



# Berrien County 2021 Millage Rates



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## The 2020 Berrien County Millage Rates

- **Operating**                      **4.7723**
- 911                                      0.4500
- Public Safety                      0.3500
- Senior                                  0.3000
- Parks                                    0.1000



# Berrien County 2021 Millage Rates

## Proposed 2021 Berrien County Millage Rates

• <b>Operating</b>	<b>4.7680</b>
• 911	0.4495
• Public Safety	0.3496
• Senior	0.2997
• Parks	0.0999



## Berrien County 2021 Millage Rates

The proposed 2021 Berrien County Millage Rates have been reduced by a Headlee Millage Reduction Fraction

### Berrien County 2021 Millage Reduction Fraction (MRF)

**0.9991**

<b>2020 Millage</b>		<b>2021 MRF</b>		<b>2021 Rate</b>
4.7723	X	0.9991	=	4.7680
0.4500	X	0.9991	=	0.4495
0.3500	X	0.9991	=	0.3496
0.3000	X	0.9991	=	0.2997
0.1000	X	0.9991	=	0.0999



## Berrien County 2021 Millage Rates

### Why?

#### **From the State Tax Commission Bulletin:**

“The Headlee millage reduction fraction intends that, ignoring additions and losses, any current operating millage must be reduced if it would produce more tax dollars, adjusted for inflation, than it did last year. While this calculation may result in a millage reduction fraction that is less than 1.0000, it cannot exceed 1.0000.”



## Berrien County 2021 Millage Rates

### What does that mean exactly?

If taxable value increases too much from certain sources, then millage rates must be reduced so that the increase doesn't produce more tax dollars than the prior year.



## Berrien County 2021 Millage Rates

### Taxable value can increase from:

- Inflation
- New property construction
- Annexed property
- Omitted property
- Transfers of ownership (uncappings)
- Exempt property becoming taxable



## Berrien County 2021 Millage Rates

### Taxable value can increase from:

- Inflation
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- Annexed property
- Omitted property
- Transfers of ownership (uncappings)
- Exempt property becoming taxable

Uncappings of taxable value from transfers of ownership have a significant effect on the likelihood of a Headlee rollback





## Berrien County 2021 Millage Rates

### The Headlee rollback calculation:

*(2020 Total Taxable Value - Losses) X Inflation Rate of 1.014*

**(8,238,295,115 - 68,469,829) X 1.014**

**8,487,229,151 - 195,333,931**

*(2021 Total Taxable Value Based on SEV - Additions)*

**= 8,284,202,840  
8,291,895,220**

**0.9991**



# Berrien County 2021 Millage Rates

Taking a closer look...

	No Rollback (Plan to levy)	Actual Rollback (Actual Levy)
<b>MRF:</b>	1.0000	0.9991
<b>Operating Millage:</b>	4.7723	4.7680

Planned Levy:	4.7723
Actual Levy:	4.7680
Reduction:	-0.0043
Approx. Dollars:	-\$37,000



# Berrien County 2021 Millage Rates

Taking a closer look...

	<b>Actual Rollback (Actual Levy)</b>	<b>Hypothetical Rollback (For Budget Purposes)</b>
<b>MRF:</b>	0.9991	0.9980
<b>Operating Millage:</b>	4.7680	4.7627

Actual Levy:	4.7680
Budgeted Levy:	4.7627
Increase:	0.0053
Approx. Dollars:	\$45,000



## Berrien County 2021 Millage Rates

### What does this mean for Berrien County?

- Cannot prevent a Headlee rollback
- Collecting less millage than planned
- Collecting more millage than was used in budget projections
- Increased revenue from 2020
  - 2.96% Taxable Value Increase
- Reductions are permanent
  - Sets a new “baseline” rate going forward