



READING COMMUNITY SCHOOLS

2024 OPERATING MILLAGE February 27, 2024 BALLOT PROPOSAL

On February 27, 2024 Reading Community Schools will seek an Operating Millage Ballot proposal of 1 mill for 7 years. The ballot proposals, if approved, would allow the school district to continue to levy the statutory rate not to exceed 18 mills on all property, **EXCEPT** principal residence and other property exempted by law. This non-homestead millage proposal would **NOT** affect property taxes for primary home residences.

IMPORTANT FACTS

- Election Day: Tuesday February 27, 2024
- This proposal would not impact the taxes on residential or most agricultural properties.
- The ballot proposal would be for 7 years.
- The proposal is on non-homestead property only.
- 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. Currently, we sit at 17.4752 mills, which is .5248 less due to the Headlee Amendment rollback caused by inflation.
- This money is used for district operations.
- This money 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, Reading Community Schools is at risk of losing the full 18 mills that non-homestead property owners pay for schools.
- Under State law, Reading Community Schools 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, would guard against future Headlee rollbacks.

BALLOT LANGUAGE

READING COMMUNITY SCHOOLS OPERATING MILLAGE PROPOSAL

I.

This proposal will allow the school district to levy the statutory rate of not to exceed 18 mills on all property, except principal residence and other property exempted by law, required for the school district to receive its revenue per pupil foundation allowance.

Shall the limitation on the amount of taxes which may be assess against all property, except principal residence and other property exempted by law, in Reading Community Schools, Hillsdale and Branch Counties, Michigan, be increase by 1 mills (\$1.00 on each \$1,000 of taxable valuation) for a period of 7 years, 2024 to 2030, inclusive, to provide funds for operating purposes; the estimate of the revenue the school district will collect if the millage is approved and levied in 2024 is approximately \$30,400 (this millage is to restore millage lost as a result of the reduction required by the Michigan Constitution of 1963 and will be levied only to the extent necessary to restore that reduction)

FREQUENTLY ASKED QUESTIONS

WHAT IS A NON-HOMESTEAD MILLAGE?

Non-homestead property 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-homestead property includes industrial, commercial and some agricultural real estate and 'second homes.' A non-homestead millage refers to the rate at which non-homestead properties are taxed.

WILL MY TAX RATES INCREASE IF THIS PROPOSAL IS PASSED?

There is no tax increase to primary homeowners. This millage proposal is only for non-homestead properties, like commercial, business, rental properties, vacant land, and second-home property owners.

The standard formula for determining millage rates as actual dollars is: One mill equals \$1 of tax per \$1,000 of the taxable value of a property.

WHY DO DISTRICTS LEVY 18 MILLS ON NON-HOMESTEAD 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-homestead properties. The State then backs out the non-homestead property taxes (the full 18 mills) before sending the district its monthly payments. With the full 18 Mills, Reading Community Schools' per pupil allowance for 2023-2024 is \$9680. Without the full 18 mills, the District cannot collect the full amount per each pupil (student).

Reading Community Schools has been collecting 18 mills as the non-homestead operating millage since Proposal A passed in 1994. The 2023 Operating Millage proposal, if passed, would allow the District to collect the full 18 mills through 2030 and claim the full per-pupil allotment.

DIDN'T WE PASS A BOND IN 2019? IS THIS THE SAME THING?

This non-homestead millage ballot proposal is unrelated to the district's 2019 bond proposal for the completion of safety and building projects across our district.

HOW WILL THE NON-HOMESTEAD MILLAGE FUNDS BE USED?

The funds from the non-homestead 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 NON-HOMESTEAD MILLAGE 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.

Please email questions to martin.dubois@readingrangers.org or pam.bassage@readingrangers.org