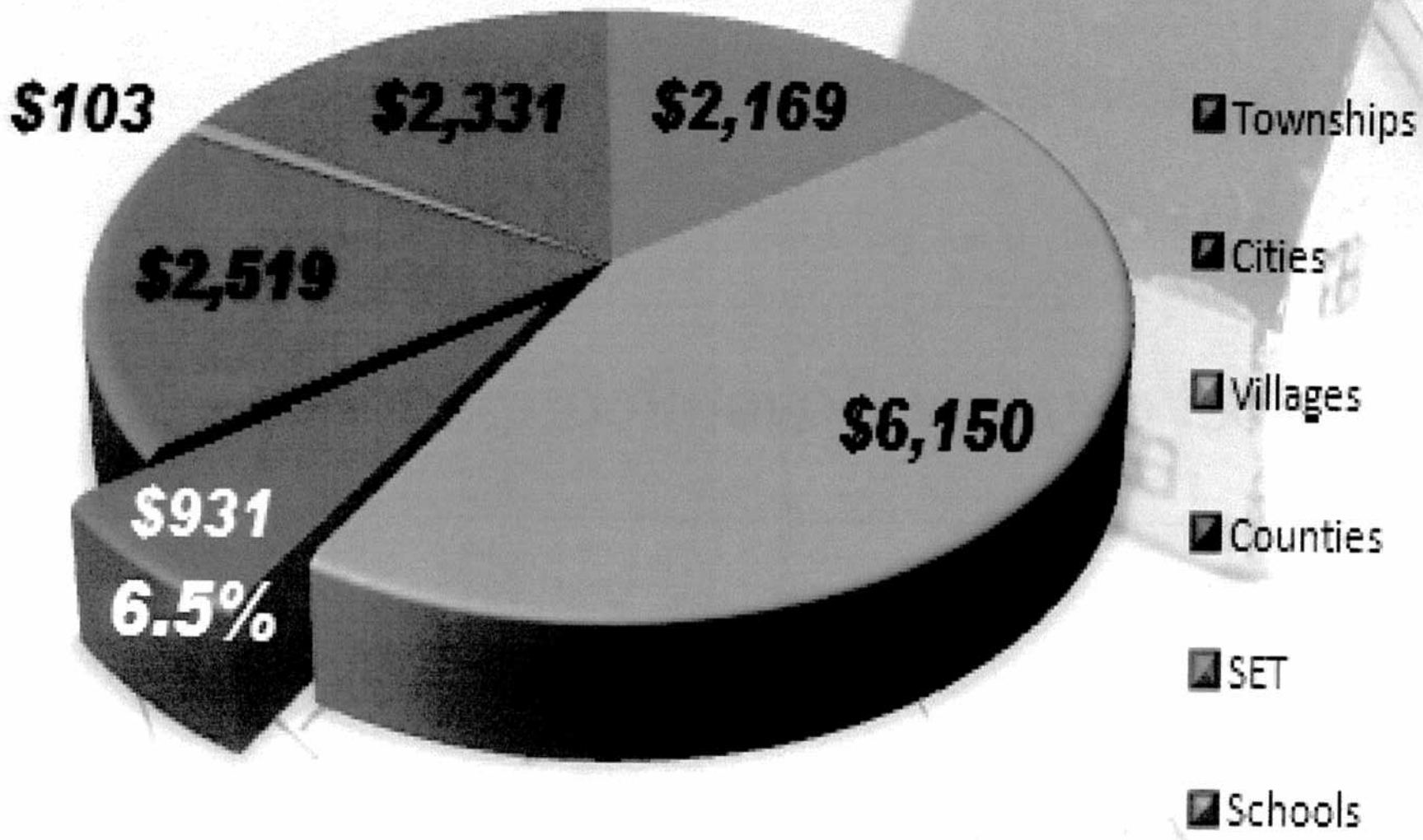
Presentation to the House Tax Policy Committee

