

## **MISCELLANEOUS RESOLUTION**

### **IN RE: MGFOA BOARD OF DIRECTORS - SUPPORT OF THE FINAL REPORT OF THE LEGISLATIVE COMMISSION ON STATUTORY MANDATES, DECEMBER 2009**

WHEREAS the electorate of the State of Michigan passed an amendment in November 1978 to the State's Constitution that required the State to fund mandates imposed on local units of government (often referred to as the "Headlee Amendment"); and

WHEREAS the Headlee Amendment (Article IX, Section 29) states:

"The state is hereby prohibited from reducing the state financed proportion of the necessary costs of any existing activity or service required of units of Local Government by state law. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the Legislature or any state agency of units of Local Government, unless a state appropriation is made and disbursed to pay the unit of Local Government for any necessary increased costs. The provision of this section shall not apply to costs incurred pursuant to Article VI, Section 18." ;and

WHEREAS the Headlee Amendment became effective on December 23, 1978; and

WHEREAS the State Legislature established the Legislative Commission on Statutory Mandates (LCSM) through P.A. 98 of 2007, as amended by P.A. 356 of 2008 and assigned the LCSM to identify mandates (including those involving reports) and the related cost of the mandates to local units of government, along with recommendations to resolve the unfunded mandates; and

WHEREAS the LCSM worked with the Citizens Research Council (issued an analysis of other state's statutes and constitutional requirements similar to the Headlee Amendment) and local units of government associations, including:

- Michigan Association of Counties.
- Michigan Municipal League.
- Michigan Township Association.
- Michigan School Business Officials and Michigan Association of School Administrators.
- Michigan Community College Association.
- County Road Association of Michigan; and

WHEREAS the LCSM issued a report in June 2009 entitled "Interim Report of the Legislative Commission on Statutory Mandates" that indicated, among other matters, that the State had failed to enact legislation enabling the Headlee Amendment and has not complied with the Headlee Amendment since its adoption in 1978; and

WHEREAS the LCSM has completed its report in December 2009 entitled "Final Report of the Legislative Commission on Statutory Mandates" that reaffirms the Interim Report results and provides recommendations, including but not limited to:

- Drafted legislation and court rules that would mitigate unfunded mandates imposed on local units of government in the future.
- Proposed procedures that will prevent new unfunded mandates from being imposed on local units of government.
- Proposed procedures that would be corrective should unfunded mandates be imposed that include, among other requirements:
  - A submission of an action before the Court of Appeals to be heard by a special master in order to rule on whether the matter is a mandate and if the mandate is underfunded.
  - Require the Court of Appeals to rule on the above within six months of the filing.
  - Should the Court of Appeals not rule on the above within six months, the local unit of government would have no obligation to continue to provide the services until such time as the State complies with the Headlee Amendment; and

NOW THEREFORE BE IT RESOLVED that the Board of the Michigan Government Finance Officers Association supports the findings and recommendations in the interim and final reports of the Legislative Commission on Statutory Mandates and encourages the Governor, Legislature and Supreme Court to adopt and enact the recommendations cited in the final report.

A copy of the Final Report of the Legislative Commission on Mandates can be accessed through the MGFOA website.

Resolution Adopted Unanimously April 23, 2010.