

Easy Pickings: State Legislatures Look to their Local Governments

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Abstract

This paper explores the fluctuations in the state-local relationship during 2011 through examining state legislative actions that directly affected general-purpose local governments. The goal is to determine how legislative actions affected local jurisdictions, particularly whether these enactments burdened or empowered localities. We explore the degree to which these new laws vary across states, and identify possible explanations for the variation. We find that, on balance, a higher number of empowering laws were enacted, although the trend varies by state. Preliminary analysis suggests that the explanation for these actions is embedded in the state-local context, partisanship, and legislative professionalism.

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Provocative headlines such as this one in *The New York Times* in March 2011: “States Pass Budget Pain to Cities,” or in *Governing*, “States Handing Off More Responsibilities to Cities,” in April 2011, suggest that states have tried to foist some of their own fiscal woes and functional tasks onto their local governments. Other states appear to have taken a different tack by reaching out to troubled localities, intervening to provide a fiscal cushion, albeit at the cost of localities’ decision-making autonomy. Michigan’s actions with regard to the City of Benton Harbor and the public schools in Detroit are cases in point. A different example is provided by California Governor Jerry Brown in 2011 who proposed the empowerment of county governments in exchange for increasing their share of public service provision. Clearly the state-local relationship is in flux...and it is state government that holds most of the cards.

This paper explores the fluctuations in the state-local relationship during 2011. It examines state legislative actions in 50 states, in both regular and special sessions, which directly affected local governments, specifically cities and counties. The goal is to determine how legislative actions affected local jurisdictions, particularly whether these enactments burdened or empowered localities. Also of interest is the degree to which these new laws vary across states and possible explanations for the variation.

The Issue of Power and Authority in State-Local Relations

Local jurisdictions in the U. S. occupy a precarious position in the intergovernmental system “at the bottom of the fiscal food chain” (Pagano and Johnston 2000), dependent on their state governments for sufficient power and discretion to function effectively. Some states have proven themselves generous—or perhaps strategic—in their allocation of authority to localities. Others have pursued a different approach, preferring to concentrate power at the state level. Not only is there variation across states, there is diachronic variation within them. As Stephens (1974)

demonstrated, the distribution of power from a state to its localities is not immutable, nor is it unidirectional. Authority can be awarded; it can be reined in. Moreover, within a single state, the allocation of power may not be uniform across jurisdictions, such as the differentiation in some states on the basis of city population size. At its core, the state-local relationship is one of unbalanced power. But as the preceding discussion indicates, it is a dynamic relationship, and we contend, is worthy of additional exploration.

As is well known, local governments are creatures of their states. Federal and state courts have upheld the dependency of localities on the state since 1868 when Iowa Judge John F. Dillon first set out his eponymous rule declaring that local governments may exercise only those powers explicitly granted to them by the state, those clearly implied by these explicit powers, and those absolutely essential to the declared objectives and purposes of the local government.¹ In its strictest interpretation, Dillon's Rule means that any doubt regarding the legality of a specific local government power is resolved in favor of the state. In practice, 39 states have adopted Dillon's Rule; in 31 of these states, the rule covers all localities, in 8 states, it applies only to certain types of local jurisdictions (Richardson 2011).

Even in the states that have adopted Dillon's Rule, power and authority are not necessarily centralized, leaving little discretion to their localities. In fact, many Dillon's Rule states have enacted home rule provisions for their cities and in some instances, counties. In general, a grant of home rule allows local officials more leeway to tailor their policies to fit their community without excessive interference from the state. Although home rule is an important step in the direction of greater local decision-making (Krane, Rigos, and Hill 2001), as Richardson (2011, 14) reminds us, "no type of

¹ *Merriam v. Moody's Executors*, 25 Iowa 163, 170 (1868). Dillon's rule was first written in the case of *City of Clinton v. Cedar Rapids and Missouri River Railroad Co.* (1868).

home rule equates to total freedom for local governments from state oversight.” Moreover, the actual impact of “home rule” is highly dependent on the state context.

