

HEADLEE RESTORATION MILLAGE

THE HEADLEE AMENDMENT:

In 1978, the Headlee Amendment to the constitution was ratified which required that a millage rate be reduced or rolled back proportionately whenever the tax base exceeded the rate of inflation for that year creating revenue limitations for counties.

PROPOSAL A:

In 1994, Proposal A placed a limitation on how much the taxable value of a property could increase each year. Growth would be limited to the lesser of 5% or the rate of inflation. Once a property transfers ownership, the taxable value would be reset to 50% of the property's true cash value.



ON MAY 7, 2024 OGEMAW COUNTY RESIDENTS HAVE THE OPPORTUNITY TO RETAIN CURRENT COUNTY SERVICES

While County Commissioners have made efforts to maintain a fiscally conservative level of spending, revenue limitations created by the Headlee Amendment and Proposal A, along with unfunded mandates from the State of Michigan and high inflation rates, have increased expenses to a level that is no longer sustainable for Ogemaw County.

Ogemaw County has lost \$21,690,966 in potential revenue since 1989 due to the Headlee Amendment.

Other factors that have eroded Ogemaw County general fund revenue are Downtown Development Authorities (DDA's) that capture tax increments from the county. In 2023, the DDA's will divert or capture \$257,865 in revenue from the county general fund. Since 1994, DDA's have captured \$3,985,745 of county general fund revenue. Tax increments captured by the DDA's are required by law.

Disabled Veterans Exemptions have reduced 2023 tax revenue by \$74,920. Since becoming effective in 2013, this exemption has reduced tax revenue by \$420,900.

Personal Property Exemptions have reduced 2023 tax revenue by \$80,386. Since becoming effective in 2013, this exemption has reduced tax revenue by \$1,145,998.

WHAT WILL IT COST THE TAXPAYER?

Restoring the county operating millage from 6.0931 to 7.2000 will cost the average residential property owner approximately \$50 per year. The average cost for a commercial property owner is estimated to be \$130 per year and the average cost for an agricultural property owner is estimated to be \$57 per year.

Without the restoration millage, public services in Ogemaw County will be reduced to balance the budget.

WHAT HAS BEEN DONE TO CONTROL EXPENDITURES?

Over the past several years Ogemaw County has controlled expenses by reducing staff, restructuring employee benefits, negotiating lower insurance rates, creating intergovernmental agreements for services, shortened the county building operational hours, eliminated commissioner & retiree health care benefits. Ogemaw County has balanced the budget for several years by utilizing funds from the Delinquent Tax Revolving Fund (DTRF) and American Rescue Plan Act (ARPA) funds. Funding has been reduced to the point that the DTRF can no longer sustain costs necessary to balance the budget.