



# Headlee Override Millage Proposal

November 6, 2018 Election

# Non-Homestead Millage

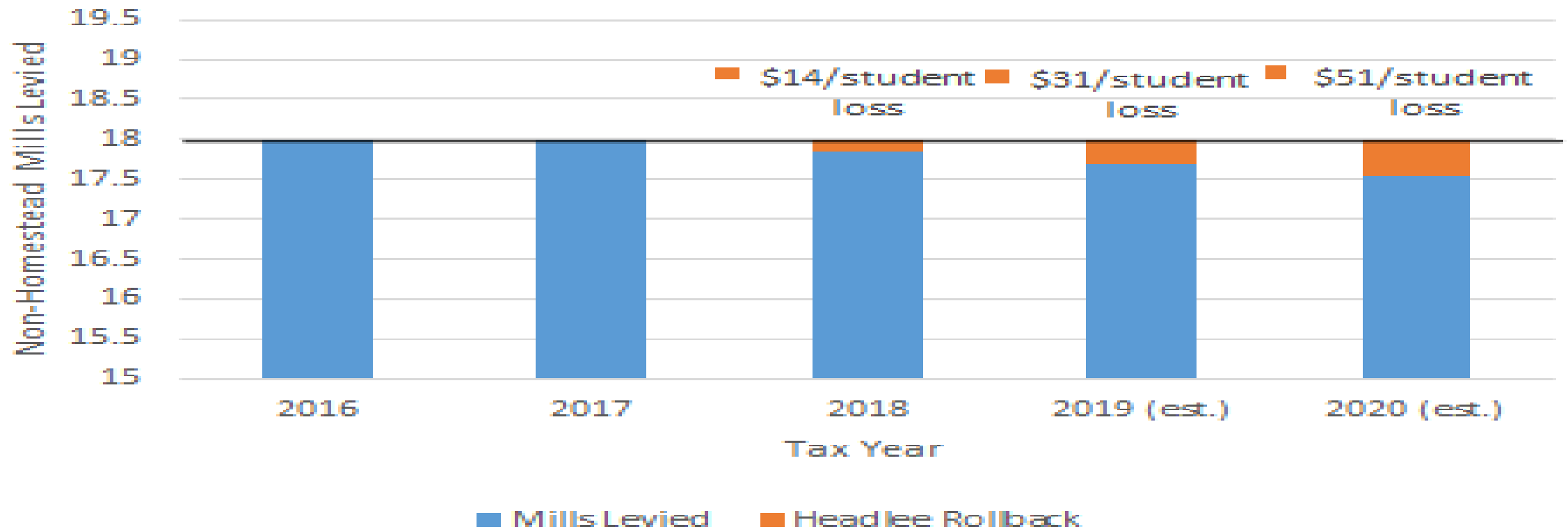
- Public Schools must levy 18 mills on non-homestead properties to receive full State Foundation Grant funding.
- A non-homestead property is any property that is NOT a primary residence or qualified agricultural property, such as a:
  - Business
  - Investment property
  - Vacation home
  - Rental property
- The cost of 18 mills for the owner of a property valued at \$100,000 is \$1,800 per year.

# Headlee Rollback

- When property values rise at a greater pace than the rate of inflation the non-homestead tax levy will be Headlee reduced, known as a Headlee Rollback.
- Currently the non-homestead tax levy for Caledonia has been Headlee reduced to 17.8452 mills. Therefore, the district is losing 0.1548 mills of non-homestead funding for the per-pupil foundation allowance. This equates to a loss of approximately \$71,300 in 2018-2019, or \$14 per pupil.

# Current Five-Year Authorization

## Headlee Impact on Local Non-Homestead Operating Millage Receipts



# Headlee Rollback Next Steps

- With the Headlee rollback the district will continue to lose funds unless voters approve an additional millage to bring the district back up to the 18 mills.
- The Board of Education has approved the district to bring an operating millage proposal to the voters this November for a two-year period.
- The district will be asking voters for an additional 1.5 mills for Headlee restoration purposes. This will allow the restoration of lost funds as well as a buffer in the event future Headlee rollbacks continue to occur.
- 18 mills equates to \$1,800 in non-homestead tax per \$100,000 in taxable value.
- **At no point will more than 18 mills be levied on non-homestead properties.**

# With Additional Authorization

