



COUNTY ADMINISTRATOR
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TO: Conan Smith, Chair
Ways & Means Committee

FROM: Robert E. Guenzel
County Administrator

Mark R. Lindke, Director
Department of Veterans Affairs

DATE: October 7, 2009

RE: Approval of an Indigent Veterans' Relief Millage of 1/40th of a Mill to be levied in December, 2009 for use during Calendar Year 2010, with the Proceeds of such Millage to be Placed into the County's Veterans' Relief Fund.

BOARD ACTION REQUESTED:

County Administration, the Veterans Affairs Committee and the Department of Veterans Affairs requests that the Board of Commissioners use the authority provided to them by MCLA 35.21 to approve an Indigent Veterans' Relief Millage of 1/40th of a mill to be levied in December, 2009 for use during calendar year 2010, 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.

Until recently, few counties have actually levied the 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.

Last year, consistent with MCLA 35.21, the Washtenaw County Board of Commissioners approved the levy of 1/40th of a mill to fund indigent veteran services. The proposed Resolution requests the Board of Commissioners to again approve the levy of 1/40th of a mill in December, 2009 for use during calendar year 2010 to pay for indigent veteran services in Washtenaw County.

DISCUSSION:

Until last year, Washtenaw County had never approved the indigent veteran's levy called for in MCLA 35.21; however, it 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.

In October, 2008, the Washtenaw County Board of Commissioners complied with MCLA 35.21 by approving a levy of 1/40th of a mill to be levied in December 2008 for use during calendar year 2009 with the money generated to be used to pay for direct services for indigent veterans along with the County Department of Veterans Affairs staff time expended to provide these services. 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. To date, the County's Department of Veterans Affairs has expended over \$200,000.00 in 2009. Requests for assistance from the Indigent Veterans Fund is expected to increase due to the continuing war efforts in Iraq and Afghanistan, the overall poor economy in Michigan and the increased awareness of the Program in the veteran community of Washtenaw County. Approval of the attached Resolution would authorize an indigent veteran's millage of 1/40th of a mill to be levied in December, 2009 for use in calendar year 2010. The proposed millage would generate approximately \$393,000 to continue to meet the County's statutory obligation to pay for such indigent veteran claims.

Approval of the millage would also 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 1/40th 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 \$2.50 for every \$100,000 of his/her home's taxable value. The money generated from the millage would save the County's general fund up to

\$393,000 dollars, depending upon the number of indigent claims made in calendar year 2010. 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.

IMPACT ON HUMAN RESOURCES:

None

IMPACT ON BUDGET:

Approval of the Resolution will result in approximately \$393,616 to be used exclusively for indigent veteran claims, including County Department of Veterans Affairs staff time to process such claims.

IMPACT ON INDIRECT COSTS:

None

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

Approval of the proposed Resolution will require the County's Department of Veterans Affairs to administer the indigent veteran claims in conjunction with the Washtenaw County Veterans Affairs Committee.

CONFORMITY TO COUNTY POLICIES:

This Resolution conforms to all County Policies.

A RESOLUTION APPROVING AN INDIGENT VETERANS RELIEF MILLAGE OF 1/40 OF A MILL TO BE LEVIED IN DECEMBER, 2009 FOR USE IN CALENDAR YEAR 2010

WASHTENAW COUNTY BOARD OF COMMISSIONERS

OCTOBER 21, 2009

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, in October, 2008, under the authority granted by MCLA 35.21, the Washtenaw County Board of Commissioners approved a levy of 1/40th of a mill, to be levied in December, 2008 for use during calendar year 2009 to be used for direct services for eligible indigent veterans and dependents, including County Department of Veterans Affairs employee staff time providing such services; and

WHEREAS, it is now proposed that the 1/40th of a mill, which will generate approximately \$393,616, be assessed and collected in December, 2009 to pay for indigent veteran claims in calendar year 2010; 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 Relief Millage of 1/40th of a mill to be levied against all real property in the County, which will generate approximately \$393,616, with such levy to be collected in December, 2009 for use in calendar year 2010, with the proceeds of such millage to be placed into the County's Veterans' Relief Fund.

BE IT FURTHER RESOLVED that the funds generated by the 1/40th of a mill to be levied shall be used for direct services for eligible indigent veterans and dependents, which includes County Department of Veterans Affairs employee staff time providing such services.

