

MEMO

TO: CHARLOTTE CITY COUNCIL

FROM: THOMAS M. HITCH, CITY ATTORNEY

RE: HEADLEE OVERRIDE BALLOT LANGUAGE

DATE: June 24, 2011

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The purpose of this memorandum is to provide you with proposed ballot language for the Headlee override amendment. Attached to this memo is the proposed authorization which, if approved, would be submitted to the voters on November 8, 2011.

The language provides that the City has determined that it faces a significant reduction in revenues due to the decrease in value of real property within the City and the reduction in revenue sharing from the State of Michigan. The Resolution states that the City is prevented from levying the full authorized millage as set forth in the City Charter pursuant to the rollback provisions of the Headlee amendment to the Michigan Constitution, and that the City wishes, pursuant to the provisions set forth in MCL 211.34d, to seek voter approval to override those millage rollbacks.

The ballot language asks voters, as required by MCL 211.34d(11), to approve the levy of a specific number of mills in excess of the limit. In this case, the limit is 14.2913 mills, which is the millage rollback on the 15 mills authorized by the City Charter. The maximum number of mills that could be levied in any year is .7087 (\$.7087 per \$1,000 of taxable value).

I have left the number of years this override would be in effect to the discretion of Council. The Council should note that at the expiration of the term of years selected, that there will have been a reset and the last year that the override was in effect would be the starting point for the next year's calculation of the millage reduction rate. At MCL 211.34d(16), it is provided:

Beginning with taxes levied in 1994, the millage reduction required by section 31 of article IX of the state constitution of 1963 shall permanently reduce the maximum rate or rates authorized by law or charter. The reduced maximum authorized rate or rates for 1994 shall equal the product of the maximum rate or rates authorized by law or charter before application of this section multiplied by the compounded millage reduction applicable to that millage in 1994 pursuant to subsections (8) to (12). The reduced maximum authorized rate or rates for 1995 and each year after 1995 shall equal the product of the immediately preceding year's reduced maximum authorized rate or rates multiplied by the current year's millage reduction fraction and shall be

adjusted for millage for which authorization has expired and new authorized millage approved by the voters pursuant to subsections (8) to (12).

The Council will note that in the last sentence it is provided that the reduced maximum authorized rate or rates for 1995 and each year thereafter shall equal the product of the "immediately preceding year's reduced maximum authorized rate or rates" multiplied by the current year's millage reduction fraction. By including the language in the ballot proposal, "to restore the full amount of the original authorized charter rate for each year", it is clear that the voters, if they approve it, intend that the full 15 mills be levied during the term of the override. At the end of the term, the maximum authorized rate would be 15, and that would be the starting number for calculations of the millage rate applicable in the City of Charlotte, once the term of the Headlee override expired.

TMH:ddy

Enc.

CITY OF CHARLOTTE  
EATON COUNTY, MICHIGAN

Resolution No. 2011-\_\_\_\_

A RESOLUTION AUTHORIZING AN OVERRIDE OF THE  
ROLLBACK PROVISIONS ESTABLISHED PURSUANT TO THE  
HEADLEE TAX LIMITATION AMENDMENT AND TO  
REINSTATE THE ORIGINAL AUTHORIZED CHARTER RATE.

WHEREAS, the City Council has determined that the City faces a significant reduction in revenues due to the decrease in the value of real property within the City of Charlotte and the reduction in revenue sharing from the State of Michigan; and

WHEREAS, the City is prevented from levying its full authorized millage as set forth in the City Charter pursuant to the millage reduction provisions of the Headlee Amendment to the Michigan Constitution; and

WHEREAS, the City Council has determined that it is in the best interests of the City if it seeks approval from the voters pursuant to MCL 211.34d to override the rollback of the City millage rate from the current maximum allowed millage of 14.2913 mills to 15 mills and to reinstate said rate for a term of years; and

WHEREAS, the City Council wishes to submit this proposal in question to the voters at the November 8, 2011 election.

**NOW, THEREFORE, BE IT RESOLVED** that:

1. The following proposition shall be submitted to the electors of the City at the November 8, 2011 election:

**HEADLEE OVERRIDE BALLOT PROPOSAL**

Shall the authorized charter millage for the City of Charlotte, established at 15 mills (\$15.00 per \$1,000 of taxable value) and reduced to 14.2913 mills (\$14.2913 per \$1,000 of taxable value), by the required millage rollbacks, be increased in an amount not to exceed .7087 mills (\$.7087 per \$1,000 of taxable value) to restore the full amount of the original authorized charter rate for each year for \_\_\_\_ years, 2012 to 20\_\_\_\_, inclusive, for all City and municipal purposes authorized by law; and shall the City levy such new additional millage? The estimate of the revenue the City will collect if the millage is authorized and levied by the City in the 2011 calendar year is approximately \$159,800, a portion of which (\$2,000) will be disbursed to the Charlotte Downtown Development Authority and a portion (\$2,300) which will be disbursed to the Charlotte Local Development Finance Authority.

2. The City Clerk, the City Attorney, and other City officials are authorized and directed to take any and all actions necessary to have the proposal placed on the November 8, 2011 election ballot.

3. All existing or previous resolutions and parts of resolutions, insofar as they may conflict with the provisions of this resolution, are hereby rescinded to the extent necessary to avoid such conflict.

The foregoing Resolution was moved for adoption by Council Member \_\_\_\_\_ and seconded by Council Member \_\_\_\_\_ and declared adopted by the following vote:

AYES:

NAYES:

ABSENT:

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)

:ss.

COUNTY OF EATON )

I, the undersigned, the duly qualified and acting Clerk of the City of Charlotte, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Charlotte at a regularly scheduled meeting held on Monday, \_\_\_\_\_, 2011, relevant to the Michigan Open Meetings Act, the original of which is on file in my office as part of the council minutes.

IN WITNESS WHEREOF, I have hereunto set my official signature, this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

\_\_\_\_\_  
Michelle King, City Clerk  
City of Charlotte  
Eaton County, Michigan

Approved as to Form:

\_\_\_\_\_  
Thomas M. Hitch (P25558)  
City Attorney