Other scholars have sought to develop alternative measures of state-local relations, distinct from the problematic Dillon’s Rule and home rule. Stephens (1974) analyzes what he terms “the manifestations of power” by considering the distribution of finance and employment across governmental levels. He classifies the states according to the extent to which these functions are centralized at the state level or decentralized to the local level. The U.S. Advisory Commission on Intergovernmental Relations (ACIR 1981) and Zimmerman (1983) attempt to capture “local discretionary authority” by examining the power of localities related to governmental structure, functional responsibility, fiscal authority, and personnel.

Wolman and his colleagues (2010, 72) take up “local government autonomy,” which they define as a “system of local government in which local government units have an important role to play in the economy and the intergovernmental system, have discretion in determining what they will do without undue constraint from higher levels of government, and have the means or capacity to do so.” Comparing the states on these three factors—the importance of localities, their discretion, and capacity—differentiates those that grant their localities the greatest autonomy (New York, Tennessee, Kansas, and Ohio) and those allowing the least (West Virginia, Connecticut, Rhode Island, and Vermont) (Wolman, et al. 2010). Notably, states with high levels of local government autonomy represent a mix of Dillon’s Rule and non-Dillon’s Rule states...as do states with low levels of local government autonomy. This further suggests that the presence or absence of Dillon’s Rule or home rule may not accurately convey the actual distribution of power in a state-local system.

Recent Trends in the Distribution of Functions and Financing in States and Localities

Our previous research (Bowman and Kearney, 2011) finds that the marked centralization trend of state power and authority that Stephens (1974) and Stephens and Wikstrom (2000, 2007) identified for the period of the mid-1950s to the mid- 1980s attenuated thereafter. Since 1998, our own data show only a slight additional increase in state centralization in terms of revenue-raising and service expenditures, but that local jurisdictions appear to be held increasingly responsible for carrying out certain administrative functions for the states. Our earlier research also asked city managers, legislators chairing local government committees, and executive directors of state municipal leagues and county associations about current trends regarding the legal and structural power of local governments. We found that respondents' perceptions varied, with city managers expressing the most disappointment in a perceived erosion of jurisdictional authority at the hands of state governments, and legislators relatively sanguine (or unaware) about any deterioration in the state-local relationship (Bowman and Kearney, forthcoming).

The Contemporary Situation

The past several years have been especially daunting for states and localities, as the Great Recession, which began in 2008, hit these jurisdictions hard. Passage of the \$787 billion American Recovery and Reinvestment Act of 2009 helped postpone the full impact of the decline in own-source revenues and the escalating fiscal stress. The National Governors Association and the National Association of State Budget Officers (2011, vii) reported that "State general fund expenditures were so negatively affected by the recent recession that both fiscal 2009 and fiscal 2010 saw unprecedented actual declines in state spending." In its annual fiscal study published in 2011, the National Conference of State Legislatures (2011, 1), remarked that "The fiscal impact [of the recession] has been deep and prolonged, with fiscal year 2012 marking the fourth consecutive

year that states faced significant mismatches between revenues and spending. To date, state lawmakers have faced—and largely addressed—budget gaps totaling \$510.5 billion.” State Rainy Day Funds grew precariously drier as legislators looked to them for short-term relief. Even as the national economy begins to improve, most states continue to wrestle with the revenue consequences presented by persistently high rates of unemployment and continued weak consumer spending. As reflected in anecdotal media reports, some states are taking actions that are likely to hold deleterious consequences for localities. A state may cast a covetous eye on revenue sources typically enjoyed by their local governments; similarly, even cash-strapped states may find it difficult to resist intervening into the operations of their localities.

Not that the general-purpose local governments have been financially healthy themselves. The Great Recession severely depressed property values and, consequently, property tax revenues in a great many jurisdictions. Likewise, flagging sales tax receipts have also contributed to financial shortfalls in many municipalities and counties, rendering state pull backs and withholdings of local revenues even more painful.

