



COUNTY ADMINISTRATOR
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TO: Barbara Levin Bergman
Chair, Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Mark R. Lindke, Director
Veteran Services

DATE: October 1, 2008

SUBJECT: Indigent Veterans' Relief Millage of 1/50th of a Mill to be levied in
December, 2008 for use during Calendar Year 2009, with the
Proceeds of such Millage to be Placed into the County's
Veterans' Relief Fund

BOARD ACTION REQUESTED:

It is requested that the Board of Commissioners use the authority provided to them by MCLA 35.21 to approve an Indigent Veterans' Relief Millage of 1/50th of a mill to be levied in December, 2008 for use during calendar year 2009, with the proceeds of such millage to be placed into the County's Veterans' Relief Fund.

BACKGROUND:

In 1899, the Michigan Legislature enacted the Veterans' Relief Fund (Public Act 214; MCLA 35.21 et seq) which provides, in part, that, "each county shall annually levy, a tax not exceeding 1/10th of a mill on each dollar, to be levied and collected as provided by law... for the purpose of creating a fund for the relief of honorably discharged indigent members of the army, navy, air force, marine corps, coast guard and women's auxiliaries of all wars or military expeditions...and the indigent spouses, minor children and parents of each such indigent or deceased member." The law also provides that in times of emergency, such as during wars or conflicts in which the United States is involved, the Board of Commissioners may levy up to 2/10ths of a mill to provide for indigent veteran claims.

The amount of the annual levy would vary depending upon how much of the preceding year's monies remained to be spent upon indigent veteran claims. Thus, if a substantial amount of the preceding year's levy went unspent during the calendar year, the Board of Commissioners would approve a smaller levy for the following year; conversely, if the

preceding year's levy was too small to meet the indigent veteran needs, the following year's levy could be increased to meet that need.

Until recently, few counties have actually levied this indigent veteran's relief millage. Instead, they would dedicate monies from their general funds to pay such indigent veteran's claims. The end result was that each county substantially complied with the requirement of MCLA 35.21, without actually levying an indigent veteran's millage. Over the years, Washtenaw County has consistently addressed indigent veteran's relief in this manner.

The Veterans' Relief Fund Act also provided for the creation of the Soldiers' Relief Commission ("SRC"). This is a three-person body comprised of honorably discharged veterans who served in a war in which the United States was a participant. The three members of the SRC are appointed by the probate judge for that county and are charged, in part, with determining if a claim qualifies for relief from the indigent veteran's relief fund, which will be funded from the proceeds of the proposed indigent veteran's millage.

DISCUSSION:

Washtenaw County has never approved the indigent veteran's levy called for in MCLA 35.21; however, it has substantially complied with the requirement to fund indigent veteran's claims by annually allocating funds from the County's general fund sufficient to pay for indigent veteran claims for the County.

Recently, the County has experienced budget shortfalls resulting from a variety of sources, including, but not limited to, declining revenue from property taxes which constitutes the bulk of the County's operating millage. Further, as a direct result of the extremely difficult economic times we are all experiencing, demands for benefits and relief continue to increase. Approval of the attached Resolution would authorize an indigent veteran's millage of 1/50th of a mill to be levied in December, 2008 for use in calendar year 2009. The proposed millage would generate approximately \$315,000 to pay for such indigent veteran claims.

Approval of the millage would guarantee that funds were set aside for indigent veteran claims as required by State law. Moreover, approving a modest Indigent Veteran's Relief millage of 1/50th of a mill would generate funds exclusively for indigent veteran claims; accordingly, no general fund monies would have to be allocated for this purpose. If approved, the millage would cost a homeowner \$2.00 for every \$100,000 of his/her home's taxable value. The money generated from the millage would save the County's general fund between \$100,000 and \$315,000 dollars, depending upon the number of indigent claims made in calendar year 2009. These savings could then be used for other critical County uses.

The Board of Commissioners has the authority to levy this millage without a vote of the electorate as is generally required by the Headlee amendment to the State Constitution. (Art. 9, Sec 31). Michigan appellate courts that have reviewed this issue have explicitly

held that statutory provisions giving local units of government the authority to levy a tax which predate the enactment of the Headlee Amendment (December, 1978) remain in effect and do not require approval of the voters. The Veterans' Relief Fund which requires that each county in the state approve a levy of up to 1/10th of a mill for indigent veteran claims was enacted in 1899, 79 years before the Headlee Amendment; accordingly, the Board of Commissioners not only has the authority, but is required under State law, to approve a levy for indigent veteran claims.