By the Michigan Townships Association

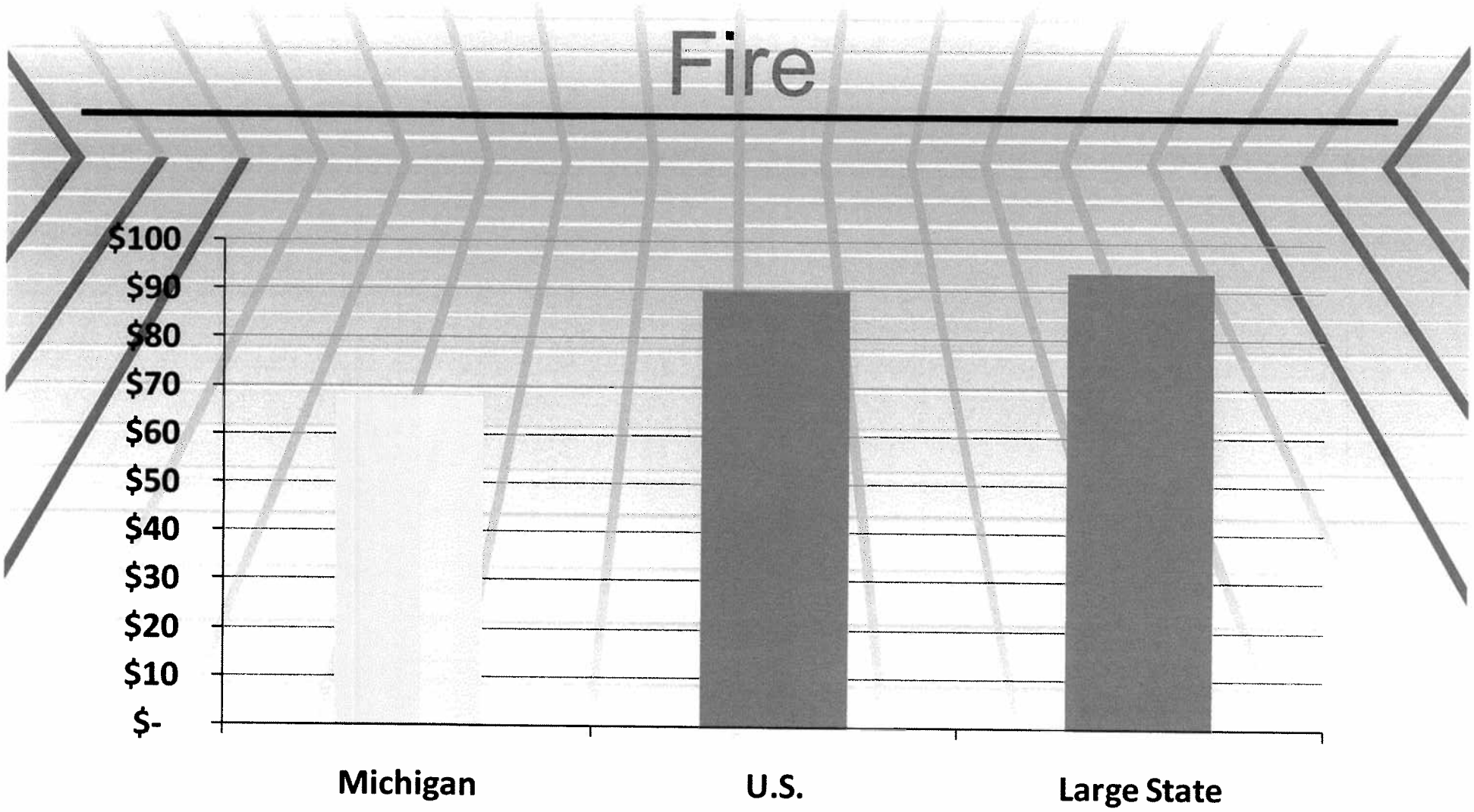
Tax Revenue (in billions)