Why does it matter whether states have burdened or empowered their localities? It is quite simple. “Local self-government is one of the most cherished and fiercely contested ideas in the pantheon of principles by which Americans organize their system of governance” (Krane, Rigos, and Hill 2001, 1). Opinion research has found strong public support for empowered local governments that take responsibility for the problems facing communities (Schneider, Jacoby, and Lewis 2011). In an operational sense, the purported advantages of devolution and decentralization are many, including service delivery efficiencies, alignment of program costs with services provided, fostering of policy innovation, enhanced citizen responsiveness, greater government transparency and accountability, and relieving state legislatures of the burden of hearing and deciding on local bills (see Kincaid 1998; Krane, Rigos, and Hill 2001). Even if only a few of these advantages are realized,

the consequences of increased local authority are substantial. By the same token, a reduction in local authority makes their achievement less likely.

To examine the possible effects of the Great Recession on local power and authority, as well as to better understand the current state-local relationship, we look at state legislative actions aimed at local governments during what might be considered the apex of the recession in 2011.

Data and Methods

Data on local government laws enacted during the 2011 legislative sessions in the states were collected in two ways: through searches of “bills enacted” compendia on state legislative websites, and from searching the Lexis-Nexis database StateNet, which reports information on new statutes.² To identify laws pertinent to this project, bill summaries were searched for keywords such as “local,” “city” “municipality,” “county,” “town” and the plural forms of these words.³ Once these bills were identified, the subject matter was reviewed. For a law to become part of the dataset, it must have affected the authority, either fiscally or administratively, of general purpose local governments.⁴ For example, a law creating a special statewide task force to study local government expenditures on infrastructure would be identified in the initial search, but would not be included in the dataset because it did not affect localities’ authority. Also excluded were bills pertaining to a single jurisdiction, as well as resolutions.

Summaries in StateNet or on a state legislature’s website typically provided sufficient information to discern the effect of a new law on general purpose local governments. If not, fiscal notes and bill analyses available on state legislative websites were consulted. If these sources

² For legislatures that remain in session year-round, the analysis was conducted during the second week of 2012 so to allow for inclusion of bills passed at the end of the session.

³ In Louisiana, the keyword search included “parish” and “parishes” also.

⁴ In some instances, bills affecting general purpose local governments also addressed single-purpose entities such as school districts. These bills remained in the dataset because of their coverage of general purpose jurisdictions. However, if only special districts, townships, or school districts were covered by the enactment, then it was excluded.

proved insufficient to determine the impact of a new law, then the text of the bill itself was evaluated.

Laws in the dataset were coded as to their impact on general purpose local government: empowering, restricting, or neutral. In a few instances, averaging less than one per state, the impact of a law could not be determined and it was classified as unknown.⁵ After undergoing training, a single coder was utilized to classify the laws thereby enhancing the consistency of the coding process. In this formulation, other than the coding for directional impact, there are no differential weights assigned to the laws, each counts the same as another.

To be categorized as *empowering* (assigned a value of +1), a law had to intend to reduce an administrative burden borne by cities, counties, or towns, provide funding to them, or grant them additional discretionary authority. To be designated as *restricting* (assigned a value of -1), a law had to intend to remove a power currently held by local governments, preempt local government action, impose an administrative burden on them, or levy a financial cost on them. Laws were classified as *neutral* (assigned a value of 0) if they were neither empowering nor restricting, or if they contained provisions that both empowered and restricted.

The following examples help clarify the coding process. Examples of empowering laws enacted in 2011 include:

- Alabama’s law that authorizes municipalities, counties, or any combination thereof to create a public authority for the purpose of promoting and developing tourism,
- Colorado’s statute that provides state reimbursement to county governments for charges incurred in pest control operations undertaken by the county,
- Indiana’s law related to local government property sales, authorizing a local government disposing agent to hire a broker to sell property instead of using the bid process,

⁵ For some of the “unknown” laws, gauging their impact would have required knowledge of prior law or practice about which the new law was silent.

- Michigan's statute that allows local governments to prohibit the sale of alcohol between specified hours on certain days,
- Montana's appropriation of funds to the state Department of Commerce to provide financial assistance to local government infrastructure projects through the Treasure State Endowment Program,
- Oklahoma's statute that decreases the number of months that are required to pass before a municipality may tear down and remove a boarded-up and secured building,
- Virginia's relaxation of extant law requiring localities to use certified or registered mail for repeated notifications thereby allowing localities to use regular mail after one notice has been sent by certified or registered mail.

