

Making sense of the WCC millage renewal and restoration

Decoding the mysteries of ballot language

Reading your primary ballot on March 10, you'll find WCC's request for a millage renewal and restoration. It seems like it's in English, yet you wonder, "What does that really mean? Is this an increase or a renewal? What does

the Headlee Amendment do anyway?" If it's confusing, it's not because the College 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.

BALLOT LANGUAGE

Washtenaw Community College Millage Renewal and Restoration

This proposal authorizes Washtenaw Community College to levy 1.00 mill for operating purposes for 10 years. Of the 1.00 mill, .9718 represents a renewal of the 1.00 mill authorization approved by the electors in 2008, which will expire with the 2020 tax levy and 0.0282 mill represents a restoration of the portion of the same 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 1.00 mill (\$1.00 per \$1,000 of Taxable Valuation) for a period of 10 years, the years 2021 through 2030 inclusive, to provide funds for operating purposes? Of the 1.00 mill, 0.9718 represents a renewal of that portion of the 1.00 mill authorization previously approved by the electors as reduced by operation of the Headlee Amendment, and 0.0282 represents new additional millage in the amount equal to the amount reduced by operation of the Headlee Amendment. It is estimated that the 1.00 mill would raise \$17,500,000 for the College when first levied in 2021.

Millage renewal and restoration

Although the millage RATE was approved in 2008, the actual rate levied fluctuates due to the State of Michigan's Proposal A that limits property tax increases to the rate of inflation rate. (See the full explanation below, under "Headlee Amendment.")

Although voters approved a 1.00 millage in 2008, the actual amount the College collects has fallen to 0.9718 mill over the years because of restrictions based on Proposal A. If voters approve the millage this March, the rate will be RESTORED again to 1.00 mill in 2021 and will gradually decrease again over the years as the Proposal A restrictions are applied.

Will expire with the 2020 tax Levy

The millage approved by the voters in 2008 will expire in 2020. The college is taking this proposal to the voters on March 10 renew the millage for a 10-year period from 2021 through 2030 and restore it to 1.00 mill.

Headlee Amendment

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.

Increased

Wording for the proposal may be a bit confusing. First, WCC is not asking for an additional authorization above the previously authorized millage. The word "increase" is required language for this kind of proposal, and simply indicates that voters have a choice between restoring the authorized millage for 10 more years or declining to renew it.

\$1.00 per \$1,000 of Taxable Valuation

That's about \$100 a year for a \$200,000 home in Washtenaw County.

\$17.5 Million

Voter-approved millages provide WCC with about 48% of its operating budget. Tuition and fees cover an additional 30% of the operating budget and the rest is provided through state aid and other forms of revenue.

Remember: This is a renewal and restoration of a previously approved millage. On March 10, look for Washtenaw Community College on the Ballot.