January 18, 2016

**It’s that time again!**

On May 3, 2016 voters in the Memphis Community Schools District will be asked to approve a proposal regarding the 18 mill non-homestead property tax levy. This levy does not cover owner-occupied residences but generally includes business, rental, second homes and commercial properties. Voters in our district have approved the 18 mill non-homestead property tax renewals since the passing of Proposal A in 1993.

The proposal will ask voters to again renew the 18 mill operating levy to fully fund our district, as prescribed by state law. The non-homestead levy raises more than $1,442,000 each year and represents about 16.5% of the district’s budget. **This allows the district to receive the full per student funding amount, currently $7,391 per student. This does not affect the millage rate for owner-occupied primary residences and is an essential portion of the State of Michigan’s foundation grant formula for each district.**

**If this proposal does not pass, the State of Michigan will not replace the $1,442,000 of funding and Memphis Community Schools will be forced to significantly reduce or cut programs to offset the loss.**

Please remember that the quest will not change the millage rate for owner-occupied residences.

**School Funding History**

Proposal A changed the way Michigan Public Schools are financed. Previously, local property taxes provided nearly 80 percent of the revenues needed to fund public schools. When the legislature adopted the foundation approach to funding education in December 1993, three important changes came about:

1. Property taxes for school purposes were substantially reduced.
2. Rather than millage rates being applied uniformly on all property, different rates were applied to homestead and non-homestead property. Owner-occupied primary residences were classified as “homestead” property and taxed at six mills. Non-homestead property generally includes industrial, commercial, and second homes, and is taxed at 12 to 24 mills (six mills base plus 6 to 18 mills, which requires voter approval).
3. The State of Michigan levies a uniform rate of six mills on all property – both homestead and non-homestead. The proceeds are deposited in the State School Aid Fund and used as a part of State Aid under the new foundation approach. Local districts are required to levy 18 mills, with voter approval, on all non-homestead property. These proceeds constitute the local district’s contribution under the foundation approach.

Anyone having questions regarding this proposal should contact Mr. Brad Gudme, Superintendent at 810-392-2151 ext. 225 or by email at [bgudme@memphisk12.org](mailto:bgudme@memphisk12.org).

**School Operating Millage Renewal**

In order to receive its full per pupil foundation revenue guarantee from the State of Michigan, Memphis Community Schools, like all school districts in Michigan, is required to levy millage locally (not to exceed 18 mills) on all property, except principal residences and other property exempted by law. The three (3) year operating millage previously approved by voters is set to expire. Therefore, the election is scheduled for May 3, 2016 to **renew** this operating millage. **The millage levied will have no impact on the property tax paid on a person’s home. This is not a new tax.** The millage is a renewal and restoration of the 18 mills approved by voters in 2013 on business, commercial, industrial, income and non-qualified farm properties. It will provide estimated revenues in excess of $1,442,000 annually and is critical to maintaining the current level and quality of school district programs and services. **Please mark your calendar to cast your vote on May 3, 2016.**

**May 3 School Election**

In order to receive its full per pupil foundation revenue guarantee from the state, the Memphis Community School District, like all school districts in Michigan, is required to levy millage locally (not to exceed 18 mills) on all property, except principal residences and other property exempted by law.  The three-year operating millage previously approved by voters has expired.  Therefore, ballot questions to renew this operating millage will appear on the May 3, 2016, school election ballot.  The millage levied will have no impact on the property tax paid on a person's home.  This is not a new tax.  The millage is a renewal and restoration of the 18 mills non-homestead tax - that is not paid on primary residences - which has had the support of the Memphis Community since 1994.  It provides estimated revenues in excess of $1,442,000 annually and is critical to maintaining the current level and quality of school district programs and services.  Please mark your calendar to cast your vote on May 3.