

# Separate Tax Limitation Ballot Proposal

## PURPOSE

The purpose of the separate tax limitation ballot proposal is to re-establish the maximum operating tax levy for the county, general law townships and intermediate school district. As a result of Proposal A and Headlee, the maximum operating levy has been rolled back annually over the last several years.

## EFFECT ON INGHAM COUNTY

The 2018 Controller Recommended Budget will recommend levying the current maximum operating levy of 6.4206 mils (6.3876 for operating and .033 for Indigent Veteran Support.) The county faces a shortfall of \$3.4 million in order to fund all services at their current levels.

Re-establishing the maximum operating tax levy will aid the county in addressing its ongoing budget challenges, including a sluggish return of property tax revenue, loss of some department generated revenue and the steep increase in pension obligations.

If the maximum operating tax levy is authorized and levied in full, additional available revenue is estimated at \$2.77 million. This would allow the Board of Commissioners to fund many of the programs and services that will not be included in the Controller Recommended budget and/or to decrease its reliance on fund balance to support operating expenses.

If levied in full, the additional cost to a homeowner with a taxable value of \$50,000 would be \$18.97 per year.

## HISTORY

Ingham County adopted a separate fixed millage limitation with a total limit of up to 18 mils. In 1970, the approved ballot question also included 9.0 mils for school districts, for a total of 17 mils. However, the school part of the millage was removed in 1993-1994 with the adoption of the State Education Tax. When fixed millage limits are established by an approval of the County voters, the approved millage remains in place for the duration set in the millage language. The 2017 ballot proposal will establish the limit for an indefinite period or until altered by the voters.

In 1970, Ingham County voters adopted an indefinite separate fixed millage with the limits as detailed below. The separate tax limitation ballot proposal would re-establish the maximum operating tax levy for the county, general law townships and intermediate school district to levels originally approved by voters in 1970.

County	6.8 mils
General Law Townships	1.0 mil
Intermediate School District	0.2 mil
Total	8.0 mils

As a result of Proposal A and Headlee, the maximum operating levy has been rolled back annually over the last several years reducing the permitted levels of maximum millage to:

County	6.4206 mils
General Law Townships	0.7438 – 0.9161 mil
Intermediate School District	0.1894 mil
Total	7.3538 – 7.5261 mils

It should be noted that the maximum allowable total millage is 9.0 mils. Recommending a level restoring the rate to the 8.0 mils authorized in 1970, leaving the additional allowable 1 mill off the table, shows the conservative nature of Ingham County, the general law townships and Intermediate School District.