

## Alger County to propose millage increase in November

At a special meeting of the board last Wednesday, Alger County commissioners approved a millage proposal that would levy up to an additional one half mill on property taxes over the next ten years if passed in November. The funds would be used for operating expenses and are intended to help replace lost revenue due to state cutbacks.

The county will not levy the entire half mill, but only to the extent necessary to restore the millage lost as a result of the Headlee Amendment of 1978, said Board Chair Cathy Pullen. Also, the increase will be spread out so that the entire .5 mills is not collected all at once but will take about eight years to progress to that point.

The Headlee Rollback was intended to ensure tax rates on homes did not increase by a greater percentage than the rate of inflation, but it reduces revenue collected by local governments. In 2005, Alger County lost \$21,829 from taxable value decreases, said Pullen. In 2006, \$25,837 was lost, and in 2008, the county collected \$13,653 less in property taxes. According to Pullen, the county has lost almost a full mill over the last few years.

In 1990, the county collected the 6.15 rate that is set by the state. Now they are collecting 5.0781, and hope to maintain that

rate. "We are only attempting to stabilize the 5.0781 rate we are currently collecting," said Pullen.

Pullen also pointed out that the county's auditors reminded the board that the state of Michigan recommends having 90 days worth of operating expenses in case of an emergency, but currently they only have 29 operating days that are covered by the general fund for emergencies. "If we don't keep tax collection stable and grow revenue, at some point we will get hit with expenses we didn't count on," she said.

The proposal reads as follows: "Shall the limitation on the amount of taxes which may be assessed against all property be increased by .5 mill, (50 cents on every \$1,000 of taxable valuation), for a period of 10 years being 2010 - 2019, to provide funds for operating purposes; the estimate of the revenue the county will collect if the millage is approved and levied in 2010 is approximately \$177,500 (this millage will be levied only to the extent necessary to restore the millage lost as a result of the reduction required by the Michigan Constitution, up to a total of the current 5.0781 mills during the term of this proposal).

"The bottom line is that it is likely to mean less than a \$5 increase per year if a resident owns a house with a \$40,000 taxable value," Pullen said.