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# **COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT**

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# COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

## Summary

The financial condition of many of Michigan's local governments remains precarious since the national recession that began in late 2007, and structural problems persist in many local budgets. Herein lies an opportunity for Michigan to address some of these structural issues by expanding regional governance at the county level.

Taking a more regional approach to local government may improve the efficiency and economics of local government service delivery and may provide both service and revenue side benefits to county and local governments. Furthermore, state revenue sharing has been declining since the early 2000s. It may have a greater impact spread across 83 counties rather than 1,800 municipalities. Finally, if counties and municipalities are given access to more alternative local taxes, these should be levied at the regional level to make them less administratively burdensome and to limit negative externalities if one unit of government levies a tax and its neighbors do not.

Examination of the local government service delivery model with a focus on counties and opportunities for regional service delivery at the county level cannot be done in a vacuum. In order to understand local government service delivery options, it is necessary to examine the structure of local government in Michigan, including governance, revenue, and demographics, as well as services provided.

Part of the process of evaluating cost drivers as local governments seek opportunities for savings is an assessment of the services that must be provided and the services for which they have the latitude to cut. Because there is wide variance between Michigan's most populous local governments and the least populated entities, as well as among those serving urban or rural communities, such an assessment does not identify the same services for all governments.

Many of the services provided and functions performed by counties are mandated by the state constitution. Several other services, provided by counties and municipal governments, can be considered core services

that must be performed as part of business or general government operations. Mandated county services include record keeping by the county clerk, tracking property transactions by the register of deeds, treasury, criminal prosecution, and court operations. Core services would include elections, tax collection, human resources, information technology, and jail functions, among others.

Another set of services can be considered essential. While not mandated by the constitution or state law, efforts to facilitate economic development or to accommodate the needs of dense populations suggest that the local governments cannot escape the need to provide certain services. Planning and zoning, public works and infrastructure, sanitation and landfill, and environmental services are all essential services that local governments must provide to attract residents and businesses, especially in urban areas.

Public safety services – police, fire, emergency medical services, and dispatch – fall somewhere between these first two categories. While not mandated by the state constitution explicitly, counties are required to have elected county sheriffs and cities and villages are required to provide for the public safety and peace. Plus, people generally want to live in places where police and fire protection is provided and emergency medical services are not far off.

That leaves only a handful of services – e.g., parks and recreation, libraries, economic development – that can be considered secondary or discretionary. These are not major cost centers. The reduction of commitment to these services will not fix a municipal budget.

## Opportunities for Change

Any approach at regional governance has to understand and appreciate the population and community variance among counties. County government will not be better utilized by crafting a uniform plan to be carried out by every county; it will require allowing counties to tailor the assumption of service responsibilities and collaboration to meet their residents' and local municipalities' needs, as well as the counties' abilities.

## COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

For most of Michigan's history, the counties were tied in their governance to the cities and townships within them. That tie was broken more than 50 years ago when federal court cases concerning the "one person, one vote" provisions in the U.S. Constitution caused changes to county government. County governance started out as a regional exercise in intergovernmental cooperation, but has now evolved into more of a stand-alone government.

It is recommended that new ties between the counties and their local governments be created. These would be based more on the economics of service delivery than on inserting local government officials into the county governance structure as was done previously in Michigan. It is recommended that counties be positioned as the support system capable of providing services, performing functions, and facilitating cooperation that will enable cities, villages, and townships to concentrate their efforts on developing the identity and place making that will attract people and businesses.

Counties, as a regional form of governance, are well suited to provide services to residents of smaller municipalities and to partner with larger municipalities to maximize the economies of scale so services can best be provided to benefit residents. Opportunities exist for counties to expand vertical collaboration (i.e., collaboration between different levels of government) to their constituent cities, villages, and townships because many of the functions performed by municipalities are also performed by county governments. Efforts could be made to promote counties as providers of services that require technical expertise and that could benefit from regional provision. Opportunities also exist for counties to bring together their constituent cities, villages, and townships to find the optimal ways to provide services that require a large investment in capital (e.g., land, buildings, vehicles, or equipment) in their communities and region.

The Research Council has identified a number of local government service areas that could benefit from county provision in some form.

**Information technology services.** Efforts to better enable county governments to serve their local governments, and to absorb responsibility for some services that will alleviate the financial pressures on

the local governments, must start with information technology services.

By connecting each county to its local governments in a virtual sense, the counties would be positioned to offer file sharing and the development of resources to capitalize on advances in communication. By establishing the technological connections and capabilities, the counties would be positioned to assist in or provide a number of functions on behalf of the municipal governments.

**Administration and general government services** include human resources, fiscal services, and document services. Human resource services include personnel, payroll and benefits, and training and professional development. Counties, which have to provide these services for their own employees, could house the employees with the requisite skills to provide these services to local units of government throughout each county.

Fiscal services include accounting, treasury, purchasing, and financial record keeping services. As with human resources, consolidation of accounting services at the county level could capitalize on the employment of skilled accountants necessary to maintain financial records. County level treasury and purchasing functions could assist local units as well.

Document services include printing, archiving, and destroying government documents and records. The ability to perform this function would require installation of high-speed Internet access linking all government buildings throughout the county and adequate computer capabilities at the county level. Having immediate access to many of the local government records can make the county officials better at their tasks while reducing the costs for the local governments.

**Tax collection** at the county level would simplify the collection and distribution of taxes from over 1,500 units of government performing this function to 83 counties performing this function. Counties collect property taxes in 45 states.<sup>1</sup>

<sup>1</sup> Griffith, Joel; Harris, Jonathan; and Istrate, Emilia; National Association of Counties. Policy Research Paper Series No. 5: *Doing More with Less, State Revenue Limitations and Mandates on County Finances*, November 2016.



**Elections** at the county level would not diminish the local nature of the voting process; each local unit would still be divided into precincts, with a polling place convenient to most households. Such a transfer would consolidate the duplicative tasks that occur in each city and township into a single bureaucracy and bring more uniformity to the process.

**Property assessing** at the county level would eliminate the need for county equalization, would benefit from the economies of skill inherent by hiring county-level assessors with certification to appraise complicated properties, and would equip the local governments with the requisite sophistication to defend assessing practices at the tax tribunal.

**Road maintenance.** Because so many of Michigan's cities and villages are small in geographic size and in the populations served, keeping this capital intensive service at the most local level builds a level of duplication and inefficiency into the system. Moving responsibility to the county level would better use the resources needed to maintain the roads and the engineers needed to plan the work.

**Public safety services.** Michigan has built a level of duplication into police protection by providing for state police, county sheriffs, and city, village, or township police departments. County sheriffs can provide police services for communities that wish to shed that service, and are in a good position to provide support services to independent municipal police departments. Counties can provide the capacity to handle all special and administrative tasks associated with operating a police department including emergency dispatch 9-1-1 services, all special units, public safety purchasing, emergency and disaster response planning, and hazardous material handling.

Counties could also explore the ability to provide similar support for municipal fire departments. It is not necessarily recommended that counties get involved in fighting fires, but that they provide necessary support services and specialized services (e.g., fire investigations) so that municipal fire departments can concentrate their resources on fire fighting and fire prevention.

**Planning and land use.** Local governments often cling tightly to planning and zoning responsibilities because they help to determine the character of a com-

munity, but related services such as building inspection services, community and economic development services, issuing permits, and code enforcement could be done by the counties. Counties could also help to facilitate regional planning that could benefit all local governments within a region.

**Public works and sanitation services** include governmental services for which Michigan local governments most often collaborate. The expensive nature of the infrastructure to move and treat water makes regional bodies best suited to their provision.

**Public transportation.** Counties may have a role in assessing and providing public transportation needs for all county residents, even those that live outside of a central city. Public transportation is an area where counties can benefit from county-to-county collaboration.

### Prerequisites for Change

For such changes in service delivery provision to become widespread among Michigan counties, county commissioners and the Michigan populous will need to consider changes in both the culture of county government and the governance structure of counties. Much could be gained by changing the thinking of counties from stand-alone entities to multi-purpose function providers for their local units. Strong county leadership will be needed to gear county services to benefit the local governments and let the local governments know that the county governments are amenable to working with them to achieve savings.

Although the charter and optional unified models of county governance have long been available, Michigan still has 79 of the 83 counties organized as general law counties. This organizational model means that these counties do not have the latitude to undertake activities and services without state legislative authorization. County government needs strong direction in order to be an effective regional leader and unifier.

With each of these services and functions policymakers have to consider how the county role, either as a service provider or as a collaborator with the local governments, is to be funded. If these are to remain local government responsibilities for which they seek economies through collaboration, then the cost of the

services and the financial plight of Michigan's struggling local governments is likely to change very little. On the other hand, if counties are to assume responsibility for providing certain services, and the responsibility for funding that provision, that will free up local government resources to direct on the vital services that remain with the cities, villages, and townships.

Policymakers can think about increasing the resources available to county governments to expand service delivery in two ways that are not mutually exclusive. First, they can authorize the levy of taxes other than property taxes. A recent Michigan State University paper found that counties in very few other states are as dependent on property tax revenues as are the counties in Michigan.<sup>2</sup> Other states have local-option income, sales, motor fuel, alcohol, tobacco, and public utilities taxes available. None of these are currently available to Michigan counties.

An alternative approach would be for the state to re-direct state revenue sharing to counties to help them achieve economies and cost savings in the delivery of local government services. Counties currently receive state revenue sharing, but the distribution is done on a per capita basis that sends funding to some counties that have sufficient tax base to fund services from their own resources and does not send enough funding other counties with insufficient tax bases to fund services without levying taxes at artificially high rates. Additional revenue sharing dollars sent to counties and distributed in a fashion that recognizes variances in fiscal capacity among the counties would help to enhance the roles counties play.

### Conclusion

Local governments in Michigan have faced years of declining resources and growing expenditure pressures. These years have been marked by increased efforts at collaboration, service and expenditure cuts, and increases in local source revenue options. Local governments still face a structural issue in that their ongoing revenue is not sufficient to meet growing expenditure pressures. One potential structural solution is to move more local government services to the county, or regional, level rather than continuing to provide them at the most local level.

The Research Council, through years of research into local government service delivery, has identified a number of services that counties could play a bigger role in providing.

Before counties can meet additional service delivery and cooperation facilitation needs, some basic issues in county governance, resources, and service delivery need to be addressed. First, most counties could benefit from modernizing their government. Second, counties need resources to meet additional needs. Third, officials in county government and administration need to change their mindset from one of a stand-alone county government and simple provider of some state and local services, to one of a provider of services to their local municipalities and a regional unifier.

Counties in Michigan are not uniform and have many differences in size and population, urban versus rural makeup, revenue levels and sources, and expenditure levels and needs. The Research Council is not advocating a one-size-fits-all solution to regional government in Michigan, but rather a move to thinking of local government more in terms of the region and what county government can do in a more effective and economical manner than a city, village, or township can do.

<sup>2</sup> Robert Kleine, Michigan State University, *County Revenue Options*, [http://msue.anr.msu.edu/uploads/resources/pdfs/County\\_Revenue\\_Options\\_October\\_2016.pdf](http://msue.anr.msu.edu/uploads/resources/pdfs/County_Revenue_Options_October_2016.pdf), November 2016.

## COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

The financial condition of many of Michigan's local governments remains precarious since the national recession that began in late 2007 (hereafter referred to as the "Great Recession"). Michigan local governments have taken numerous actions to close budget gaps – increasing levels of intergovernmental cooperation, reliance on general fund balances, and employees' share of fringe benefit costs – but have also had to rely on cutting services.<sup>1</sup> A study by Great Lakes Economic Consulting, which looked at data from the 1990s to 2014 found that the problems Michigan's municipalities face are structural and pervasive and go beyond the short-term problems caused by decreased revenues during Michigan's Great Recession.<sup>2</sup> Herein lies an opportunity for Michigan to address some of these structural issues by expanding regional governance at the county level.

Taking a more regional approach to local government may improve the efficiency and economics of local government service delivery and may provide both service and revenue side benefits to counties and their local governments. County-provided services allow communities to benefit from economies of scale (by serving more people) and economies of skill (by spreading the provision of highly skilled services across more people and areas). Relative differences in income levels across counties are less than those across municipalities.

Counties, generally, are made up of lower income cities, villages, and townships, as well as higher income cities, villages, and townships; providing services at the county level removes some of the income differences and inequalities that are experienced across local governments.

Furthermore, state revenue sharing has been declining since the early 2000s. It may have a greater impact spread across 83 counties rather than 1,800 municipalities. If counties were providing more local government services, it would make sense to send state revenue sharing to the county level. Finally, if counties and municipalities are given access to (and choose to levy) more alternative local taxes (e.g., local-option income or sales taxes), these should be levied at the regional level to make them less administratively burdensome (it would be easier to have 83 counties levying the tax rather than many more municipalities) and to limit negative externalities if one municipality levies a tax and its neighbors do not.

The current condition of Michigan's local government finance model has created an opportunity to examine the local government service delivery model with a focus on counties and opportunities to deliver services more regionally at the county level. This cannot be done in a vacuum. In order to understand local government service delivery options, it is necessary to examine the structure of local government in Michigan, including governance, revenue, and demographics, as well as services provided.

1 The Center for Local, State, and Urban Policy, Gerald R. Ford School of Public Policy, University of Michigan. *Michigan Public Policy Survey: Key Findings*, August 2016.

2 Great Lakes Economic Consulting. *Michigan's Great Disinvestment: How State Policies Have Forced Our Communities into Fiscal Crisis*, April 2016.

## Governance Structure of Local Government

Public corporations, which include general purpose and special purpose governments, are organizational structures that may be vested with constitutional status. General purpose local units of government in Michigan include 83 counties, 533 cities and villages, and 1,240 townships.<sup>3</sup> General purpose local governments provide a broad, and somewhat overlapping, range of services. The entire state is organized into 83 counties and each citizen lives in one county. The entire state is also organized into cities and townships and each citizen lives in either a city or a township – they do not overlap. A township resident might also live in a village, which has its own government, but also remains part of the township.

These local units are not sovereign entities, but are creatures of the state and derive their power from the constitution and laws of the state. Concepts such as home rule and local control simply refer to the degree of independence granted by the state (see **Box** on page 4). Michigan local government is characterized by a large number of local governments with overlapping geographical boundaries and often overlapping service responsibility and taxing authority. The governance structure of many local units, particularly townships and counties, reflects the 19<sup>th</sup> century emphasis on a diffused executive function, which is not always suited to modern-day government needs.

Much of Michigan's system of local governance was established in the Northwest Ordinance of 1787, which laid the groundwork for state and local government for what was to become the states of Michigan, Ohio, Indiana, Illinois, and Wisconsin and was institutionalized in Michigan's 1835, 1850, 1908, and 1963 constitutions. It heavily incorporated counties for organizing the new territories. Additionally, townships were designed to be compact in size, emulating the New England town model that allows government to be close to the people.

Local government in Michigan, especially at the county and township levels, was further influenced by the

theory of Jacksonian democracy. Early to mid-19<sup>th</sup> century political theory held that the problem with government was the appointive status of government officials. The cure proposed was to have as many officials as possible elected directly to short (two-year) terms. This approach, which would theoretically keep democracy close to the people, reflected the frontiersman's belief in personal versatility and his suspicion of specialization. Government was not believed to require specialized skills or training. It was hoped that the fragmentation of power and frequent turnover of officials would prevent the formation of a government aristocracy. Many previously appointive positions became elective under the reforms based on this theory, and many new elective positions were created.

### County Governance

Counties are governed by boards of commissioners, which provide the legislative governance for all counties, and varying levels of executive governance depending on how a county is structured. Counties are also constitutionally required to elect the following officers: sheriff, clerk, treasurer, register of deeds, and prosecuting attorney, all of which have control over their own departments independent of the county board and/or administrator (though the board/administrator retains control over the budget process). This leads to what is called a plural executive form of government. Constitutional and statutory provisions allow four structures which counties may assume: 1) general law, 2) optional unified with a manager, 3) optional unified with an elected executive, and 4) charter counties.

The debate over whether county governance structures in Michigan are adequate to meet the needs of modern counties and their residents has been raging for 100 years. A Research Council report from 1921 analyzed a proposed state constitutional amendment to simplify county government.<sup>4</sup> The analysis highlighted some reasons why simplification of county government was desirable (particularly in Wayne County): 1) too many elective offices in counties (at the time, Wayne County

<sup>3</sup> Special purpose local governments include school districts, intermediate school districts, public school academies, community college districts, state universities, and special districts; data from 2012 U.S. Census of Governments.

<sup>4</sup> Detroit Bureau of Governmental Research, Inc. Public Business Number 58: *Simplifying County Government*, Feb. 15, 1921.



had 97 members on the board of supervisors alone), 2) no real legislative body for counties, 3) no responsible head in county government, and 4) certain duplicate services could be eliminated in counties (e.g., county surveyor and county drain commissioner).

The 1963 Michigan Constitution provides basic authority for a county to adopt charter status, and state laws provide an implementation process for charter counties as well as another method of governance through optional unified counties. Many other aspects of county governance have changed since 1921, but the majority of counties are still governed under general law, which blends legislative and executive power on the board of commissioners and dilutes executive power, which is shared among a number of elected officers, the board of commissioners, and members of other semi-autonomous county boards. The result is a complex structure of county government, with authority heavily diffused and responsibility very difficult to pinpoint.<sup>5</sup>

**County Boards of Commissioners.** The 1963 Constitution established county governance under boards of supervisors that were to consist of one member from each organized township and representation from cities as provided by law. A year later, in 1964, a U.S. Supreme Court decision on legislative redistricting, which established the “one person, one vote” principle was ruled to affect county governance as well.<sup>6</sup> In reaction to this decision, the Michigan Legislature passed Public Act 261 of 1966, which provided for the election of county commissioners from equally-apportioned single-member districts.

Today, county boards of commissioners are smaller, include the partisan election of commissioners, and are representative of people rather than units of government. County commission election districts are drawn to be as nearly equal in population as is practicable based on the latest official published decennial U.S. Census. They are to be contiguous, compact, of as nearly square shape as is possible. Finally, they must respect township, village, and city boundaries, and are not to be drawn to effect partisan political advantage. Every county has a board of commissioners ranging

from 7 to 35 members, depending on county population.

**General Law Counties.** Most counties (79 out of 83) retain the general law form of governance.<sup>7</sup> In general law counties, the county boards of commissioners have both legislative and administrative powers and duties. Legislative powers include enacting a budget with authority to spend, setting policy, passing regulations and ordinances, and responding to constituents. Administrative powers include developing the budget, overseeing department operations, and personnel decisions. Many general law county boards have appointed a county administrator responsible for overseeing the administrative functions. County administrators in general law counties, however, work for and answer to the county board retaining ultimate administrative authority with the board.

As stated above, the commissioners’ administrative powers are shared with a number of other elected officials. Executive power rests with the separately elected treasurer, clerk, register of deeds (this position can be consolidated with the clerk), prosecuting attorney, and sheriff, in dealing with the administration of the staff within their domain. This arrangement of shared administrative responsibilities may create problems in establishing a clear chain of command. While these elected officials oversee their own administrations, budget power ultimately rests with the county commission.

The actions of general law county boards in the provision of services has had to conform to restrictive provisions of state enabling legislation. Many statutory provisions have required the establishment of a board or commission to administer the function or service to be provided (e.g., a county library board to administer the county library fund). This practice has produced a proliferation of boards and commissions and resulted in 1) a further diffusion of executive authority, 2) a dissipation of legislative effectiveness, and 3) confusion on the part of the citizen relative to the determination of accountability and redress of grievances.

**Optional Unified Counties.** The optional unified form of county government abolishes all appointed

5 Citizens Research Council of Michigan. Report 265: *Wayne County Charter Issues....Elected County Executive/Chief Administrative Officer*, February 1981.

6 *Reynolds v Sims* (377 U.S. 533; 1964).

7 All counties are organized under general state law except Bay, Oakland, Macomb, and Wayne.

### Local Government in Michigan: Home Rule, Dillon's Rule, and the Cooley Doctrine

The state constitution defines the legal relationship between the state and local governments. It establishes the relative degree to which local governments are dependent on, or independent from, state control.

**Home Rule.** Home rule is defined as the right to local self-government including the powers to regulate for the protection of the public health, safety, morals, and welfare; to license; to tax; and to incur debt.<sup>1</sup> Home rule involves the authority of a local government to prevent state government intervention with its operations; however, the extent of its power is subject to limitations prescribed by state constitutions and statutes (e.g., the Michigan Supreme Court has held that because pensions are a negotiable benefit under the provisions of the state Public Employee Relations Act, local charter provisions respecting pensions may be overridden by collective bargaining agreements negotiated under state law).<sup>2</sup>

**Dillon's Rule.** Dillon's Rule is a rule of strict construction of constitutional and statutory law for local units of government. It states that local units of government possess only those powers that 1) have been granted to them specifically, 2) are necessary or can be fairly implied in the expressed powers given, and 3) are indispensable to the declared objects and purposes of the corporation. Over the decades this rule has served to constrict the discretionary powers of local governments, especially counties and townships. A charter or home rule government in a local unit does not give local officials the liberty to do whatever the charter may allow or not prohibit; charters must conform to the provisions of the respective enabling acts and other existing law.<sup>3</sup>

**Cooley Doctrine.** In contrast to Dillon's Rule, the Cooley Doctrine states that local governments have an inherent right to local self-determination. In 1871, Michigan Supreme Court Judge Thomas Cooley stated: "[L]ocal government is a matter of absolute right; the state cannot take it away."<sup>4</sup> Michigan cities and some villages have operated with a grant of self-determination since adoption of the 1908 Constitution and counties were granted authority to adopted home rule charters by the 1963 Constitution. The 1963 Michigan Constitution contains a statement regarding counties and local governments in general directing the courts to construe the constitution and law liberally in favor of the local units.<sup>5</sup>

**Home Rule Status Today.** The continuing tension between Dillon's Rule and the Cooley Doctrine is the attempt to balance matters of statewide interest against the rights of communities to self-govern.

While the constitution, as the supreme law of the state, provides broad home rule authority to local governments and for a liberal interpretation of the powers of municipalities, various actions by the legislature and courts have weakened the constitution's grant of self-government authority. Some court decisions have declared that municipalities have all powers not expressly denied, but other court rulings more adverse to home rule have led municipal officials to seek legislative solutions clarifying the extent of their authority. Each directive and clarification that has been amended to the Home Rule Cities Act and Home Rule Villages Act has had the general impact of reversing the expansive nature of the home rule powers toward an exclusionary approach. Over the years, the state legislature has superimposed state requirements on such subjects as local taxing and spending power, public meetings, access to public records, conflicts of interest for public officials, political rights of public employees, mandatory collective bargaining, and compulsory arbitration of police and fire labor disputes, among others.<sup>6</sup>

1 "Home Rule." Legal definition, <http://legal-dictionary.thefreedictionary.com/home+rule> (accessed 12/06/16).

2 Citizens Research Council of Michigan. *County Home Rule, Background Paper No. II*, July 1980.

3 Citizens Research Council of Michigan. Report 266: *Wayne County Charter Issues...The Historical and Present Role of County Government in Michigan*, February 1981.

4 *People v Hurlbut* (24 Mich 44, 95; 1871).

5 1963 Michigan Constitution (Article VII, Section 34).

6 Citizens Research Council of Michigan. *Detroit City Charter Revision: The Nature and Purpose of a Home Rule City Charter*, July 1993.

## Degree of Accountability Afforded through County Organizing Laws



boards, commissions, authorities, and elective offices except those specified in the statute.<sup>8</sup> Any county that has not adopted a charter and does not have an active charter commission may adopt an optional unified form of county government. As in general law counties, boards of commissioners are elected under the same provisions and in the same numbers. This structure presents counties with the option of appointing a manager or electing an executive, either of which has responsibility for most county agencies. Only an elected executive may veto commission actions.<sup>9</sup>

The optional unified form provides significantly greater executive coordination than is possible under the general law structure. The appointed manager or elected executive does not have complete executive control; the constitutional provisions for individually elected county officers (sheriff, clerk, register of deeds, treasurer, and prosecuting attorney) that apply to general law counties pertain to optional unified counties as well. Further, the offices of drain commissioner and board of county road commissioners are protected and their powers are not minimized by a county adopting the optional unified form of government.

Of Michigan's 83 counties, only Oakland and Bay counties have adopted an optional unified form of government, both with an elected executive.

**Charter Counties.** The primary benefit of charter county adoption is the establishment of an accountable county executive with greater power to coordinate the executive branch. Unlike in the optional unified form, executive functions are removed from the county board of commissioners in charter counties. The powers and duties of the county executive, including veto powers and line and staff department control, may be defined in the charter, but must be consistent with the Charter Counties Act.<sup>10</sup> This structure resembles the strong-mayor form of government adopted by many large cities. The major difference is the constitutional provisions for individually elected county officers (sheriff, clerk, register of deeds, treasurer, and prosecuting attorney) continue to apply to charter counties. Where all executive services are under the control of a strong mayor, not all of the executive services are under the control of the county executive.

