

# East Jackson Community Schools Non-Homestead Millage Renewal November 6, 2012



The ballot issue will be a **Non-Homestead Millage Renewal**. Below find answers to frequently asked questions.

## ***What does “non-homestead” mean?***

Non-homestead represents industrial, commercial and some agricultural property and “second homes.” It does not include a family’s primary residence.

## ***I thought schools no longer received funding through property taxes, so why are they talking about a millage renewal?***

Funding for school districts changed significantly in 1994 when the Michigan voters passed Proposal A. Under Proposal A, the State pays the majority of the cost, but to receive full funding, schools must levy 18 mills on non-homestead property in their district.

## ***Is this a new tax?***

**No – this is a RENEWAL of a millage approved by the voters in 2001 and 2006.**

The district has voter approval to levy up to a maximum of 18 mills on non-homestead property through December 2012. **The maximum of 18 mills** that was levied for the 2011-2012 school year was comprised of the 18.6648 of the original mills approved in Nov 2009.

## ***How much will this cost my business?***

This renewal will have little effect on your current taxes. For a business property with taxable value of \$20,000 the tax would cost \$3,600 ( $\$200,000 \div 1,000 \times 18$  mills), similar to what you are paying today.

## ***Will my residential school taxes increase too?***

**No.** This tax is on non-homestead property and does not apply to your primary residence.

## ***What if the millage is voted down?***

The revenue generated from the 18 mills totals about 1.6 million annually, or approximately 16% of the school district’s budget. **If this millage does not pass, the State will not replace** the funding and East Jackson Schools will be forced to reduce or cut programs to offset the loss.

## ***Can the district use bond or sinking fund money to cover the loss?***

No, these funds are restricted by law to bond and Building & Site projects and cannot be used for general fund expenditures.

## ***How are Michigan school districts funded?***

Districts receive most of their funding on a per-pupil basis. The amount a school district receives per-pupil is called the Foundation Allowance. The current per-pupil Foundation Allowance for East Jackson Community Schools is \$6,846 **which is \$470 less** than the

2008-2009 grant of \$7,316. This represents the major portion of East Jackson Community School District's revenue and is funded from two sources: 1) Local Revenue – 18 mills collected on non-homestead property, and 2) State Revenue. The Foundation Allowance funding calculation is as follows:

Student Count	1,200 students
Per-Pupil Foundation Allowance	x <u>\$6,846</u> per student
Total Foundation Allowance	\$8,215,200
 -0- Mills Collected on Primary Residence	 + \$0.00
 <b>18 Mills Collected on Non-Homestead - Local Revenue</b>	 <b><u>(\$1,628,867)</u></b>
Amount Paid by the State	\$6,586,333

*By law, to obtain the Total Foundation Allowance, East Jackson Community Schools must collect a local "non-homestead" millage for this portion of its budget. The State reduces its obligation to districts by this amount and only pays the balance. **Therefore it is critical to continue to collect 18 mills on non-homestead property to attain full funding.***

**The Renewal Election for the 18 mill non-homestead property tax is:  
November 6, 2012**

QUESTIONS?? Please contact us!

East Jackson Community Schools  
(517) 764-2090

## Non-Homestead Millage Renewal

On Tuesday, November 6, 2012, the East Jackson Community Schools will ask for permission to levy the Non-Homestead property tax rate for six years. This Non-Homestead millage currently generates approximately \$1.5 million of the revenue needed to operate our schools each year.

**This is what it will cost  
homeowners . . .**

**\$ 0**

If voters approve the  
**East Jackson Community Schools  
Non-Homestead Millage on  
Tuesday, November 6, 2012**

For persons whose residence is in the East Jackson Community School District, this millage will not affect the taxes on their home.

## Why?

- This is only a tax on Non-Homestead property (industrial, rental and commercial).
- This is not a tax on homes owned by occupants and used as their primary residence.

For more information regarding the Non-Homestead property tax, call the Superintendent's Office (517) 764-2090.

## Questions and Answers About the Millage on Non-Homestead Property Tuesday, November 6, 2012

### 1. What is the millage question that will be on the ballot?

The proposal asks voters for permission to levy 18.1158 mills on Non-Homestead property for a period of six years. This millage only affects the property taxes paid on business, industrial or rental property and second homes.

### 2. What is Non-Homestead property?

It is property that is not the primary residence of the owner. Examples would include business property, industrial property, rental property and cottages or second homes.

### 3. What will this millage cost me?

Nothing, if you own the house you are living in and it is your primary residence. The Non-Homestead property tax is only levied on business, commercial and rental property in the district.

### 4. Why doesn't the proposed millage affect the property taxes on my home?

Homestead property is not subject to the 18.1158 mill tax.

### 5. Who can vote on the Non-Homestead property tax?

All registered voters in the East Jackson Community School District.

### 6. When is the election?

The Non-Homestead property tax millage will be on the ballot Tuesday, November 6, 2012. Voters will also be electing two candidates to four-year terms on the Board of Education.

### 7. What if I need more information?

Call East Jackson Community Schools at (517) 764-2090.