,997	3.3	Oakland	1,082,382	1,188,399	9.8
Dickinson	26,760	26,939	0.7	Oceana	22,422	25,271	12.7
Eaton	92,829	102,216	10.1	Ogemaw	18,667	21,513	15.2
Emmet	24,959	29,303	17.4	Ontonagon	8,845	7,427	(16.0)
Grand Traverse	64,091	75,832	18.3	Osceola	20,132	22,158	10.1
Genesee	430,218	436,516	1.5	Oscoda	7,842	9,005	14.8
Gladwin	21,873	25,945	18.6	Otsego	17,943	22,857	27.4
Gogebic	17,869	16,451	(7.9)	Ottawa	187,697	232,142	23.7
Gratiot	38,713	40,069	3.5	Presque Isle	13,736	14,444	5.2
Hillsdale	43,399	47,246	8.9	Roscommon	19,751	24,003	21.5
Houghton	35,433	35,462	0.1	Saginaw	211,765	208,780	(1.4)
Huron	34,918	35,330	1.2	Sanilac	39,906	43,424	8.8
Ingham	281,672	283,341	0.6	Schoolcraft	8,297	8,962	8.0
Ionia	54,583	60,275	10.4	Shiawassee	69,715	72,784	4.4
Iosco	30,178	23,781	(21.2)	St. Clair	145,518	163,308	12.2
Iron	13,164	12,699	(3.5)	St. Joseph	58,837	61,413	4.4
Isabella	54,503	58,670	7.6	Tuscola	55,142	58,224	5.6
Jackson	146,150	154,009	5.4	Van Buren	70,014	76,065	8.6
Kalamazoo	223,023	229,768	3.0	Washtenaw	281,105	307,493	9.4
Kalkaska	13,481	15,708	16.5	Wayne	2,109,282	2,098,713	(0.5)
Kent	500,132	552,233	10.4	Wexford	26,342	29,573	12.3
Keweenaw	1,701	2,151	26.5	State Total	9,270,801	9,859,411	6.3

Source: Michigan Department of Management and Budget, Michigan Information Center.

Population figures are consistent with the definition used for state revenue sharing allocations and exclude one half of institutionalized wards, patients, and convicts counted in the census.

Appendix B

Michigan City and Township Populations—1990 Census and 2000 Projections

(Units with Population Exceeding 25,000 in 1990 or Projected Above 25,000 in 2000)

County	Unit	1990 Population	Projected 2000 Population	Percent Change	County	Unit	1990 Population	Projected 2000 Population	Percent Change
Bay					Oakland (continued)				
	City of Bay City	38,849	34,508	(11.2)		City of Southfield	75,703	74,390	(1.7)
Calhoun						City of Rochester Hills	61,766	67,902	9.9
	City of Battle Creek	53,516	53,951	0.8		City of Pontiac	70,177	67,419	(3.9)
Eaton						City of Royal Oak	65,410	63,468	(3.0)
	Delta Charter Township	26,129	30,507	16.8		City of West Bloomfield	54,516	62,275	14.2
Genesee						City of Novi	32,998	46,489	40.9
	City of Flint	140,690	128,865	(8.4)		Bloomfield Charter Twp	42,473	42,296	(0.4)
	Flint Charter Township	34,072	33,407	(2.0)		Independence Charter Twp	23,717	31,723	33.8
	City of Grand Blanc	25,392	28,159	10.9		City of Madison Heights	32,196	31,561	(2.0)
	Burton City	27,437	27,162	(1.0)		Orion Charter Township	21,019	30,347	44.4
	City of Mt. Morris	25,198	25,430	0.9		Commerce Charter Twp	22,156	29,221	31.9
Ingham						City of Oak Park	30,468	29,207	(4.1)
	City of Lansing*	127,321	127,745	0.3		White Lake Charter Twp	22,500	27,343	21.5
	City of East Lansing	51,065	45,835	(10.2)		City of Ferndale	25,084	24,209	(3.5)
	Meridian Charter Township	35,256	37,836	7.3	Ottawa				
Jackson						Georgetown Charter Twp	32,672	42,283	29.4
	City of Jackson	37,329	34,501	(7.6)		Holland Charter Township	17,523	27,572	57.3
Kalamazoo						City of Holland*	30,745	33,248	8.1
	City of Kalamazoo	79,889	74,561	(6.7)	Saginaw				
	City of Portage	41,042	44,092	7.4		City of Saginaw	69,331	62,064	(10.5)
Kent						Saginaw Charter Township	37,684	39,050	3.6
	City of Grand Rapids	188,627	182,536	(3.2)	St. Clair				
	City of Wyoming	63,891	69,870	9.4		City of Port Huron	33,605	31,844	(5.2)
	City of Kentwood	37,826	42,785	13.1	Washtenaw				
	City of Plainfield	24,946	29,595	18.6		City of Ann Arbor	109,472	109,583	0.1
Macomb						Ypsilanti Charter Township	45,307	46,201	2.0
	City of Warren	144,864	139,739	(3.5)		Pittsfield Charter Township	17,123	25,587	49.4
	City of Sterling Heights	117,810	124,587	5.8	Wayne				
	Clinton Charter Township	85,866	98,452	14.7		City of Detroit	1,027,029	945,779	(7.9)
	Shelby Charter Township	48,655	67,029	37.8		City of Livonia	100,850	101,089	0.2
	City of St. Clair Shores	68,107	64,721	(5.0)		City of Dearborn	89,286	92,696	3.8
	City of Roseville	51,412	50,541	(1.7)		City of Westland	84,583	85,755	1.4
	Macomb Township	22,714	47,811	110.5		Canton Charter Township	57,040	79,602	39.6
	Chesterfield Charter Twp	25,905	35,298	36.3		City of Taylor	70,811	71,932	1.6
	City of Eastpoint	35,283	33,435	(5.2)		City of Dearborn Heights	60,838	59,515	(2.2)
	Harrison Charter Township	24,685	25,437	3.0		Redford Charter Township	54,387	54,989	1.1
Midland						City of Lincoln Park	41,832	41,935	0.2
	City of Midland*	38,016	40,077	5.4		City of Southgate	30,684	32,612	6.3
Monroe						City of Garden City	31,846	32,609	2.4
	Bedford Township	23,748	28,473	19.9		City of Wyandotte	30,938	31,722	2.5
Muskegon						City of Allen Park	30,886	31,279	1.3
	City of Muskegon	40,283	39,075	(3.0)		City of Inkster	30,772	30,878	0.3
Oakland						Plymouth Charter Township	23,423	29,229	24.8
	City of Farmington Hills	74,614	80,027	7.3		Van Buren Charter Twp	21,010	26,583	26.5
	City of Troy	72,884	79,559	9.2		City of Romulus	22,897	25,171	9.9
	Waterford Charter Township	66,692	76,648	14.9					

Source: Michigan Department of Management and Budget, Michigan Information Center.

* The cities of Lansing, Midland, and Holland are located partly in two counties. The populations in this table are the totals for the cities. Population figures are consistent with the definition used for state revenue sharing allocations and exclude one half of institutionalized wards, patients, and convicts counted in the census.

Notes

Notes



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