Of Michigan's 83 counties, only two have adopted charter status, both with an elected executive: Wayne and Macomb counties. (See **Appendix A** for information on charter counties.)

**County Government Accountability.** The traditional general law structure of county government with its multi-purpose commission and multi-headed executive, provides the least accountability, because credit or blame cannot clearly be placed on one elected position. It has the benefit of being familiar and accepted, though its administrative weaknesses become increasingly visible as county government assumes more diverse and complex functions. Next on the continuum is the optional unified form with a county administrator appointed by the commission, which transfers administrative functions to the administrator, but maintains control in the commission. The optional unified form with an elected county executive with veto powers provides more centralized direction, but

<sup>8</sup> The appointed boards which are protected in the statute include the apportionment commission, airport zoning board of appeals, board of county canvassers, board of determination for a drainage district, civil service commission, county drainage board, county department of veterans' affairs administrative committee or soldiers' relief commission, concealed weapons licensing board, election commission, jury commission, library commission, parks and recreation commission, social services board, tax allocation board, a board established to oversee retirement programs, plat board, mental health board, hospital board, inter-county drainage board, building authority, and board of county road commissioners.

<sup>9</sup> Public Act (PA) 139 of 1973 (MCL 45.551-45.573).

<sup>10</sup> PA 293 of 1966 (MCL 45.501-45.521).

is limited to the organization provided in the statute. At the opposite end of the continuum is the charter county, organized according to a plan adopted by the voters and led by an executive.<sup>11</sup>

Of all the types of local government in Michigan, not one operates under a more antiquated structure than county government. A Research Council report from 1980 found “if the county is to reach its potential as a viable form of local government, its traditional form of organization, which spreads responsibility and accountability so broadly that decision-making is rendered arduous or even, at times, impossible, must be allowed to be changed.”<sup>12</sup> Four counties have taken advantage of alternative organizational structures available to all counties, but the other 79 operate without a single executive officer to lead the government (though many of them employ an appointed county administrator).

County commissions share legislative and administrative duties and power is disbursed among the many independently elected constitutional officers. Power is further disseminated to the drain commissioner and the boards of county road commissioners. In some counties, the broad distribution of power among many officials has created deadlocks in the budgeting pro-

cesses. Even with charter county status, the Michigan Constitution requires the independent election of a sheriff, clerk, treasurer, register of deeds, and prosecuting attorney. Each of these officials is responsible for the operations of a county department, and even in those counties with an elected executive, power is not sufficiently centralized for that person to assume control of hiring and firing personnel or arranging the organization of those departments. This is inescapable without amending the Michigan Constitution. At times of economic contraction when many local governments are cutting the size of their budgets, the lack of a single executive officer with control over administration of the county, and a lack of budgetary control by the county commissioners, complicates the ability to manage the counties’ assets and operate within the resources available. This basic structure has existed since statehood in the 1830s.

### Other Forms of Local Governance

Counties provide a more regional form of government for Michigan residents. The most local, or form of government that is closest to the people, is the city or township (and village in some instances). Townships and some villages are authorized under general state law that prescribe their governmental structure and powers. Cities and some villages have adopted their own charters under home rule powers that allow each government’s local populace to frame its own charter, determine how best to secure legislative representation, provide its own means for selecting the mayor and administrators of the city activities, define the powers that might be exercised, adopt nonpartisan at-large elections if it wished, and establish its own accounting and auditing controls.

11 The Citizens Research Council of Michigan has a number of reports on county governance, including Report 326: *A Bird’s Eye View of Local Government at the End of the Twentieth Century*, August 1999; *County Organization in Michigan*, October 1989; Con-Con Research Paper No. 3: *Constitutional Aspects of State-Local Relations – I, Municipal and County Home Rule for Michigan*, October 1961; and Special Report No. 360-10: *Michigan Constitutional Issues, Article VII – Local Government*, July 2010.

12 Citizens Research Council of Michigan. *County Home Rule, Background Paper No. II*, July 1980.



## Population and Land Area

Michigan's 83 counties range in population size from just over 2,000 residents (population density of 4.1 residents per square mile) in Keweenaw County in the Upper Peninsula to 1.8 million residents (population density of 2,906.4 residents per square mile) in Wayne County in Southeast Michigan.<sup>13</sup> **Map 1** illustrates that, for the most part, counties in the bottom half of the Lower Peninsula are more densely populated than counties in Northern Michigan and the Upper Peninsula.

Measuring county size based on area rather than population, the land area of Michigan counties ranges from 319.7 square miles in Benzie County on the lake-shore in Northwest Michigan to 1,808.4 square miles in Marquette County in the Upper Peninsula. **Table 1** shows that the majority of counties (over 60 percent) have between 400 and 700 square miles of land area. Michigan's 83 counties, on average, have a land area size of 680.2 square miles, an average population of

13 Population data based on the U.S. Census Bureau 2010 Census and 2015 Estimates.

The figure consists of two maps of Michigan, each showing population density by county. The top map is a choropleth map showing population density in persons per square mile. The bottom map is a choropleth map showing population density in persons per square mile.

**Legend for both maps:**

- Red: 25 persons per sq. mi. or less
- Pink: 25.1-50 persons per sq. mi.
- Light Green: 50.1-100 persons per sq. mi.
- Medium Green: 100.1-250 persons per sq. mi.
- Dark Green: Over 250 persons per sq. mi.

**Top Map Data (Persons per sq. mi.):**

County	Population Density (persons per sq. mi.)
Alcona	4.1
Alcona	36.3
Alcona	4.8
Alcona	14.4
Alcona	9.7
Alcona	9.9
Alcona	37.4
Alcona	34.2
Alcona	22.7
Alcona	31.3
Alcona	10.4
Alcona	7.1
Alcona	7.2
Alcona	24.8
Alcona	10.8

**Bottom Map Data (Persons per sq. mi.):**

County	Population Density (persons per sq. mi.)
Alcona	70.6
Alcona	35.9
Alcona	19.8
Alcona	50.8
Alcona	48.9
Alcona	46.9
Alcona	17.2
Alcona	25.0
Alcona	14.9
Alcona	15.6
Alcona	46.3
Alcona	37.7
Alcona	42.5
Alcona	58.0
Alcona	20.1
Alcona	41.0
Alcona	54.4
Alcona	50.8
Alcona	51.2
Alcona	59.9
Alcona	78.0
Alcona	89.3
Alcona	73.7
Alcona	123.4
Alcona	162.0
Alcona	241.2
Alcona	245.6
Alcona	343.5
Alcona	484.7
Alcona	735.1
Alcona	112.1
Alcona	135.8
Alcona	130.2
Alcona	136.7
Alcona	106.9
Alcona	188.4
Alcona	509.8
Alcona	326.6
Alcona	1,417.0
Alcona	1,783.5
Alcona	222.5
Alcona	2,906.4
Alcona	501.6
Alcona	227.7
Alcona	190.9
Alcona	457.1
Alcona	124.0
Alcona	127.0
Alcona	121.9
Alcona	86.3
Alcona	77.2
Alcona	131.9
Alcona	273.8
Alcona	274.0
Alcona	67.8
Alcona	43.6
Alcona	38.6

Source: U.S. Census Bureau, 2010 Census, American Community Survey 5-year Estimates <http://factfinder.census.gov/faces/nav/jsf/pages/index>.

119,284 and an average population density of 175.1 residents per square mile. (See **Appendix B** for more county demographic data.)

## Urban Versus Rural Counties

The U.S. Census Bureau defines urban populations as 1) urbanized areas of densely developed territory that contain 50,000 or more people and 2) urban clusters of densely developed territory that have at least 2,500 people but fewer than 50,000 people. Rural areas consist of all territory located outside of urban areas. Data from the 2010 U.S. Census found that 74.6 percent of Michigan residents reside in urban areas and

**Table 1**

County Land Area and Population Averages

<b>County Land Area</b>	<b>Number of Counties</b>	<b>Average Population</b>	<b>Average Population Density</b>
300 to 400 sq. mi.	3	18,211	53.2
400 to 500 sq. mi.	9	153,984	325.5
500 to 600 sq. mi.	36	67,677	121.9
600 to 700 sq. mi.	6	397,003	642.7
700 to 800 sq. mi.	8	127,835	179.2
800 to 900 sq. mi.	9	256,813	301.9
900 to 1,000 sq. mi.	2	25,745	27.0
1,001 to 1,100 sq. mi.	3	23,807	23.3
1,101 to 1,200 sq. mi.	4	18,083	15.7
1,201 to 1,400 sq. mi.	Ontonagon County	6,298	4.8
1,401 to 1,600 sq. mi.	Chippewa County	38,586	24.8
1,601 to 1,900 sq. mi.	Marquette County	67,582	37.4

Source: U.S. Census Bureau, 2010 Census, 2010-2015 American Community Survey 5-year Estimates

25.4 percent reside in rural areas.<sup>14</sup>

The U.S. Census Bureau analyzes each county and determines how urban or rural it is, i.e. what percentage of each county's population lives in an urban versus a rural environment. Over 65 percent of Michigan's 83 counties are considered predominantly rural. Twelve Michigan counties are 100 percent rural, and an additional 44 counties are more than 50 percent rural.<sup>15</sup> No county is deemed to be 100 percent urban, but Wayne County is 99.3 percent urban, Macomb County is 97.2 percent urban, and Oakland County is 95.2 percent urban; seven more counties are more than 75 percent urban.<sup>16</sup> These 10 urban counties contain 63.0 percent of the state's population and have an average population density of 979.2 persons per square mile. The remaining 17 predominantly urban counties are

estimated to be between 50 and 75 percent urban.

**Table 2** (on pages 10 and 11) highlights the urban versus rural makeup of counties by showing the percentage of each county's land area and population that is in cities, villages, charter townships, and townships. This table also highlights the variance among the counties that range from Wayne County with almost 65 percent of its land area within a city and 28 percent more in charter townships, both urban forms of government, to Oscoda County with not one single city, village, or charter township government within the county.

Residents of urban counties have very different public service needs and wants than residents of rural counties. In densely populated places:

- People's actions are more likely to affect other people.
- More ordinances are adopted to control what residents can do.
- Planning and zoning actions are more significant.
- Fire protection is needed not only to address a structure that is on fire, but to prevent damage from spreading to other structures

<sup>14</sup> U.S. Census Bureau. *2010 Census of Population and Housing, Michigan 2010: Population and Housing Unit Counts*, Issued July 2012 (<https://www.census.gov/prod/cen2010/cph-2-24.pdf>).

<sup>15</sup> Twelve counties include Antrim, Arenac, Baraga, Benzie, Keweenaw, Lake, Missaukee, Montmorency, Ogemaw, Ontonagon, Osceola, and Oscoda.

<sup>16</sup> Seven counties include Genesee, Ingham, Kalamazoo, Kent, Muskegon, Ottawa, and Washtenaw.

nearby.

- Public transit is important to mitigate congestion and reduce pollution.
- Higher traffic levels require an intensified police role to manage the interaction between drivers.<sup>17</sup>

One of the reasons people choose to live in an urban environment is because they desire a higher level of public services, including, but not limited to, trash pick-up and recycling services, water and sewer services, parks and recreation services, and cultural events and services. Furthermore, residents of urban environments require greater public safety and public health services simply due to the effects of so many people living so closely together. While residents of both urban and rural counties expect and desire a minimal level of public health and safety services, residents of urban areas may require more specialized services, such as

crime stopper programs and specialized investigative units or more community health services.

Another important difference between residents of urban versus rural counties is that residents of urban counties are very likely to live inside the boundaries of a city, village, or charter township (see **Table 2**). These local units of government will provide varying degrees of public services with the most urban cities, villages, and townships providing their residents with the highest levels of services. So, while it may be concluded that some services could be better provided on a regional basis at the county level even in an urban environment, urban county residents may not demand higher service levels from their counties simply because they are already receiving them from another, more local, unit of government. Rural county residents, while requiring fewer services on average than their urban counterparts, may require more services from the county level simply because they are more likely to live in an unincorporated township that provides little to no public services.

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<sup>17</sup> Citizens Research Council of Michigan. Report 388: *Reforming Statutory Revenue Sharing*, February 2015.

## COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

Table 2

Percent of County Land Area and Population in Cities, Villages, Charter Townships, and Townships

<b>County</b>	<b><u>Cities</u></b>		<b><u>Villages</u></b>		<b><u>Charter Townships</u></b>		<b><u>Townships</u></b>	
	<b>Land Area</b>	<b>Pop.</b>	<b>Land Area</b>	<b>Pop.</b>	<b>Land Area</b>	<b>Pop.</b>	<b>Land Area</b>	<b>Pop.</b>
Wayne	64.4%	87.3%	0.0%	0.0%	28.0%	11.6%	7.7%	1.1%
Oakland	30.7%	61.2%	2.1%	3.3%	52.1%	35.1%	17.2%	3.6%
Macomb	24.4%	59.2%	1.1%	1.1%	21.8%	28.2%	53.8%	12.5%
Kent	15.5%	65.0%	0.5%	1.2%	26.2%	18.7%	58.3%	16.3%
Genesee	13.0%	46.6%	0.9%	1.0%	48.7%	39.8%	38.3%	13.6%
Kalamazoo	10.5%	52.8%	0.7%	2.3%	27.0%	30.3%	62.5%	16.9%
Muskegon	9.7%	51.6%	1.0%	2.1%	10.6%	17.8%	79.8%	30.6%
Ingham	9.0%	62.6%	0.6%	1.1%	11.7%	24.7%	79.3%	12.7%
Calhoun	8.0%	54.5%	0.5%	3.0%	13.6%	22.0%	78.4%	23.5%
Ottawa	6.1%	26.9%	0.2%	1.1%	46.0%	48.4%	48.0%	24.7%
Midland	5.5%	51.7%	0.2%	1.1%	12.9%	13.0%	81.6%	35.4%
Washtenaw	5.2%	45.9%	0.6%	1.5%	30.7%	37.9%	64.2%	16.2%
Berrien	4.0%	27.7%	1.1%	5.1%	22.2%	36.1%	73.8%	36.3%
St. Clair	3.2%	36.1%	0.4%	1.2%	9.8%	16.0%	87.1%	47.9%
Bay	3.0%	40.0%	0.0%	0.0%	29.6%	39.7%	67.3%	20.3%
Saginaw	2.7%	32.6%	1.1%	3.6%	11.9%	29.4%	85.4%	38.0%
Dickinson	2.6%	60.7%	0.0%	0.0%	8.5%	21.6%	88.9%	17.8%
Shiawassee	2.6%	36.7%	0.9%	5.7%	0.0%	0.0%	97.4%	63.3%
Monroe	2.4%	19.8%	1.2%	5.7%	16.6%	27.6%	81.0%	52.6%
Eaton	2.3%	25.8%	0.8%	4.7%	17.9%	41.2%	79.8%	33.1%
Gratiot	2.1%	39.9%	0.4%	5.4%	0.0%	0.0%	97.9%	60.1%
Lenawee	2.1%	35.4%	1.1%	9.5%	8.9%	14.9%	89.0%	49.7%
Charlevoix	2.1%	34.5%	0.1%	1.4%	0.0%	0.0%	97.9%	65.5%
Marquette	1.9%	47.8%	0.0%	0.0%	6.3%	16.1%	91.9%	36.0%
St. Joseph	1.8%	29.8%	1.3%	13.2%	0.0%	0.0%	98.2%	70.2%
Gogebic	1.7%	60.6%	0.0%	0.0%	15.9%	13.4%	82.3%	26.0%
Allegan	1.7%	20.4%	0.2%	1.0%	4.2%	5.7%	94.1%	73.9%
Grand Traverse	1.7%	18.7%	0.3%	2.5%	5.8%	17.8%	92.5%	63.5%
Branch	1.6%	33.0%	0.7%	8.4%	0.0%	0.0%	98.4%	67.0%
Jackson	1.6%	22.9%	0.8%	3.4%	11.2%	17.3%	87.3%	59.8%
Wexford	1.5%	36.8%	0.7%	3.8%	5.8%	9.7%	92.8%	53.5%
Alpena	1.5%	36.1%	0.0%	0.0%	0.0%	0.0%	98.5%	63.9%
Ionia	1.5%	32.9%	1.1%	10.1%	5.5%	2.2%	92.9%	64.9%
Arenac	1.5%	17.1%	0.8%	5.0%	0.0%	0.0%	98.5%	82.9%
Delta	1.4%	47.2%	0.1%	0.6%	0.0%	0.0%	98.6%	52.8%
Hillsdale	1.4%	23.3%	1.0%	9.9%	0.0%	0.0%	98.6%	76.7%
Isabella	1.3%	41.0%	0.3%	3.0%	5.1%	12.0%	93.7%	47.0%
Livingston	1.3%	10.2%	0.6%	3.3%	0.0%	0.0%	98.7%	89.8%
Montcalm	1.2%	17.3%	0.9%	8.3%	4.2%	5.3%	94.6%	77.3%
Lapeer	1.2%	14.7%	1.1%	7.7%	0.0%	0.0%	98.8%	85.3%
Mecosta	1.1%	26.8%	0.6%	3.7%	11.9%	15.9%	87.1%	57.3%
Clinton	1.1%	18.8%	1.1%	8.3%	18.4%	36.9%	80.6%	44.3%
Clare	1.1%	16.9%	0.2%	2.7%	0.0%	0.0%	98.9%	83.1%
Iron	1.0%	47.9%	0.2%	3.1%	0.0%	0.0%	99.0%	52.1%
Mason	1.0%	34.0%	0.6%	2.4%	2.9%	7.9%	96.2%	58.1%

# COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

Table 2 (continued)

<b>County</b>	<b>Cities</b>		<b>Villages</b>		<b>Charter Townships</b>		<b>Townships</b>	
	<b>Land Area</b>	<b>Pop.</b>	<b>Land Area</b>	<b>Pop.</b>	<b>Land Area</b>	<b>Pop.</b>	<b>Land Area</b>	<b>Pop.</b>
Presque Isle	1.0%	29.9%	0.3%	3.9%	0.0%	0.0%	99.0%	70.1%
Emmet	1.0%	24.3%	1.3%	7.7%	0.0%	0.0%	99.0%	75.7%
Iosco	1.0%	19.9%	0.0%	0.0%	25.3%	34.7%	73.7%	45.5%
Newaygo	1.0%	17.1%	0.0%	0.0%	4.1%	5.1%	94.9%	77.8%
Van Buren	1.0%	13.4%	1.7%	12.5%	3.0%	5.3%	96.0%	81.3%
Chippewa	0.9%	42.9%	0.2%	1.1%	7.7%	15.4%	91.4%	41.7%
Cheboygan	0.9%	20.0%	0.1%	1.4%	0.0%	0.0%	99.1%	80.0%
Barry	0.9%	12.5%	1.0%	9.4%	11.8%	11.6%	87.3%	75.9%
Cass	0.8%	12.0%	0.9%	8.8%	0.0%	0.0%	99.2%	88.0%
Mackinac	0.7%	26.8%	0.0%	0.0%	0.0%	0.0%	99.3%	73.2%
Sanilac	0.7%	19.4%	0.9%	10.4%	0.0%	0.0%	99.3%	80.6%
Osceola	0.7%	18.0%	0.8%	9.9%	0.0%	0.0%	99.3%	82.0%
Menominee	0.6%	39.5%	0.3%	3.7%	0.0%	0.0%	99.4%	60.5%
Manistee	0.6%	26.9%	0.8%	8.8%	2.9%	9.0%	96.5%	64.1%
Alger	0.6%	25.7%	0.3%	2.3%	0.0%	0.0%	99.4%	74.3%
Gladwin	0.6%	15.8%	0.0%	0.0%	0.0%	0.0%	99.4%	84.2%
Houghton	0.5%	31.5%	0.2%	13.9%	14.5%	28.2%	85.0%	40.3%
Otsego	0.5%	15.8%	0.2%	2.5%	0.0%	0.0%	99.5%	84.2%
Huron	0.4%	14.7%	1.1%	21.3%	0.0%	0.0%	99.6%	85.3%
Crawford	0.4%	13.7%	0.0%	0.0%	0.0%	0.0%	99.6%	86.3%
Ogemaw	0.4%	12.2%	0.2%	1.3%	0.0%	0.0%	99.6%	87.8%
Missaukee	0.4%	10.4%	0.0%	0.0%	0.0%	0.0%	99.6%	89.6%
Benzie	0.4%	9.5%	1.2%	14.8%	0.0%	0.0%	99.6%	90.5%
Schoolcraft	0.3%	40.2%	0.0%	0.0%	0.0%	0.0%	99.7%	59.8%
Tuscola	0.3%	4.8%	1.5%	22.1%	0.0%	0.0%	99.7%	95.2%
Oceana	0.2%	7.3%	1.2%	23.1%	0.0%	0.0%	99.8%	92.7%
Alcona	0.1%	4.4%	0.1%	3.1%	0.0%	0.0%	99.9%	95.6%
Antrim	0.0%	0.0%	1.2%	24.9%	0.0%	0.0%	100.0%	100.0%
Leelanau	0.0%	0.0%	1.0%	7.7%	5.8%	20.3%	94.2%	79.7%
Baraga	0.0%	0.0%	0.5%	38.8%	0.0%	0.0%	100.0%	100.0%
Lake	0.0%	0.0%	0.4%	12.8%	0.0%	0.0%	100.0%	100.0%
Ontonagon	0.0%	0.0%	0.3%	22.6%	0.0%	0.0%	100.0%	100.0%
Kalkaska	0.0%	0.0%	0.3%	13.4%	0.0%	0.0%	100.0%	100.0%
Roscommon	0.0%	0.0%	0.3%	4.4%	0.0%	0.0%	100.0%	100.0%
Montmorency	0.0%	0.0%	0.2%	6.6%	0.0%	0.0%	100.0%	100.0%
Luce	0.0%	0.0%	0.1%	38.2%	0.0%	0.0%	100.0%	100.0%
Keewanaw	0.0%	0.0%	0.0%	6.8%	0.0%	0.0%	100.0%	100.0%
Oscoda	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Numbers do not always add up to 100 percent because land area and population in villages are also included in township totals as village residents are also township residents and village land remains part of the township.

Source: U.S. Census Bureau, 2000 U.S. Census Population and Land Area data. Citizens Research Council of Michigan calculations; if a municipality was in two counties, the Research Council counted the land area and population all in the county that the majority of the city was in.



## Local Government Revenue

Local government revenue in Michigan consist primarily of property tax revenue and revenue from some other local-option taxes; state revenue sharing and other state aid; charges and fees; and federal grants and aid. The two revenue sources that the majority of local units rely most heavily on are property tax revenue and state revenue sharing. Some local units (cities and counties) are authorized to levy taxes other than the property tax, but, for the most part, local governments are limited to the property tax. Michigan's local government revenue structure works well during good economic times when revenues are plenty; it becomes very difficult during economic declines when state revenues and property values and taxes are declining. The current system leads to very little variety in revenue capabilities among the different levels of government and competition among local units for the same revenues. A major factor contributing to the financial problems of many local units is revenue inflexibility caused by constitutional and statutory limitations.<sup>18</sup>

Local governments in various other states have differing levels of dependence on property, income, and sales taxes as the primary sources of local revenue, thereby minimizing the dependence on a single source of revenue. Michigan's local government revenue structure is also unique due to the state's distribution of unrestricted state revenue sharing to local units of government. While restricted revenue sharing is quite common, unrestricted state revenue sharing is less common among the 50 states.

### Local Property Tax

The property tax has long been a mainstay of Michigan local government finances and is a critical source of local revenue. Property taxes are authorized to every type of local government in Michigan – counties, cities, villages, townships, school districts, intermediate school districts, community college districts, and some special authorities – and are also levied by the state. Finances vary among local governments, but property tax revenue generally contributes about one quarter of the total revenue generated by counties; one-third

of the total revenue generated by cities that levy an income tax; one-half of the total revenue in all other cities and large townships; and the majority of revenue in smaller townships.<sup>19</sup>

As local governments have grown and modernized over the past century, they have often assumed responsibility for an expanded menu of services, thereby becoming more sophisticated in their operations leading to property taxpayers assuming increasingly larger tax burdens to fund growing costs. This was further exacerbated by the overlapping units of local government in Michigan, which led to overlapping growing tax burdens for property taxpayers. These growing tax burdens and the over-dependence on the local property tax led to the passage of a number of property tax limitations over the last half century. The dependence on the property tax also has created incentives for local governments to compete against each other for tax resources in the form of tax incentives and uncoordinated economic development efforts.

### State Revenue Sharing

The state has shared state collected revenue with counties since enactment of the state individual income tax in 1967. Like the distributions to cities, villages, and townships at the time, the distribution to counties was done on a per capita basis. However, when the statutory distribution to cities, villages, and townships was altered in 1971 to recognize the varying fiscal capacity of individual governments to fund services from their own resources, the distribution to counties remained unchanged.

