



Millages: From the Ballot Language to the Ballot Box

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Getting Started

- What Authority Does the Public Body Have to Request or Levy a Millage?
 - Statutes
 - Constitution
 - Charter

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How Much?

- Consider other revenue sources.
 - Gifts and endowments
 - Private donations or capital campaigns
 - General fund contributions
 - Contracts
 - User fees



Developing Ballot Language

- Michigan law has very specific requirements for ballot language.
- Public Act 248 of 1999 provided that specific information must be contained on all ballot proposals.
- We recommend consulting with your attorney on the proper language and application of the millage laws.



Ballot Language

- ***The millage rate to be authorized.***
 - Amount is expressed in "mills."
 - A mill is 1/10th of a cent. In millage language, the public body describes the mills in terms of how much it will levy per \$1,000 of taxable value.
 - Example: one (1) mill is \$1.00 per \$1,000 of taxable value
 - Example: ½ mill is \$.50 per \$1,000 of taxable value.
 - Make sure "written" description matches "numbers."
 - Often use "in an amount not to exceed" to allow the public body to actually levy a lower amount if the amount collected would greatly exceed the amount needed for the year.



Ballot Language

- ***The estimated amount of revenue that will be collected in the first year that the millage is authorized and levied.***
 - This amount should also be expressed in terms of taxable value.
 - Consider the year in which the millage will first be levied and authorized.



Ballot Language

- *The duration of the millage in years.*
 - Recommend using number of years and dates. For example, "for a period of twenty (20) years, 2012 to 2031 inclusive."
 - Some public bodies may only levy a millage or portion of millage for a maximum of twenty (20) years. Other public bodies may be limited by charter. Ask your attorney for assistance regarding limitations on millage durations.



Ballot Language

- Consider the year that the public body desires the initial levy.
 - For example: The public body may be concerned about voter approval of a millage renewal. The public body's last levy of a previously authorized millage occurred in December 2011. The public body decided to hold an election in November 2011 to vote on a ten year millage renewal. The public body's millage language must indicate that the initial levy will occur in 2012 and the last year will be 2021.
 - The public body must submit its millage amount to be levied to the County Clerk. That certification is due before September 30 each year. However, if a millage election is held at the November general election, Michigan law permits local units to levy the millage in December of that year. The public body should consult with the attorney and the county to verify that any millage approved at elections held after the time needed to submit the tax certification by September 30 may be levied in that year.



Ballot Language

- Public bodies should always consult with the treasurer or county clerk to make sure that they have the ability to levy. For example, some cities are required by charter to only levy in the summer.
- For example, if the City levies in the summer only and places a ballot question on the ballot in November 2012 that indicates the first year of levy if 2012, the City may “lose” a year of revenue.
- This is important to remember if you are an authority with a district or authority wide millage. Make sure all the entities are levying the same tax rate in the same year.



Ballot Language

- *A clear statement of the purpose for the millage*
 - Michigan law provides that funds raised from a millage may not be used for any purpose other than specifically set forth in the ballot language. OAG, 1955-1956, p 501, 503 (October 3, 1955).
 - For certain public bodies, such as district libraries or other authorities, the ballot often states language that the funds collected shall be used for all purposes permitted by that public body's enabling law.
 - For other types of public bodies, must be more specific so that the township, village or city may only use the money for a specific, limited purposes.



Ballot Language

- Example of common problem: We want to use money to operate a new building, but our ballot language only provides money for the "construction" of the new building. Can we use the money for the operation of the new building?
 - Use of funds for "operation" could be subject to challenge.
 - Excess funds would have to be held in escrow for a use permitted under the ballot language.
 - A "fix" to the problem is to anticipate other uses. For example, if the public body is building a new township hall and the millage is levied to allow the new hall to become fully functional, the public body may want to request a millage for "constructing, equipping and operating" the building.



Ballot Language

- Example of common problem: Two years ago, the voters approved a millage for 10 years to operate the "Fire Station No. 5." Now, we are considering closing the fire station. Can we use the millage funds for other public body purposes?
 - Again, the public body may be subject to challenge to if the money is used for other purposes than Fire Station No. 5.
 - A "fix" would be to make the language more general, for example, "to operate any of the City's fire stations."



Ballot Language

- Example of a common problem: We just asked voters for a Headlee Override last year, but the money is not going to be enough and we have to reduce the City office hours. Can we ask for an additional millage to increase the office hours?
 - Yes (as long as it is still within authorized amount), but the money may only be used to add additional hours to the then-current public body schedule.
 - Many public bodies intentionally make the millage purpose language narrow, for example to build a new building, so that voters will understand that the millage is only to be used for a specific limited purpose.



