

COUNTY ADMINISTRATOR
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TO: Jeff Irwin, Chair
Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Peter Ballios
Finance Director

DATE: September 21, 2005

SUBJECT: 2005 Millage Rate

Board Action Requested

It is requested that the Board of Commissioners adopt the resolution setting the 2005 Washtenaw County Millage Rate.

Background

Each year, the millage rate to be used to levy the next year's property taxes is adopted by the Board of Commissioners. This total millage rate includes the Operating Millage, Drain Assessment, Parks, Natural Areas and Huron-Clinton Metropolitan Authority taxes.

Discussion

This resolution establishes the 2005 Washtenaw County Millage Rate at 5.5024. This figure is based on the 2005 Taxable Value and will be used to levy property taxes for the 2006 Fiscal Year. The 2005 Millage Rate of 5.5024 is a decrease of 0.0469 mills from the 2004 Millage Rate of 5.5493.

Taxable Value

	Original Millage	2005 Budget	2006 Budget
Washtenaw County Operating	5.5	4.6110	4.5713
Drain Assessment	<u>N/A</u>	<u>0.0</u>	<u>0.0</u>
Total General Fund	5.5000	4.6110	4.5713
Washtenaw County Parks	.2500	.2386	.2365
Washtenaw County Parks	.2500	.2400	.2379
Natural Areas	.2500	.2443	.2421
HCMA	<u>.2500</u>	<u>.2154</u>	<u>.2146</u>
Total Parks & HCMA	1.000	.9383	.9311
TOTAL COUNTY MILLAGE	6.5000	5.5493	5.5024

In 2004, the Michigan Legislature enacted a new statute calling for a graduated early levy of the County operating millage. Under this legislation, 1/3 of the operating millage collected in December 2004 was to be placed in a special fund that was designed to replace State revenue sharing ("Special Fund"). To reimburse the counties for this loss of 1/3 operating millage, the legislation called for counties to assess 1/3 of their total December 2005 millage on July 1, 2005. This money would effectively replace the 1/3 operating millage used by the counties to create the Special Fund in December, 2004. Likewise, another 1/3 of the County's remaining 2/3 December, 2005 operating millage will go into the special fund. Two-thirds of the total 2006 operating millage will then be assessed on July 1, 2006. One-third of this amount will be again reimburse the County for the 1/3 put into the special fund from the December, 2005 millage. Finally, in December, 2006, the County will assess 1/3 of its normal operating millage. This 1/3 will be the last payment into the special fund. In July 2007, the entire County operating millage will be assessed.

To comply with this legislation, the County created the Special Fund, using 1/3 of its operating millage collected from the December, 2004 tax levy. As mandated by the legislation, the County assessed 1/3rd of its 2005 operating millage on July 1, 2005, rather than December 1, 2005. Before issuing the tax bills for this early assessment, County Finance and Corporation Counsel requested that Equalization provide the Headlee reduction factor so that the early assessment would comply with the Michigan Constitution. Equalization reported that after the Headlee reduction, the correct County operating millage rate for 2005 should be 4.5713, a reduction from the millage rate of 4.6110 used for the 2004 fiscal year. Accordingly, the early 1/3 operating millage assessments sent out on July 1, 2005 used the 4.5713 operating millage rate (actual rate used was 1.5238 which is 1/3 of 4.5713) reflecting the Headlee reduction from last year's millage rate.

Impact on Human Resources

None.

Impact on Budget

None.

Impact on Indirect Costs

None.

Impact on Other County Departments or Outside Agencies

None.

Conformity to County Policies

This action conforms to County policy.

Attached

Resolution

A RESOLUTION SETTING THE 2005 WASHTENAW COUNTY MILLAGE RATE AT 5.5024

WASHTENAW COUNTY BOARD OF COMMISSIONERS

October 5, 2005

WHEREAS, the County Finance Office, Administration, Corporation Counsel, Equalization, and the Ways and Means Committee have reviewed this matter

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby sets the 2005 Washtenaw County Millage Rate at 5.5024 based on the 2005 Taxable Value, to be used to levy property taxes for the 2006 Fiscal year, as follows:

COUNTY MILLAGE

GENERAL FUND:

COUNTY OPERATING	4.5713
DRAIN ASSESSMENT	0.0000

TOTAL GENERAL FUND	4.5713
COUNTY PARKS (1998 - 2007 tax years)	0.2365
COUNTY PARKS (1999 - 2009 tax years)	0.2379
NATURAL AREAS (2002 - 2017 tax years)	0.2421
H.C.M.A.	0.2146

TOTAL PARKS & HCMA	0.9311

TOTAL COUNTY MILLAGE	5.5024