Laws that restrict local governments include:

- Arizona's statute prohibiting a city or town from accepting federal monies for a construction project if as a condition of accepting federal monies the city or town is required to give a preference to union labor,
- California's requirement that county welfare departments inform dependent children in foster care that they may be eligible for preference in state agency internship programs,
- Illinois' elimination of a provision allowing the state Department of Human Services to make grants-in-aid to units of local government providing day care services,
- Utah's law prohibiting a city from establishing a local historic district or area in certain circumstances,
- Vermont's statute requiring that the cost of audits of tax increment financing districts conducted by the state auditor of accounts be billed back to the municipalities,
- Virginia's law establishing requirements for local ordinances that address the siting of renewable energy facilities that generate electricity from wind or solar resources.

- Washington's statute requiring counties to have an affordable housing component in the county's impact fees ordinance, and additionally, providing requirements for the affordable housing component.

As noted above, laws that neither empowered nor restricted, or did both, were classified as neutral.⁶

The keyword search and review produced a total of 1499 laws for the dataset. This research focuses on the number and substance of laws enacted in a single year: 2011. Based on anecdotal evidence (e.g., media coverage), there is reason to believe that 2011 might have been a particularly active year for state-local relations. However, without the collection of data for additional years, this remains speculative. Thus whether 2011 is generalizable to prior or subsequent legislative sessions is unknown. Moreover, state legislatures vary in numerous ways, and at least three of these idiosyncrasies are relevant for this research. First, the continued use of biennial sessions in 5 states (Montana, Nevada, North Dakota, Oregon, and Texas) may inflate the number of bills passed in a given session in those states. Second, Ohio and California enacted omnibus bills to address a range of local government issues, thus the states' total number of bills is lower than it would have been had the issues been disaggregated. Finally, Massachusetts tends to rely more heavily than other states on legislation applicable to a single jurisdiction. Because those bills are not included in our count, it masks the degree to which the state empowers or restricts local governments.

Findings and Discussion

The number of new laws affecting general purpose local governments ranges from 2 in Alaska and Massachusetts to 102 in Texas., The average number of laws affecting local government per state is 29.98 (standard deviation 23.7). Removing California and Texas (the two states with 99

⁶ More often than not, these laws typically extended or clarified current law.

or more laws) from the dataset lowers the average to 27.04 local government laws per state. All told, the number of empowering laws (705) is greater than the number of restricting laws (616). In terms of states, on average, empowering laws (14.4) outnumber restricting laws (12.5). However across the states, wide variation exists, as evidenced by standard deviations of 11.3 and 10.5, respectively. Table 1 provides a state-by-state list of the number of local government laws enacted in 2011.

Table 1 here

These laws address a wide range of subjects with taxation, economic development, land use and planning, and voting systems and elections administration among the most prevalent. The single category with the highest number of laws is government operations. Examples include states changing the qualifications for holding local elective office, tightening the rules for competitive bidding of local public works projects, requiring local governments to adhere to uniform financial reporting practices, setting the fees that a city can charge for emergency services, determining which county employees are covered by collective bargaining, and requiring cities to conduct background checks on parks and recreation department workers. Many of these actions are designed to establish uniformity across local jurisdictions, with their impetus often stimulated by a well-publicized event that finds a legislative champion or a less-publicized issue that is subject to the concerted efforts of organized interests (see, for example, Karch 2010).

The mechanisms employed by states to restrict localities include outright prohibitions, mandated service standards, preemptions of or constraints on local actions, restrictions on revenue sources, and cost-share shifting. Among the most common tools states utilized to empower their local governments were authorizations to take actions, adoption of programs that contain appropriations for localities, repeal of prior mandates or expenditure requirements, and lifting of restrictions on revenue sources.

Comparing States and their Enactments

Across states, the relative emphasis on restriction or empowerment of local governments varies. As noted earlier, nearly 1,500 local government laws were enacted in 2011, and this count excludes laws specific to a single jurisdiction or to single-purpose local governments such as school districts. Clearly, local governments are targets of legislative attention, a not-so-surprising finding. What is surprising, given media headlines proclaiming state assaults on localities, is the impact of the targeting: twice as many states enacted more empowering than restricting legislation. In 27 states, the overall impact of state laws was positive (i.e., empowering); in 14 states, the impact was negative (i.e., restricting). In the remaining 9 states, the number of empowering and restricting bills actually offset one another, with a cumulative impact of zero. Figure 1 displays the difference between the number of empowering and restricting laws in the states.

