



# Watervliet Public Schools

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CENTRAL OFFICE

Please VOTE on November 8, 2022

It is important to note that the Operating Millage is not a bond for new money! The Operating Millage is a renewal for normal yearly funds that allow the district to operate!  
Cost to the Homeowner: \$0

Frequently Asked Questions:

## Who pays the operating millage?

The operating millage is levied on properties that do not qualify for the Michigan homestead exemption. In our district, this specifically represents commercial properties and second homes. Primary residences qualify for the homestead exemption and, therefore do not pay this 18 mill tax.

## Is this new tax?

No. The millage has been in place since 1994 with the passage of Proposal A. The voters approved a levy for 18 mills on non-homestead property in May 2018. The current millage expires with the 2023 tax levy.

## What happens if the millage does not get voter approval?

Failure to renew the operating millage would decrease our state school aid foundation allowance from the current amount of \$9,150 per pupil to a much lower \$7,673 per pupil. The revenue generated from the 18 mills in non-homestead property totals approximately \$2.2 million annually. The State of Michigan will not replace the lost funding due to voters' non-approval, and the district will need to continue to make significant and painful reductions on programs and services to offset the reduction in revenue.

## What is the Headlee Amendment and how does it affect me?

The Headlee Amendment of 1978 changed the Michigan Constitution. At that time, real estate was increasing in value faster than the rate of inflation. So when taxing entities ( cities, townships, state, etc.) calculated property taxes based on property value, they would collect more than the increase in inflation. The Headlee Amendment automatically "rolls back" the millage rate to equal the rate of inflation in order to keep taxes from increasing more than inflation. The inflation rate used by counties to calculate Headlee is from the prior year, NOT the current inflation rate!

### What is Headlee Override?

A Headlee Override is a vote by the electors to return the millage to the amount originally authorized via charter, state statute, or vote of the people and is necessary to counteract the effects of the Headlee rollback. On November 8, 2022, the Board of Education proposed a 0.9426 mill Headlee Override on the non-homestead operating millage because the millage has been Headlee reduced to 17.9426 mills. The renewal of the 0.9426 mill allows us to levy all 18 mills each year. Without this, our school aid is reduced. At no time is the district permitted to levy more than 18 mills on non-homestead properties.

### Why is the district asking for a 10-year renewal?

Historically the value of non-homestead properties in Watervliet has increased at a rate greater than inflation, which causes the millage to be reduced by the Headlee Amendment. The non-homestead millage is an important portion of the states' per-pupil foundation allowance and must be collected locally. The state assumes the amount the district should receive based on the voters levying the full 18 mills.

Should you have any questions regarding the Non-Homestead Tax Levy please contact Rita Broekema, Watervliet Public Schools Director of Business Services, or Ric Seager, Superintendent, at 269-463-0300.