

Vote Tuesday, August 8, 2023

Operating Millage RENEWAL



On August 8, 2023, Port Huron Area School District will seek an Operating Millage Renewal. The ballot proposal, if approved, allows the school district to continue to levy 18 mills on most commercial, business, rental properties, vacant land, and second-home properties. This non-homestead millage renewal does not affect property taxes for primary home residences.

Important Facts

- Homeowners do not pay this tax
- All districts in the state levy an 18 mill tax on non-principal residence property
- This is a renewal of funding already approved by voters, NOT an increase
- Non-Principal Residence Property is:
 - Commercial or industrial property
 - Second homes
 - Vacant Land
 - Rental property
- All property that is **not a Principal Residence**
- This renewal is for a period of ten years
- This is not a new tax, only a renewal to hold funding at current levels. In order for the District to receive its full per pupil foundation allowance from the state, the District must levy 18 mills on non-homestead properties.
- Generates \$13 million of the state foundation allowance used for district operations and cannot be replaced by other sources.
- Even though primary households are not affected, state law requires a district-wide election to approve this millage.
- Due to the Headlee Amendment rollback, Port Huron Area School District is at risk of losing the full 18 mills that non-homestead property owners pay for schools.
- Under state law, Port Huron Area School District may only levy 18 mills for general operating purposes.
- The extra 1 mill on the ballot, while restricting the District to levy no more than 18 mills by law, guards against future Headlee rollbacks.

Summary and Ballot Language

The District's 18 mill Non-Principal Residence property tax millage is scheduled to expire December 2023, before the 2024-25 school year. This Non-Principal Residence millage generates operating revenue for the District to maintain quality programming, provide educational materials, and support our dedicated staff. This is not a new tax, but rather a renewal of an existing millage approved by voters in August 2018. This millage does not affect homeowners. Non-Principal Residence property is commercial or industrial property, vacant land, second homes and rental property.

Ballot wording:

This proposal would renew and restore the authority of the School District to continue to levy the statutory limit of 18 mills on all property, except principal residences and other property exempt by law, for general operating purposes, which currently expires with the School District's 2023 tax levy and allow the School District to continue to levy the statutory limit of 18 mills in the event of future Headlee rollbacks of up to 1 mill. This authorization will allow the School District to continue to receive revenues at the full per pupil foundation allowance permitted by the State.

Although the ballot language uses the word "increase," it is actually restoring the voter authorized rate of 19 mills that was reduced due to the rollbacks. By law, not more than 18 mills can ever be levied on non-principal residence property. The additional mill is a safeguard to ensure that the District always receives the full foundation allowance which supports the District's general operations and instructional programs.

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Frequently Asked Questions

WHAT IS AN OPERATING MILLAGE?

An operating millage refers to the rate at which non-homestead or non-principal residence properties are taxed. 1 mill generates \$1 in tax revenue for every \$1,000 in property value. Non-Principal Residence and Non-homestead property are the same. This includes all taxable property within the District with the exception of a family's primary residence, most agricultural, certain forestry property, and certain industrial and commercial personal property. Non-principal residence property includes industrial, commercial and some agricultural real estate and 'second homes.'

WILL MY TAX RATES INCREASE IF THIS PROPOSAL IS PASSED?

There is no tax increase to homeowners. This millage proposal is only for non-homestead or non-principal residence properties, like commercial, business, rental properties, vacant land, and second-home property owners. The ballot measure is to renew the 18 mills that are levied on non-principal residence properties.

WHY DO DISTRICTS LEVY 18 MILLS ON NON-PRINCIPAL RESIDENCE PROPERTIES?

Each district in the State of Michigan uses the per pupil funding allotment to plan its annual budget. The state determines the per-pupil amounts during their annual budget process.

In determining the state aid funding, the state assumes each district is collecting 18 mills from its non-principal residence properties. The state then backs out the non-principal residence property taxes (the full 18 mills) before sending the district its monthly payments. With the full 18 Mills, Port Huron Area School District's per pupil allowance for 2022-2023 is \$9,150. Without the full 18 mills, the District cannot collect the full amount per each pupil (student).

Port Huron Area School District has been collecting 18 mills as the non-principal residence operating millage since Proposal A passed in 1994. The 2023 Operating Millage Renewal, if passed, allows the District to renew the full 18 mills and restore the Headlee rollback protection of 1 mill through 2033 and claim the full per-pupil allotment.

DIDN'T WE PASS A BOND IN 2016? IS THIS THE SAME THING?

This operating millage renewal ballot proposal is unrelated to the district's 2016 bond proposal for the completion of building improvements, safety and technology infrastructure across our district.

HOW WILL THE OPERATING MILLAGE FUNDS BE USED?

The funds from the non-principal residence operating millage go directly into the District's general fund, which supports day-to-day operations, like programs, curriculum materials, facilities, and employee salaries.

WHAT HAPPENS IF THE OPERATING MILLAGE RENEWAL IS NOT APPROVED?

If the District were unable to collect the full 18 Mills allowed under Proposal A, the district's operating revenues would decline, reducing the District's ability to fund day-to-day operations.

Voting Information

Register to Vote:

Learn more about registering to vote, or see if you're already registered, at the Secretary of State Voter Information Center:



mvlc.sos.state.mi.us/Voter/Index

- **Monday, July 24, 2023:** Last day to register by mail or online and be eligible to vote for the August election
- **July 25, 2023–August 7, 2023:** In person registration with the local clerk with proof of residency

Absentee Voting:

Learn more about absentee voting on the Secretary of State's Voting website:



bit.ly/3MSYz58

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