

MAKING SENSE OF THE WCC MILLAGE RENEWAL REQUEST

Decoding the mysteries of ballot language

Reading your primary ballot on August 4, you'll find WCC's request for a millage renewal. Some of the terminology in the request can be challenging to interpret. If it's confusing, it's not because WCC wants it that way, but because the law requires certain wording.

For your benefit, here is a guide to some of the more opaque language:



WASHTENAW COMMUNITY COLLEGE OPERATING MILLAGE RENEWAL PROPOSAL

This proposal will permit the College to continue to levy up to 0.85 mill that was previously approved by electors to fund operations for 10 years. Of the 0.85 mill, 0.8109 mill represents a renewal of the 0.85 mill authorization approved by the electors in 2016, which will expire with the 2026 tax levy and 0.0391 mill represents a restoration of that portion of the same millage authority which was reduced by application of the Headlee Amendment.

Shall the limitation on the total amount of taxes which may be imposed on taxable property within the Washtenaw Community College district, State of Michigan, be increased by 0.85 mill (\$0.85 per \$1,000 of taxable value) for a period of 10 years, the years 2027 to 2036, inclusive, as a renewal of the 0.8109 mill previously authorized by the electors which expires with the 2026 levy plus new additional millage in the amount of 0.0391 mill, to provide funds for operating purposes?

YES
NO

It is estimated that 0.85 mill would raise approximately \$21,933,415 when first levied in 2027.

MILLAGE RENEWAL PROPOSAL

Voter-approved millages provide WCC with approximately 50% of its operating budget. Tuition and fees cover approximately 24% of the operating budget and the rest is provided through state aid and other forms of revenue.

REPLACING EXPIRING TAX LEVY

The millage approved by the voters in 2016 will expire in 2026. The college is taking this proposal to the voters on August 4 to renew the millage for a 10-year period from 2027 through 2036 and restore it to 0.85 mill.

\$0.85 PER \$1,000 OF TAXABLE VALUATION

That's about \$85 a year — or 23 cents per day — for a \$100,000 home in Washtenaw County.

WHY THE WORD 'INCREASED'?

Despite this wording, WCC is not asking for an additional authorization above the previously authorized millage. The word "increased" is required language for this kind of proposal and simply indicates voters have a choice between restoring the authorized millage for 10 more years or declining to renew it.

UNDERSTANDING THE HEADLEE AMENDMENT

Although voters approved an 0.85 millage in 2016, the actual amount the college collects has fallen to 0.8109 mill over the years because of the state of Michigan's Proposal A that limits property tax increases to the rate of inflation. If voters renew the millage this August, the rate will be restored again to 0.85 mill in 2026 and will gradually decrease again over the years as the Proposal A restrictions are applied.

The 1978 Headlee Amendment requires local governments to lower property taxes if their aggregate property tax revenue goes up as the result of property values (and tax assessments) rising faster than inflation, unless voters approve the previous rate in a "Headlee rollback" election. The 1994 Proposal A amendment capped annual increases in the assessed value of individual properties to the rate of inflation or five percent, whichever is less.

In essence, the Headlee Amendment and Proposal A keep property taxes from rising faster than inflation. In the case of WCC's millage and other millages, this means that if property values rise faster than inflation, only a portion of the entire millage rate can be collected until voters approve again.

This is a renewal of a previously approved millage.

Look for Washtenaw Community College on the ballot on August 4.