Figure 1 here

The scores in Figure 1 range from -25 to +29. In California, 99 laws were directed at general purpose local governments: 33 of the laws empowered localities, 58 were restricting, creating a net balance of -25.⁷ Other states with relatively high negative scores were Arizona and Tennessee (each at -15), and Indiana (-13) and Utah (-11). Of these states, only Arizona is a pure Dillon's Rule state; in California, Indiana, and Tennessee, a limited Dillon's Rule applies to certain types of localities, others are exempt. Utah has outright rejected Dillon's Rule as a first principle in state-local relations. On the empowerment side, Virginia led other states with a net positive score of 29, followed by Illinois (18), Rhode Island (17), and Washington (15). This group is populated by a higher proportion of Dillon's Rule states (Virginia, Rhode Island, and Washington) than not (limited Dillon's Rule applies in

⁷ The remaining laws were either neutral in impact or contained elements that both empowered and restricted localities.

Illinois).⁸ One might assume that it is among Dillon's Rule states that legislative interference in local affairs is most frequent, but that is not necessarily the case for this subset of high-scoring states. A similar result appears with regard to home rule: states that have granted home rule to their general purpose local governments seem just as likely to enact local legislation as those states that have not. The explanation for the variation across the states defies easy answer.⁹

Explaining States' Actions

Explaining why states treat their local governments the way they do has been the subject of some discussion but little testing (see, for example, Zimmerman 1983; Hanson 1998). Some observers would point to a state's constitution for Dillon's Rule-like language or grants of home rule. But as Richardson (2011) found in his work and as our examination of the most actively empowering and restricting states in 2011 showed, the explanation is not that simple. The literature on state-local relations offers a starting point for the selection of independent variables we use in the subsequent analysis.

State-local relations in 2011 did not unfold on a blank slate; obviously they are a product of a state's political traditions, history, and prior state-local relations (Zimmerman 1983). To capture the state of state-local relations in the 21st century, we use a measure developed in our earlier research (Bowman and Kearney 2011). This measure reflects the degree to which a state government has centralized (or decentralized) the responsibilities for expenditures, service delivery, and personnel. Higher values on the centralization index reflect greater concentration of these responsibilities at the state level. We expect centralized states to adopt fewer laws affecting local government simply because there is less need to do so. Local governments tend to be less important

⁸ We rely on Richardson's (2011) designation of states' Dillon's Rule status.

⁹ Perhaps, however, the data reflect a situation in which Dillon's Rule states already constrain local power sufficiently that further actions are less likely, and that home rule states are retracting some of their previous empowering actions.

in these states. As for the impact of the laws that are enacted, the expectation is that centralized states are less prone to empower, thus more likely to restrict localities. In both instances then, a negative relationship is expected. We try to get at this “past as prologue” tendency with another variable: the number of general-purpose local governments.¹⁰ The assumption is that it is easier for states with large numbers of local governments to devolve functions, thus states may be more likely to empower them. There is some reason to believe that states may take more of a hands-off position when it comes to legislating for these localities, allowing them instead to have more discretion. We expect fewer new laws to emerge in states with higher numbers of general purpose local governments, but the laws they do enact are likely to be empowering.

The extreme fiscal stress that most states have experienced since 2008 is a factor that could disrupt longstanding traditions of states’ treatment of local governments. We include in the model a measure that gauges a state’s rainy day fund balance as a percentage of expenditures.¹¹ Other fiscal measures such as estimated deficits could be used, but the rainy day fund balance has the advantage of being a more reliable number. Fiscal stress (that is, lower rainy day fund balances) is anticipated to lead states to more restrictive actions (e.g., shifting costs, imposing mandates) as states seek to get their financial houses in order (Douglas and Gaddie 2002). Because of the way the variables are measured, if our expectations are correct, the relationship will generate a positive coefficient. The impact of fiscal stress on the number of laws passed is somewhat uncertain.

