

**2001-12
RESOLUTION**

Ref: DEPARTMENT OF MANAGEMENT & BUDGET – REDUCTION IN STATE REVENUE SHARING

WHEREAS, in accordance with the State Revenue Sharing Act (PA140 of 1971, as amended by PA342 of 1996), Clinton County receives approximately \$1.3 million annually as a portion of the State distribution of Sales Tax Revenue to local units of government; and

WHEREAS, this revenue is incorporated in the County budget based on per Capita payments estimated by the State Department of Treasury in advance of the fiscal year, with actual receipts fluctuating in tandem with the State’s economy; and

WHEREAS, based on the current economic downturn and the attendant reduction in Sales Tax receipts, the State Department of Treasury has downwardly revised estimated FY2002 Revenue Sharing payments three times this calendar year; and

WHEREAS, the State Legislature has within its discretion the ability to avoid the latest reduction in estimated Revenue Sharing distribution (7.5% or \$125 million) by appropriating funds from the State’s Budget Stabilization Fund, which has a current balance of \$1.3 billion; and

WHEREAS, the express purpose of the Budget Stabilization Fund, otherwise known as the “Rainy Day” Fund, is to accumulate surplus funds during good economic times with the intent of using those funds to offset temporary reductions in revenues that are particularly sensitive to fluctuations in the economy, rather than decimate worthwhile government services that benefit our citizens and taxpayers.

NOW, THEREFORE, BE IT RESOLVED that the Clinton County Board of Commissioners acknowledges the potential budgetary impact of a reduction in State Revenue Sharing due to a reduction in Sales Tax collections and advocates that the State Legislature utilize a portion of the \$1.3 billion accumulated in the Budget Stabilization Fund, in accordance with its intended purpose of offsetting disruptions in revenue caused by temporary economic fluctuations, so as not to jeopardize worthwhile public services provided by local units of government.

BE IT FURTHER RESOLVED that copies of this resolution be distributed to Clinton County's State legislative contingent, the Governor, and the Michigan Association of Counties for their consideration.

STATE OF MICHIGAN
COUNTY OF CLINTON

I, DIANE ZUKER, Clerk of the County of Clinton do hereby certify that the foregoing resolution was duly adopted by the Clinton County Board of Commissioners at the regular meeting held August 28, 2001 and is on file in the records of this office.

Diane Zuker, Clinton County Clerk