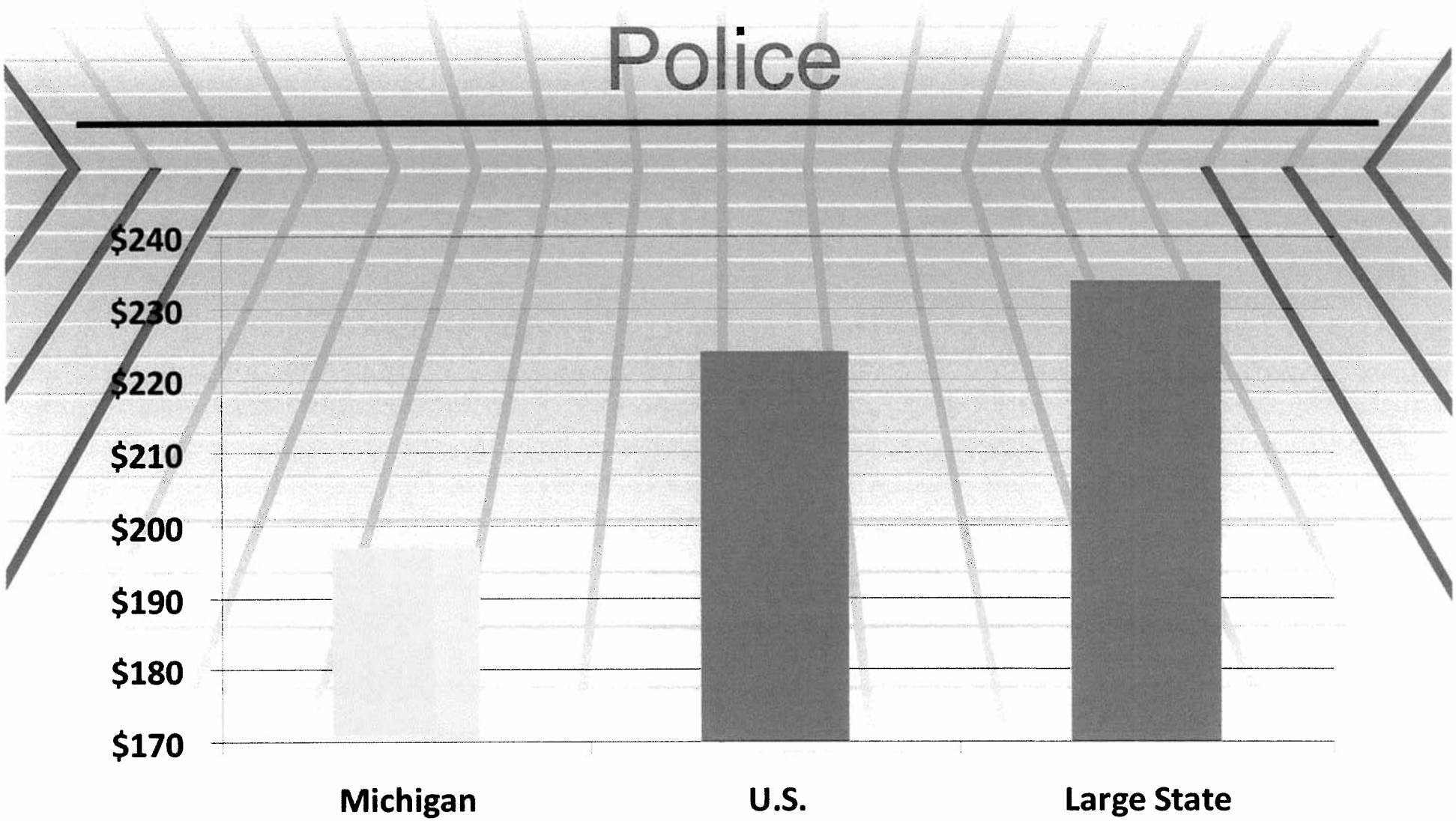
Property Tax Distribution (in millions)