State institutions, especially the legislature, are influential in the direction of state-local relations (Zimmerman 1983). With its district-based system of representation, the legislature--and particularly the citizen legislature--should be closely attuned to and supportive of local jurisdictions

⁹The data are from the Census Bureau’s Census of Governments 2007.

¹¹ We exclude the state of Alaska because its rainy day fund balance for fiscal 2010 was 157% of expenditures. The average across states was 3.4%. The data are from the NGA/NASBO publication, *The Fiscal Survey of the States* (2011).

and their interests. Professionalized legislatures, on the other hand, spend more time in session, are more highly specialized, and enjoy more extensive staff resources, thus they have greater capability and perhaps are more inclined to manage localities and govern from the center (ACIR, 1981). A part-time, citizen-type legislature is less equipped to do so; thus it is expected to leave greater decision making space for local governments (Zimmerman, 1983, 1995). We would expect to find professional legislatures passing more laws (positive) and engaging in more restrictive actions (negative).¹²

On the national scene, it is common to associate the Democratic Party with a preference for national policymaking and the Republican Party with more of a state-friendly perspective (Derthick 2001). Within states, we may see similar partisan preferences for centralization in states in which policymaking institutions are controlled by Democrats, decentralization in states where the Republican Party controls these institutions. Thus we should find more enactments empowering local governments in Republican-led states, with restrictive laws more likely in Democratic-led states.¹³ A negative coefficient is anticipated. The impact of institutional partisanship on the number of local government laws adopted is somewhat uncertain but there may be a tendency for Democratic state institutions to be more activist. Descriptive statistics for the variables in the model appear in Table 2.

Table 2

In the number of laws model, the statistical technique employed is negative binomial regression, which is appropriate in this case because the dependent variable is a count. The model focusing on the impact of the laws, essentially a score, is analyzed using OLS. Results of the two analyses appear in Table 3.

¹² The Squire (2007) index of legislative professionalism was utilized in the analysis.

¹³ Using data from the National Conference of State Legislatures, partisan control of the governor's office and of each chamber, as of 2011, was coded with scores ranging from -3 (Republican control) to +3 (Democratic control).

Table 3 here

In the model for the number of local government laws, three variables achieve conventional levels of statistical significance: the centralization measure, the number of general purpose local governments, and the institutional partisanship measure. Basically these variables performed as expected: States that are more centralized passed fewer laws affecting localities, as did states with more general purpose local governments. Clearly, the state-local milieu affects behavior in a given year. Institutional partisanship has an effect with states in which the policymaking institutions are controlled by Democrats enacting more local government laws than Republican controlled states did. Neither fiscal stress nor surprisingly, legislative professionalism appear to have had an effect on the number of local government bills passed.

Explaining the direction that these bills took is really the heart of the matter, and the lower half of Table 3 presents the findings. Three variables are statistically significant: the number of general purpose local governments, legislative professionalism, and institutional partisanship. States with more general purpose local governments appear to be favorably disposed to them, enacting empowering legislation. States with more professional legislatures appear less so disposed, having passed bills that restrict localities. Both of these findings were anticipated. Professional legislatures appear to have embraced the “govern from the state capitol” ethos that some observers have predicted (ACIR 1981). Institutional partisanship however, defies expectations: States led by Democrats adopted legislation that empowered, rather than restricted, local governments.

Perhaps the most surprising result in the impact model is the failure of the fiscal stress and centralization variables to reach statistical significance. Both are signed in the expected direction, and the rainy day fund balance is nearly significant at the .10 level, but nevertheless these two variables do not have the anticipated explanatory power. That a state’s tradition toward centralization or decentralization influences the number of bills enacted but not their impact is

difficult to reconcile. In that sense, perhaps the Great Recession has not prompted the onslaught of power-seizing statutes that our (admittedly) selective reading of media sources has suggested.

Conclusion

First, there are three important limitations of this research. The first is coder reliability. At least two more data coders are needed to gain confidence in the interpretation of identified statutes. Second, our statutory review captures only a single year. That year, 2011, could be anomalous, so extension of this research will compel us to incorporate additional legislative sessions. Finally, our measurement scheme does not capture the scope or salience of state legislation. It is evident from a review of the substance of the laws in the dataset that they vary in the discretion and authority they grant or rescind. By treating all statutes as equal, we are obviously only scratching the surface of the significance of state actions concerning their local governments.