When the state started cutting revenue sharing payments to cities, villages, and townships during the Great Recession, the state struck a deal with counties to pause revenue sharing payments starting in Fiscal Year (FY) 2005. The loss of those revenue sharing payments was temporarily offset by funds established by a one-time collection of county taxes in the sum-

18 Great Lakes Economic Consulting. *Michigan's Great Disinvestment: How State Policies Have Forced our Communities into Fiscal Crisis*, April 2016.

19 See Citizens Research Council of Michigan. Report 394: *The Prolonged Recovery of Michigan's Taxable Values*, December 2016 and Michigan Department of Treasury, F65 Government Fiscal Data Portal (<https://f65.mitreasury.msu.edu/>) for more information.

mer rather than the winter. By shifting from winter to summer tax collections, counties collected taxes twice in their fiscal years. For most counties, this substitute funding was equal to several times their annual revenue sharing payment. This process provided a pool of money for each county that could be tapped into to replace state revenue sharing payments for several years, until each county's pool was exhausted. As long as a county's pool of money contained funds, that county was required to draw its "revenue sharing" payments from that pool in an amount that increased each year by the rate of inflation. In 2004, the year before the change, county taxes totaled \$1.9 billion statewide; revenue sharing distributions to counties were less than one-tenth of that amount. Twelve years later, all but seven counties have used up their pool of surplus funds and are receiving revenue sharing payments again.

## Other Local Taxes and Fees

Counties and cities have been authorized to levy some other taxes to fund particular services or to diversify their revenue sources. A Michigan State University Extension paper compared county revenue sources in Michigan to states across the country.<sup>20</sup> Of seven local option taxes reviewed, counties in Michigan only had access to one: selective sales taxes (e.g., hotel taxes, vehicle rental taxes, and telephone taxes). Only seven other states provide counties with no local revenue options other than some selective sales taxes and the property tax.<sup>21</sup>

Two states, Maryland and Illinois, allow counties to levy an income tax. Currently, only cities in Michigan have access to local-option income taxes.<sup>22</sup> Local governments are often reluctant to implement local-option income taxes due to both the administrative burden involved and the potential for negative perception versus their neighboring jurisdictions that do not impose an income tax. These issues could be overcome by pig-

gybacking on the state income tax for implementation and by imposing a local-option income tax regionally (either at the county level or through regional coordination of all municipalities). In Maryland, counties are able to piggyback on the state income tax up to 50 percent of the rate; the income tax accounts for 18.6 percent of county revenue. In Illinois, it accounts for 13.2 percent.

Thirty-two states allow counties to levy a local-option sales tax.<sup>23</sup> Nationwide, the sales tax accounts for 6.1 percent of county revenue; in 13 states it counts for 10 percent or more of county revenue.<sup>24</sup> Authorizing a local sales tax in Michigan would require amending several sections of Article IX of the Michigan Constitution that deal with tax rate limitations and the dedication of revenue to school operations and state revenue sharing. Once again, a local-option sales tax could be adopted at either the county level or regionally to minimize negative inter-jurisdictional impacts.

Seven states allow counties to levy a motor fuel tax.<sup>25</sup> The only state that raises significant revenue from the motor fuel tax is Florida, where it accounts for 2.4 percent of county general revenue. Twelve states allow counties to levy a tax on alcohol.<sup>26</sup> Seven states allow counties to levy a tax on tobacco.<sup>27</sup> Alcohol and tobacco taxes account for less than one percent of county revenue. Thirty-one states allow counties to levy taxes on public utilities.<sup>28</sup> In Michigan, only the

20 Kleine, Robert, Center for Local Government Finance and Policy, Michigan State University Extension. *County Revenue Options*, November 2016 ([http://msue.anr.msu.edu/uploads/resources/pdfs/County\\_Revenue\\_Options\\_October\\_2016.pdf](http://msue.anr.msu.edu/uploads/resources/pdfs/County_Revenue_Options_October_2016.pdf)).

21 Connecticut, Maine, Massachusetts, Montana, New Hampshire, Rhode Island, and Vermont.

22 Citizens Research Council of Michigan. Report 388: *Reforming Statutory Revenue Sharing*, February 2015.

23 Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Iowa, Kansas, Louisiana, Minnesota, Missouri, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.

24 Alabama, Arkansas, Georgia, Kansas, Louisiana, Missouri, New Mexico, Ohio, Oklahoma, Tennessee, Utah, Washington, and Wyoming.

25 Alabama, Florida, Illinois, Mississippi, Nevada, Oregon, and Virginia.

26 Alabama, Alaska, Georgia, Illinois, Louisiana, New Mexico, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and West Virginia.

27 Alabama, Alaska, Colorado, Illinois, Missouri, Ohio, and Virginia.

28 Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New Mexico, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Virginia, Washington, West Virginia, and Wyoming.

City of Detroit has authority to levy a utility users excise tax. The only states that raise a significant source of revenue from a sales tax on public utilities are Hawaii (5.0 percent) and Florida (2.2 percent). And finally, 43 states allow their counties to levy selective sales taxes.<sup>29</sup> In Michigan, the City of Detroit has authority to levy a tax on casino gaming and counties have access to selective sales taxes. The only states that generate a significant source of revenue from selective sales taxes are Nevada (4.9 percent), Utah (4.6 percent), Georgia (3.1 percent), South Carolina (2.3 percent), and Florida (2.0 percent).

Many local units in Michigan also charge fees for services to fund those services directly and to supplement their revenue.

### County Revenue

A review of 2015 county general fund and all other governmental funds revenue sources shows that counties, on average, relied on property tax revenue for 34.0 percent of their general fund revenues; intergovernmental revenue from the state government, which includes state revenue sharing, for 17.3 percent of their revenue; and other services and fees for 14.0 percent of their revenue. The remaining revenue came from parks and recreation fees; licenses and permits; interests, rents, and royalties; fines and forfeits; federal contributions; contributions from other local governments; and other revenue (see Table 3). While the county average provides a good basis for understanding county revenue and where county funds come from, variation exists among the counties.

In 2015, county revenue per capita ranged from \$1,289.60 in Lake County to \$307.90 per capita in Montcalm County. Property taxes made up the largest portion of the average county's revenue, but they ranged from \$120.70 per capita in Ionia County to \$548.10 per capita in Lake County. The average property tax revenue per capita was \$200.90. State contributions, not including state revenue sharing, ranged from nothing reported in Alger County to \$418.60 in Lake County; the average county recorded \$81.35 in state contributions per capita. Alger County reported

the highest state revenue sharing per capita at \$87.20; 15 counties recorded no state revenue sharing. The average state revenue sharing per capita was \$20.63.

Other services and fees were reported by all counties and ranged from \$24.70 per capita in Bay County to \$376.70 per capita in Muskegon County; the average was \$82.58 per capita. Federal contributions were recorded in all counties except Jackson and Mason counties and had a high of \$130.90 per capita in Manistee County. Contributions from other local governments were less common with 25 counties reporting none and a high of \$57.10 in Grand Traverse County. Other revenue varied from \$3.70 in Charlevoix County to \$308.70 in Macomb County. Most counties reported small sources of revenue from licenses and permits (average \$3.56 per capita); interests, rents, and royalties (average \$9.06 per capita); and fines and forfeits (average \$1.98 per capita).

A 2016 report by the National Association of Counties (NACo) found that, on average, counties in the United States derive 76 percent of their revenues from their own sources (e.g., taxes and fees) and 24 percent from other sources (e.g., intergovernmental transfers). Michigan is close to the national averages, with Michigan counties, on average, receiving 74.7 percent of their general fund and other governmental fund revenue from own sources in 2015 (this includes all revenue sources from Table 3 except state revenue sharing, state contributions, federal contributions, and contributions from other local governments). The report also found that counties receive a small portion of the total property tax revenue collected in the state, averaging only 23.7 percent across the country and less than 10 percent in five states, including Michigan. Many states distribute a portion of the state's general tax revenue to counties and other local governments (e.g., some, like Michigan, transfer a part of their sales tax revenue, others a part of income tax or other tax revenue). This partially covers county costs associated with state mandated programs. The NACo report found that 93 percent of state and federal funding used by a county is restricted to specific activities.

<sup>29</sup> The only states that do not allow these taxes are Connecticut, Hawaii, Maine, Montana, New Hampshire, New Jersey, and Vermont.



**Table 3**  
2015 Revenue Per Capita  
General Funds and All Other Governmental Funds

County	State Revenue Sharing	State Contributions	Property Taxes	Parks and Recreation	Other Services*	Other Revenue	Licenses and Permits	Interests, Rents, and Royalties	Fines and Forfeits	Federal Contributions	Contributions from Other Local Governments	Total
Lake	\$16.70	\$418.60	\$ 548.10	\$ -	\$ 98.60	\$34.70	\$ 0.60	\$ 9.30	\$ 0.40	\$18.30	\$ -	\$ 1,289.60
Emmet	-	51.20	451.30	13.30	179.40	48.80	25.90	11.60	2.60	34.40	-	1,060.70
Keweenaw	-	333.10	466.30	-	46.20	19.30	27.50	31.90	1.30	23.50	-	970.30
Alcona	-	83.50	466.30	1.00	106.60	106.80	0.50	3.50	6.30	96.50	-	907.80
Iron	23.70	120.90	437.90	27.40	90.90	19.90	0.60	1.40	-	46.50	-	883.10
Luce	19.90	55.20	418.90	5.80	177.20	62.20	1.30	4.20	0.60	79.80	6.80	879.30
Mackinac	-	126.50	527.90	-	73.20	21.60	0.70	9.50	1.00	36.80	5.50	866.70
Oscoda	2.50	120.60	436.00	13.20	67.40	88.90	11.00	4.00	1.20	34.70	18.10	862.50
Benzie	18.90	52.60	391.60	-	126.20	20.40	2.30	8.50	-	6.90	3.80	853.50
Ontonagon	28.00	243.90	407.30	5.70	62.10	43.20	0.60	1.50	2.80	54.10	-	851.10
Muskegon	20.90	73.80	164.20	4.40	376.70	17.60	0.40	7.60	3.00	71.60	11.90	814.20
Crawford	17.30	95.80	359.30	-	105.80	40.10	9.80	2.00	0.20	83.30	13.20	811.60
Macomb	19.10	104.20	135.70	-	99.30	308.70	3.10	2.80	1.20	44.70	0.70	809.30
Huron	27.30	37.30	398.00	2.00	129.40	24.20	24.90	52.20	2.50	39.70	-	767.40
Antrim	-	56.00	469.50	0.10	59.10	32.80	30.20	19.60	2.30	5.50	0.20	767.10
Leelanau	7.40	24.90	462.80	-	57.10	37.20	1.00	3.80	0.10	27.10	40.30	766.30
Bay	24.30	24.40	211.30	3.00	24.70	162.80	4.20	10.20	6.00	36.20	-	742.20
Washtenaw	-	142.20	263.30	11.10	75.00	64.70	9.50	2.30	0.40	57.60	14.60	739.90
Roscommon	21.20	87.80	364.60	-	52.70	38.40	1.20	4.70	0.40	7.00	56.00	738.30
Manistee	20.80	27.70	392.20	-	44.00	54.20	3.60	12.50	8.50	130.90	-	737.20
Calhoun	22.20	171.20	170.70	-	98.80	127.20	4.30	0.90	5.50	43.80	22.20	734.00
Grand Traverse	-	58.70	285.00	-	68.00	35.10	6.90	9.40	1.00	52.10	57.10	715.00
Charlevoix	-	53.90	441.80	2.30	86.40	3.70	19.40	5.10	0.60	29.60	2.70	712.00
Mason	1.50	66.20	359.40	-	32.50	32.00	13.50	19.90	1.90	-	1.50	681.00
Wayne	31.00	112.20	193.30	1.10	93.00	13.40	0.40	21.70	-	41.70	14.20	678.90
Otsego	7.40	71.90	321.90	6.20	71.80	60.00	2.00	9.20	7.80	21.60	14.60	676.90
Chippewa	18.80	62.50	236.50	-	183.70	17.60	1.00	2.20	2.10	35.80	48.40	670.70
Cheboygan	11.90	63.90	353.20	5.60	84.20	30.80	2.10	7.00	1.20	20.20	13.10	656.30
Jackson	21.10	199.10	160.00	-	68.00	101.30	3.90	8.90	9.20	-	-	648.10
Midland	23.60	75.40	333.10	2.80	95.90	18.00	5.00	1.10	-	23.70	-	647.30
St. Clair	23.40	42.70	270.50	0.10	69.10	87.90	5.00	6.10	8.00	39.10	20.50	646.70
Montmorency	36.20	55.10	365.10	0.20	131.40	6.80	14.50	5.80	1.10	4.30	-	644.80
Ingham	32.20	170.60	256.20	3.70	52.30	23.30	2.10	1.60	1.60	20.50	-	636.30
Osceola	24.40	34.80	283.10	-	131.30	21.50	13.90	1.10	-	23.90	10.60	633.60
Berrien	32.50	56.20	286.20	3.50	78.40	42.90	3.60	0.60	3.00	35.00	1.30	632.10
Sanilac	22.00	43.80	296.30	13.80	123.10	34.80	13.20	7.10	0.70	28.00	1.20	631.10
Alger	87.20	-	303.40	-	92.40	17.10	19.80	10.20	0.50	54.70	2.80	627.90
Newaygo	21.40	35.40	207.20	11.90	143.30	52.90	1.10	4.10	1.30	28.00	7.60	627.30
Kalkaska	-	55.50	314.20	0.70	133.10	17.30	18.30	11.40	10.60	24.40	1.80	615.90
Ogemaw	28.40	61.50	267.70	-	106.40	22.40	14.10	1.70	1.90	37.70	0.60	612.60
Marquette	18.80	93.00	298.20	-	57.90	30.20	9.60	10.10	-	20.70	-	607.70
Saginaw	-	87.30	204.20	0.20	67.90	81.40	3.30	2.60	5.50	86.20	5.60	607.30
Schoolcraft	22.60	117.20	248.20	0.30	37.60	57.70	1.20	34.70	-	46.90	6.50	600.50
Alpena	25.10	94.40	246.40	11.30	85.00	35.90	0.50	10.10	2.10	28.60	14.50	595.90
Ottawa	16.90	181.70	158.20	2.10	45.40	60.60	4.60	16.60	0.30	34.10	24.30	595.50

Table 3 (continued)

County	State Revenue Sharing	State Contributions	Property Taxes	Parks and Recreation	Other Services*	Other Revenue	Licenses and Permits	Interests, Rents, and Royalties	Fines and Forfeits	Federal Contributions	Contributions from Other Local Governments	Total
Oceana	20.40	70.00	343.60	-	78.10	11.90	13.70	8.10	0.80	15.90	-	592.60
Presque Isle	5.70	84.50	360.20	0.70	38.60	27.00	-	0.30	1.40	9.60	6.10	587.00
Lapeer	22.20	43.80	142.90	1.90	272.40	36.00	6.60	3.80	3.90	25.40	-	585.00
Iosco	20.90	54.90	210.30	-	163.60	34.90	9.60	1.60	1.60	45.50	2.60	578.00
Dickinson	-	72.90	348.20	11.50	53.80	31.70	13.30	15.10	-	17.90	6.70	571.10
Wexford	-	70.90	263.50	-	65.60	10.10	0.80	3.00	0.90	33.20	0.70	548.70
Arenac	-	49.30	297.80	-	70.90	49.90	5.60	0.20	2.50	26.70	-	543.70
Gogebic	21.50	42.10	226.30	-	76.10	8.20	0.40	8.70	1.50	71.30	11.90	538.90
Genesee	23.90	77.50	180.20	5.20	32.20	6.90	4.40	3.10	3.60	118.80	-	521.50
Kent	19.10	58.90	192.60	3.30	44.50	47.60	4.00	22.00	1.10	30.00	2.60	518.60
Missaukee	18.80	53.30	259.50	6.30	88.30	12.60	1.20	6.10	0.20	32.00	4.00	517.50
Menominee	22.30	43.10	290.80	9.30	54.90	6.70	0.20	5.10	6.20	24.30	17.90	512.70
Clare	21.00	41.70	201.10	-	96.60	37.00	8.70	13.50	2.10	23.50	14.50	499.30
Branch	22.20	34.90	225.00	12.20	58.30	49.00	1.90	10.80	2.50	14.60	13.30	494.50
Van Buren	20.40	41.40	222.30	-	63.10	3.70	2.40	11.40	3.00	34.20	7.20	492.70
Gladwin	-	54.70	242.30	-	67.10	25.10	11.70	0.40	0.20	18.30	-	489.20
Tuscola	20.30	36.60	186.10	-	68.20	15.30	11.30	8.90	1.50	64.50	10.00	485.70
Clinton	23.40	23.00	190.80	-	61.60	50.10	2.30	1.60	3.70	11.50	-	469.00
Kalamazoo	20.00	57.10	201.30	4.60	35.50	30.70	4.70	2.80	5.10	32.00	14.50	468.90
Allegan	-	67.80	196.60	0.30	82.50	15.60	5.30	8.50	2.60	18.80	7.70	467.90
St. Joseph	22.50	39.70	188.80	1.10	34.30	15.70	2.80	1.70	5.20	17.70	3.40	467.10
Monroe	20.70	59.90	212.70	0.10	51.40	16.90	3.70	4.60	1.60	26.70	14.80	460.20
Mecosta	19.70	52.30	205.80	-	33.60	59.10	5.70	3.40	23.90	17.00	5.60	456.70
Lenawee	20.50	64.80	187.40	-	46.90	22.20	13.80	1.80	4.90	26.00	-	447.40
Delta	21.90	62.20	209.60	-	44.70	9.40	5.00	4.50	6.60	30.60	13.80	445.90
Eaton	20.40	45.70	224.80	0.70	34.40	14.30	5.80	3.10	3.30	14.80	31.00	443.80
Hillsdale	20.40	21.40	183.40	0.20	43.30	67.90	1.50	37.70	9.80	8.90	8.80	438.80
Oakland	20.10	36.30	166.30	-	104.20	18.50	-	2.00	-	26.00	9.80	438.00
Cass	21.40	34.90	239.50	0.40	44.90	9.70	2.70	3.20	3.10	28.00	6.80	437.40
Baraga	21.70	68.80	282.80	-	40.30	8.10	0.60	0.30	0.40	8.20	-	437.30
Barry	19.30	39.60	252.20	2.20	32.40	8.50	2.20	4.20	0.40	21.60	4.60	422.80
Grafton	20.60	43.00	241.30	0.30	51.40	18.30	5.50	0.30	1.90	17.70	15.50	420.70
Livingston	19.20	32.50	159.00	-	98.70	23.20	4.20	8.00	1.70	25.20	-	408.70
Isabella	17.60	51.80	182.60	-	56.70	12.30	7.00	9.40	2.90	14.20	3.60	392.10
Ionia	18.30	27.90	120.70	-	55.90	28.80	8.00	2.20	3.30	44.80	-	345.70
Shiawassee	20.90	39.30	132.70	-	56.20	7.70	6.30	0.10	2.10	23.80	5.00	319.90
Houghton	48.40	11.50	153.90	-	37.80	14.40	9.10	6.20	-	11.60	2.30	315.80
Montcalm	18.90	29.10	137.80	0.30	53.00	7.20	2.40	16.00	1.60	17.60	-	307.90
County Average	\$ 20.63	\$ 81.35	\$ 200.90	\$ 1.94	\$ 82.58	\$ 55.86	\$ 3.56	\$ 9.06	\$ 1.98	\$ 38.05	\$ 8.94	\$ 590.20
Percent of Total	3.5%	13.8%	34.0%	0.3%	14.0%	9.5%	0.6%	1.5%	0.3%	6.4%	1.5%	100.0%

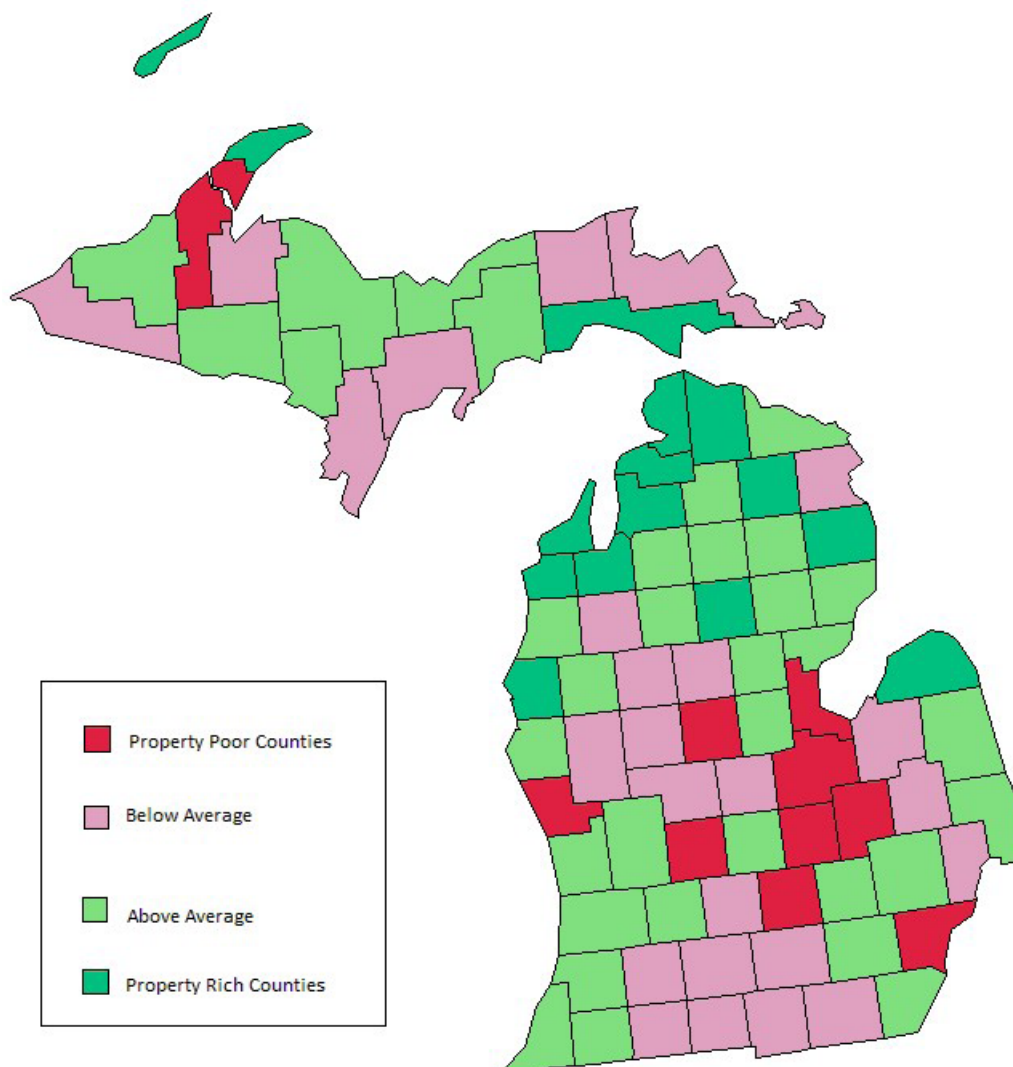
\* includes parking, airports, housing, etc.  
 Interfund Transfers not shown, which is why totals don't add up to 100 percent  
 Source: Munetrix data and calculations, Municipal DataExplorer, General Funds and All Other Governmental Funds Revenues, F65 Line Numbers (www.munetrix.com)

## County Taxable Values.

Looking at the taxable value per capita in counties, the variance among counties is evident (see **Map 2**). In 2015, the taxable value per capita of all counties was \$33,159 (see **Appendix C**). At the individual county level, 35 counties had a taxable value per capita below the total for all counties; Genesee County had the lowest taxable value per capita at \$20,452. This is due in part to the tax base loss in the City of Flint, which has lost 66 percent of its taxable value since 2000 when adjusting for inflation and has experienced the greatest percentage tax base loss among local governments in Michigan.<sup>30</sup> Leelanau County had the highest taxable value per capita at \$116,258. Thirteen other counties had taxable values per capita above \$50,000; these counties can all be found in Northern Michigan and the Upper Peninsula and likely reflect the fact that many people vacation there and few live there year round leading to a high taxable value in vacation homes and rental properties and a low population to spread the taxable value across. The remaining 34 counties have a taxable value per capita somewhere between \$33,159 and \$50,000.

## Map 2

Relative Property Wealth of Michigan Counties, 2015



Source: Michigan Department of Treasury, [http://www.michigan.gov/treasury/0,1607,7-121-1751\\_2228\\_21957\\_45819---,00.html](http://www.michigan.gov/treasury/0,1607,7-121-1751_2228_21957_45819---,00.html); U.S. Census Bureau, 2010 Census population data; CRC calculations.

<sup>30</sup> See Citizens Research Council of Michigan. Report 394: *The Prolonged Recovery of Michigan's Taxable Values*, December 2016 for more information.