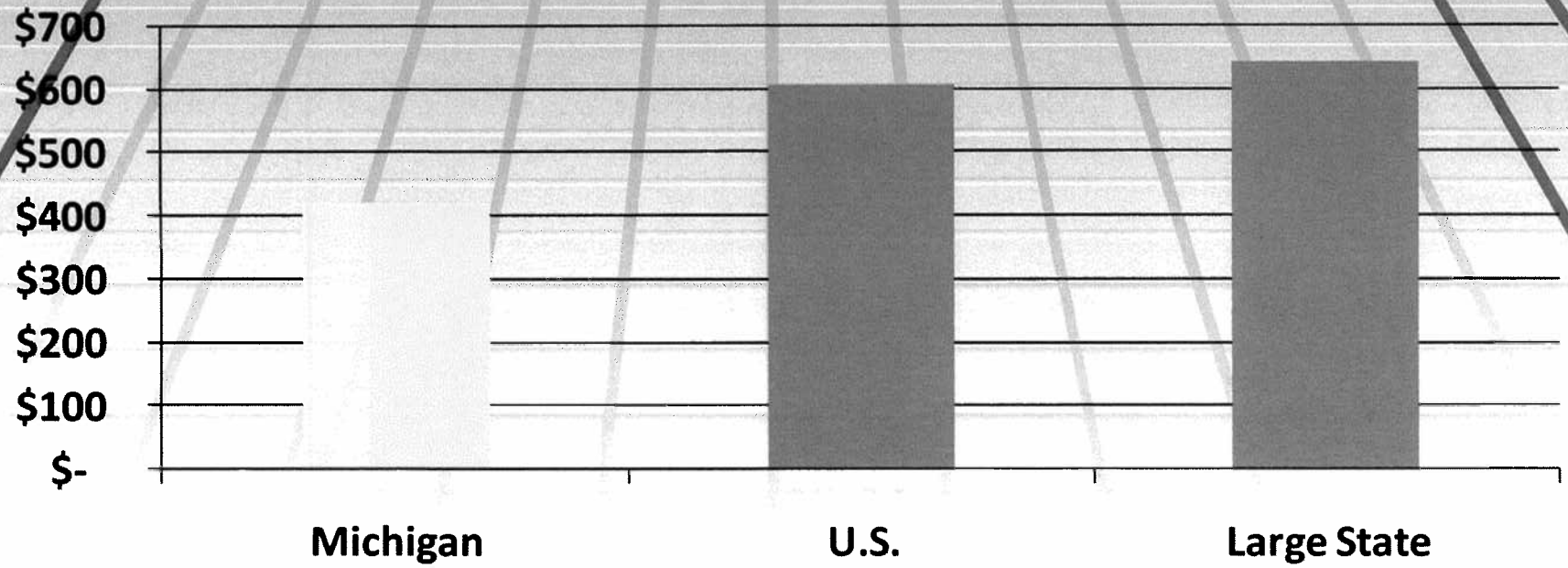
Michigan's Competitive Advantage:

