

TAX LIMITATION PROPOSAL FACT SHEET

A **yes vote** means you wish to maintain the allocation of 5.613 mills as divided: the County (4.44 mills), the Township you live in (1.051 mills) and the Ottawa Area Intermediate Schools (.122 mills). A **yes vote also means** you wish to re-establish the maximum allowable tax rate (Headlee) to 5.613 mills.

A **no vote means** you wish to keep the Headlee rollback tax rate at 5.3506 and give the six-member Tax Allocation Board the authority to allocate the total mills between the County, the Township you live in and the Ottawa Area Intermediate Schools as they see fit.

BACKGROUND

- PA 62 of 1933, the legislative act that implemented the 1932 voter initiative established the County Tax Allocation Board process of a newly created-capped total millage for all taxation units within a county, today defined as townships, county and intermediate school district.
- Since the Headlee Amendment went into effect in 1978 a public vote on the restoration to the total capped millage amount also resets the Headlee Rollback process, which then begins again year following the public vote.

CURRENT SITUATION

- The capped millage for Ottawa County is currently 5.613, allocated as follows:

Allocation	Approved Rate	Allowable/Rollback Rate	Actual Levied Tax Rate
Ottawa County	4.440	4.2135	3.6
Townships	1.051	.8832 – 1.0324	.55 – 1.0
OAISD	.122	.10470	.10470
Total	5.613	5.2014 -5.3506	4.2547 – 4.4953

- Laws limited tax dollar amount increases per year. This had the effect of lowering the allowable tax rate to account for inflation.
- The Tax Allocation Board has met each year and the allocation as stated above has remained the same for many years.
- This year the Ottawa County Intermediate School District made the case to have its allocation increased, claiming that their allocation is less than Muskegon and Kent counties.
- There are two ways to address the allocation. One is for the Tax Allocation Board to set it and the other is for the Tax Allocation Board to pass ballot language along to the County Board of Commissioners. If the ballot language is properly written, the Board of Commissioners has the legal obligation to place the question on the ballot for the voters to decide.
 - Language from the statute that requires this action by the Board: *If the petition substantially complies with this act, the county board of commissioners shall order by resolution that the question of providing separate tax limitations be submitted to the registered and qualified electors of the county at the next general election. . . .*
- The Ottawa Tax Allocation Board did adopt ballot language and did pass it on to the Board of Commissioners and Clerk/Register Roebuck has determined that the language meets requirements.
- A yes vote on a ballot would not be a tax increase, but would allow the tax rate to be reset at the original, voter-approved, levels. Then, the boards of Townships, of the Ottawa Area Intermediate School District and of Ottawa County would be required to hold public Truth in Taxation Hearings if they wish to collect the dollars available under the restored tax rate cap.
- Ottawa County's allowable tax rate is 4.440 mills and the rolled back allowable tax rate is 4.2135 mills. The Ottawa County Board taxes at a rate of only 3.6 mills. Thus, voting to restore the allowable tax rate at 4.440 mills will have no impact on Ottawa County's operating tax rate.
- If the voters do approve the ballot language it has the practical impact of limiting the allocation to what it has been for the next 10-years. The allowable tax rate would begin to roll back again.
- Resetting the allocation also has the effect of leaving the Board of Commissioners as the steward of most of the unallocated millage for a 10-year period. This is because the Tax Allocation Board cannot "redistribute" the allowable rate for the amount of time determined by the voters per the ballot language.
- For scale: a total of \$391,785,115 is collected in total property taxes all jurisdictions in Ottawa County. If all 14 townships and the ISD increased their millage to the new cap, if approved by the voters, it would result in a .0026% increase.
- The Tax Allocation Board is comprised of the Ottawa County Board Finance Committee Chairperson, Ottawa County Treasurer, a representative from the OAISD, a representative from a city (appointed by the Chief Probate judge), a citizen representative (appointed by the board of commissioners), and a township representative.