## Local Government Service Provision

At the federal level, government provides for defense of the nation and management of the currency. The federal government has assumed roles managing a social security system and a welfare program and it collects funds that are sent to the states and local governments for the provision of services. The state government provides for a system of public education, both K-12 education and higher education; operates courts of justice and corrections programs; and provides the welfare services funded primarily by the federal government. The local level of government provides most services that directly affect people, including public safety, water and sewer, refuse collection, and parks and recreation, among many others. The services and functions provided by the different types of local government are affected by federal laws and regulations; the state constitution, state statutes and regulations, and attorney general opinions; county charters, ordinances, and resolutions; city charters, ordinances, and resolutions; and the actions taken and ordinances passed by township and village boards. Some services and functions overlap; some services and functions are provided predominantly by one type of government.

When focusing on county government, it is important to keep in mind that the election of executive officials (treasurer, clerk, register of deeds, etc.) and original governance model with boards of supervisors was to perform administrative roles on behalf of the state government. The clerks were to play a role in tracking births, deaths, marriages, and so on. The registers of deeds were to track ownership of property. The county sheriffs were to keep the peace and the county prosecutors were to argue on behalf of the people against those charged with crimes. For the state to carry out these functions on its own would be very labor intensive. Over time, counties have evolved from administrative arms of the state government to regional local governments with increased authority to deliver local services.

Some states have legally classified their local governments in order to differentiate the powers and responsibilities possessed by each type of local government. Conversely, legislative changes in Michigan over the past century have served to further confuse the roles of local government by increasing the powers of

some units relative to others (e.g., giving villages and townships powers previously reserved only for cities). With so many local governments in Michigan, local government service provision becomes complicated, to say the least.

The Research Council collected data on local government service delivery in 2005 to create its catalog of local government services in an effort to see how counties and municipalities were providing services and in what areas they were cooperating to provide services.<sup>33</sup> That data informs this section on local government services, which are categorized into core or mandated services, public safety services, “essential” services, and discretionary services.

### Core or Mandated Services

Local governments have little or no latitude in deciding whether to provide some services. Mandated services are required by the constitution or state statute to be provided by a specific level of local government. Core services are so vital to the operation of local government that the government cannot function without them. Local governments can only determine the level of service provided for core or mandated services (if the level is not determined by the state or federal government).

Functions that are mandated by law to be provided by a certain level of government must be provided that way unless and until state law is changed or repealed. However, mandated functions and services are not always clear and easy to understand and provide. A 2009 Michigan State University paper provides a description of mandates in Michigan and detailed information on mandated services and offices.<sup>34</sup> Some

33 Surveys were mailed to every city, village, township, and county government in 24 Michigan counties. While these 670 units represented only 36 percent of Michigan’s general purpose units of government, they represented 78 percent of the total state population. With a 70 percent response rate from these 670 government units, the Research Council was able to create a catalog of local government service provision.

34 Scorsone, Eric. State and Local Government Program, Michigan State University. *Mandated Services and Offices in Michigan County Government*, April 2009.

offices are mandated (e.g., county sheriff), but the mandate for the elected official does not mean that every service provided or desired by that official is therefore mandated as well. In the case of the county sheriff, Michigan court cases set forth the common law duties of the sheriff's department, including service of process, execution of court orders, and arrest and detention of suspected criminals. Michigan statutes define other duties as well, including management of the county jail and recovery of drowned bodies. Other functions are mandated as a condition of accepting grant funds (e.g., DARE programs, supplemental road patrol functions) or reaching agreements with local units (e.g., dedicated deputy), but absent those grant funds or agreements the county is under no obligation to perform functions. Other sheriff functions may be completely voluntary.

In other instances, services are not mandated to be provided, but become mandated once a local unit chooses to provide them. The state Mental Health Code requires counties to pay 10 percent of the cost of mental health services provided to county residents. Every county in the state has elected to organize to deliver community mental health services (either through its own county level agency, a multi-county community mental health organization, or through a single or multi-county entity known as a community mental health authority). Once the counties decided to provide community mental health services, they became subject to a mandate to provide certain mental health services and activities.

Furthermore, some mandates define the required level of service (e.g., federal or state agency regulations that provide specific guidelines on how a function must be carried out); however, most constitutional and statutory mandates take the form of a general mandate to provide a specific function or service. Michigan court cases have set a "minimally serviceable level" standard. A serviceable level is not the optimal level; a function funded at a serviceable level will be carried out in a barely adequate manner, but it will be carried out.<sup>35</sup>

While each government (county, city, village, and township) has core functions that are performed in the normal course of business, most of the mandated

services are performed by counties. This is an extension of the county role as an administrative arm of the state, performing recordkeeping, public safety, and criminal justice services to alleviate the state of the need to station personnel throughout the state.

**Legislative Services.** Legislative functions are a core government service; no local government can function without a council or board of some form to make legislative decisions. In general law and optional unified counties, the state constitution and state statutes mandate their legislative structure. In charter counties, their boards of commissioners are structured by state law and county charter. In cities and home rule villages, their legislative bodies are determined by their charters. In general law villages, state law mandates a village council. And in townships, the constitution and state statute determine the structure of the township board.<sup>36</sup>

**Clerk.** A clerk keeps the records and performs the routine business of a court, legislature, or board. As clerk of the board of commissioners, county clerks maintain records of board proceedings, record resolutions and decisions, and record all votes. Clerks are in charge of vital records for the county population, including birth records, marriage licenses, death records, visas, and concealed weapons permits. County clerks also have responsibilities over some election services and functions. At the local level, the clerk serves as the clerk of the governing body, maintains a record of the governing body's proceedings and votes, oversees elections, and signs most contracts along with the local unit's chief administrative officer.<sup>37</sup> In counties and townships, the clerk function is written into the state constitution; in cities and villages, state law determines the clerk function.<sup>38</sup>

36 1963 Michigan Constitution (Article VII, Section 7) and PA 156 of 1851 (MCL 46.1-46.32); PA 293 of 1966 (MCL 45.501-45.521); PA 278 and 279 of 1909; PA 3 of 1895 (MCL 61.1-75.12); and 1963 Michigan Constitution (Article VII, Section 18) and PA 359 of 1947 (MCL 42.1-42.34).

37 Vanderberg, Alan. Michigan Local Government Structure, Services and Practices, prepared as an informational resource for the Michigan Civics Institute Local Government Curriculum Development Project, July 8-13, 2002. This document provided a lot of background information used in this paper on what services local governments provide.

38 1963 Michigan Constitution (Article VII, Sections 4, 14, and 18); PA 279 of 1909 (MCL 117.3); PA 278 of 1909 (MCL

35 Ibid.



**Register of Deeds.** The state constitution mandates that citizens of each county elect a register of deeds; however county boards of commissioners can combine the offices of clerk and register of deeds (in both general law and charter counties).<sup>39</sup> The register of deeds serves as the repository for the official records of real property in the county and registers and records deeds for every conveyance of real estate within the county and all related documents.

**Treasurer.** The office of treasurer can be found at all levels of local government. Treasurers' general duties are formulated around revenue collection, the payment of expenses, and the investment of funds. In counties and townships, the treasurer function is written into the state constitution. In cities and general law villages, state law determines the treasurer function. In home rule villages, the treasurer function is determined by the local charter.<sup>40</sup>

**Sheriff.** The 1963 Michigan Constitution mandates the election of a sheriff in each county, including charter counties.<sup>41</sup> The sheriff is responsible for enforcing state law at the county level, investigating law violations, and bringing those suspected of law violations to justice. The county sheriff provides police services at the county level and in unincorporated townships; county sheriff departments can provide municipal police services if an agreement is reached with a local city or village, but the county sheriff cannot supersede the local unit's ability to provide the service independently. State statute further specifies duties of county sheriffs related to road patrol services and recovery of drowned bodies, among many other things.

The county sheriff has the charge and custody of the jails and prisoners in the county and may prescribe rules and regulations for the conduct of prisoners in custody, but such rules must be submitted to the circuit judge or judges in county.<sup>42</sup>

**Prosecuting Attorney.** The office of prosecuting at-

torney is a county office required by the 1963 Michigan Constitution.<sup>43</sup> The prosecuting attorney in each county is responsible for upholding the laws of the state and prosecuting both individuals and organizations that violate these laws.

**Court System.** Article VI of the 1963 Michigan Constitution deals with the judicial branch of Michigan government and vests the judicial power of the state in "one court of justice which shall be divided into one supreme court, one court of appeals, one trial court of general jurisdiction known as the circuit court, one probate court, and courts of limited jurisdiction that the legislature may establish..."<sup>44</sup>

The constitution further specifies in Article VI that

- the state must be divided into judicial circuits along county lines and sessions of the circuit court must be held at least four times in each year in every county organized for judicial purposes (Section 11);
- the clerk of each county (or other officer performing the duties of clerk's office) organized for judicial purposes must act as clerk of the circuit court (Section 14); and,
- in each county organized for judicial purposes there must be a probate court, though the state legislature may create or alter probate court districts of more than one county if approved by a majority of electors in each affected county (Section 15).

Since judicial circuits are drawn on county lines and counties have traditionally served as the administrative arms of the state government, providing judicial services has fallen largely to counties (though in urban areas, cities provide and fund courts and judicial services as well).

In addition to the constitutional requirements on the judicial system, state statutes specify how to provide and fund court services. District court funding units are responsible for maintaining, financing, and operating courts within their political subdivision. In districts of the first and second class, the funding unit is the county; in districts of the third class, the funding unit

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78.23); and PA 3 of 1895 (MCL 62.1).

<sup>39</sup> 1963 Michigan Constitution (Article VII, Section 4).

<sup>40</sup> 1963 Michigan Constitution (Article VII, Sections 4 and 18); PA 279 of 1909 (MCL 117.3); PA 3 of 1895 (MCL 64.9); and village charters.

<sup>41</sup> 1963 Michigan Constitution (Article VII, Section 4).

<sup>42</sup> Revised Statutes of 1846 (MCL 51.75) and PA 210 of 1945 (MCL 51.281).

<sup>43</sup> 1963 Michigan Constitution (Article VII, Section 4).

<sup>44</sup> 1963 Michigan Constitution (Article VI, Section 1).

can be a city, township, or village. District funding units may agree to share court costs.<sup>45</sup> Counties are required to provide a courthouse, circuit court, and the family division within the circuit court.<sup>46</sup> Circuit or district courts may adopt or institute a mental health court, which should be paid for by state funds distributed by the Michigan Supreme Court.<sup>47</sup> The Michigan Municipal Court Act details the creation of municipal courts in cities.<sup>48</sup>

**Corrections Services and Jails.** State statute requires counties to provide a “suitable and sufficient” jail at its own expense; before any jail can be built or contracted for, its plan must be submitted to the Michigan Department of Corrections. In lieu of providing a jail, a county may contract with another county for use of its jail facilities. However, all counties must provide jailor lockup facilities.<sup>49</sup>

All charges and expenses (with the exception of health care expenses that can be covered by health care insurance) of safekeeping and maintaining persons charged with violations of city, village, or township ordinances in the county jail must be paid from the county treasury if a district court of the first or second class has jurisdiction.<sup>50</sup> State statute further specifies that cities and villages are allowed to use county jails; the expense of housing inmates must be borne by the county if they violated state law and by the village if they violated a village ordinance (the state statute that covers the expense of housing inmates that violate a city ordinance does not include a requirement that the city provides funding).<sup>51</sup>

**Administration and General Government Services.** Administration and general government services consist of a variety of services, including a local government administrator, supervisor or manager; human resources functions, including hiring and payroll; fiscal services, including accounting and purchasing; document services; and all other general administrative services that are vital to the functioning of government.

These types of services are provided in a variety of ways by all types of local governments. Local governments must adhere to rules and regulations regarding documents, accounting standards, and other items relating to these services set in state law. For example, most local governments have some form of manager or administrator (this function could be provided by an appointed manager or an elected mayor or other official); how that office is organized and how the administrator is selected may depend on state law or on a local charter.

**Tax Allocation and Collection.** A few counties have a tax allocation board, which consists of the county treasurer, the chairperson of the board of county auditors or chairperson of the finance committee of the county board of commissioners, the intermediate school district superintendent or his/her representative, a resident of a municipality within the county selected by the judge(s) of the probate court, a member not officially connected with or employed by any local or county unit selected by the county board of commissioners, and a township supervisor selected by a majority of the township supervisors in the county. It is the duty of the tax allocation board to examine the budgets and statements of local units of government within a county and determine tax rates, exclusive of debt service tax rates, required pursuant to their budgets.<sup>52</sup> Most counties have adopted separate tax limitations as provided for in Section 6, Article IX of the 1963 Michigan Constitution.

Cities and townships are responsible for tax collection for their own purposes and on behalf of the state, counties, and schools. A city, township, or village may enter into an agreement with their county treasurer for the county to administer the local unit’s tax collection functions.<sup>53</sup>

**Elections.** Michigan election law is extensive and involves all levels of government. The state constitution specifies the date of all elections for national, state, county, and township offices. State statute specifies that the Secretary of the State is the chief election officer and has supervisory control over local election officials. The Secretary of the State must advise and

45 PA 236 of 1961 (MCL 600.8104).

46 PA 155 of 1964 (MCL 551.332) and Revised Statutes of 1846 (MCL 45.16).

47 PA 236 of 1961 (MCL 600.1091-600.1099a).

48 PA 5 of 1956.

49 Revised Statutes of 1846 (MCL 45.16-45.16a).

50 Revised Statutes of 1846 (MCL 801.4a).

51 PA 3 of 1895 (MCL 66.8) and PA 215 of 1895 (MCL 90.8).

52 PA 62 of 1933 (MCL 211.205, 211.211).

53 PA 160 of 1972 (MCL 211.731).

direct local election officials as to the proper methods of conducting elections; publish and furnish election instructions and information; prescribe and require uniform forms, notices, and supplies; require reports from local election officials; investigate the administration of election laws; establish a curriculum for comprehensive training and accreditation of local election officials; establish a continuing education program for county and local clerks; establish training for precinct inspectors; and create an election day dispute resolution team.<sup>54</sup>

Counties and local municipalities each have roles and responsibilities set in law relating to the conduct of elections. State law creates and enumerates the powers of boards of local election commissioners. Boards of county election commissioners must consist of the chief or only judge of probate of the county or probate court district, county clerk, and county treasurer. Boards of county election commissioners must prepare and print the official ballots for use in any state, district, or county election, and deliver these ballots to the county clerk. The boards must also provide election supplies at the county's expense. The county clerk must then deliver ballots and supplies to the clerks of each township, city, and village within the county's boundaries. Boards of city, township, and village election commissioners are determined by state law, but may be altered by local charters. Township, city, and village boards of election commissioners are required to print, count, package, seal, and deliver official ballots for use in each precinct in the township, city, or village at a municipal, township, village, school, or community college election, and to provide local election supplies at their expense.<sup>55</sup> Cities and townships are responsible for the conduct of municipal, school, county, state, and national elections.

The board of state canvassers consists of four members, two members from each major political party, appointed by the governor with the advice and consent of the senate. The board of state canvassers has the responsibility to canvass the returns and determine the results for all federal and state-wide elections. A four-member board of county canvassers must be created in every county to canvass the return of votes cast for all county and local elections and to certify the results

of all elections. While the board of county canvassers must canvass and certify the vote, the costs of this are the responsibility of the local unit holding the election. For example, in a city election, the board of county canvassers of the appropriate county will canvass and certify the vote, but the costs of doing that are the responsibility of the city and the city must reimburse the county treasurer for all costs incurred by the county board of canvassers. In addition, boards of county canvassers must conduct all recounts of elections in cities, townships, villages, school districts, metropolitan districts, or any other district. Every four years, boards of county canvassers must examine each ballot container to be used in any election.<sup>56</sup> The requirements of the boards of county canvassers may not be altered by any city, village, or county charter.

### **Property Assessing and Equalization Services.**

The state constitution requires the state legislature to provide for uniform general ad valorem property taxation and systems of property assessment and equalization.<sup>57</sup> State law requires assessment of all property in the state to be made annually in all townships, villages, and cities by the applicable assessing officer. State law also specifies training of property assessors and conditions related to property assessing. Generally cities and townships are responsible for property assessment services and provide them directly, but state law does allow for county-wide appraisal of property for assessment.<sup>58</sup>

County boards of commissioners are required to equalize the assessment rolls in the manner provided by law. The state board of equalization is required to meet once a year to equalize the assessments on all taxable property in the state.<sup>59</sup> The purpose of county equalization is to ensure that all assessors within the county are reflecting properly the taxable properties and values in their local units. The purpose of state equalization is to ensure that counties have their assessments set at appropriate levels in relation to market values.

In the Research Council's catalog of local government service delivery, property assessing was one of the service areas most frequently indicated as a cooperative venture.

54 PA 116 of 1954 (MCL 168.31 and 168.647).

55 PA 116 of 1954 (MCL 168.23-168.719).

56 PA 116 of 1954 (MCL 168.24a-168.24j and 168.841).

57 1963 Michigan Constitution (Article IX, Section 3).

58 PA 206 of 1893 (MCL 211.10, 211.10d, 211.23a).

59 PA 44 of 1911 (MCL 209.5, 209.2).



**Information Technology.** Information technology services have become more critical to the effective and efficient operation of government in recent years. These services include management information systems (MIS), geographic information systems (GIS), Internet and broadband Wi-Fi services, intranet services, and webpage and email services. Some of these services, such as GIS, may be more critical as local governments become larger and more urban, but all of these services are necessary to the functioning of all local governments.

Counties generally provide these services themselves (or contract with a private provider); local units may provide the services themselves, or contract with their county or private provider. Some counties, such as Oakland County, have taken the lead on providing an intranet and information technology services throughout their county (see **Box** on page 37).

**Buildings and Grounds.** Buildings and grounds include services local units undertake to maintain and care for their buildings and grounds (e.g., grass cutting, building security, etc.). These services are generally provided by each local unit either directly or through private providers.

**Engineering and Legal Services.** Engineering services are necessary to accomplish many aspects of local government (e.g., road services, planning and zoning, and building services, among others). Legal services are core to the functioning of local government. Though both of these services are critical, they can often be provided as needed on a contract basis by private providers. Engineering and legal services require very specialized skills, and many local governments do not have the need or wherewithal to staff full-time employees in these departments. These functions become more critical as local governments become larger and more urban.

**Health and Welfare Functions.** As administrative arms of the state government, counties have largely been given (or sometimes taken) the responsibility to provide public health services to residents of the state. The Michigan Public Health Code requires counties to provide health departments, either individually or in cooperation with another county or counties or cities with a population of 750,000 or more residents (only

Detroit).<sup>60</sup> The Public Health Code and the Michigan Department of Community Health detail numerous specific functions that must be carried out by county health departments, including vision and hearing screening, on-site septic system management, and food service sanitation, among others.

The Michigan Mental Health Code details mental health services that need to be provided by a community mental health services program. Community mental health services may be provided by a county or by two or more counties regionally (or one or more counties and a city with a population of 500,000 or more (only Detroit)). The Mental Health Code does include a section specifying that the state must financially support mental health services established in this act, with the exception that the act makes counties financially liable for 10 percent of any service provided by the community mental health services program.<sup>61</sup>

County boards of commissioners are required to appoint a county medical examiner; two or more counties may enter into an agreement to employ the same person to act as medical examiner in each county. State law prescribes the powers and duties of county medical examiners.<sup>62</sup>

The state constitution authorizes any city or village to “acquire, own, establish and maintain, within or without its corporate limits” hospitals and all works which involve the public health and safety.<sup>63</sup> Charter counties are also permitted by state statute to establish and maintain hospitals and medical facilities, either within or outside of county boundaries.<sup>64</sup>

**Road Commission and Road Services.** Road services are provided by the state, counties, cities, and villages. The state has control over the state highway system. Boards of county road commissioners (the board of commissioners in some counties) have control over county roads, including roads in townships. Cities and villages have control over their local roads.

State law allows counties to submit the question of

60 PA 368 of 1978 (MCL 333.2413-2415).

61 PA 258 of 1964 (MCL 330.1201-1206, 1302).

62 PA 181 of 1953 (MCL 52.201).

63 1963 Michigan Constitution (Article VII, Section 23).

64 PA 293 of 1966 (MCL 45.515).

adopting a county road system to electors of the county either by petition of registered electors or by a majority vote of the county board. The boards of county road commissioners can be elected or appointed and state law provides for the boards' powers and duties.<sup>65</sup> County boards of commissioners may transfer the powers and duties of county road commissions to the county board of commissioners either through board resolution (if the road commission is appointed) or by submitting the question to county electors (if the road commission is elected).<sup>66</sup>

Cities and villages have street departments that are responsible for the construction and maintenance of the streets within their corporate limits; this includes building new streets, resurfacing streets, fixing potholes, repairing pavement cuts made due to utility service installations or repairs, street sweeping, and removal of dead animals. County road commissions provide many of these services on county roads. Most cities and county road commissions provide snow removal services; most cities and some townships provide leaf removal services.

**Drain Commissioner.** The early settlement of Michigan was hindered by the wetlands that existed throughout much of the Lower Peninsula. The office of drain commissioner was created to provide for draining of the land to make it more inhabitable and to reduce serious diseases.

The office of drain commissioner is a county elected office and its powers and duties are detailed in state law. Counties with a population under 12,000 may abolish the office of drain commissioner by a two-thirds vote of the county board of commissioners and transfer the powers and duties of the drain commissioner to the board of county road commissioners. If counties have a department of public works, the county board of commissioners by a two-thirds vote may combine the powers and duties of the drain commissioner with the department of public works and elect a public works commissioner in the same manner as a drain commissioner. If the drain commissioner performs other functions, including operating sewers, lake level and soil erosion enforcement, and facilitating compliance

with federal Clean Water Act mandates, the county board of commissioners by majority resolution and with the consent of the drain commissioner may change the name of the office to the office of water resources commissioner. A charter county with a population over 2,000,000 (no county in Michigan currently falls into that category) may perform the powers and duties of the drain commissioner in accordance with the county charter. County boards of commissioners may establish or re-establish the office of drain commissioner in their county by a majority resolution.<sup>67</sup>

### Public Safety Services

Public safety services comprise a unique category of services; they are not explicitly mandated by the state, with the exception of county sheriff services, but they are required to some extent and are certainly necessary functions of local government. The Home Rule Cities Act mandates that city charters provide for the public peace and health and for the safety of persons and property.<sup>68</sup> State law does not specify how cities must provide for this, it says cities may expend funds or enter into contracts with a private organization; the federal or state governments; a county, village, or township; or another city for services considered necessary by the city's legislative body. The fact remains though that it is a city mandate to ensure that public safety services are provided for city residents. Similarly, the Home Rule Village Act mandates that village charters provide for the public peace and health and the safety of persons and property, without any directive on how that must be done.<sup>69</sup> State laws specifies that charter townships may provide for and establish a police force, but there is no mandate to provide for the public safety in townships.<sup>70</sup>

Public safety is a necessary service for all levels of government, but is most usually provided by local governments. Public safety services include police, fire, ambulance/emergency medical services (EMS), and 9-1-1 dispatch services. Those services are generally provided separately by the state (Michigan State Police), counties (county sheriffs), and local units of government (through separate police, fire, and am-

65 PA 283 of 1909 (MCL 224.19-224.6).

66 PA 156 of 1851 (MCL 46.11).

67 PA 40 of 1956 (MCL 280.21-280.23).

68 PA 279 of 1909 (MCL 117.3).

69 PA 278 of 1909 (MCL 78.23).

70 PA 359 of 1947 (MCL 42.12).

balance/EMS departments). Some communities have combined these services and functions. For example, the cities of Kalamazoo and Oak Park both have public safety departments that provide police, fire, and EMS services and cross-train their employees. The South Haven Area Emergency Services Authority (SHAES) provides fire and EMS services for the City of South Haven and three neighboring townships. The South Macomb Oakland Regional Services Authority (SMOR-SA) is a joint collaborative public financing organization founded by the cities of Eastpointe and Hazel Park to utilize funding options for emergency services outlined in the Emergency Services to Municipalities Act.<sup>71</sup> This authority was created not to merge departments, but solely to provide funding in participating local units for police, fire, and emergency services.

**Police Protection.** Police protection is provided by all levels of government in Michigan. The Michigan State Police Act provides the powers and duties of the state police department and police commissioner, including highway patrol, conservation officers, and cooperating with county sheriffs and local police in the prevention and discovery of crimes and apprehension of criminals.<sup>72</sup> County police services were discussed above in the section on the county sheriff department. County sheriffs in general law, optional unified, and charter counties can provide police services for any local units within their county, but these powers may not be exercised in a local unit of government which is exercising a similar power without the consent of the local legislating body.

Townships, villages, and cities are all authorized to provide police services and to create police departments, either by state law or municipal charter. As discussed above, state law requires home rule cities and villages to provide for public safety services in their local charter. Local units are all able to contract with the county sheriff to provide police services within their municipality as well. Municipal police departments patrol local roads and enforce the municipal code and violations of state law that occur within the municipality's borders.

