MAC
MICHIGAN ASSOCIATION OF COUNTIES
Issue Brief

Revenue Sharing Trust Fund

Background

Statutory revenue sharing is appropriated each year by the Legislature from the state General Fund. The process starts with a recommended increase or decrease by the governor in February.

As the budget bills move through the Legislature, the House and Senate establish their recommended allocations, which may mimic or be different than the governor's amount.

MAC's Efforts

- MAC is working on legislation to carve out a portion of the State sales tax for statutory revenue sharing and secure the dedication of that revenue for revenue sharing only.
- The goal is twofold: 1) Create a growing revenue source that tracks with the growth in state revenue; and 2) protect the revenue from being allocated to other state priorities.
- MAC is working with the House and the Senate to develop legislation reflecting our stated goals.
- In the last legislative session, the bills received overwhelming bipartisan support in the House, but they ultimately died in the Senate.

Key Insights

- Revenue sharing was established because local governments gave up certain taxing authority in exchange for the sharing of State revenue.
- The growth has not kept up with the growth of state revenue.
- Counties rely on this unrestricted revenue source to provide for many of the basic needs of the county and their residents.
- Every county in the State has the same mandates but very different areas of their budget where they choose to allocate these unrestricted funds.