Bureaucratic Impermanence: How, When, and Why the Central Institutions of Local Government Choose Self-Termination

Jordan Duffin Wong*

Washington University in St. Louis

Spring 2022†

Abstract

Research on the bureaucracy of the federal government in the United States finds that specific programs and institutions have varying lifespans, a notion called *bureaucratic impermanence*. However, this literature largely overlooks the possibility that the central institution of government itself may self-terminate; that is, under what circumstances might a central government be disbanded entirely? Turning to the scale of local politics, I examine *voluntary municipal disincorporation*, wherein citizens freely choose to dissolve their local governments entirely. Drawing on theory from municipal legal scholarship, I catalogue how, when, and why municipal disincorporation occurs. Findings TBA.

*Particular thanks to Betsy Sinclair and Michael Olson for advising/reading.

†As of March 23, my goals for presentation (and this write-up, which is largely recycled from a term paper in Fall 2021) are to answer the following: 1) Does this make sense generally?; 2) Is "bureaucratic permanence" a decent way to frame this?; 3) To what extent are data limitations a potentially fatal flaw, particularly in terms of any type of causal interpretation? Or rather, given that the project has this potentially-fatal flaw, what elements may be salvageable?; 4) The title honestly sucks and at some point I'd like a better one.

In 2014, the town of Seneca, Nebraska – with 33 residents – "voted itself out of existence" (Hansen 2014). Initially divided over a policy banning livestock from city limits, residents grew frustrated with the local village council entirely, who some saw as autocratic. As a result, a petition circulated to put the town's legal existence on the ballot in May.[1] Seneca residents travelled fifteen miles to Thedford, the only town in the entire county with a polling place, to decide their fate. The final vote was 17-16 in favor of disincorporation.

In 1997, the city of Miami, Florida rejected a vote to abolish the city and merge the local government with surrounding Dade county (CNN 1997). The movement began that January, when it was revealed that the city government was 68 million dollars in debt and on the verge of bankruptcy. Both the city manager and the elected city commissioner were facing corruption charges that would eventually land them in federal prison. Furthermore, the disincorporation attempt was seen as an attack on the Cuban-Americans who wielded significant local political power. Returning Miami – population, territory, infrastructure, and finances – to county control would have meant a reassertion of white non-Hispanic authority.

What makes these stories unique? After all, local governments change their scope all the time (Stevenson 2009), often through annexation of new territory or the concession of existing territory to some other entity. Indeed, hundreds of local governments have created or restructured authorities in the last half-century (León-Moreta 2015). But those stories are just a reshuffling of a metaphorical deck; Seneca, Miami, and others are about throwing the deck away entirely, a phenomenon known as *municipal disincorporation*. And they are stories that have been (almost) completely overlooked by empirical social science.

The goal of this study is straightforward: motivated by cases such as Seneca and Miami, investigate and descriptively analyze the causes of municipal disincorporation in the United States. The remainder of this paper is as follows: Section 1 contextualizes the literature on the termination of government organizations in the United States (referred hereafter as *bureaucratic permanence)*, in which this paper situates its argument. Section 2 summarizes the

[1] Nebraska holds statewide primary elections in May, and local issues may be decided directly on the same ballot.

literature (largely grounded in legal studies) regarding municipal disincorporation. Section 3 catalogues the state-of-things as of March 2022.

1 Bureaucratic Permanence

[2] Herbert Kaufman's seminal book (Kaufman 1976) studies the longevity of government organizations. He found that only 27 out of 321 agencies created since 1923 had been eliminated by 1973, and argued "the functions performed by the agencies were even more enduring than the organizations themselves" (64). Ultimately, this study launched a literature on the births and deaths of government organizations. Generally, government organizations, once created, are thought to be difficult to get rid of (Coate and Morris 1999, Daniels 2015 etc.) and, around the turn of the millennium, it was widely thought that government agencies were largely permanent.

However, a great deal of research since shows this is not the case. Carpenter 2000 shows that it isn't necessarily true that older agencies are more susceptible to termination. Lewis 2002 shows that agencies face significant risk due to political turnover. And Berry, Burden, and Howell 2010 finds that a nontrivial number of programs die, with about a 15% fatality rate in their first 20 years.

A key limitation to all of the above is scope: each of these papers conceptualize federal agency deaths as extensions of a broader government mission; none of them consider the possibility of the death of the central unit of government itself. Thus, this study establishes staying power by directly confronting the notion that *central* or *foundational* bureaucracies may die, rather than just extant agencies.

[2] As of March 2022 this section is underdeveloped, but conveys the gist of the political science-related context.