**Fire Protection.** State law authorizes counties to provide fire services; however, fire services are gener-

ally provided by cities, villages, and townships either locally or through contractual arrangement. Some municipalities have collaborated to create fire authorities. In modern times, the numbers of fire calls, fatalities from fires, and property damage resulting from fires have decreased due to stricter fire, electrical, and building codes; improved fire prevention education; and improved municipal water systems. Some local fire departments have cross-trained firefighters in EMS services and emergency rescue and body recovery diving techniques. The provision of local fire services are impacted by state law, including the Fire Prevention Act and Firefighter Training Programs Act, among others.<sup>73</sup>

The Research Council's catalog of local government services data showed that fire services in general, and specific aspects of fire protection in particular, are provided cooperatively more than any other service category, either through direct cooperative arrangements or through the creation of special fire authorities.

**Ambulance and Emergency Medical Services (EMS).** Ambulance and EMS services (including disaster response planning) are generally provided locally, typically in conjunction with a fire department and sometimes with a police department. State law allows townships and counties to provide these services; cities and villages can provide them depending on their charter.<sup>74</sup> EMS services can be provided at several levels, including medical first responders who can stabilize a scene until other EMS arrive; emergency medical technician (EMT) who can transport victims and provide minimal medical care; emergency medical technician specialist (EMT-S) who can intubate a patient and use a defibrillator to attempt resuscitation; and paramedic-advanced life support (ALS) who can administer a full range of narcotic drugs while in radio contact with emergency room doctors.<sup>75</sup>

The Research Council's catalog of local government services data indicated that ambulance/EMS services, as well as emergency and disaster response planning are often provided in cooperative ventures.

73 PA 207 of 1941 and PA 153 of 2011.

74 PA 50 of 1960.

75 Vanderberg, Alan. Michigan Local Government Structure, Services and Practices, prepared as an informational resource for the Michigan Civics Institute Local Government Curriculum Development Project, July 8-13, 2002.

71 PA 57 of 1988.

72 PA 59 of 1935 (MCL 28.1-28.16).

**9-1-1 Dispatch Services.** The Emergency 9-1-1 Service Enabling Act allows county boards of commissioners to establish an emergency 9-1-1 district within all or part of the county; in counties with a population over 1,800,000 (only Wayne County qualifies), four or more cities may create an emergency 9-1-1 district with approval of the county board of commissioners under this act.<sup>76</sup> Whether or not a community provides 9-1-1 dispatch services may be addressed in home rule charters. The Research Council's catalog data highlight 9-1-1 services as a service area frequently indicated as being provided cooperatively, either through the county government or with multiple municipalities working together (sometimes through a special authority).

### **"Essential" Services**

Essential services include services that have been ruled by the state government and courts to be optional, but that are essential to the functioning of a local government and its quality of life. These services are not considered optional by local governments or by their residents. These essential services are not mandated by the state, but may include regulations or mandates as to how to provide the service if a local government chooses to provide it.

**Planning and Zoning Services.** The Michigan Planning Enabling Act allows any type of local government to adopt an ordinance to create a planning commission with the powers and duties afforded to it provided in state law. County boards of commissioners may designate a county planning commission as a metropolitan planning commission, which allows for more comprehensive and regional planning.<sup>77</sup> A regional planning commission also may be formed by two or more legislative bodies.<sup>78</sup>

The Michigan Zoning Enabling Act allows local governments to create a zoning commission or to transfer the powers of a zoning commission to a planning commission. A local zoning ordinance must include a zoning board of appeals; the local legislative body may act as the zoning board of appeals.<sup>79</sup>

Charter counties may choose to include planning and zoning services in their charter, but powers granted by charter may not be exercised in a local unit of government which is exercising a similar power without the consent of the local legislating body. All local units are required to adopt the state building, electrical, plumbing, and mechanical codes if they intend to enforce building codes locally. Building inspection services were identified in the Research Council's catalog of local government service delivery as often provided under a cooperative arrangement.

**Public Works and Infrastructure.** Public works services and functions include water and sewer services; storm water services; facilities for providing light, power, or heat; and airport services. The state Constitution allows cities and villages to "acquire, own or operate, within or without its corporate limits, public services facilities for supplying water, light, heat, power, sewage disposal and transportation to the municipality and inhabitants thereof." The Constitution further specifies that any city or village may sell and deliver heat, power, or light outside of its corporate limits in an amount not exceeding 25 percent of that furnished by it within its corporate limits, except as greater amounts may be permitted by law. No city or village may acquire any public utility furnishing light, heat, or power, or grant any public utility franchise which is not subject to revocation at the will of the city or village, without approval of three-fifths of the city or village electorate. No city or village may sell any public utility unless first approved by a majority of electors (or greater number if local charter calls for it).<sup>80</sup> Some examples of local municipalities supplying light, power, or heat include the City of Lansing Board of Water and Light and the City of Grand Haven Board of Light and Power.

State law permits counties to provide water and sewer infrastructure and services.<sup>81</sup> Charter counties are permitted to establish and maintain sewage transmission and disposal systems (either within or outside county boundaries). All cities and many townships provide water service to their residents, either through their own systems or by contract with another municipality. Local municipalities typically provide sewer collection and treatment. State law allows municipalities in or near where a state sewage disposal institution is located

76 PA 32 of 1986 (MCL 484.1201-484.1301).

77 PA 33 of 2008 (MCL 125.3811-3837).

78 PA 281 of 1945 (MCL 125.12).

79 PA 110 of 2006 (MCL 125.3301-3601).

80 1963 Michigan Constitution (Article VII, Sections 24-25).

81 PA 342 of 1939 (MCL 46.171).



to contract with the state institution for the disposal of sewage without amending their charters.<sup>82</sup> State law also allows two or more cities, villages, or townships to create a metropolitan district for the purpose of acquiring, owning, and operating public utilities for supplying sewage disposal, drainage, or water.<sup>83</sup> The Research Council's catalog of local government services identified water and sewer services as being some of the services most often provided cooperatively.

Most cities, as well as many townships and villages, provide for the collection of storm water. Water, sewer, and storm water services are affected by federal regulation (e.g., the federal Clean Water Act), state regulation (e.g., the Michigan Department of Environmental Quality and the Public Health Code), and county regulation through county health departments.

**Sanitation and Landfill Services.** Sanitation services include refuse collection, recycling services, and landfill services. State law permits counties to provide refuse collection services and charter counties are permitted to provide a full range of sanitation services, but county powers may not be exercised in a local unit of government which is exercising a similar power without the consent of the local legislating body.<sup>84</sup>

Refuse collection and recycling services are generally provided locally either through a municipal government (city, village, or township) or by contract with a private provider (local units may contract with a private provider, or alternately residents contract with a private provider directly). The cost of refuse collection services may be included in the local tax allocation or may be paid for by fee. Recycling services were identified in the Research Council's catalog of local government service delivery as often being provided collaboratively. Many communities provide a transfer station where garbage is brought after collection, packed into semi-tractor trailer trucks and hauled to a landfill or incinerator. Local governments can own and operate their own landfills or contract for landfill use. County and city health departments have responsibility of permitting public and privately owned landfills.<sup>85</sup>

**Environmental Services.** Environmental services include soil quality and conservation, water quality and conservation, watershed management, air quality regulation, erosion control structures, and environmental education. These types of services are generally heavily regulated by the state and federal governments. They can be provided regionally by the county or locally by a city, village, or township (e.g., charter counties may provide abatement of air and water pollution, but powers granted by a charter may not be exercised in a local unit of government which is exercising a similar power without the consent of the local legislating body). The Research Council's catalog of local government service delivery found that many local units already rely on the county to provide these types of services, and that watershed management services were frequently provided under cooperative ventures.

## Secondary or Discretionary Services

Secondary or discretionary services include services that are not considered essential or necessary for the functioning of local government or society, but which affect the quality of life within a local government.

**Parks and Recreation.** Parks departments operate parks and playgrounds, golf courses, ski hills, community recreation centers, senior centers, community pools, trails, zoos, beach and marina facilities, and cemetery services. Parks and recreation services are provided by the state, counties, and local units of government.

The Natural Resources and Environmental Protection Act outlines the state park system.<sup>86</sup> The County and Regional Parks Act authorizes the creation of county and regional parks.<sup>87</sup> The Charter Counties Act allows charter counties to establish and maintain parks and cemeteries either within or outside county boundaries.<sup>88</sup> The state constitution authorizes cities and villages to "acquire, own, establish and maintain, within or without its corporate limits" parks, boulevards and cemeteries.<sup>89</sup> The Township Parks and Places of Recreation Act provides for the acquisition, maintenance,

82 PA 98 of 1929 (MCL 17.74).

83 PA 312 of 1929 (MCL 119.1-119.18).

84 PA 342 of 1939 (MCL 46.171) and PA 293 of 1966.

85 PA 451 of 1994 (MCL 324.11509).

86 PA 451 of 1994 (MCL 324.74101-324.74126).

87 PA 261 of 1965 (MCL 46.351-46.367).

88 PA 293 of 1966 (MCL 45.515).

89 1963 Michigan Constitution (Article VII, Section 23).

management, and control of township parks.<sup>90</sup> The Metropolitan District Act allows any two or more cities, villages, or townships to create a metropolitan district for the purpose of acquiring, owning, and operating parks.<sup>91</sup> The provision of parks services may also be impacted by local charters. According to the Research Council's catalog of local government service delivery, parks services, including senior centers, are frequently provided under a cooperative venture.

**Libraries.** The state constitution requires the state legislature to provide by law for the establishment and support of public libraries, which must be available to all residents of the state under regulations adopted by the governing bodies thereof.<sup>92</sup> The Library of Michigan Act created the state library and outlines its duties, primarily maintaining public documents and providing reference services to the branches of state government.<sup>93</sup> Other acts provide for the creation and financing of libraries at the county, city, village, or township level, or by the creation of special authorities. The acts provide for collaboration among the libraries and making collections available across the state through interlibrary loans.<sup>94</sup>

The provision of library services may also be impacted by local charters. Library services were identified in the Research Council's catalog of local government

service delivery as often being provided cooperatively.

**Cultural Amenities.** Cultural amenities can include museums and art galleries, zoos, community theaters, performing arts centers, stadiums and arenas, and other entertainment facilities. These services can be provided by individual municipalities or regionally through counties or regional authorities. Residents tend to desire and expect more cultural amenities in urban areas, so the provision of these services will vary across the state and in different communities.

**Economic Development.** Economic development services include community planning and development; business retention, expansion and licensing; restaurant and food regulation; and promotion and tourism. These types of services can be provided by counties and local units of government. While these services may benefit from a more regional focus at the county level, they also can directly affect local government revenue (especially business retention and expansion and community development) so they can promote competition between neighboring localities. In other words, it is generally in a local government's financial interest to attract development to their own municipality rather than work regionally with other municipalities and risk that decisions on where to develop might go to a different local community. However, each community's self-interested decision-making does not necessarily promote the best development and planning throughout the region.

Economic development services and decisions are affected by the Michigan Department of Transportation, the Michigan Economic Development Corporation, the United States Economic Development Administration, as well as private parties such as chambers of commerce.

**Public Transportation.** Public transportation services include mass transportation, bus systems, and dial a ride systems. Public buses are provided in many localities across the state with greater service in more urban areas. With the popularity of ride-sharing services like Uber or Lyft, dial a ride services are being provided privately with greater frequency.

Public transportation services can be provided by a county, city, village, or township acting independently

90 PA 157 of 1905 (MCL 41.421-41.429).

91 PA 312 of 1929 (MCL 119.1-119.18).

92 1963 Michigan Constitution (Article VIII, Section 9).

93 PA 540 of 1982 (MCL 397.20).

94 The Library Network Act was adopted to connect the largest research libraries in the state for the purpose of making their collections available to all citizens in the state through interlibrary loan. The state library was given administrative leadership of this initiative (PA 371 of 1972, MCL 397.131-397.136). The County Libraries Act authorizes the creation of county libraries and the provision of library services by contract to other counties, townships, villages, or cities (PA 138 of 1917, MCL 397.301-397.305). The District Library Establishment Act authorizes two or more municipalities to establish a district library; in some instances, a single municipality with a population of 4,500 or more may create a district library if it has tried and failed to form a district library with other municipalities (PA 24 of 1989, MCL 397.173). The Free Public Libraries Act requires all free libraries organized under state law to make an annual report to the board of library commissioners (PA 115 of 1899, MCL 397.453). The Library Privacy Act provides for the confidentiality of certain library records and for the selection and use of library materials (PA 455 of 1982, MCL 397.601-397.606).

or in collaboration with neighboring governments.<sup>95</sup> Public transit services were identified in the Research Council's catalog of local government services as often provided cooperatively.

Some examples of public transportation services in Michigan include:

- the Detroit Department of Transportation, which is part of the City of Detroit government;
- the Suburban Mobility Authority for Regional

<sup>95</sup> The Public Transportation Authority Act allows a county, city, village, or township to create (or join) a public transportation authority either by itself or in combination with one or more other governmental units (PA 196 of 1986, MCL 124.451-124.479). The Metropolitan District Authority Act allows any two or more cities, villages, or townships to create a metropolitan district for the purpose of acquiring, owning, and operating a public transportation system (PA 312 of 1929, MCL 119.1-119.18). The Mass Transportation System Authorities Act authorizes the legislative body of any city having a population of not more than 300,000 (only Detroit has a population over 300,000) to incorporate a public authority for the purpose of acquiring, owning, and operating a mass transportation system (PA 55 of 1963, MCL 124.352). The Regional Transit Authority Act created the Regional Transit Authority of Southeast Michigan (RTA) which provides regional public transportation services in Macomb, Oakland, Washtenaw, and Wayne counties (PA 387 of 2012, MCL 124.541-124.558).

Transportation (SMART), which serves Macomb, Oakland, and Wayne counties;

- TheRapid service in the Grand Rapids area;
- the Ann Arbor Area Transit Authority (TheRide), which serves the greater Ann Arbor-Ypsilanti area;
- the Capital Area Transit Authority (CATA), which serves the greater Lansing area;
- KMetro, which serves the greater Kalamazoo area;
- the Macatawa Area Express (MAX Transit), a transit authority serving the Holland and Zeeland areas; and,
- Amtrak train services throughout Michigan.

**Animal Services.** Animal services can include animal licensing and animal control services. State law allows these services to be provided by counties, cities, villages, and townships. The Research Council's catalog of local government service delivery found that these services are sometimes provided at the municipal level and sometimes at the county level.

## County Expenditures

A review of county expenditure data provides insight into the services and functions provided by county government in Michigan. **Table 4** on page 32 shows the 2015 expenditures per capita in general funds and all other governmental funds for all counties in Michigan. The data show that all counties expend funds on general government, judicial, health and welfare, and sheriff or police services. Many, but not all counties expend funds on public works, recreation and culture, and community and economic development. Some, but not many counties, expend funds on library services and utilities. Only three counties expended funds on fire services and in those counties, the amount spent per capita was very small. On average, counties spent 13.6 percent of their funds on general government, 11.3 percent on judicial services, 20.5 percent on health and welfare services, 20.1 percent on sheriff and police department services, and 7.1 percent on other services; the remaining expenditure categories each received less than five percent of county funds.

Expenditures per capita in 2015 ranged from \$1,325.40 per capita in Lake County to \$290.60 per capita in Houghton County. The average county expenditures per capita was \$573.86; 46 counties spent above that, and 36 counties spent less than the average. **Table 4** illustrates the variance in spending across counties in Michigan:

- County spending on general government services and functions ranged from \$25.50 in Genesee County to \$243.00 in Keweenaw County; the average county spent \$78.12 per capita.
- County spending in judicial services and functions varied from \$23.40 in Jackson County to \$131.70 in Schoolcraft County; the average county spent \$65.10 per capita.
- County spending in health and welfare services and functions spanned from \$18.90 in Houghton County to \$483.20 in Muskegon County; the average county spent \$117.14 per capita.

- County spending in sheriff and police functions and services ranged from \$75.10 in Houghton County to \$618.40 in Lake County; the average county spent \$115.37.

Only three counties spent anything on fire department services and the highest spending county was Keweenaw County at \$0.90 per capita. Manistee County spent \$129.10 per capita on their public works department; 28 counties did not spend anything on public works service and functions. Iron County had the highest recreation and culture expenditures per capita at \$47.70 and 14 counties had no recreation and culture expenditures. Only 19 counties expended funds on library services with Alcona County having the highest library expenditures per capita at \$49.90. Community and economic development expenditures varied from \$108.00 per capita in Genesee County to nothing in six counties.

**Chart 1** highlights the similarities and differences in spending between counties and all municipalities (city, village, and township expenditure data was combined to create the chart). Both counties and municipalities spend large portions of their general funds and all other governmental funds on police and general government services. Counties spend the remainder of their budgets largely on health and welfare and judicial services; municipalities spend the remainder of their budgets largely on fire, public works, and community and economic development services.

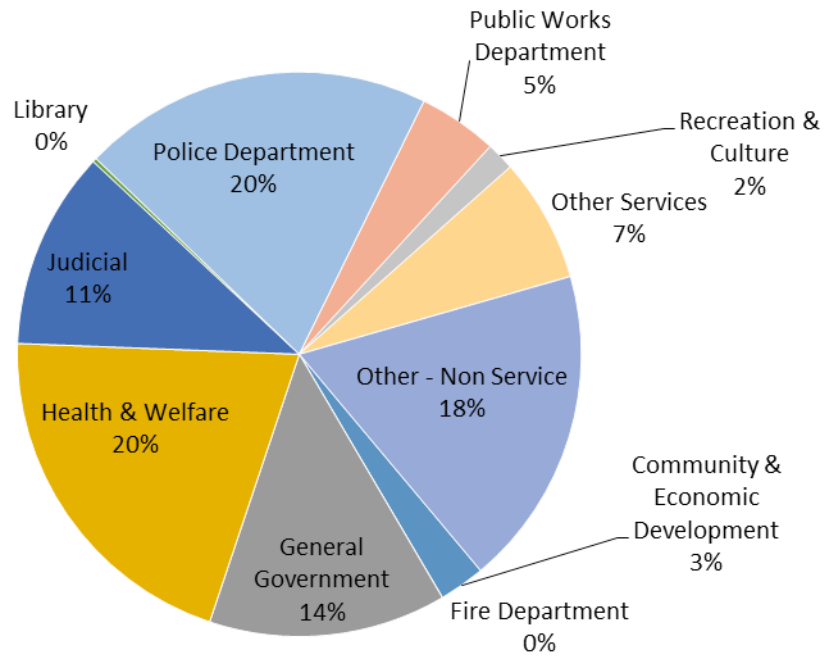
These two pie charts illustrate that the areas of service overlap for counties and municipalities fall largely under police and general government services and some of the overlapping services in these categories may be able to be provided by counties for their constituent municipalities. They also illustrate that the county is not very involved in some service areas (e.g., fire service) and there may be a county role in these service areas that could benefit both county residents and constituent municipalities.



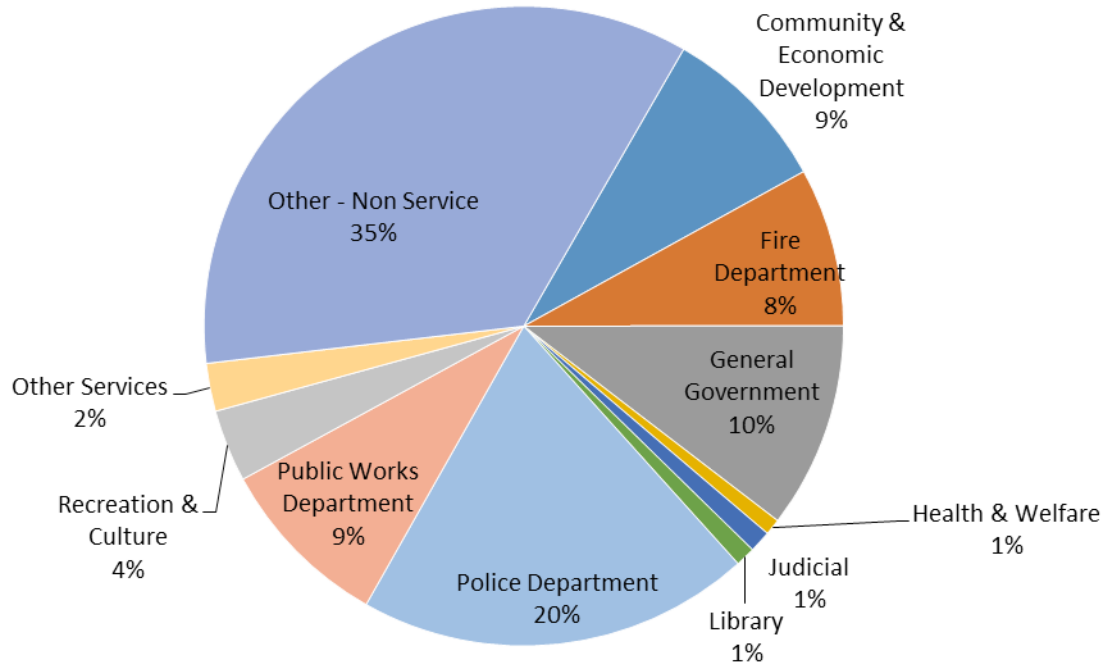
Chart 1

2015 General Fund and All Other Governmental Funds Expenditures

County Percent of Total



Municipality (City, Village, and Township) Percent of Total



Source: Munetrix data, Municipal DataXplorer, General Funds and All Other Governmental Funds Expenditures, F65 Line Number ([www.munetrix.com](http://www.munetrix.com)).

# COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

**Table 4**  
2015 Expenditures Per Capita  
General Funds and All Other Governmental Funds

County	General Government	Judicial	Health and Welfare	Sheriff/Police	Fire	Public Works	Recreation and Culture	Library	Community and Economic Development	Other	Debt Service	Capital Outlay and Special Items	Total
Lake	\$ 196.70	\$ 73.60	\$ 122.10	\$ 618.40	\$ -	\$ -	\$ -	\$ 11.90	\$ 24.60	\$ 37.80	\$ 60.30	\$ 39.50	\$ 1,325.40
Emmet	153.70	71.50	216.60	152.70	-	73.50	26.20	-	41.30	17.50	50.60	146.90	1,187.70
Benzie	93.30	62.90	83.60	224.00	-	11.90	8.70	-	19.70	85.80	35.10	239.70	1,025.50
Alcona	144.40	85.00	205.40	328.80	-	-	21.40	49.90	25.50	54.80	-	7.00	959.50
Muskegon	119.70	48.60	483.20	86.30	-	-	4.20	-	1.20	-	24.30	98.00	918.70
Keweenaw	243.00	109.10	41.10	352.40	0.90	-	0.20	-	48.10	10.70	-	76.20	883.50
Iron	203.60	81.30	54.40	217.40	-	0.90	47.70	-	1.60	43.80	89.50	42.70	882.90
Mackinac	166.90	109.30	181.30	234.10	-	11.80	-	-	-	80.10	5.60	31.80	864.80
Oscoda	150.70	77.70	182.20	158.60	-	4.30	17.30	-	50.00	119.80	3.60	31.80	841.20
Crawford	132.90	111.30	145.40	265.40	-	-	1.70	31.90	8.70	8.50	43.40	0.80	821.30
Leelanau	225.40	65.00	78.50	275.20	-	19.00	4.90	-	-	-	55.40	8.30	806.60
Macomb	50.00	49.20	84.10	84.30	-	97.70	0.10	-	-	307.30	23.10	44.40	798.70
Ontonagon	205.90	115.50	122.90	179.70	-	106.90	6.20	2.00	15.20	6.40	-	28.60	791.60
Luce	158.10	113.00	194.70	127.50	-	27.30	33.40	-	2.20	15.10	26.00	68.50	778.60
Huron	111.20	91.10	121.20	150.00	0.10	80.60	40.10	-	14.90	101.40	1.50	29.40	764.90
Antrim	156.20	77.90	95.80	204.40	-	2.60	11.50	-	22.60	29.40	39.00	13.70	739.50
Manistee	118.50	109.80	58.10	176.60	-	129.10	0.90	46.60	15.50	8.00	9.80	29.40	737.70
Roscommon	129.10	96.00	126.00	234.40	-	18.80	-	-	11.80	12.00	3.50	11.10	734.80
Washtenaw	161.10	66.70	168.30	164.50	-	20.30	40.30	-	50.00	-	51.80	17.30	734.50
Charlevoix	148.00	78.30	118.10	185.40	-	-	14.40	-	37.70	39.40	-	2.20	695.80
Grand Traverse	116.30	114.30	131.50	177.50	-	-	8.40	-	1.30	-	9.50	3.70	692.90
Calhoun	50.20	77.40	109.80	157.70	-	107.60	9.70	-	4.90	-	25.80	78.10	692.80
Chippewa	106.90	70.90	223.10	144.70	-	21.00	-	-	1.10	17.90	48.80	7.90	680.80
Mason	118.50	71.20	62.70	198.10	-	3.00	1.60	-	25.60	1.80	12.60	5.50	671.60
Oscola	104.60	63.20	137.20	152.90	-	-	-	-	14.40	41.80	20.30	50.60	647.80
St. Clair	78.00	65.90	120.00	150.90	-	6.50	27.80	29.90	4.50	-	97.60	12.30	644.90
Bay	96.70	58.10	102.80	97.30	-	-	16.40	-	1.60	16.00	22.50	187.10	643.90
Schoolcraft	152.00	131.70	79.80	154.50	-	-	0.60	-	1.30	26.10	28.90	23.20	641.40
Midland	89.70	64.40	191.90	145.90	-	28.70	9.50	-	2.00	-	27.80	14.80	634.70
Otsego	99.30	76.30	53.40	170.60	-	2.90	17.70	28.80	41.20	22.90	15.40	45.40	634.50
Cheboygan	154.80	80.50	106.50	162.90	-	3.50	8.30	-	29.60	6.40	8.60	18.10	632.30
Ogemaw	124.20	91.90	96.70	189.70	-	7.20	-	-	27.50	-	17.60	14.20	631.60
Ingham	76.80	54.70	158.50	108.60	-	108.90	29.70	-	1.60	-	9.50	8.70	628.20
Monterocney	163.10	68.50	64.60	251.20	-	-	-	-	10.50	37.30	-	21.00	625.30
Berrien	131.90	68.00	123.20	160.90	-	2.60	9.30	-	10.80	-	0.30	25.50	622.50
Newaygo	89.40	74.70	88.80	175.60	-	1.20	11.50	-	12.90	5.10	54.70	10.00	621.10
Kalkaska	118.70	69.20	100.40	179.60	-	6.60	3.00	27.80	32.30	19.60	-	31.70	617.50
Saginaw	70.10	85.60	192.90	138.00	-	3.80	9.00	0.40	21.40	6.50	26.60	6.20	614.00
Jackson	107.90	23.40	79.30	110.70	-	77.30	19.60	-	6.70	41.60	14.30	69.00	612.50
Sanilac	58.10	44.60	124.40	135.80	-	70.90	18.40	7.10	1.80	8.20	22.40	8.60	610.40
Presque Isle	106.50	70.40	111.10	128.20	-	-	1.40	-	1.70	119.70	-	13.80	608.80
Ottawa	49.10	61.10	224.50	116.20	-	0.70	10.60	-	8.10	-	64.40	14.90	600.70
Wayne	70.50	80.70	135.10	92.20	-	49.20	13.00	0.70	7.30	54.90	30.20	10.10	597.70
Alger	161.10	76.00	114.50	145.40	-	-	-	11.50	2.60	15.50	22.90	15.20	596.00
Marquette	61.40	97.80	88.10	156.90	-	-	-	-	46.80	32.50	-	37.20	595.00

# COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

Table 4 (continued)

County	General Government	Judicial	Health and Welfare	Sheriff/Police	Fire	Public Works	Recreation and Culture	Library	Community and Economic Development	Other	Debt Service	Capital Outlay and Special Items	Total
Lapeer	62.90	58.10	282.90	115.60	-	3.90	4.00	-	-	2.10	20.80	5.40	586.40
Alpena	120.20	54.70	125.10	169.50	-	24.20	30.90	-	19.50	-	8.90	-	586.10
Oceana	129.30	56.00	129.30	141.40	-	2.90	1.90	-	20.40	12.50	18.60	37.30	572.10
Dickinson	125.20	80.30	41.10	135.30	-	-	23.50	36.30	0.20	45.70	7.60	29.50	562.00
Iosco	61.50	87.00	160.90	106.90	-	2.40	3.30	-	17.20	43.50	16.10	26.30	555.30
Arenac	172.20	68.20	81.80	154.20	-	4.50	-	-	16.60	-	6.40	17.20	538.40
Missaukee	116.00	56.40	93.90	184.20	-	12.30	0.90	2.30	16.70	13.00	7.60	3.00	536.00
Wexford	99.90	79.50	69.20	152.80	-	-	1.50	-	16.90	-	11.00	17.40	525.10
Gogebic	80.20	53.50	77.60	120.00	-	-	18.60	-	0.70	106.30	3.90	12.30	521.40
Clare	80.00	66.90	73.70	185.50	-	0.40	0.50	-	10.00	36.70	8.90	41.10	519.90
Baraga	104.40	109.30	55.40	148.20	-	-	-	-	3.00	23.10	10.00	48.20	507.70
Genesee	25.50	86.40	110.50	80.10	-	-	18.60	-	108.00	-	8.30	0.50	502.50
Kent	53.60	54.40	128.60	107.60	0.40	-	2.60	-	28.70	-	20.10	22.20	497.60
Kalamazoo	56.80	74.00	118.70	96.30	-	2.00	15.00	-	2.90	1.80	11.40	62.80	495.30
St. Joseph	86.10	59.70	63.80	165.00	-	3.50	6.10	-	9.10	-	-	40.00	489.20
Clinton	69.20	45.30	35.10	110.10	-	0.60	1.60	-	4.60	4.00	53.30	9.50	477.60
Gladwin	85.00	64.70	76.80	162.30	-	0.50	0.70	0.40	5.30	24.50	-	5.50	473.60
Tuscola	108.90	59.80	89.90	119.00	-	12.60	0.20	-	1.00	3.70	3.80	15.80	463.50
Branch	78.20	69.00	63.20	126.70	-	3.90	7.10	-	-	10.50	24.30	30.20	462.80
Monroe	73.90	50.40	75.50	179.70	-	1.00	4.90	-	5.70	1.10	8.40	14.80	462.10
Mecosta	67.20	56.70	101.20	97.60	-	-	-	-	12.50	61.30	-	32.20	461.10
Van Buren	84.50	83.70	73.80	125.50	-	3.00	-	-	2.60	3.10	-	41.60	458.10
Allegan	94.80	49.40	95.90	110.90	-	2.90	2.30	-	1.00	4.50	16.50	20.00	453.40
Livingston	38.40	84.80	90.10	110.20	-	-	-	-	15.00	-	63.50	7.40	452.00
Oakland	118.40	61.10	59.00	114.70	-	-	-	1.00	14.20	-	18.60	13.20	448.60
Menominee	133.30	50.90	55.10	146.20	-	2.20	8.90	13.60	9.20	-	-	21.20	441.70
Lenawee	80.90	46.10	113.80	103.90	-	1.90	0.30	0.80	21.20	0.30	11.70	8.90	438.90
Eaton	74.30	48.90	63.60	168.00	-	3.50	4.10	-	4.30	-	17.50	18.40	437.30
Cass	85.30	74.70	64.30	131.80	-	-	3.20	-	3.10	5.10	7.40	12.80	415.30
Hillsdale	59.80	38.70	86.50	90.80	-	0.50	1.30	-	-	44.90	51.80	16.80	411.70
Barry	85.00	34.60	62.70	117.10	-	2.90	12.50	-	12.80	11.50	23.00	4.10	410.40
Delta	95.80	59.40	59.20	99.30	-	-	5.30	-	4.10	-	9.00	31.20	406.00
Gratiot	104.00	45.10	75.40	104.80	-	-	22.90	-	15.10	4.00	7.70	11.90	405.00
Isabella	81.70	62.80	87.20	96.20	-	6.30	12.50	-	5.40	5.60	14.80	4.00	401.70
Ionia	77.50	38.70	65.20	95.80	-	4.90	3.90	-	6.70	7.10	4.00	0.10	317.90
Montcalm	89.50	35.60	55.30	81.40	-	-	0.40	12.70	5.10	2.70	15.30	4.80	315.20
Shiawassee	60.50	48.90	59.80	91.20	-	1.50	0.10	-	5.50	9.10	8.20	-	302.90
Houghton	55.10	44.80	18.90	75.10	-	-	2.30	-	7.20	49.70	3.70	4.30	290.60
County Average	\$ 78.12	\$ 65.10	\$ 117.42	\$ 115.37	\$0.03	\$ 26.07	\$ 9.26	\$ 1.34	\$ 15.17	\$ 40.77	\$ 24.07	\$ 23.34	\$ 573.86
Percent of Total	13.6%	11.3%	20.5%	20.1%	0.0%	4.5%	1.6%	0.2%	2.6%	7.1%	4.2%	4.1%	100.0%

Interfund Transfers and Public Utilities not shown, which is why totals don't add up to 100 percent

Source: Munetrix data and calculations, Municipal DataExplorer, General Funds and All Other Governmental Funds Expenditures, F65 Line Numbers (www.munetrix.com)

### Service Delivery Responsibilities of County Government in Other States

A report by the National Association of Counties (NACo) discusses county authority and responsibility across the different states.<sup>96</sup> All but two states have some form of county government (some states call them by different names, such as parishes in Louisiana).<sup>97</sup> The authority and responsibility given to county governments can vary across the states. Counties in Vermont have little authority beyond requesting a budget from a municipality and providing fire protection. The State of Alabama must write a new state law each time a county wishes to accomplish something for which there is no precedent in state law. Ohio, on the other hand, allows counties to exercise any authority they wish provided it does not conflict with state law. Counties in Michigan fall somewhere between the extremes of Vermont and Ohio and are more similar to counties in Alabama. Michigan counties have the authority to do many things and provide many services, but that authority is explicitly given to them in state law.

Generally, counties in other states perform many of the same duties, functions, and services as counties in Michigan. They provide health and welfare services, own and maintain roads and bridges, and provide corrections and court services, among others.<sup>98</sup> Counties also generally have clerks, treasurers, register of deeds, sheriffs, and prosecuting attorneys, or similar type offices and functions.

#### Great Lakes States

County service provision in the Great Lakes states were analyzed for comparison to Michigan as these states are close neighbors and have organized their governments in a manner similar to Michigan.<sup>99</sup> For the most part, the counties in these states operate under a commission form of government and have similar

county offices and departments. Standard county government in New York is composed of the elected representatives of all the cities and towns contained within a county, but many alternative forms of government exist in that state.

Of the seven Great Lakes states (including Michigan), all except Ohio are considered Dillon's Rule states. Dillon's Rule is a strict construction of constitutional and statutory law for local units of government and serves to constrict the discretionary powers of local governments (see **Box** on page 4). In contrast to Dillon's Rule, the Cooley Doctrine states that local governments have an inherent right to local self-determination. Indiana, Illinois, New York, and Ohio allow their counties to adopt home rule status, and Michigan and Ohio both provide charter adoption procedures for counties. Michigan, New York, and Wisconsin have provisions for a county manager or county executive form of government in state law. Indiana and Wisconsin are the only states that allow for city-county consolidation in state law.

Like counties in Michigan, the counties in these states can do many things and provide many services, but just because they are authorized in state law to do something does not mean that every county provides that service, or that the counties have authority to provide the service inside the boundaries of a city without the city's approval. In general, counties in the Great Lakes states all must provide and maintain certain county buildings (including courthouses and jails, among others), road maintenance and services, health and welfare services, correctional facilities, and county sheriff offices and services. Beyond these general services and functions required in all counties in all the states, some highlights of other services provided at the county level include:

- Library services in Illinois and Wisconsin.
- Solid waste management in Indiana; alternative waste management, recycling options, and landfill facilities in New York; solid waste disposal, water service, and sewerage services in Ohio; and solid waste services, landfills, and recycling facilities in Wisconsin.
- Ambulance services in Ohio; supplement-

96 Sellers, Matthew and Byers, Jacqueline, National Association of Counties. *County Authority: A State by State Report*, December 2010.

97 Connecticut and Rhode Island.

98 National Association of Counties. *Why Counties Matter Community Health*; National Association of Counties. *Why Counties Matter Transportation and Infrastructure*, 2016; National Association of Counties. *Why Counties Matter Justice and Public Safety*, 2016.

99 Great Lakes states include Illinois, Indiana, Michigan, New York, Ohio, Pennsylvania, and Wisconsin.

tal fire and emergency medical services in Indiana; distribution and coordination of fire department training, fire investigations, hazardous material handling, specialized police units (e.g., K-9), and coordination of emergency disaster preparation programs in New York; emergency response planning and 9-1-1 dispatch services in Pennsylvania; and 9-1-1 dispatch services in Wisconsin.

- Funding, administering, and providing election services in New York, Ohio, Pennsylvania, and Wisconsin.
- Collecting taxes in Illinois, Indiana, Ohio, and Wisconsin.

In some parts of Pennsylvania, traditional police forces are moving from the local municipality to a regional agency made up of representatives from the local municipalities being represented. Regional police services arose out of a need for greater police services than small municipalities were able to provide at the local level. Today more than 35 regional police departments serve over 125 municipalities. Most regional police departments were created to strengthen existing police services in the areas of administration, supervision, training, investigation, patrol, and specialty services. Regional police services can improve the uniformity of law enforcement in the region, increase coordination among services, and improve the distribution of police officers and services. It does come with a loss of local control (control goes to the regional authority) and sometimes a neglect of local non-essential services (though local municipalities can take over

these services).<sup>100</sup>

### Other States

Another NACo report discussed the ways that counties are cooperating and partnering with each other and municipalities throughout the country.<sup>101</sup> Some examples include Iowa counties, which are part of more than 23,000 agreements with other local governments for collaborative service delivery ranging from ambulance services to public libraries. In North Carolina, some cities and counties share 9-1-1 services and others engage in city-county partnerships for sewer infrastructure upgrades. Nevada's Carson City and some neighboring counties have partnered together to create a cross-county health district. Kansas' 105 counties collaborate in 27 community mental health centers. In New Jersey, the City of Camden and Camden County worked together to fight a crime epidemic; the county took over the city police department and created a county-wide police force. Nebraska counties have developed regional (i.e., multi-county) juvenile detention centers and joint public agencies with cities and other governmental entities to develop fairgrounds, arenas, or water re-development projects. Some Kentucky counties partnered to create regional industrial parks and/or to build and maintain county jails. Other counties in Kentucky created regional recycling centers in partnership with nonprofit organizations and/or other

<sup>100</sup> Pennsylvania Governor's Center of Local Government Services, "Regional Police Services: A Manual for Local Government Officials," 2011 (<http://decid.pa.gov>).

<sup>101</sup> Griffith, Joel; Harris, Jonathan; and Istrate, Emilia; National Association of Counties. NACo Policy Research Paper Series, Issue 5: *Doing More With Less, State Revenue Limitations and Mandates on County Finances*, 2016.



## Recommendations for Michigan

The Citizens Research Council of Michigan has been reviewing and analyzing local government organization, governance, revenue, and service delivery for the past 100 years. In fact, this report drew extensively on information from previous Research Council reports and the recommendations being made in this report are not necessarily new or revolutionary. Instead, the recommendations that follow rely on years of research and analysis into what local governments do and how they might be able to do things better. Better can be defined as more economical, more efficient, more equitable, or some combination thereof. This report is unique in that its focus is on county service delivery and the potential benefits of providing services more regionally.

County demographic, revenue, and expenditure data highlight the fact that the type and amount of services provided by county government in Michigan is not uniform. A rural county serving a small population with little or no city government will have very different service delivery needs and abilities than an urban county that is serving many residents and working with many local municipalities. Any approach at regional governance has to understand and appreciate the variance among counties.

Any recommendations on what counties can or should do will require looking at individual counties and their local governments to see how things are currently being done and what services are provided or need to be provided and how each individual county can work with its local governments to provide services more efficiently and effectively.

### Criteria Used to Determine Optimal Service Delivery Options

The Research Council has issued a number of reports over the last decade or so pertaining to local government service provision and cooperation. In 2005, the Research Council released its first report utilizing its data from a catalog of local government service provision created by surveying 670 units of local government in Michigan. While that catalog is now over 10 years old, it still provides a good starting point to look at lo-

cal government service provision.<sup>102</sup> Using the catalog data, the Research Council identified different types of service areas that could potentially benefit from either regional provision of the service or some other form of collaboration among governments.

**Capital Intensive Services.** These services require major expenditures for land, buildings, vehicles, or equipment and can benefit from economies of scale. The cost of providing the service is not directly related to the size of the population or geographic area served. Once a local government has invested in the capital, the government is often capable of serving additional populations and geographic areas. These services can benefit from *horizontal collaboration*, which is when two or more units at equal levels of local government agree to work together to provide a service, even if one unit brings more to the agreement than another (e.g., when a city and township provide a service together or when one city contracts with another city to provide a service).

The role of the county in capital intensive services can be to provide the capital intensive service to multiple (or all) of its local units, serving a role similar to a private provider contracting with multiple local governments, or to facilitate cooperation among the local units within the county.

**Technically Intensive Services.** These services require persons with college degrees or professional certification for their provision and can benefit from economies of skill. Once local governments have invested in the employment of someone with specialized technical expertise, they may have assets capable of serving populations and geographic areas broader than their individual local government. These types of services can benefit from *vertical collaboration*, which occurs when local governments have functions

<sup>102</sup> See Citizens Research Council of Michigan. Memo No. 1079: *Catalog of Local Government Service Provision in Michigan*, September 2005; and Citizens Research Council of Michigan. Report 354: *Approaches to Consolidating Local Government Services*, November 2008; and Citizens Research Council of Michigan. Report 346: *Authorization for Interlocal Agreements and Intergovernmental Cooperation in Michigan*, April 2007 for more information.

### Oakland County

When creating the catalog of local government services, the Research Council identified Oakland County as a model of vertical collaboration. Oakland County adopted an approach to improving county services by creating functions and performing services at the county level that make its cities, villages, and townships better able to perform their own functions or provide their own services. On numerous occasions, efforts to improve county systems led to vertical collaborative arrangements that benefitted the municipalities. This approach was driven as much by the county's self-interest as it was by a recognition that actions that strengthen the weakest cities, villages, and townships in a county will also strengthen the whole county. Some examples of county initiated vertical collaboration include:

- The county created a county-wide fiber optic network between county offices, all municipal offices, all police departments, all court buildings, and most fire departments.
- Using Internet technology, the county created a website, CLEMIS (Courts and Law Enforcement Management Information System), with 25 applications, including video conferencing, records management, and data storage. The system ties together the court houses, county jails, county sheriff's office and squad cars, municipal police departments and squad cars, fire stations, and other public safety agencies. Since its inception, CLEMIS has grown to serve the Michigan State Police, Michigan's Department of Human Services, the U.S. Federal Bureau of Investigation, the U.S. Immigration and Customs Enforcement, the U.S. Secret Service, and communities and colleges and universities in Wayne, Washtenaw, Livingston, Lenawee, and Macomb counties.
- The county invested in a GIS capable of serving its municipalities' needs as well as its own.
- The county invested in property assessment software to serve the county's assessment equalization function, which has enabled the county to contract to do the assessing for individual communities.
- The county provides radio dispatch services with advanced medical training for dispatchers to its local communities.

Each of these services required an investment by the county and some surrender of autonomy by the individual municipalities, but the county and local governments are better able to perform the functions for which they are responsible for as a result.

### How Can Counties Promote Vertical Collaboration?

Oakland County, which is organized as an optional unified county with an elected executive, is highlighted as a model of improving vertical collaboration between counties and their municipalities. It does provide many good examples of how to increase and encourage vertical collaboration, but it is by no means the only county doing so. Many counties are looking for and finding opportunities to collaborate with and provide services for their cities, villages, and townships. Many counties and municipalities see that adopting a regional outlook to service provision is the key to maintaining and improving local government service provision. For example, Alpena County has a county-wide intergovernmental council, which promotes intergovernmental dialogue and cooperation throughout the county, and provides county-wide ambulance services, recycling services, and tax bill printing services.<sup>1</sup> And that is just one example of cooperation in a fairly small county in Northern Michigan.

To further promote vertical collaboration and county-wide regional service delivery, counties in Michigan need to address two main questions:

- 1) What does the county need to operate better?
- 2) What do the municipalities want that they cannot afford to adopt or can no longer afford to provide?

Internally, officials should look at the future of their county: What services will the county be expected to deliver in the future? What impediments keep the county from performing in its most efficient manner now? Externally, the county needs to understand the needs of its cities, villages and townships: Are there new services that municipalities are considering providing that may be better provided by the county on their behalf? Are there services that have been provided by those municipalities that they can no longer afford to provide?

<sup>1</sup> Data on shared services in Alpena County provided by Munetrix ([www.munetrix.com](http://www.munetrix.com)).

performed for them by a different level of government (e.g., the state or county).

The county's role in technically intensive services can be to take the lead in providing these to its local governments. For some local units, the county can relieve them of burdensome services that they have difficulty providing; for others, the county can provide them with services that they are unable to provide on their own.

**Counties as Service Providers.** Counties can and should play a vital role in bringing local units of government together and promoting intergovernmental cooperation and county-wide service provision. Opportunities exist for counties to expand vertical collaboration to their constituent cities, villages, and townships because many of the functions performed by local governments are also performed by county governments. Efforts could be made to promote counties as providers of services that require technical expertise and that could benefit from regional provision. Opportunities also exist for counties to bring together their constituent cities, villages, and townships to find the optimal ways to provide capital intensive services in their communities and region.

To accomplish these things may require a change in the thinking or culture of county government. Much could be gained by changing the thinking of counties from stand-alone entities to multi-purpose function providers for their local units. County government leaders should work with local governments to assess the attributes of the services provided by the county and at the same time direct county department heads to orient county services to contracting with local governments. County government leadership and staff will have to begin seeing themselves as partners and services providers for the cities, villages, and townships within their borders. A Research Council report from 1981 identified an approach to county and local services which views the county as the "wholesale" provider of services and municipalities as the "retail" providers of services.<sup>103</sup>

### County Governance Recommendations

With modern methods of transportation and commu-

nication, the county is positioned to be the provider of many local government services to the potential benefit of county residents and the local governments within each county. However, some aspects of county governance may give people reasons to be wary of handing responsibility for more local government services over to the county level.

First of all, most counties are organized as general law counties in Michigan with a plural executive and a board of commissioners with both executive and legislative responsibilities. This makes maximizing accountability difficult and may raise some concerns about giving county government more responsibility for local government service provision. A review of county governance and state law reiterates the fact that counties do not have the latitude to undertake activities and services without state legislative authorization. The County Boards of Commissioners Act illustrates that counties require state authorization for even ministerial aspects of their operations (e.g., determining meeting times and places).<sup>104</sup> This is just one of many state laws affecting the organization and governance of Michigan counties.

On the other side of the spectrum, home rule counties have much more authority for locally elected leaders to fashion operations to meet their needs. If all counties in Michigan organized as charter counties (which would require voter approval of creating a charter commission and then of a charter), then each county would have more authority to frame its own government and provide accountability through an elected executive. If organizing as a charter county is not desirable, counties also have the option to organize as an optional unified county with an appointed administrator or elected executive. Optional unified counties do not create their own charters and still operate and organize under state law, but they do provide more accountability through an administrator or executive. All counties in Michigan, whether organized by general law or charter, have and will continue to have a plural executive unless the state constitution is amended to remove the requirement that counties elect a clerk, register of deeds, treasurer, sheriff, and prosecuting attorney.

Second, county governance started out as a regional

<sup>103</sup> Citizens Research Council of Michigan. Report 274: *Wayne County Charter Issues...County Services*, April 1981.

<sup>104</sup> PA 156 of 1851 (MCL 46.1-46.32).

exercise in intergovernmental cooperation, but has evolved into more of a stand-alone government. Counties were originally governed by boards of supervisors, with representation on the boards coming from townships and cities. As discussed in the section on county governance, the county boards of supervisors governed counties until the 1960s, when court cases concerning the “one person, one vote” provisions in the U.S. Constitution caused changes to county governance. The county boards of supervisors were replaced with county boards of commissioners, with independently elected representatives chosen from districts that are rarely coterminous with cities or townships.

County supervisor board meetings routinely brought together local government officials with the opportunity to discuss service provision, and county officials heard about the need for an expanded county role, the services that local units were providing adequately, and the services for which local governments would benefit from county cooperation. The move to independently-elected county commissioners reduced counties’ connection to local units. Where supervisors were inherently prepared to address the needs of the local governments they represented, county commissioners are aware of the needs of local governments only when they make special efforts to learn those needs.

Strong county leadership will be needed to gear county services to benefit the local governments and let the local governments know that the county governments are amenable to working with them to achieve savings. That leadership role may require more counties to consider the optional unified or charter form of government with an elected executive. Elected executives are well suited to managing all the pieces of county government as a whole, directing department heads to carry out specific tasks, and championing collaborative efforts.

### County Revenue Recommendations

If the counties are to take on a greater local service delivery role, policymakers have to consider how the county role, either as a service provider or as a collaborator with the local governments, is to be funded. If these are to remain local government responsibilities for which they seek economies through collaboration, then the cost of the services and the financial plight of Michigan’s struggling local governments is likely to change very little. On the other hand, if counties are

to assume responsibility for providing certain services, and the responsibility for funding that provision, that will free up local government resources to direct on the vital services that remain with the cities, villages, and townships.

Policymakers can think about increasing the resources available to county governments to expand service delivery in two ways that are not mutually exclusive. First, they can authorize the levy of taxes other than property taxes. Other states have local-option income, sales, motor fuel, alcohol, tobacco, and public utilities taxes available; none of these are currently available to Michigan counties. Second, the state could redirect state revenue sharing to counties to help them achieve economies and cost savings in the delivery of local government services.