An important and enduring issue of concern in intergovernmental relations is how U.S. governments act towards other governments, in this case, states and their local jurisdictions. Over the two and one-half centuries of the U.S. experiment in federalism, the state-local relationship has changed, but if anything, it is more important and certainly more complex now than ever before. As stated by one observer, "In a federal system, roles and responsibilities can never be completely fixed or defined. They are constantly being challenged by one governmental unit or another" (Sbragia 2000: 227). The picture is that of an intergovernmental tug-of-war between the states and localities.

Despite what we perceive as a critically important topic, state-local relations are often an afterthought in the literature and research in state politics. For instance, three of the leading books on state legislatures virtually ignore the issue altogether (Erikson, Wright, and McIver, 1993; Rosenthal, 2009; Squire and Moncrief, 2010). Intergovernmental relations research typically focuses on specific policy topics (e.g., welfare, education) or on state-local fiscal relations. It seems to us that a broader understanding of the state-local relationship is needed.

Recent media reports of state intrusions into local treasuries and pre-emptions of authority prompted us to examine the statutory record for one year, at the peak of the Great Recession's fiscal impacts on subgovernments. Our methodology of extracting the positive and negative consequences of official state actions regarding local governments is relatively rare, but promising as a means of directly measuring state-local outcomes. Our findings, while very preliminary, are intriguing. States are actively engaged in legislating local government affairs, sometimes in a manner that expands local power, and, less frequently in one year at least, engaged in diminishing local power. Future research will extend the analysis to additional years and develop a measure of the salience of state legislative actions for local government power and authority.

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Table 1: Number of Local Government Laws Enacted in 2011, by State				
State	Total		State	Total
Alabama	22		Montana	53
Alaska	2		Nebraska	41
Arizona	57		Nevada	22
Arkansas	81		New Hampshire	22
California	99		New Jersey	30
Colorado	30		New Mexico	14
Connecticut	20		New York	36
Delaware	6		North Carolina	36
Florida	29		North Dakota	34
Georgia	15		Ohio	11
Hawaii	12		Oklahoma	32
Idaho	23		Oregon	44
Illinois	58		Pennsylvania	10
Indiana	31		Rhode Island	35
Iowa	11		South Carolina	4
Kansas	12		South Dakota	31
Kentucky	10		Tennessee	52
Louisiana	29		Texas	102
Maine	28		Utah	32
Maryland	37		Vermont	9
Massachusetts	2		Virginia	90
Michigan	22		Washington	35
Minnesota	13		West Virginia	14
Mississippi	32		Wisconsin	6
Missouri	4		Wyoming	19
			Total Bills	1499
			Mean	29.98
			Std. Deviation	23.66