2 Municipal Disincorporation

The legal phenomenon known as municipal dissolution, or disincorporation, is "the termination of a political unit of an incorporated municipality" (Anderson 2012). In the context of American law, the power to disincorporate is set at the state level (Stevenson 2009), and as of 2012 forty states have explicitly-defined codes for disincorporation (Anderson 2012). Between 2000 and 2010, at least 130 American cities have disincorporated, although data is likely incomplete.

Furthermore, there are two distinct types of disincorporation: involuntary, and voluntary. Both practices are derivative of policies set at the state level, and are attributed to the state's power to establish the rules for incorporation in the first place (Stevenson 2009). Involuntary disincorporation typically occurs when a city falls below some pre-specified population threshold, which automatically triggers the process of dissolving and reorganizing local governments. Voluntary disincorporation, on the other hand, is determined by some combination of voters in the relevant place and/or local authorities, who autonomously decide to dissolve local institutions.

Of interest here is the voluntary process. Anderson 2012 outlines theories of how and why voluntary disincorporation takes place, but legal scholarship repeatedly (Anderson 2012, Anderson 2014, Scorsone 2014, Beck and Stone 2017, Tatum 2019, etc.) emphasizes the lack of a systematic analysis of how and why this happens. In short, the quantitative social science literature on municipal disincorporation in the American context is practically nonexistent. Tatum 2019 attributes this tendency to scholars' assumptions that "cities exist in perpetuity," which – while not empirically verified – seem reasonable.

Those theories are as follows: 1) *economic decline*, which posits that cities facing financial hardship (including but not limited to massive fiscal deficits) choose disincorporation as a preferable alternative to other policy solutions including bankruptcy. 2) *tax rebellion* refers to the duplication of county and city taxes and provision of public services, wherein dissolving the city government achieves the goal of efficiently removing the excess. 3) *corruption and*

mismanagement describes scenarios in which local government is seen as corrupt or abusive, and the preferable solution is to dismantle the entire enterprise rather than merely replace corrupt individuals[3]. 4) *race* offers a more historical insight, where primarily-black enclaves were seen as threatening to white political establishments, who used the powers of the state to pressure those communities into dissolution by way of *economic decline*. Finally, *the link between legal independence and community* is something of a catch-all referring to other locally-specific factors that play a role in accelerating or preventing disincorporation.

To that end, the hypothesis at play is simple: *cities disincorporate due to one or more of these five considerations*. Obviously, there logistical hurdles to this hypothesis, as we discuss below. Ultimately, due to data limitations, this study ultimately only evaluates the hypothesis that *cities disincorporate due to economic decline*.

Additionally, there are other locality-specific considerations that are likely at play. The type of local government (strong mayor, council-mayor, etc.) may play a role in the propensity for dissolution. There may be party-specific effects not discussed by Anderson, or state-level incentives at play. It is possible that there is a maximum population threshold after which disincorporation is no longer "actually" feasible. And variation in state-level policies allowing voluntary disincorporation might explain much of the variation in outcomes anyway. Those limitations may confound analysis, but not all of them are directly addressable in the scope of this particular study.

3 March 2022: Research "Design" + What's next

3.1 Data/Limitations

How can we tell where disincorporation actually occurs? Anderson 2012 catalogues a mostly-comprehensive list of dissolution *attempts* (successful and otherwise) dating from 1957 to 2007, the most recent year for which data was available. This was done by collecting data

[3]Hogen-Esch 2011 categorizes cases of these in California quite well.

from the U.S. Census of Governments (hereafter "CoG"), which includes data on the existence of a municipality. Anderson treated the disappearance of a municipality from one CoG to the next as possible evidence of its disincorporation. To confirm, they corroborated these data with news coverage for each place in question, indexing places with the highest likelihood of disincorporation. Furthermore, Anderson was also able to catalog places that attempted to disincorporate but failed to do so.

Of course, Anderson's data is incomplete – particularly in the subsequent decade following her publication. To update the data, I utilize the U.S. Census Gazetteer files, which since 2010 contain the near-universe of "places" in the United States. Places are coded by legal status, with code `57` meaning that the place in question is unincorporated. The strategy is twofold: first, I compile a list of every place that changed to code `57` from something else, which is updated yearly. There are 69 places that have done this since 2010. Second, I find every place that has dropped or disappeared from the Gazetteer files entirely from one year to the next, of which there are around 270. Obviously, not every "drop" is a disincorporation – but it is likely that some are, particularly cases where a place disincorporated and was subsequently annexed by its neighbor. Overall, my suspicion is that between 70 and 300 of these places are disincorporations, although as of March 2022 this is not confirmed.

The Gazetteer files are quite useful insofar as they provide a near-comprehensive list of places that have disincorporated, but they do not tell the story of what actually happened. To investigate, I'm finding every scrap of news coverage, primarily local, possible for each place. In practice, this typically consists of a Wikipedia search for "place/state," looking for relevant news coverage, and saving those articles as PDFs. Then, I also run a Google search for "place/state/disincorporation/year", which typically returns a few more pieces of coverage. I usually try to spend about a half hour looking for each place.