Finally, it should be noted that in an accompanying Resolution, the Board of Commissioners is being asked to take a number of actions to reorganize the County's Veterans Services Department. Currently, the County operates its Veterans Services Department pursuant to the Local Councils of Veterans' Affairs Act (Public Act 77 of 1945; MCLA 35.11). The vast majority of Michigan Counties operate a county department of veterans' affairs pursuant to Public Act 192 of 1953 (MCLA 35.621). In the accompanying Resolution, the Board of Commissioners is being asked to take the following actions: (1) create a Washtenaw County Department of Veterans' Affairs; (2) create the Washtenaw County Veterans' Affairs Committee to be comprised of 5 veterans appointed by the Board of Commissioners upon the advisory recommendation of the Washtenaw County Council of Veterans which shall oversee the Department of Veterans Affairs; (3) acknowledge that under State law, once created, the Department of Veterans' Affairs supersedes and replaces the current Soldiers Relief Committee; and (4) authorize the Administrator, upon review of Corporation Counsel, to sign any amendments to the existing contract between the County and the Washtenaw County Council of Veterans which may be required as a result of the reorganization of Veteran's Services.

IMPACT ON HUMAN RESOURCES:

None.

IMPACT ON BUDGET:

Approval of the Resolution will result in approximately \$315,000 to be used exclusively for indigent veteran claims. These funds will off-set monies from the County's general fund which had in previous years been used to pay for these claims. As a result, the County will realize a net gain to its general fund equal to the amount of indigent claims made in calendar year 2009

IMPACT ON INDIRECT COSTS:

None.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

Approval of the Resolution will create a separate source of funding for indigent veteran claims, thus freeing up additional general fund dollars for other County departments.

CONFORMITY TO COUNTY POLICIES:

This Resolution conforms to all County Policies.

A RESOLUTION APPROVING AN INDIGENT VETERANS RELIEF MILLAGE OF 1/50 OF A MILL TO BE LEVIED IN DECEMBER, 2008 FOR USE IN CALENDAR YEAR 2009

WASHTENAW COUNTY BOARD OF COMMISSIONERS

OCTOBER 15, 2008

WHEREAS, under Michigan law (Veterans' Relief Fund; MCLA 35.21), each County in the State is to annually levy up to 1/10th of a mill to fund indigent veteran claims; and

WHEREAS, those eligible to be assisted by the indigent veteran fund are honorably discharged indigent members of the army, navy, air force, marine corps, coast guard and women's auxiliaries of all wars or military expeditions as well as the indigent spouses, minor children and parents of such military personnel; and

WHEREAS, most Counties in the State, including Washtenaw County, substantially complied with the Veterans' Relief Fund by allocating a portion of their general fund to pay for such indigent claims, in lieu of levying the millage required under the Veterans' Relief Fund; and

WHEREAS, recently, Washtenaw County has experienced budget shortfalls resulting from a variety of sources, including, but not limited to, declining revenue from property taxes which constitutes the bulk of the County's operating millage; and

WHEREAS, it is now proposed that the Board of Commissioners approve a Indigent Veterans Millage of 1/50th of a mill as required by the Veterans' Relief Act to pay for indigent veteran claims of County residents; and

WHEREAS, it is proposed that the 1/50th of a mill, which will generate approximately \$315,000, be assessed and collected in December, 2008 to pay for indigent veteran claims in calendar year 2009; and

WHEREAS, the approval of this millage is not subject to the popular vote requirement of the Headlee Amendment to the State Constitution (Article 9, Sec. 31), because the Legislative authorization for the millage in the Veterans' Relief Fund predates the Headlee Amendment by 79 years.

NOW THEREFORE, BE IT RESOLVED that pursuant to the authorization of the Veterans Relief Fund (MCLA 35.21), the Washtenaw County Board of Commissioners approves an Indigent Veterans Millage of 1/50th of a mill to be levied against all real property in the County with such levy to be collected in December, 2008 for use in calendar year 2009, with the proceeds of such millage to be placed into the County's Veterans' Relief Fund.