

Quincy Community Schools November 3, 2020 Election – Non-Homestead Operating Millage Restoration Vote

1. Is this a new tax?

No. This is a restoration of a millage that was approved by the voters in 1994 and renewed multiple times since.

2. What do we mean by local non-homestead properties in this millage?

Non-homestead represents industrial, commercial, and some agricultural property as well as second homes. It **does not include** a tax on a family's primary home.

3. What is an Operating Millage?

In Michigan, public schools receive the majority of their per-pupil funding for their day-to-day operations from two sources – local property taxes collected from local non-homestead properties (apartment buildings, rental homes, vacant land, commercial property, industrial property, etc.) and state aid from the state. The local property tax collection is called the Operating Millage and for most school districts the maximum rate allowed by Michigan Law is 18 mills, (i.e. \$18.00 on each \$1,000 of taxable value). For a school to get its full per-pupil funding, it must levy the maximum operating millage rate.

4. Why is Quincy Schools calling this a millage restoration and why is it on the ballot?

Over the last several years, the operating millage rate of 18 mills has eroded to roughly 17.5658 mills. This means Quincy Community Schools is not collecting its full per-pupil funding. The state will not make-up this shortfall (the difference between the 18 mills we could be collecting and the 17.5658 we are currently able to collect) because the state assumes we are collecting the full 18 mills. This year, the district is losing approximately \$29,924 in funding. The November 3rd ballot includes a proposal to restore this tax levy back to its originally approved 18 mills.

5. What caused the full 18 mills for Quincy School's operations to be reduced to 17.5658?

Anytime non-homestead property (taxes other than those on a primary residence) is sold and its value increases more than the rate of inflation, it triggers a reduction in the full 18 mills. As an example, consider new homes being built on undeveloped property around the lakes. The value of that property before the new home was built was much different than the value after the new home was built on the property. In a short amount of time, that property's value grew much faster than the rate of inflation. When values grow faster than the rate of inflation, Michigan Law initiates a rollback of taxes. This causes a reduction in the 18 mills school districts use to operate. The ballot question proposes to recapture the operating funds for the district that have been lost because of these reductions and those recovered taxes would fund programs for our students if approved.

6. What if the millage restoration is voted down?

The funds generated from the full 18 mills are part of the basic budget for the school district. If the restoration to the full 18 mills is not established, the district will continue to lose operating money that directly impacts classroom programs. Specifically, this year, the district will lose approximately \$29,924 in funding for student programs.