Figure 1: State Law Balance

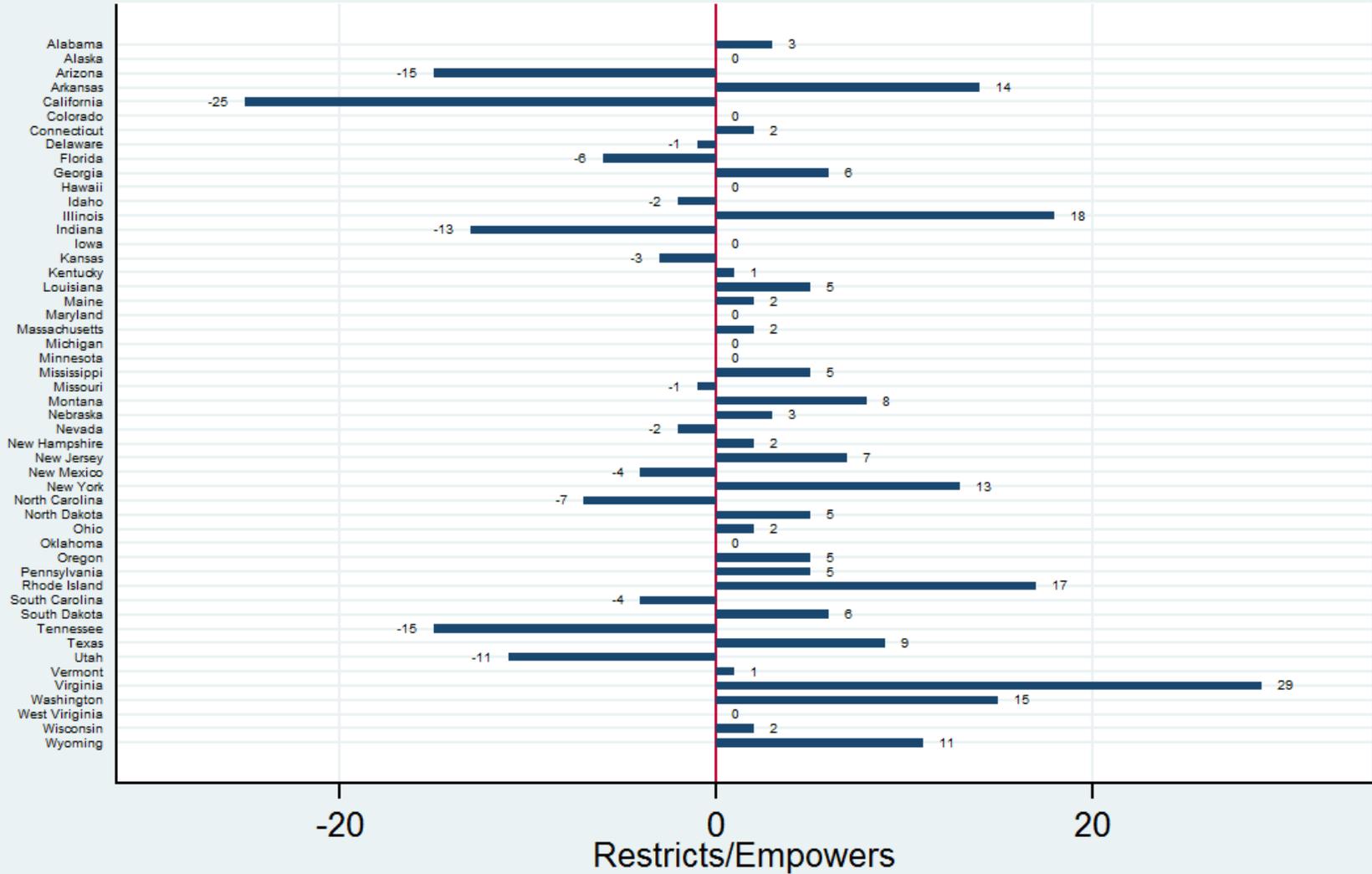


Table 2 Descriptive Statistics for the Variables

<u>Variable</u>	<u>Mean</u>	<u>Std. Dev.</u>	<u>Min</u>	<u>Max</u>	<u>N</u>
Number of local laws	29.98	23.66	2	102	50
Empower/Restrict score	1.78	8.97	-25	29	50
Centralization score	47.23	8.23	36.47	78.10	50
Number of general-purpose local governments	780.86	783.94	4	2833	50
Rainy Day Fund balance	3.72	5.98	-7	22.7	49
Legislative professionalism	.1833	.116	.027	.626	50
Institutional partisanship	-.58	2.48	-3	3	50

Table 3. Model results

<u>Independent Variable</u>	<u>Number of local laws</u>
Centralization score	-.0489*** (-.0152)
Number of general-purpose local governments	-.0002* (.0001)
Rainy Day Fund balance	.0188 (.0166)
Legislative professionalism	-.4488 (.9755)
Institutional partisanship	.0768* (.0476)
Constant	5.895*** (.8542)

N=49. *** p<.01, ** p<.05, * p<.10 Pseudo R² = .03

<u>Independent Variable</u>	<u>Empower/restrict</u>
Centralization score	-.0142 (.1887)
Number of general-purpose local governments	.0037** (.0019)
Rainy Day Fund balance	.2894 (.2257)
Legislative professionalism	-24.441** (13.467)
Institutional partisanship	1.462** (.6207)
Constant	5.021 (10.361)

N=49. *** p<.01, ** p<.05, * p<.10 Adjusted R² = .11