Ballot Language

- ***A clear statement indicating whether the proposed millage is a renewal of a previously authorized millage or the authorization of a new additional millage.***
 - Renewal.
 - Must be a true renewal of the millage as last levied.
 - By way of example, if the voters authorized a millage of 1 mill years ago, but it has been reduced to .87, the "renewal" must only be a "renewal" of .87.
 - To restore the full mill, the voters must also ask for an additional "new millage" of .13 mill.



Ballot Language

- New millage
 - Any millage that is not a renewal (i.e. Headlee Override).
 - Do not have to indicate whether any other millages.



Ballot Language

- ***The ballot shall fully disclose each local unit of government to which the revenue from that millage will be disbursed.***
 - "Local unit of government" means a county, city, village, township, school district, intermediate school district, community college district, public body, or local authority created under state law.
 - Includes any "authority" such as the Downtown Development Authority, Local Development Financing Authority, and Brownfield Redevelopment authorities.



Ballot Language

- Intended to ensure voters know that the certain entities may "capture" the millage.
- Voter education is very important in dealing with this issue.
- This issue has also arisen more frequently because of the increase in the establishment of authorities for joint service. For example, if a city levies a city-wide millage to support a local district library as permitted by the District Library Establishment Act, the millage language should inform voters that the district library will be receiving all or a portion of the proceeds of the millage.



Ballot Language

- Do we need one or two questions?
- MCL 211.24f provides that "[a] taxing unit that levies millage under this act shall not submit a single question to the electors of the taxing unit requesting both the renewal of voter authorized millage and the authorization of new additional millage if the new additional millage is greater than .5 mill."



Ballot Language

- Two Questions:
- Example: Renewal of millage, including Headlee rollback.
 - Our public body previously approved 1.5 mills for 20 years. The millage expires this year. The public body currently levies .97 mill due to the Headlee Amendment. If we want to ask for the restoration of the 1.5 mills, do we need one or two questions?
 - Answer: Two questions are needed because the public body must ask for a renewal of .97 mill and additional new millage of .53 mill to recover the amount reduced by Headlee. The new millage exceeds .5 mill, so two questions are required.



Ballot Language

- One Question
- Example: The public body desires to ask voters for a renewal of previously authorized millage and ask for amount lost due to Headlee amendment.
 - Question: Our public body needs to renew a previously authorized millage. The public body has an expiring millage that was 1.00 mill when voted, but has been reduced to .90 mill.
 - The public body can ask the voters to "renew" the .90 mill and approve an additional .10 mill in one question since the "new" millage is less than .5 mill.



Ballot Language

- The public body must adopt a resolution to place ballot question on election.
- Only two millage elections can take place within one calendar year. For, cities, townships and villages, please verify that your proposed election date is permissible.



Election Dates

- **IMPORTANT ELECTION DATES AND ISSUES**
 - Ballots requesting a local proposal must be certified by the County Clerk **70 days** before the election. We recommend 70 days at a minimum for all elections so there is no chance of error. The Secretary of State published an election calendar for each election so public body should consult that document for specific deadline.
 - Always verify deadlines with County Clerk and make sure millage language is approved.
 - Actual Language should be approved by resolution of the public body Board.
 - Follow any specific statutory guidelines that may supplement the general election law. For example, some district libraries must submit the language to the "School District Election Coordinator."
 - Four election dates in February, May, August or November.



Marketing the Millage

- Michigan Campaign Finance Laws apply to public body millage elections.
 - public bodies may not use public funds to campaign for voters to "Vote Yes!" on the millage. The MCFA does permit "the production or dissemination of factual information concerning issues relevant to the function of the public body."
 - It is often difficult to determine what is "factual." Seek Attorney review of your millage materials.



Marketing the Millage

- Board or Council members with legislative authority are treated differently under campaign finance laws than those with non-policy making authority. We suggest you consult with your attorney on the rules if Board or Council members plan on actively participating in a campaign.



Marketing the Millage

- Treat those who are campaigning for the millage the same as those who are campaigning against the millage. For example, if you have a meeting room in the City Hall that is open for use by local community groups, treat the “Vote No!” group the same way you would treat the “Vote Yes!” group, the Boys Scouts or Rotary.
- Do not give special privileges to the group promoting the election. For example, do not allow them to use the City Hall copier to copy millage promotional material.



Marketing the Millage

- Do not give out confidential information that is otherwise protected to ballot question committees, even if they are working to support your millage. For example, libraries may not give patron lists to any person or party to conduct a millage campaign. Such distribution would violate the Library Privacy Act. In summary, do not distribute any information that any citizen could not obtain through a FOIA request.



Marketing the Millage

- Ballot Question Committees
 - If a group desires to spend over \$500.00 promoting the campaign, a ballot question committee should be formed.
 - This committee must be independent from the public body.
 - BQC's can tell voters to "Vote Yes!"



Questions?

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