**County Revenue Sharing.** The per capita distribution of state revenue sharing to counties does reflect the fact that the state constitution mandates a county role in the provision of several services in administrative and criminal justice roles. However, a per capita distribution is an inefficient allocation of scarce resources. It sends funding to counties with the wherewithal to fund services from their own resources and sends insufficient funding to counties that lack those resources. The discussion earlier in the paper on county taxable value found a six-to-one variance between the per capita tax bases of Leelanau County with the richest tax base and Genesee County with the poorest tax base (see **Map 2** on page 17 and **Appendix C**). Additional revenue sharing dollars sent to counties and distributed in a fashion that recognizes variances in fiscal capacity among the counties would help to enhance the roles counties play.

The problem if policymakers attempted to reform the county revenue sharing system is that change would create drastic winners and losers. A model for counties based on the distribution formula adopted for cities, villages, and townships in 1998 was created to evaluate the potential effects of change on each county. The 1998 formula recognized variances in fiscal capacity based on the ability of each jurisdiction to fund services from their own property tax base. The formula accounted for variances in taxable value per capita and the ability to raise a minimum level of revenue with the levy of a millage.



**Table 5** is based on 2015 actual total county revenue sharing payments. If all revenue sharing for local governments was directed to the county level to help the counties take on more services for their constituent local units, then a formula that recognizes variances in fiscal capacity would create winners and losers, but may be more palatable if it is used to distribute a larger pot of money to counties.

### County Service Delivery Recommendations

After years of economic malaise and declining tax revenues and a recovery that largely left local government revenues lower than their peaks before the Great Recession, government leaders, civic leaders, residents, and others are asking how the provision of local government services might transform to continue to meet the needs of local communities and their residents. Michigan has a large number of relatively small governments that lack the population to warrant independent delivery of some services, lack the critical mass of people to always be able to find ably suited individuals to carry out some technically difficult tasks, and lack the tax base to afford the capital assets or high wages demanded by highly skilled individuals. In Michigan's larger municipalities, with their larger tax bases and populations from which to fund services and find highly skilled labor, local governments have still had to cut services and costs in recent years.

Before modern means of communication and transportation, counties were organized as administrative arms of the state government and established to extend the reach of the state and to make centers of government reasonably accessible to those who had business to conduct with the state government. In more recent times, county governments have been authorized to deliver local services in addition to those performed for the state (e.g., parks and refuse disposal, among many others), but their governance structure has not been updated to reflect these changes. Counties have no geographic territory over which they have exclusive control; cities and townships often have the primary authority to carry out a service or exercise a function (e.g., county zoning only applies if cities and townships fail to adopt their own ordinance or collaborate with the county). This being said, counties do exercise some functions exclusive of local units, including public and mental health and county road systems.

The Research Council's catalog of local government service delivery reviewed 126 county services broken down into 23 categories. The catalog found much less collaboration among counties than was found among cities, villages, and townships. Counties play a vital role in collaborative efforts to provide services to the residents of the cities, villages, and townships within their boundaries, often serving as the units that municipalities cooperate with, contract with, or simply rely on for the provision of services. Townships and units serving relatively small population sizes tend to rely most heavily on the county for services or cooperative arrangements. The Research Council did find higher levels of county-to-county cooperation among Michigan's less populated counties, especially in the areas of mental health, the courts, and solid waste landfills.

Local governments in Michigan interact in a variety of ways to provide services to their residents. In some areas there is overlap and duplication of service provision. In some service areas, there is competition. In other areas, governments have come together to formally collaborate or informally cooperate to provide local government services. Counties, as a regional form of governance, are well suited to provide services to residents of smaller municipalities and to partner with larger municipalities to see how best services can be provided to benefit residents. The Research Council has identified a number of local government service areas that could benefit from county provision in some form.

**The State's Role.** The state, in its authority over local governments, both assists and constrains counties and local units. The state has provided local units with local option taxes and shares state revenue. In some areas the state has institutionalized vertical collaboration by requiring county involvement in the provision of services, including criminal justice and road maintenance. The state can take (and has taken) direct actions to promote local government collaboration and cooperation by providing technical assistance and best practices; sharing information with local units; providing standardized data and reporting requirements; assisting in the acquisition of capital items; providing grants to help with start-up costs related to collaboration; and providing incentives for municipalities to contract with their counties to provide services. The state could further institutionalize vertical collaboration



# COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

**Table 5**

Comparing 2015 Per Capita Distributions of County Revenue Sharing to a Formula Based on Fiscal Capacity

<b>County</b>	<b>Per Capita Distribution*</b>	<b>Distribution Based on 1998 Formula</b>	<b>Difference Amount</b>	<b>Percent</b>
Genesee	\$ 9,106,310	\$ 23,695,360	\$ 14,589,050	160.2%
Houghton	783,358	1,666,708	883,350	112.8%
Wayne	38,936,571	78,377,698	39,441,128	101.3%
Isabella	1,503,731	2,748,601	1,244,869	82.8%
Ingham	6,007,461	10,294,957	4,287,496	71.4%
Bay	2,304,883	3,913,241	1,608,358	69.8%
Saginaw	4,280,986	7,099,692	2,818,706	65.8%
Shiawassee	1,510,939	2,486,912	975,973	64.6%
Ionia	1,366,727	1,990,807	624,080	45.7%
Baraga	189,488	264,249	74,761	39.5%
Muskegon	3,682,560	5,026,382	1,343,822	36.5%
Luce	141,816	177,849	36,032	25.4%
Wexford	700,099	859,217	159,119	22.7%
Jackson	3,427,201	4,176,718	749,517	21.9%
Calhoun	2,911,735	3,435,388	523,653	18.0%
Chippewa	823,822	966,267	142,445	17.3%
Hillsdale	998,510	1,133,033	134,523	13.5%
Montcalm	1,354,686	1,452,080	97,393	7.2%
Osceola	503,190	495,607	(7,583)	-1.5%
Mecosta	915,315	846,588	(68,727)	-7.5%
Menominee	513,905	457,859	(56,046)	-10.9%
Alpena	633,008	521,544	(111,464)	-17.6%
Gogebic	351,322	284,515	(66,807)	-19.0%
Gratiot	908,428	732,995	(175,433)	-19.3%
Newaygo	1,036,407	832,002	(204,405)	-19.7%
Branch	967,713	758,544	(209,168)	-21.6%
Eaton	2,304,626	1,746,412	(558,214)	-24.2%
Macomb	17,985,877	13,430,252	(4,555,625)	-25.3%
Lapeer	1,888,866	1,330,599	(558,267)	-29.6%
Tuscola	1,191,868	761,961	(429,907)	-36.1%
Saint Joseph	1,310,907	784,780	(526,128)	-40.1%
Lenawee	2,136,376	1,222,897	(913,479)	-42.8%
Delta	792,789	418,458	(374,332)	-47.2%
Kalamazoo	5,353,793	2,767,200	(2,586,593)	-48.3%
Clare	661,410	337,588	(323,822)	-49.0%
Clinton	1,612,184	725,439	(886,745)	-55.0%
Barry	1,265,525	567,822	(697,702)	-55.1%
Marquette	1,434,566	640,883	(793,684)	-55.3%
Saint Clair	3,486,913	1,536,152	(1,950,761)	-55.9%
Kent	12,888,191	5,622,512	(7,265,679)	-56.4%
Arenac	340,030	147,287	(192,743)	-56.7%
Sanilac	922,073	392,654	(529,419)	-57.4%
Gladwin	549,471	227,740	(321,731)	-58.6%
Monroe	3,251,251	1,322,507	(1,928,745)	-59.3%
Ontonagon	145,003	58,571	(86,432)	-59.6%

Table 5 (continued)

<b>County</b>	<b>Per Capita Distribution*</b>	<b>Distribution Based on 1998 Formula</b>	<b>Difference Amount</b>	<b>Percent</b>
Ogemaw	\$ 464,073	\$ 187,331	\$ (276,742)	-59.6%
Cass	1,118,383	448,801	(669,582)	-59.9%
Crawford	300,999	119,800	(181,199)	-60.2%
Dickinson	559,651	222,717	(336,934)	-60.2%
Alger	205,335	81,176	(124,159)	-60.5%
Missaukee	317,573	124,248	(193,325)	-60.9%
Ottawa	5,641,874	2,198,045	(3,443,830)	-61.0%
Allegan	2,382,667	916,929	(1,465,738)	-61.5%
Iron	252,728	93,317	(159,411)	-63.1%
Van Buren	1,630,919	596,655	(1,034,264)	-63.4%
Schoolcraft	181,467	65,704	(115,764)	-63.8%
Kalkaska	366,849	130,659	(236,189)	-64.4%
Oakland	25,714,745	9,060,674	(16,654,070)	-64.8%
Washtenaw	7,373,996	2,590,574	(4,783,421)	-64.9%
Iosco	553,642	192,710	(360,931)	-65.2%
Oceana	568,249	197,348	(370,901)	-65.3%
Midland	1,788,562	617,371	(1,171,190)	-65.5%
Livingston	3,870,315	1,322,599	(2,547,717)	-65.8%
Oscoda	184,782	62,479	(122,304)	-66.2%
Manistee	528,961	178,461	(350,500)	-66.3%
Otsego	516,792	167,023	(349,769)	-67.7%
Berrien	3,353,737	1,075,460	(2,278,277)	-67.9%
Lake	246,783	79,036	(167,747)	-68.0%
Presque Isle	286,071	88,851	(197,219)	-68.9%
Montmorency	208,843	62,657	(146,185)	-70.0%
Roscommon	522,887	154,730	(368,158)	-70.4%
Cheboygan	559,309	164,107	(395,202)	-70.7%
Grand Traverse	1,860,357	532,630	(1,327,727)	-71.4%
Mason	613,910	157,128	(456,782)	-74.4%
Keweenaw	46,110	11,219	(34,891)	-75.7%
Benzie	374,805	86,223	(288,582)	-77.0%
Huron	708,290	162,523	(545,767)	-77.1%
Alcona	234,015	52,417	(181,598)	-77.6%
Antrim	504,302	104,016	(400,286)	-79.4%
Charlevoix	554,968	107,788	(447,179)	-80.6%
Emmet	699,222	129,022	(570,200)	-81.5%
Mackinac	237,672	40,313	(197,359)	-83.0%
Leelanau	464,266	60,732	(403,534)	-86.9%

\* Seven counties are not yet back into the revenue sharing program (see section on local revenue and state revenue sharing on pages 12-13), but the Research Council has assumed the pot of money available for county revenue sharing would be available to all counties for the purposes of this table.

Source: Michigan Department of Treasury, [www.michigan.gov/documents/treasury/FY\\_2015\\_Actual\\_County\\_Revenue\\_Sharing\\_Payments\\_2014\\_PA\\_252\\_091815\\_500392\\_7.pdf](http://www.michigan.gov/documents/treasury/FY_2015_Actual_County_Revenue_Sharing_Payments_2014_PA_252_091815_500392_7.pdf), [http://www.michigan.gov/treasury/0,1607,7-121-1751\\_2228\\_21957\\_45819---,00.html](http://www.michigan.gov/treasury/0,1607,7-121-1751_2228_21957_45819---,00.html).

by requiring county involvement in (or county provision of) more services (e.g., property assessment). To do this may require changing state law, depending on the service; the state could more easily adjust state law to affect services in townships and general law villages than it could in cities or villages with their own charter.

New York State has a Local Government Efficiency (LGe) program (formerly the Shared Municipal Services Incentive program) that provides technical assistance and competitive grants to local governments for the development of projects that will achieve savings and improve municipal efficiency through shared services, cooperative agreements, mergers, consolidations, and dissolutions. It had a Countywide Shared Services Plans program that made funds available to counties if services were provided through vertical collaboration to a specified proportion of their cities, villages, and townships. Adopting a program after this model would leave counties with the latitude to initiate the provision of functions or services for their local governments that they feel especially well-suited to provide or that their local governments are uniformly interested in shedding rather than having the state decide what services the counties should provide.

In other ways, the state can be seen as hindering local governments through revenue limits and restrictions and spending requirements. A recent Michigan State University Extension report reviewed local fiscal constraints nationally and identified Michigan as a state that “incubates fiscal distress via stringent restrictions on local revenue capacity and state policies precipitating local spending pressures.”<sup>105</sup> The authors concluded that municipal fiscal distress is not simply a local problem. They contend that state laws and policies provide state governments with extraordinary influence over the ability of cities to balance revenues and expenditures. Michigan is one of a few states that combines stringent limitations on local revenue options with spending pressures stemming from rising local service burdens and increased labor costs.

**County to County Collaboration.** The focus of this paper is on how counties can collaborate with and

provide services to their local units of government, but counties certainly can, and in some instances do, collaborate with other counties. County collaboration could benefit even the most urban county, but it is most likely to benefit the smaller, rural counties that are found most frequently in Northern Michigan and the Upper Peninsula.

Some examples of services that could benefit from county to county collaboration include court administration and services, corrections and jails, road services, health and welfare functions, engineering and legal services, drain commissioner, environmental services, and public transportation. Some examples of current county collaborations include the Alpena County probate judge and prosecutor providing services to Alcona, Montmorency, and Presque Isle counties for mental health hearings. Alpena County also hosts court records for Montmorency County. The counties of Genesee, Lapeer, and Shiawassee, along with the City of Flint, share a comprehensive economic development strategy.<sup>106</sup> The counties of Sanilac and St. Clair are holding public hearings on combining their conservation districts into one Sanilac-St. Clair Conservation District. These provide a small sample of the current county collaborations, but help to show that all counties can benefit from being open to opportunities to collaborate with other counties.

Counties could also benefit from sharing the funding and management of regional assets (e.g., airports, zoos, cultural attractions). If one county is managing and funding a regional asset that benefits neighboring county residents, then the asset may be better managed by creating a multi-county regional authority that could spread the tax base beyond the single county to all who use it. Both the Detroit Zoo and the Detroit Institute of Arts are funded through a multi-county tax levy to share both the burden and benefit of these institutions beyond Oakland and Wayne counties.

**Information Technology Services.** Information technology services include management information systems (MIS), geographic information systems (GIS), Internet services (Wi-Fi and broadband), intranet services, and email and website services. These types of

<sup>105</sup> MSU Extension White Paper. *Beyond State Takeovers: Reconsidering the Role of State Government in Local Financial Distress, with Important Lessons for Michigan and its Embattled Cities*, August 2015.

<sup>106</sup> Munetrix data ([www.munetrix.com](http://www.munetrix.com)), shared services by county.

services are discussed first because they provide the backbone of expanded county services. Counties will be able to do very little for their local municipalities if they do not first invest in information technology services capable of connecting the county with all its local units of government.

If they have not already, each county should invest in the necessary infrastructure and technology to create an intergovernmental intranet throughout their county. An intranet is a network within and only for an organization; businesses establish intranets for communication among employees and governments operate intranets for staff interaction. This is in contrast to the Internet, which is a worldwide network with content available to everyone. Computer users on an intranet have access to the Internet, but not vice versa. Intranets are designed to be more task-oriented and less promotional than the Internet.

Establishment of a high-speed intranet connecting all county, city, village, and township facilities within a county would better enable governments to operate in the 21<sup>st</sup> century and would create an infrastructure for improvements in many of the areas for which the county and local governments interact. Establishment of an intranet would require dedicated computer file servers hosted by the county, and high-speed, broadband connections to all computers in each local government. The effort would provide the most benefit if it extends beyond the municipal offices to include court houses, recreation, health, transportation facilities, and other buildings in which government functions are carried out. The creation of a secure intranet among local governments would improve opportunities for file sharing and the development of resources to capitalize on advances in communication. It could also be done in cooperation with the local intermediate school district (ISD) to connect school facilities at the same time. The initial cost may be high, but it could be shared among participating governments and improvements in productivity relative to the interactions between governments can justify the investment.

The creation of an intranet and the ensuing improvement of opportunities for file sharing and communications across governments would open up more opportunities for counties to provide services to local units of government. These could include services that

are currently not provided in a local unit of government, as well as duplicative services that are provided by both the county and a local unit. With sufficient computer and network infrastructure, counties could provide (either county-wide or through contract with local units) a number of services:

- The county could provide the staff to manage computers and equipment throughout the county and to serve the technology needs of the county and its local governments.
- GIS would enable governments to use mapping technology to spatially identify the location of government assets, the demand for government services, and the occurrence of events that warrant responses by government (e.g., crime trends). GIS requires capital investment to purchase software and technically trained personnel to operate the software; the county could provide both of these things for itself and its local units.
- The county could create and maintain websites and email service for all local units and provide the technicians necessary to write code and maintain sites.
- The county could standardize all government forms and make them available through a common portal.
- The county could house, archive, and print local government documents and records. File servers hosted by county computers could act as a central repository for all databases that local governments maintain, including functions of clerks, property assessment, police and fire records, jail management systems, and building inspection, among others. The consolidation of databases would give county officials more immediate access to data and would create a uniform design for comparability across jurisdictions.
- The county could develop and extend to all local units the ability to process credit card transactions online; this would allow residents to make online payments for property taxes, city business taxes, fees, fines, and any other charges.

Some counties already provide an intergovernmental intranet and/or some information technology services, such as GIS, across the county, but in most counties, there is room for improvement. Establishing an intranet and providing these types of services to local units of government lays the foundation for counties to be more connected to their local units of government and to be able to provide the functions required of county residents and local units of government. All the service areas discussed below will benefit from the creation of a county-wide intranet.

**Administration and General Government Services.** Every unit of local government provides administration and general government services. General government services go beyond simply legislative and executive functions and include general government administration, human resources, fiscal services, and document services.

Human resource services include personnel, payroll and benefits, and training and professional development. While some local units may contract for these services to be provided either by the county or another local government or a private provider, the Research Council found in its catalog of local government service delivery that most municipalities provide these services directly if they provide them. While most local units will like to maintain control over the hiring and firing of personnel, other human resource services are prime for contracting out to the county.

In the private sector, companies have grown around the concept of providing human resource services for other businesses. The ability to outsource these functions allows individual companies to capitalize on the skills of a few individuals rather than having each business employ professionals with the requisite skills to manage payroll, file taxes, oversee benefits, and perform other personnel matters. Counties, which have to provide these services for their own employees, could house the employees with the necessary skills to provide these services to local units of government throughout each county. Furthermore, training and professional development could be provided regionally on a county-wide basis, possibly with the assistance of community colleges and state universities, and/or in partnership with the state.

Fiscal services include accounting, treasury, purchasing, and financial record keeping services; these services are largely provided directly by the different units of local government. As with human resources, consolidation of accounting services at the county level could capitalize on the employment of skilled accountants necessary to maintain financial records; instead of working solely on the financial records of a single unit with intermittent downtimes, county-level accountants' time could be spread over the needs of several communities. They could be housed in county offices or travel between municipal offices. If counties provide accounting services for local units, local units could be relieved of this function and just provide bookkeepers as needed for every day data entry. County treasurer offices may be able to assist local units with treasury functions as well. Purchasing functions and decisions could be made at the county level; local units would still need local staff to make their purchasing decisions, but the county could purchase in bulk and make general purchasing decisions (e.g., what type of paper to purchase).

Document services include printing, archiving, and destroying government documents and records. Most communities reported independent maintenance of records and archives. Oakland County has improved the efficiency at all levels of government within the county by standardizing record keeping (see **Box** on page 37). The ability to perform this function at the county level required installation of high-speed Internet access linking all government buildings throughout the county and adequate computer capabilities at the county level as discussed above under information technology services. Immediate access to local government information makes the county better able to perform many of its own functions, while local governments have easy access to digital records.

**Tax Collection.** Tax collection is currently performed primarily by cities and townships in Michigan; they collect property taxes and transfer the proper amounts to the state, counties, school districts, and other overlapping jurisdictions that levy a tax. If this function was consolidated to the county level, it would simplify the collection and distribution of taxes from over 1,500 units of government performing this function to 83 counties performing this function. Counties collect



property taxes in 45 states.<sup>107</sup>

At a time when many property owners rely on escrow accounts to pay their taxes and electronic transfers make the distance between parties irrelevant, county employees may be better suited to monitor property transactions and sales trends, and collect taxes throughout the whole county. State law already allows a city, township, or village to enter into an agreement with their county treasurer for the county to administer the local unit's tax collection functions.

**Elections.** Michigan cities and townships are responsible for the provision of election services to the overlapping school districts, the counties, the state, and any other governmental units with elected officials or the ability to place questions on the ballot. Counties are involved in the administration of elections, through the canvass of election results, printing ballots, and some other tasks; consolidating the administration of elections as well as the maintenance of records and reporting of results within the county would bring uniformity to this task and ease the burden on municipal clerks.

Transferring responsibility over more election administration tasks to the county level would not diminish the local nature of the voting process; each local unit would still be divided into precincts, with a polling place convenient to most households. Such a transfer would consolidate the duplicative tasks that occur in each city and township into a single bureaucracy and bring more uniformity to the process. It would be necessary to amend the Michigan Elections Law to move the conduct of elections completely to the county level.

**Property Assessing and Equalization Services.** Currently property assessing is done mainly at the city and township level, those assessed values are then equalized at the county level to minimize variations caused by subjective input from the local assessors; the state tax commission then equalizes values across the counties.

Assessing and equalization are not the same so this is not an example of a duplicative service, but they are

similar services that may require duplicative functions performed and knowledge obtained by both the county and its local units. The Lincoln Institute of Land Policy and George Washington Institute of Public Policy found that 30 out of the 50 states provide property assessing primarily at the county level.<sup>108</sup> Several counties in Michigan already contract to provide assessing services for some of their cities and townships. State law allows for assessing to be done at the county level, and moving it to this level would eliminate one level of government in the assessing process and eliminate the need for county equalization. Furthermore, counties may be in a better position to hire qualified appraisers to provide assessing services.

**Road Commission and Road Services.** Road services include the installation of roads, road maintenance and repair, snow removal and winter maintenance, leaf removal, and animal removal, among other services. Road services are duplicative to the extent that they are provided by multiple levels of government – cities, villages, counties, and the state; however, each level is responsible for different roads.

County road commissions could make their services available to any local jurisdiction to care for roads on a contractual basis. County road commissions could position themselves to provide auxiliary services for those municipal road agencies that do not want to turn over full road care to the county, but would be interested in handing over purchasing, road signs and traffic lights, engineering, winter road maintenance, or other services. Counties could also provide capital intensive services (e.g., garages and vehicles) and technically intensive services (e.g., mechanics) to their local units, either on a contractual basis or county-wide.

**County Sheriff and Public Safety Services.** Public safety services include police protection, fire protection, ambulance/EMS, disaster response planning, and 9-1-1 dispatch services. Public safety services are duplicated at the county and municipal levels, but these service needs are often determined by population, geographic

107 Griffith, Joel; Harris, Jonathan; and Istrate, Emilia; National Association of Counties. Policy Research Paper Series No. 5: *Doing More with Less, State Revenue Limitations and Mandates on County Finances*, November 2016.

108 *State-by-State Property Tax at a Glance*. <http://datatoolkits.lincolnst.edu/subcenters/significant-features-property-tax/state-by-state-property-tax-at-a-glance>. Significant Features of the Property Tax. Lincoln Institute of Land Policy and George Washington Institute of Public Policy. (Property Tax at a Glance; accessed: 1/10/2017 11:25:57 AM).

area, road miles, and population density levels and those external variables do not change whether a service is being provided by the county or a local unit or a combination of the two.

County sheriffs provide police protection and road patrol services in townships; many also provide some police services by contract inside city boundaries. County sheriffs are in a good position to provide police services for local units that wish to shed that service and/or to provide support services to independent municipal police departments. The idea is to free up officers in the municipal police departments to perform the tasks they do best – providing patrol and emergency response services. Counties can provide the capacity to handle all other tasks associated with operating a police department. Services that can benefit from being provided at the county level include emergency dispatch 9-1-1 services, all special units (e.g., child sexual abuse, vice, auto theft, cold cases, drugs, etc.), public safety purchasing, emergency and disaster response planning, hazardous material handling, and administrative tasks.

Counties could also explore the ability to provide similar support for municipal fire departments. It is not necessarily recommended that counties get involved in fighting fires, but that they provide necessary support services and specialized services (e.g., fire investigations) so that municipal fire departments can concentrate their resources on fire fighting and fire prevention.

As discussed earlier in this paper, some local communities in Michigan (e.g., Kalamazoo) and some other states (e.g., Pennsylvania) have experienced benefits from consolidating public safety services under one department and/or providing public safety services regionally. If there is a desire to move to regional police or public safety services, the county would be the logical regional government to provide these services. Regional police and other public safety services provide larger departments that are serving a larger geographic area and can provide more specialized and higher quality services. If there is not a desire to provide public safety services regionally, then local municipalities can just contract with the county for administrative and more specialized services. State law requires cities and villages to provide for the public safety, but does not preclude them from doing it through contracting

with the county sheriff's office.

**Planning and Zoning Services.** In addition to planning and zoning, these services include building inspection, community and economic development, issuing permits (building, well, and septic), and code enforcement. These services are often provided directly by each local unit of government, but also can be provided collaboratively or at the county level in some instances (e.g., well and septic permitting). Shifting the focus of land use planning, zoning, community and economic development, and regional marketing to the county level would help to control sprawl and make land use decisions that are best for the region. State law allows for county-wide land use planning and zoning, but the laws generally require positive actions by the local governments to defer those powers beyond their boundaries. Local governments are often hesitant to do this because they rely on the tax revenue that results from land use and economic development decisions. Counties that can find a way to work with their local units to facilitate regional land use planning and economic development will likely benefit the entire region as a whole.

