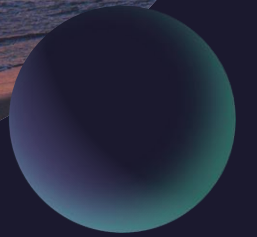


# Benzie County's General Operating Millage and Headlee Rollback



# Agenda

- General Operating Millage Background
- Headlee Amendment & Proposal A
- Other Revenue Sources
- Mandated vs Non-Mandated Services
- Timeline, and moving forward



# General Operating Milage Background

August 10, 1982  
Millage Rates set Indefinitely

*Millage Rates set “indefinitely” for  
the County, Townships, and Schools*

- 5.29 – Benzie County
- 1.21 – Township (with the exception of Charter Townships)
- .27 – Intermediate School District
- 8.23 – School Districts

Total of 15 Mills

# Headlee and Proposal A

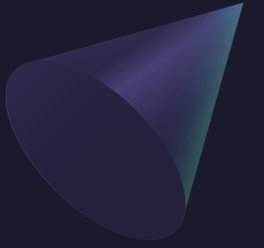
## HEADLEE

- Amendment to the Michigan Constitution passed in 1978 requires a proportional rollback each year.
- Property taxes are lowered if the aggregates property tax revenue goes up faster than inflation.
- Benzie County has rolled back their entire life of its millage.

## PROPOSAL A

- Michigan Tax Amendment, approved in 1994 by Michigan voters.
- Removed the Schools from the Millage Calculation, leaving **6.77 mills** to be split equally among the County, Townships, and Intermediate School District.
- Limits the amount that property taxes can increase annually to the lesser of inflation or 5%.

# Other Revenue Sources



## SPECIAL TAX MILLAGES

- **Animal Control, Drug Enforcement, School and Youth Resource Officer, Conservation District, EMS/ALS, Jail Operations.**
- Special Millage limit the use of funding and remove flexibility
- Involve intense oversight for timing and use of funds
- Limit services of which could be provided

## STATE FUNDING

- Revenue Sharing
- County Incentive Plan funding
- Local liquor tax funding
- Miscellaneous permit and licenses
- Reimbursement for services performed
- Sometimes unreliable and decreasing

## GRANT FUNDING

- **Emergency Management services, secondary road patrol services, supplemental animal control needs, brownfield activities**
- Not a reliable source of funding
- Specific in allowable expenditures
- Management can be cumbersome



# Mandates vs. Non-Mandates Services

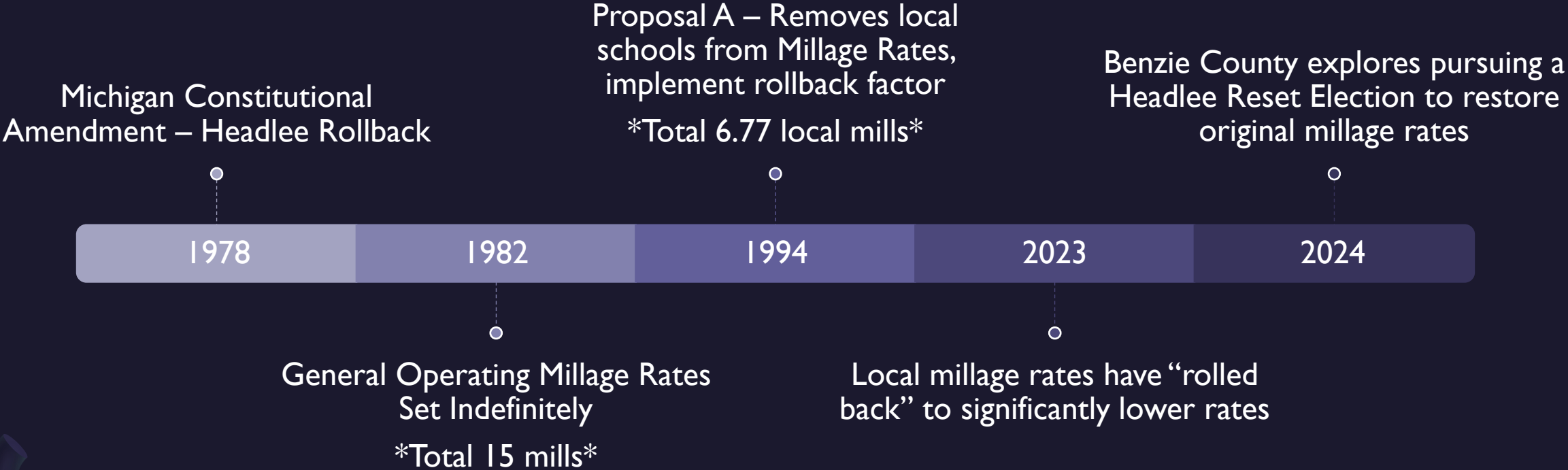
## MANDATES SERVICES OF A COUNTY

- Court Services
- Clerk, Treasurer, Register of Deeds
- Prosecutor
- Equalization Services
- Health Department
- Mental Health Services (10% contribution)
- Central Dispatch (911)
- Correctional Holding or Lockup Facilities, Transportation Services, contracted jail space

## NON-MANDATES SERVICES OF A COUNTY

- Road Patrol
- Drug Enforcement and School Resource Officers
- Animal Control
- MSU Extension
- Parks & Recreation
- Emergency Medical Services (EMS/ALS)
- Physical Jail Building
- Economic Development

# Timeline



# Summary

Although it might appear that a community with an annual increase in uncapped property values would benefit monetarily, uncapped values are treated as growth on existing property and trigger Headlee rollbacks. For local governments levying at their Headlee maximum authorized millage, rolling back the maximum authorized millage rate reduces the revenue that would have been generated from these increased property values. The increase in the taxable value of property not transferred is capped at the lesser of inflation or five percent. Even though the taxable value of a particular piece of property increases at the rate of inflation, the millage rate for the entire community is “rolled back” as a result of the increase in the total taxable value of the community. The net result—a less than inflationary increase in the actual dollars received from property taxes. Consequently, the 1994 change to the General Property Tax Act has prevented local governments from being able to share the benefits of any substantial market growth in existing property values.





# Thank You

Benzie County Board of Commissioners

Benzie County Administration

kzeits@Benzieco.net

231-882-0035

<https://www.benzieco.gov>

