



# NON-HOMESTEAD OPERATING MILLAGE FAQ SHEET

On Tuesday, November 7, 2023, voters living within the Ionia Public Schools district boundaries will be asked to vote to replace our current non-homestead operating millage that expires in December 2024.

This tax is levied only on non-homestead property which includes all taxable property other than principal residence, qualified agricultural property, and certain other property classifications. Most non-homestead property taxes are levied on industrial, commercial, business, and rental properties and second homes. **This millage does not affect the tax rate on homeowners' primary residences.**

The non-homestead operating millage replacement on the November 7 ballot is an 18-mill tax levy on business, industrial, and rental properties within a given school district. It is not a tax on primary residences or other exempt properties. **Please vote on Tuesday, November 7, 2023.**

## **What is a non-homestead operating millage?**

It is a tax levied only on non-homestead property which includes all taxable property other than principal residence, qualified agricultural property, and certain other property classifications. It is not a tax on primary residences. This operating millage funds IPS day-to-day operations, educational programs, and athletics.

## **Will home property tax rates increase if our non-homestead operating millage is replaced?**

No. Your primary residence tax rate will remain the same.

## **Will home property taxes decrease if our non-homestead operating millage replacement does not pass?**

No. Your primary residence tax rate will remain the same.

## **What is the impact if our non-homestead operating millage does not pass?**

IPS will lose over \$2.79 million annually, which will adversely impact all educational programming. Busing will be reduced, staff will be reduced, class sizes will increase, pay-to-play sports will be implemented, and cuts will be made to band, vocal music, and our arts programs.

The State expects the district to levy all 18 mills in order to receive full student funding (i.e. full per pupil foundation allowance). If the replacement millage is not approved, the State will not make up the difference in the revenue loss.

## **Can IPS use bond or sinking fund dollars to cover the revenue loss if the millage replacement does not pass?**

No. Bond and sinking funds are restricted by law to building and site projects and cannot be used for general fund expenditures such as staffing, textbooks, classroom supplies, or to operate our school buildings.

## **What does the non-homestead operating millage on the ballot replace?**

It replaces our current non-homestead operating millage that levies 17.398 mills and expires in December 2024.

**Do businesses in other districts pay a non-homestead operating millage tax?**

Yes. Regardless of which school district a business may be located within, in order for a school district to receive its full funding from the State of Michigan it must levy an operating millage.

**Why do we need an election?**

The operating millage is required by the State's school funding structure in order for the district to receive its full student funding. The law does not allow the 18 mills on non-homestead property to be levied unless it is approved by voters.

**I thought schools no longer received funding through property taxes, so why are we talking about a millage replacement?**

Funding for school districts changed significantly in 1993/1994 when Proposal A was passed by the Michigan voters. Under Proposal A, the State pays the majority of the cost, but to receive full student funding, schools must levy 18 mills on non-homestead property in their district.

**Who is eligible to vote?**

Registered voters living in the IPS district boundaries are eligible to vote. You can register to vote at the Secretary of State's office.

**Where do I vote?**

Please confirm your voting location with your local clerk.

**What will the ballot language look like?**

IONIA PUBLIC SCHOOLS  
OPERATING MILLAGE PROPOSAL

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 full revenue per pupil foundation allowance.

Shall the limitation on the amount of taxes which may be assessed against all property, except principal residence and other property exempted by law, in Ionia Public Schools, Ionia County, Michigan, be increased to 18 mills (\$18.00 on each \$1,000 of taxable valuation) for a period of 10 years, 2025 to 2034, inclusive, to provide funds for operating purposes; the estimate of the revenue the school district will collect if the millage is approved and 18 mills are levied in 2025 is approximately \$2,790,080 (this millage replaces a millage that will expire with the 2024 tax levy)?

**What if I still have questions?**

Please contact Superintendent Gurk at (616) 527-9280 or [bgurk@ioniaschools.org](mailto:bgurk@ioniaschools.org).