The establishment of an intragovernmental intranet would facilitate moving building regulation functions to the county level. At one time, building codes were determined locally and building inspection was conducted locally because only local inspectors would be familiar with each city's building code; now all building construction has to comply with the state building code and can be better performed at the county level because building inspection is a function that requires a high level of technical training and as such collaborating communities can benefit from economies of skill.

**Public Works and Sanitation Services.** These services are discussed earlier in the paper under public works and infrastructure services and sanitation and landfill services. They are combined here in order to discuss the potential benefit of providing these services at the county level. Public works services, such as water, sewer, and storm water services, are largely provided at the municipal level when provided, though state law allows counties to provide these services. Though they are largely provided at the local level if they are provided, they can often be provided collaboratively and/or in cooperation with private providers.

Public works services are also often regulated by the federal government, state government, and county health departments.

Sanitation services include refuse collection, recycling services, and landfill services. State law allows counties to provide sanitation services, but they are currently provided locally, privately, or some combination thereof. Some other states (e.g., Indiana) require their counties to handle solid waste and other services. Due to the collaborative way these services are already being provided, including cooperating with private providers, it may or may not serve to benefit residents if counties become more involved. These services and their provision would need to be reviewed by each county to see if it makes sense for the county to get more involved in their provision.

**Public Transportation Services.** Mass transit services are often provided regionally (e.g., SMART and RTA), but in most urban areas public transportation services are not adequate to meet the needs of residents. Furthermore, residents in more rural areas still have public transportation needs (these needs may be more limited to getting rides or a local bus rather than some form of mass transit). As we move into the 21<sup>st</sup> century, more of the ride sharing needs can be met by private providers (e.g., Uber drivers), but counties may have a role in assessing and providing public transportation needs for all county residents, even those that live outside of a central city. Public transportation is an area where counties can benefit from county-to-county collaboration. As with all counties and services, residents' and counties' needs will vary.

**Other Services.** As the Research Council determined in previous reports, counties can be most helpful in providing the expertise for their local units of government to be able to provide (or better provide) technically intensive services. Many technically intensive services are discussed above (e.g., property assessing and special police units, among others). Other services where counties could provide the technical expertise to allow local units of government to benefit from the service provision include environmental services, engineering services, and legal services. According to the Research Council's catalog of local government service provision, environmental services are already largely provided by the state or county. Water quality and other environmental services require regional efforts beyond counties and studies have called for much greater coordination among the counties.<sup>109</sup> Legal and engineering services are largely contracted with private providers.

Counties may also be able to help their local units provide some additional capital intensive services by providing the capital or facilitating cooperation. These types of services could include parks and recreation services, library services, and other cultural services. In some areas, these services are already provided either regionally or by the county, so each county would need to evaluate its abilities to provide these services with the needs of its local units.

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<sup>109</sup> Gongwer News Service. "Studies Show Need for More Regional Water Quality Efforts," February 22, 2017.

### Conclusion

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Local governments in Michigan have faced years of declining resources and growing expenditure pressures. These years have been marked by increased efforts at collaboration, service and expenditure cuts, and increases in local source revenue options. Local governments still face a structural issue in that their ongoing revenue is not sufficient to meet growing expenditure pressures. One potential structural solution is to move more local government services to the county, or regional, level rather than continuing to provide them at the most local level.

The Research Council, through years of research into local government service delivery, has identified a number of services that counties could play a bigger role in providing – either by providing a service directly to all county residents, by providing services by contract to municipalities, or by simply facilitating cooperation and collaboration throughout the county-wide region. Many counties in Michigan are already doing some of these things, but there is room for improvement.

Before counties can meet additional service delivery and cooperation facilitation needs, some basic issues in county governance, resources, and service delivery need to be addressed. First, most counties could

benefit from modernizing their government to elect a county executive either by adopting a county charter or by organizing as an optional unified county. County government needs strong direction in order to be an effective regional leader and unifier. Second, counties need resources to meet additional needs. These resources can come from moving state revenue sharing to the county level and/or from adoption of additional local option taxes at the regional level. Third, officials in county government and administration need to change their mindset from one of a stand-alone county government and simple provider of some state and local services, to one of a provider of services to their local municipalities and a regional unifier.

As discussed throughout this paper, counties in Michigan are not uniform and have many differences in size and population, urban versus rural makeup, revenue levels and sources, and expenditure levels and needs. The Research Council is not advocating a one-size-fits-all solution to regional government in Michigan, but rather a move to thinking of local government more in terms of the region and what county government can do in a more effective and economical manner than a city, village, or township can do.

Appendix A  
Process to Become a Charter County

State law details the process to become a charter county.

Charter Commission

The board of commissioners of any county in the state may, by majority vote of board members or upon petition of at least five percent of registered county electors, adopt a resolution providing for the submission of the question of electing a charter commission for the purpose of framing and submitting to the electorate a county home rule charter. The question must be submitted at the next regular primary or general election; if there are no upcoming general elections, the board must call a special election. **Table 6** shows the number of charter commissioners to be elected based on county population.

Table 6  
Number of County Charter Commissioners

County Population	Number of Charter Commissioners
Under 5,001	Not more than 7
5,001 to 10,000	Not more than 11
10,001 to 50,000	Not more than 15
50,001-600,000	Not more than 21
Over 600,000	13 to 35

If a question is submitted on electing a charter commission, a county apportionment commission, consisting of the county clerk, treasurer, prosecuting attorney, and the statutory county chairperson of the two political parties (or a party representative from each party if there are no statutory county chairpersons), must establish charter commission districts equal to the number of charter commissioners to be elected. All districts must be single member districts and as equal in population as is practicable. The board resolution must provide for the partisan election of charter commissioners, the nomination of candidates by petitioning or filing a fee, and a primary election of charter commission candidates. A qualified candidate for charter commissioner must be a qualified elector in district for at least six months and may not be an elected county official.

The ballot on the question of adopting a county charter commission shall look like this:

“Shall the county of ..... elect a charter commission for the purpose of framing and submitting to the electorate of the county a county home rule charter under the constitution and laws of Michigan?

Yes ( )

No ( )”

If the resolution passes and a charter commission is elected, a charter commission must complete its organization and keep all records of its meetings. The county board of commissioners may not take any actions to restructure or reorganize county government which would have the effect of diminishing the mandate of the charter commission. A charter commission must draft a proposed charter within 180 days of completing its organization. If it has not done this within 180 days, the charter commission will be dissolved. A charter commission may not remain in existence for more than two years. Before any proposed charter may be submitted to the voters, it must be approved by a majority of the charter commission members.

Charter Approval Process

Once the charter commission completes a charter, it must be submitted to the governor for approval. The charter must be approved or disapproved by the governor within 30 days. The governor may approve the charter upon written recommendation of the attorney general that it conforms to the provisions of the constitution and the statutes of the state. If the governor rejects the charter, s/he shall return it to the charter commission with the reasons for rejection. Upon return of the unapproved charter, the charter commission must reconvene, consider the reasons for rejection, revise the proposed charter, and submit the revised charter to the governor within a period of 45 days. Upon resubmission, the governor has 30 days to approve or disapprove the revised charter. If charter is rejected again, the charter commission must



reconvene to either revise the charter again or to take the necessary steps to obtain a judicial interpretation to determine whether the charter conforms to the state constitution and laws.

Upon charter approval or a favorable ruling of the court, the charter commission must fix the date for submission of the proposed charter to the electorate. The commission resolution must also provide for a primary and general election of officers for the newly created elective offices, whose first term will be for a period ending the same time as the incumbent governor. Thereafter, they will be elected to four-year terms concurrent with the governor. All incumbent county officers whose offices are retained in the charter will continue in their office until the expiration of the term for which they were last elected. The question of charter adoption and the question of nomination or election of an elected county executive may not appear on the same ballot. A former member of the county board of commissioners may not serve as chief administrative officer of the county until at least two years after his/her termination from board.

If the proposed charter is rejected by voters, the election of officers newly created therein is void. The charter commission must reconvene within 20 days and revise or amend the original draft. The commission has 60 days to complete its work. The revised charter must be resubmitted to the governor and the electorate as the first one was. If the charter is rejected by the electorate again, then the charter commission is dissolved. In no case shall a proposed charter be presented to the electorate more than twice. If a charter commission is dissolved, the county board of commissioners may adopt a resolution for the election of a second charter commission. They must do this if presented with a petition signed by at least five percent of registered county electors. Any member of the first charter commission is ineligible for the second charter commission.

If the proposed charter is approved by county electors, then the county becomes a home rule county once the officers provided for therein are elected.

### County Charter

A county charter must provide for:

- The partisan election of a legislative board of commissioners and for their authority, duties, responsibilities, and numbers.
- An executive to manage the affairs of the county and for his/her authority, duties, and responsibilities. In every county except for Wayne County (counties of less than 1,500,000 population), the charter must provide for a salaried county executive, elected on a partisan basis. Wayne County, because of its size, could have chosen a plan in which an appointed chief administrative officer is selected for a four-year term by the board of county commissioners but instead drafted the county charter with an elected executive overseeing administrative functions of the county. The charter may determine the veto power of the elected executive, and the removal of that official. The elected executive or appointed chief administrator is responsible for supervision of all departments except those headed by other elected officials.
- The partisan election of a sheriff, prosecuting attorney, clerk, treasurer, and register of deeds (with the option to combine the offices of clerk and register of deeds).
- The continuation or discontinuation of all existing county offices, boards, commissions, and departments, with the exception of the constitutional offices listed above and the county road commission. The charter must provide for the creation of a road commission consisting of between three and five members; at least one member must be a township resident.
- The continuation and implementation of a system of pensions and retirement for county officers and employees.
- The continuation and implementation of a system of civil service in those counties having a system at the time of adoption of the charter.
- The power and authority to adopt, amend, and repeal any ordinance authorized by law or necessary to carry out any power, function, or

service authorized by state law or the charter.

- The power and authority to enter into any inter-governmental contract or to join, establish, or form an intergovernmental district or authority not prohibited by state law.
- A debt limit not to exceed 10 percent of the state equalized value (SEV) of taxable property in the county.
- The levy and collection of taxes and the fixing of an ad valorem property tax limitation not to exceed one percent of the SEV of the taxable property within the county. The tax levy may not exceed the tax rate in mills equal to the number of mills allocated to the county either by a county tax allocation board or by a separate tax limitation under the General Property Tax Act in the year immediately preceding the adoption of a county charter, unless a tax increase is approved by voters.
- Initiative and referendum on all matters within the scope of the county's power and authority.
- A process for recall of all county officials.
- A process for amending the county charter initiated either by action of the county legislative body or by voter initiative. An amendment or revision may not be effective unless submitted to the electorate and approved by a majority of voters.
- The acquisition, operation, and sale of public utility facilities for furnishing light, heat, and power.
- Annual preparation, review, approval, and adherence to a balanced budget.
- An annual audit.
- A process to prepare and submit to the governor and state legislature a detailed five-year plan for short-term financial recovery and long-range financial stability in the event that a county incurs a budget deficit. The five-year plan must include a projection of annual revenues and expenditures, an employee classification and pay plan, a capital improvements budget, and equipment replacement schedules.

A county charter may provide for:

- The power and authority to establish offices and departments as necessary for the efficient operation of county government.
- The legislative body of any unit of government wholly or partially within the county to transfer, subject to approval of the legislative body of the county and upon mutually agreed conditions, any municipal function or service to the county if the performance of that function or service by the county is not prohibited by state law and is offered on a county-wide basis.
- The authority to perform any function or service at the county level not prohibited by state law, including police protection, fire protection, planning, zoning, education, health, welfare, recreation, water, sewer, waste disposal, transportation, abatement of air and water pollution, civil defense, and any other function or service necessary or beneficial to the public health, safety, and general welfare in the county. Powers granted solely by charter may not be exercised by the charter county in a local unit of government which is exercising a similar power without the consent of the local legislative body. The cost of any county provided service may be negotiated between the local unit of government and the charter county, unless it is provided on a county-wide basis, then it may be paid for from the county's general fund.
- The establishment and maintenance, either within or outside of county corporate limits, of roads, parks, cemeteries, hospitals, medical facilities, airports, ports, jails, water supply and transmission facilities, sewage and transmission disposal systems, all public works, or other types of facility necessary to preserve and provide effectively for the public health, safety, and general welfare of the county.
- The power and authority to levy and collect any taxes, fees, rents, tolls, or excises, the levy and collection of which is authorized by state law.
- A system of retirement for county officers and employees.
- A classified civil service or merit system for county officers and employees, except those expressly exempt from civil service by state law.
- The election or appointment of a drain commissioner.

## Appendix B

### County Demographic Data

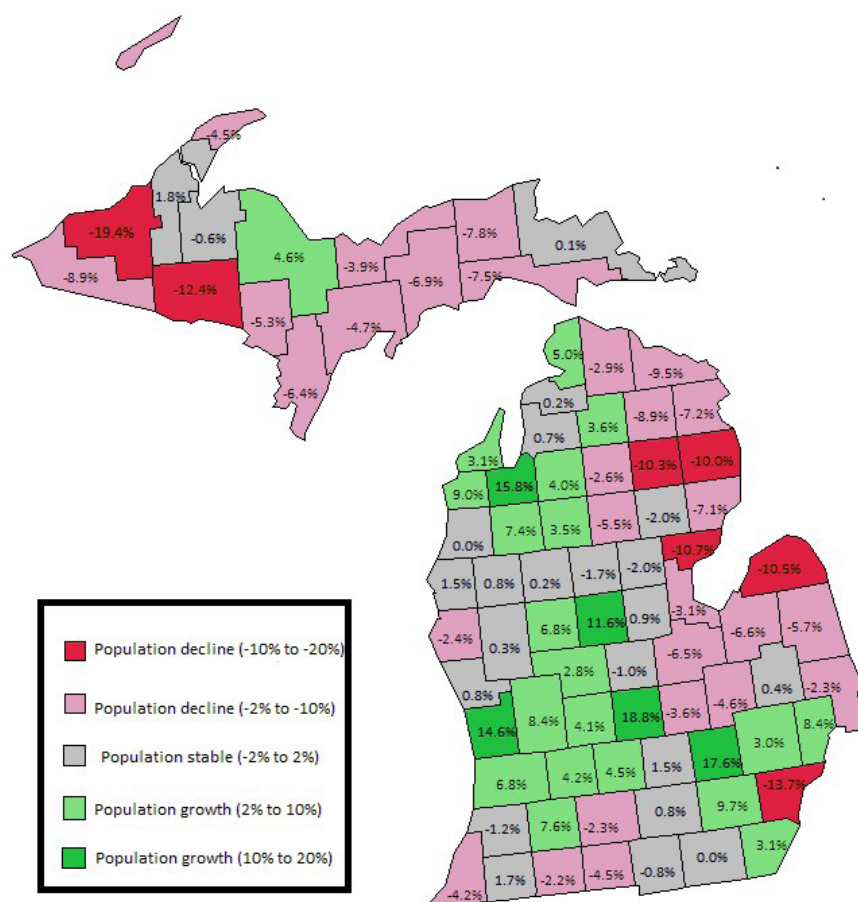
Between 2000 and 2015, 35 of Michigan's 83 counties lost population, 23 counties had a stable population, and 25 counties gained population (see **Map 3**). The counties that lost population are spread across the state, but many are located in the northeastern and thumb part of the Lower Peninsula and in the Upper Peninsula. The largest percentage of population lost was in Ontonagon County in the Upper Peninsula, which lost 19.4 percent of its population. The largest number of residents lost was in Wayne County in Southeast Michigan, which lost 282,193 residents, or 13.7 percent of its population. Seven counties lost 10

percent or more of their population from 2000 to 2015: Ontonagon, Wayne, Iron, Arenac, Huron, Oscoda, and Alcona.

The counties that gained population can be found across the state as well, but many are in the western part of the Lower Peninsula. A cluster of counties around Wayne County in Southeast Michigan all gained population, likely benefitting from the exodus of residents from Wayne County. Clinton County in mid-Michigan increased its population by the largest percentage at 18.8 percent. Macomb County in southeast Michigan increased its population by the largest number at 66,540 new residents, or 8.4 percent of its population. Five counties increased their population by more than 10 percent from 2000 to 2015: Isabella, Ottawa, Grand Traverse, Livingston, and Clinton. Marquette County was the only county in the Upper Peninsula to gain population, with an increase of 4.6 percent.

Map 3

Population Change in Michigan Counties, 2000 to 2015



Source: Source: U.S. Census Bureau, 2000 Census, American Community Survey 5-year Estimates <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>, Citizens Research Council calculations.

### Income, Education, and Poverty Data

**Table 7** highlights county data averages based on population sizes and location in the Upper or Lower Peninsula compared to the average for the entire state. The data show that the larger counties, on average, are younger, more diverse, and more highly educated, and have higher income levels. The percent of the population living below the poverty level varies from 14 to 18 percent across the different sizes of counties; the state average is 16.7 percent. Data averages from Michigan's Upper Peninsula and Lower Peninsula are similar on many measures, except that Lower Peninsula counties have much higher population and much smaller land area on average. Education and poverty levels are very similar, but Lower Peninsula counties have a higher average median household income.

# COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

Michigan's median household income in 2015 was \$49,576. Seventeen counties had median incomes above the Michigan average, including St. Clair, Emmet, Grand Traverse, Lapeer, Kent, Midland, Allegan, Macomb, Eaton, Barry, Monroe, Leelanau, Ottawa, Clinton, Washtenaw, Oakland, and Livingston. With the exception of St. Clair County in Southeast Michigan, these counties all gained population between 2000 and 2015. They also all have populations over 50,000 residents, except for Emmet and Leelanau (both popular resort counties in the northwestern portion of the Lower Peninsula). Livingston County in Southeast Michigan had the highest 2015 median income of \$75,204. Lake County in the northwestern part of the Lower Peninsula had the lowest 2015 median income (\$30,439), and an additional 66 counties had median incomes below Michigan's average.

Education and poverty levels mirror income levels to some extent. Livingston County had the highest percentage of individuals over the age of 25 with a high school diploma at 95.1 percent, and one of the highest percentages of individuals over the age of 25 with a bachelor's degree or higher at 33.6 percent (Washtenaw County had the highest at 52.6 percent). Lake County had the lowest percent of individuals with a high school diploma at 81.9 percent, and the lowest percentage of individuals with a bachelor's degree or higher at 9.4 percent. The Michigan average was 89.6 percent and 26.9 percent, respectively. Poverty levels ranged from 5.9 percent of individuals living below the poverty level in Livingston County in 2015 to 30.2 percent in Isabella County; the Michigan average was 16.7 percent.

**Table 7**  
County Averages Based on Population and Location

Averages Level	2000 Census Population	2010 Census Population	2015 Estimated Population	2000-2015 Population Change	Median Age	Percent White	Total Area in Sq. Miles	Land Area in Sq. Miles	Population Density per Sq. Mile	Percent of Population over 25 Years with High School Diploma	Percent of Population over 25 Years with Bachelor's Degree	Median Household Income	Percent of Individuals Below Poverty
<b>County Population:</b>													
25,000 or less	15,207	14,945	14,726	96.8%	49.5	94.7%	1,545.74	702.78	21.0	88.4%	16.7%	\$ 39,345	17.2%
25,001 to 50,000	34,749	34,533	34,218	98.5%	43.8	96.0%	1,180.20	699.90	48.9	89.0%	18.4%	\$ 41,563	18.0%
50,001 to 100,000	69,289	71,616	71,593	103.3%	40.1	95.2%	838.83	666.76	107.4	90.2%	21.0%	\$ 48,570	15.6%
100,001 to 250,000	147,792	149,866	149,219	101.0%	41.1	90.1%	949.52	632.14	236.1	90.3%	21.7%	\$ 50,467	14.5%
Over 250,000	681,453	670,239	674,344	99.0%	36.4	79.5%	796.35	647.79	1,041.0	90.7%	33.1%	\$ 52,422	16.7%
Upper Peninsula	21,174	20,757	20,605	97.3%	46.7	91.3%	2,409.28	1,091.81	18.9	90.2%	19.1%	\$ 38,782	17.2%
Lower Peninsula	141,483	140,769	141,051	99.7%	43.2	93.2%	890.80	589.42	239.3	89.2%	20.6%	\$ 45,719	16.6%
Michigan	9,938,444	9,883,640	9,900,571	99.6%	39.5	81.4%	96,713.51	56,538.90	175.1	89.6%	26.9%	\$ 49,576	16.7%

Source: U.S. Census Bureau, 2010 Census, 2010-2015 American Community Survey 5-year Estimates <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>



## Appendix C

### 2015 County Taxable Values

<b>County</b>	<b>2015 Taxable Value</b>	<b>2015 Taxable Value Per Capita</b>
Leelanau	\$ 2,523,729,240	\$ 116,258
Mackinac	996,402,485	89,661
Emmet	2,694,571,595	82,418
Charlevoix	2,031,837,198	78,301
Antrim	1,738,618,499	73,733
Alcona	742,912,153	67,895
Huron	2,194,991,653	66,278
Benzie	1,158,546,881	66,108
Keweenaw	134,764,992	62,507
Mason	1,705,609,433	59,419
Grand Traverse	4,620,528,695	53,118
Cheboygan	1,355,502,053	51,832
Roscommon	1,256,513,306	51,393
Montmorency	494,985,008	50,690
Presque Isle	654,948,416	48,964
Lake	547,934,388	47,485
Berrien	7,436,838,041	47,425
Otsego	1,137,047,405	47,055
Manistee	1,114,882,633	45,077
Oscoda	388,609,986	44,978
Livingston	8,053,582,840	44,503
Midland	3,684,561,852	44,058
Oceana	1,163,506,921	43,790
Iosco	1,131,036,902	43,691
Washtenaw	14,925,681,702	43,289
Oakland	51,895,341,437	43,161
Kalkaska	732,416,220	42,699
Schoolcraft	356,394,136	42,003
Van Buren	3,170,047,497	41,570
Iron	486,710,195	41,187
Allegan	4,402,665,052	39,518
Ottawa	10,297,569,794	39,035
Missaukee	577,196,272	38,871
Alger	369,335,956	38,468
Dickinson	1,000,014,766	38,215
Crawford	537,770,714	38,210
Cass	1,981,761,771	37,897
Ogemaw	817,499,656	37,675
Ontonagon	255,268,486	37,650
Monroe	5,683,655,583	37,387
Gladwin	942,702,205	36,692
Sanilac	1,539,732,404	35,713
Arenac	558,205,702	35,109
Kent	21,007,674,507	34,860
Saint Clair	5,628,240,115	34,521



## COUNTIES IN MICHIGAN: AN EXERCISE IN REGIONAL GOVERNMENT

<b>County</b>	<b>2015 Taxable Value</b>	<b>2015 Taxable Value Per Capita</b>
Marquette	\$ 2,283,427,444	\$ 34,042
Barry	2,005,640,124	33,895
Clinton	2,547,727,561	33,798
Clare	1,009,902,066	32,655
Kalamazoo	8,170,869,806	32,640
Delta	1,206,534,426	32,548
Lenawee	3,198,852,571	32,023
Saint Joseph	1,959,154,984	31,963
Tuscola	1,765,660,266	31,683
Eaton	3,353,542,662	31,121
Branch	1,394,454,321	30,818
Alpena	906,860,375	30,639
Gogebic	502,635,304	30,598
Lapeer	2,689,687,494	30,454
Macomb	25,559,369,130	30,392
Newaygo	1,470,210,200	30,339
Gratiot	1,288,380,729	30,332
Menominee	728,672,996	30,325
Osceola	699,675,520	29,738
Mecosta	1,246,834,552	29,133
Wexford	934,894,362	28,559
Luce	188,651,750	28,450
Chippewa	1,094,634,260	28,417
Baraga	248,919,839	28,095
Hillsdale	1,292,177,928	27,677
Montcalm	1,728,250,360	27,284
Jackson	4,317,954,029	26,945
Calhoun	3,631,219,496	26,672
Bay	2,847,034,923	26,417
Ingham	7,277,720,492	25,909
Muskegon	4,351,224,209	25,270
Saginaw	4,926,248,765	24,610
Isabella	1,711,805,770	24,346
Shiawassee	1,701,036,561	24,078
Ionia	1,525,847,931	23,877
Houghton	852,537,453	23,276
Wayne	40,277,599,494	22,123
Genesee	8,708,327,172	20,452
County Total	\$327,732,524,070	\$ 33,159

Source: Michigan Department of Treasury, [http://www.michigan.gov/treasury/0,1607,7-121-1751\\_2228\\_21957\\_45819---,00.html](http://www.michigan.gov/treasury/0,1607,7-121-1751_2228_21957_45819---,00.html); U.S. Census Bureau, 2010 Census population data; CRC calculations.