Cost of Local Government Services

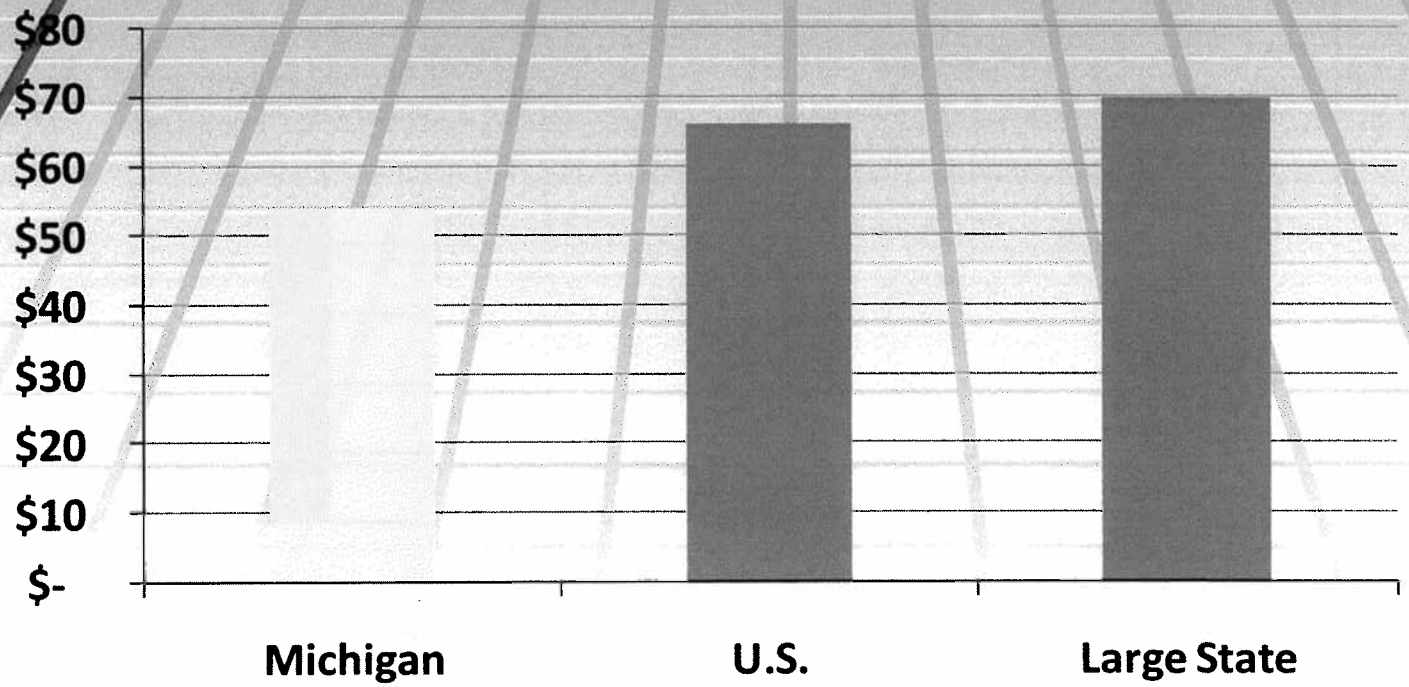

Fire
$100
$90
$80
$70
$60
$50
$40
$30
$20
$10
$-
Michigan
U.S.
Large State


Police
$240
$230
$220
$210
$200
$190
$180
$170
Michigan
U.S.
Large State

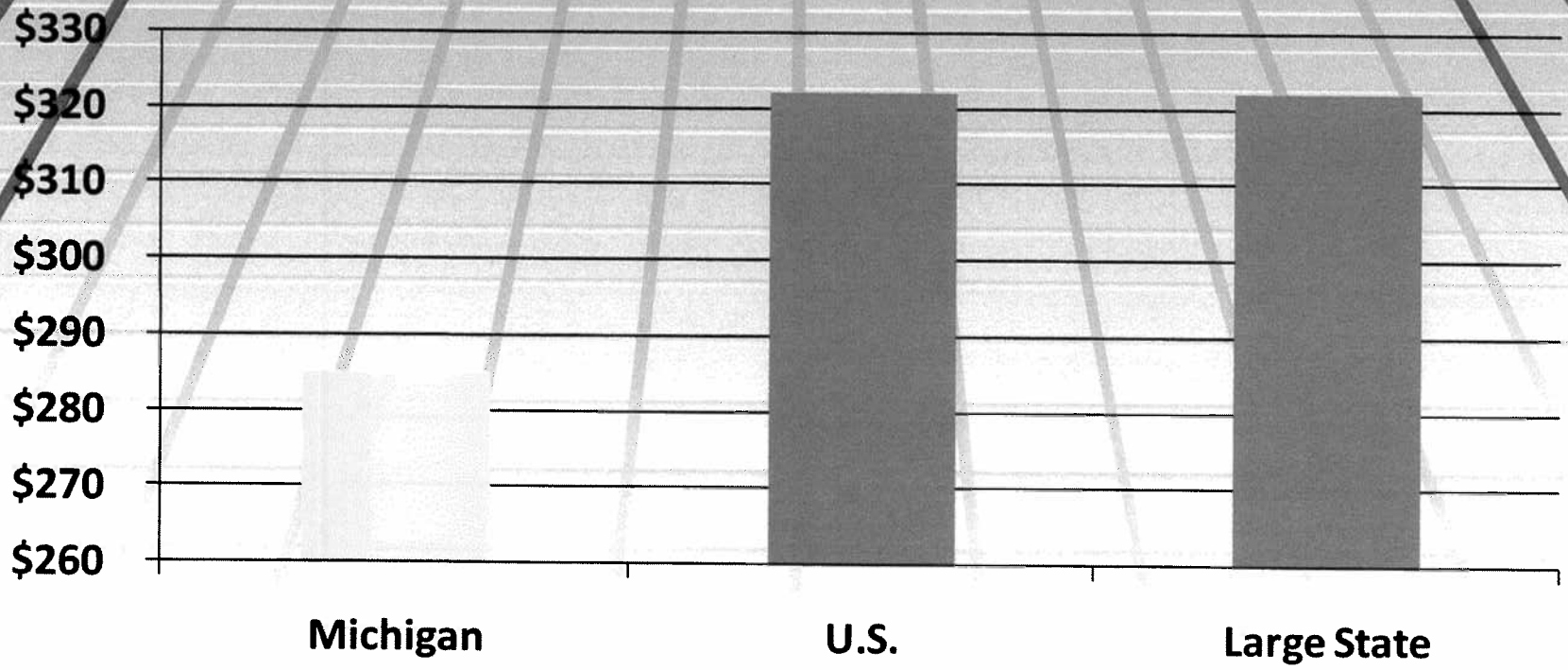
Sewer & Utility



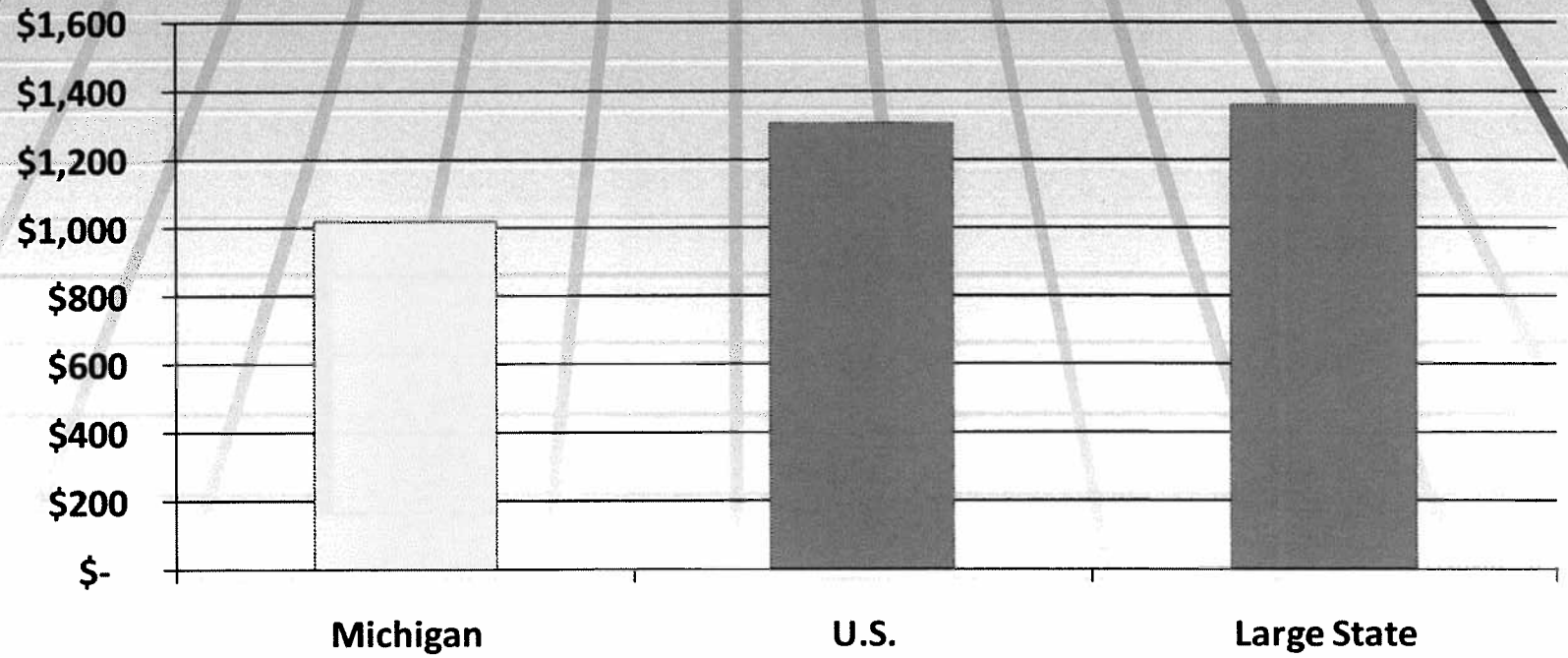
Solid Waste



Administration



Local Level Services



Making Michigan Competitive

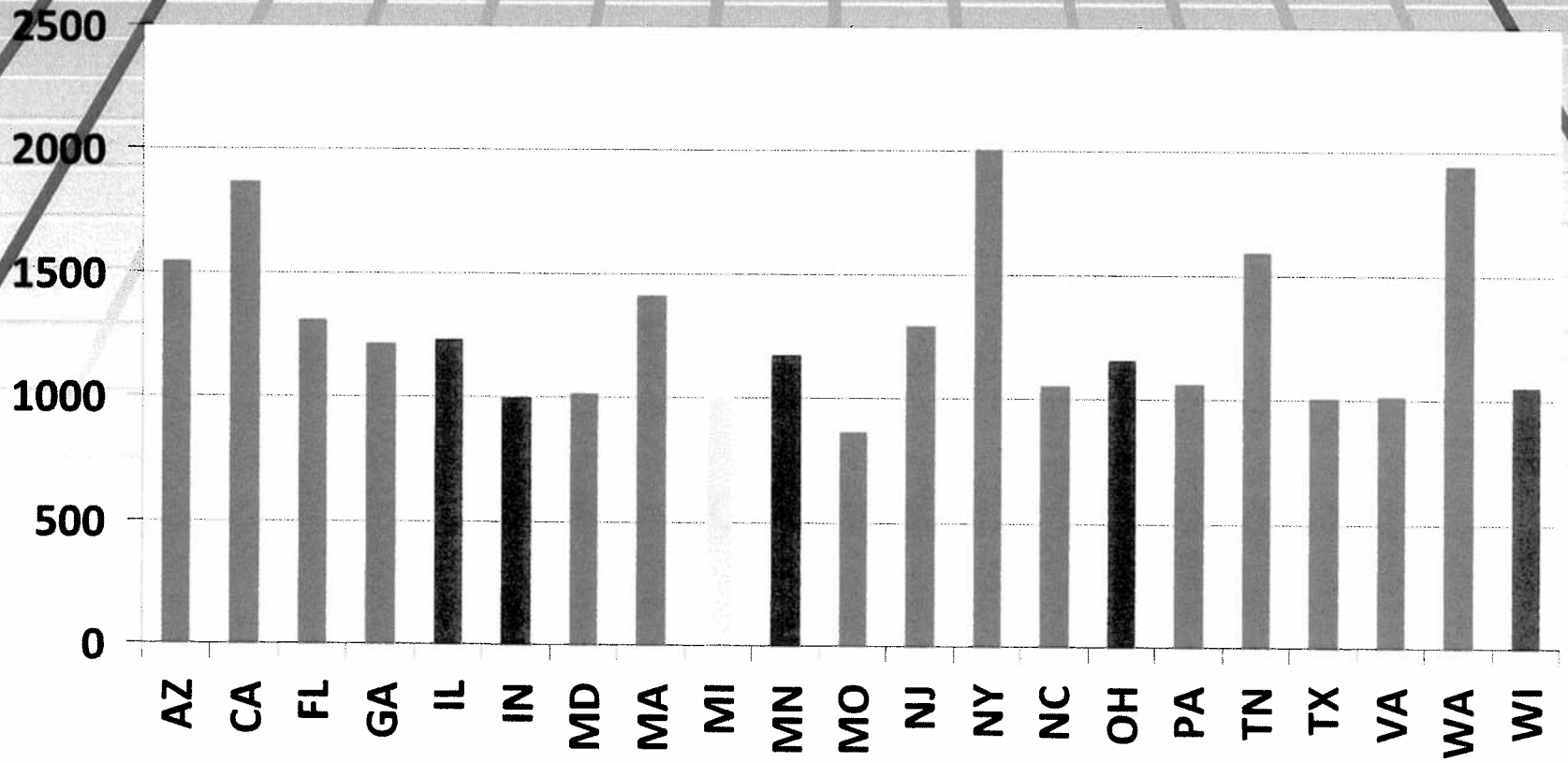
- Michigan spends $300 less per year per person on local government services compared to the nation and nearly $350 per person per year compared to the 21 largest states in the union

- $300 X 10,000,000 residents =

$3,000,000,000.00

per year!!

Local Government Costs



Property Taxes and Economic Development

- Tax Capture Programs
  - DDA
  - TIFA
  - LDFA
  - Brownfield Redevelopment

Property Taxes and Economic Development

- Lost effectiveness since 1994
- Don't work with declining property values
  - Property assessments
  - Exempt personal property?

Tax Abatements

- Industrial Facility Tax
  - Considered one of the best tools for attracting manufacturing.

Double Meaning

Welcome To Oakland County

Part of Automation Alley!

Property Tax Alternatives

- Detroit and Lansing
  - Making use of Income Taxes
- Service Economy

Other Concerns

- Court Cases
  - WPW v. City of Troy
  - Toll Brothers v. Northville Twp.
  - Wexford Medical v. City of Cadillac
  - Moshier v. Whitewater Twp.
- 2010: Negative Inflation