At best, that captures just one type of observation: places that *successfully* disincorporated. A task of much greater magnitude (which I worry is impossible between now and August) is to catalogue every discrete disincorporation *attempt*, all of which do not neces-

sarily end in a place dissolving. There is limited analysis of dissincorporation attempts in the states of Ohio and New York, but that is not as nationally comprehensive as is ideal.

3.2 Analysis

Assuming data collection goes well, the next big question is "what do I do with this?" Descriptively, things seem fairly straightforward. I can envision `Table 1` as summarizing the frequency of which places disincorporate sorted by rationale – e.g., financial distress, overtaxation, etc. – as well as `Figure 1` mapping the geographic distribution of these places. I will also probably attempt to fit some sort of linear probability model, drawing inspiration from León-Moreta 2015, which has *probability of incorporation* as a function of covariates, and Zhang 2019, which estimates a survival model for disincorporations specifically in New York State.

Extensions, which I doubt will happen this year, include estimations of the effects of disincorporation traditional political science topics of interest such as voter turnout, campaign donations, politician approval, etc. Extensions that *I personally would like to pursue but aren't necessarily of interest to the discipline* sort of invert the question: while this tackles the idea that citizens don't necessarily want/need (local) government, an inversion asks what it means for governments to exist (legally speaking) but with jurisdiction over effectively zero people.[4]

[4] A professional goal I made up in the process of writing this is to be the "ghost town dissertation" guy, or something.

References

Anderson, Michelle Wilde (2012). "Dissolving Cities". In: *The Yale Law Journal* 121.6, 1364–1447.

— (2014). "The New Minimal Cities". In: *The Yale Law Journal* 123.5, 1118–1227.

Beck, Amanda W. and Mary S. Stone (2017). "Why municipalities fail: Implications for uncertainty disclosures". In: *Research in Accounting Regulation* 29.1, 1–9. DOI: 10.1016/j.racreg.2017.04.001.

Berry, Christopher R., Barry C. Burden, and William G. Howell (2010). "After enactment: The lives and deaths of Federal Programs". In: *American Journal of Political Science* 54.1, 1–17. DOI: 10.1111/j.1540-5907.2009.00414.x.

Carpenter, Daniel P (2000). "Stochastic Prediction and Estimation of Nonlinear Political Durations: An Application to the Lifetime of Bureaus". In: *Political complexity: Nonlinear models of politics*. Ed. by Diana RichardsEditor Doyle. University of Michigan Press, 209–238.

CNN (1997). *Miami Voters Crush Proposal To Abolish City*. URL: https://www.cnn.com/ALLPOLITICS/1997/09/05/email/miami/.

Coate, Stephen and Stephen Morris (1999). "Policy persistence". In: *American Economic Review* 89.5, 1327–1336. DOI: 10.1257/aer.89.5.1327.

Daniels, Mark R. (2015). *Terminating Public Programs: An American Political Paradox*. Taylor and Francis.

Hansen, Matthew (2014). "How tiny Seneca, Nebraska – torn apart by bitterness – voted itself out of existence". In: *Omaha World-Herald*. URL: https://omaha.com/archives/hansen-how-tiny-seneca-nebraska-torn-apart-by-bitterness-voted-itself-out-of-existence/article_feb222a2-9255-5c90-90c6-0eb61d141e00.html.

Hogen-Esch, Tom (2011). "Failed state: Political corruption and the collapse of democracy in Bell, California". In: *California Journal of Politics and Policy* 3.1. DOI: 10.2202/1944-4370.1159.

Kaufman, Herbert (1976). *Are Government Organizations Immortal?* Brookings Institution Press.

León-Moreta, Agustin (2015). "Municipal incorporation in the United States". In: *Urban Studies* 52.16, 3160–3180. DOI: 10.1177/0042098014556588.

Lewis, David E. (2002). "The politics of agency termination: Confronting the myth of agency immortality". In: *The Journal of Politics* 64.1, 89–107. DOI: 10.1111/1468-2508.00119.

Scorsone, Eric (2014). "Municipal fiscal emergency laws: Background and guide to state-based approaches". In: *Working Papers Mercatus Center George Mason University*. DOI: 10.2139/ssrn.3191348.

Stevenson, Sandra M. (2009). *Understanding Local Government*. LexisNexis.

Tatum, James L (2019). "To Disappear a City". In: *Syracuse Law Review* 69.1, 105–126.

Zhang, Pengju (2019). "The non-randomness of municipal government reorganization: Evidence from village dissolution in New York". In: *The American Review of Public Administration* 49.8, 914–930. DOI: 10.1177/0275074019858066.