

Impact of Proposal A

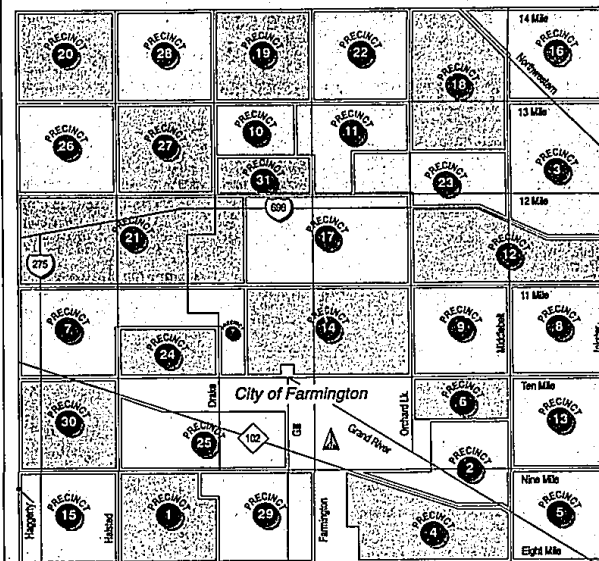
Property owners in Farmington Hills would have their property tax bill adjusted to reflect a 3 percent cap in increases in assessments for the first year. An assessment that increased more than 3 percent would be rolled back to 3 percent. This chart gives the example of a property with a market value of \$100,000.

Change in property value from 1992 value	Market value	Assessed value	Amount of assessment rollback	Amount of millage rollback	Adjusted tax bill	Savings in property taxes
No change	\$100,000	\$50,000	\$0	5.77	\$2,245.78	\$288.50
+3%	\$103,000	\$50,500	\$0	5.77	\$2,245.78	\$288.50
+5%	\$105,000	\$49,000	\$1,000	5.77	\$2,200.86	\$333.42
+7%	\$107,000	\$48,000	\$2,000	5.77	\$2,155.94	\$378.53
+9%	\$110,000	\$47,000	\$3,000	5.77	\$2,111.03	\$423.25

1992 property values: \$100,000
 Millage rates: Farmington Schools - 33.51, County - 6.304, City - 8.961, Total - 50.845
 If Proposal A enacted Farmington Schools will lower their millage rate to 27.74 (Farmington School millage rate includes a .74 mill debt reduction millage).

Source: City of Farmington/Hills

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Precinct voting map for the City of Farmington Hills

- 1 Power Middle School (34740 Flosswood)
- 2 Farm Community School (20415 Shawasssee)
- 3 Woodrock School (28400 Harwood)
- 4 St. Paul's Lutheran Church (20905 Middlebelt)
- 5 St. Alexander's Church (27385 Shawasssee)
- 6 Larkline School (23800 Tuck)
- 7 Hillside School (30801 11 Mile)
- 8 East Middle School (25000 Middlebelt)
- 9 East Middle School (25000 Middlebelt)
- 10 Duxford Middle School (26800 12 Mile)
- 11 H. Farmington High School (23300 13 Mile)
- 12 Merry Center (26300 11 Mile)
- 13 William Grace School (29240 Shawasssee)
- 14 Alameda School (32400 Alameda)
- 15 Finnish Center (25200 Eight Mile)
- 16 Fairview School (25200 Oak Creek)
- 17 First Presbyterian Church (20165 Farmington)
- 18 Highmeadow School (30175 Highmeadow)
- 19 Forest School (34545 Oak Timber)
- 20 William Tyndale College (35700 12 Mile)
- 21 Forest Pt. Baptist Church (23200 Farmington)
- 22 H. Farmington High School (23300 13 Mile)
- 23 Kenbrook School (32130 Barnet Hill)
- 24 William Tyndale College (35700 12 Mile)
- 25 Gil School (21195 Gil)
- 26 Hope Lutheran Church (33200 12 Mile)
- 27 Fire Dept. Headquarters (28711 Drake)
- 28 Faith Covenant Church (35415 14 Mile)
- 29 Finnish Center (33200 Eight Mile)
- 30 Gil School (21195 Gil)
- 31 Duxford Middle School (26800 12 Mile)

TAKES GRAPHIC/STAFF ARTIST

Hills council stays mum on A

BY BILL COUTANT
STAFF WRITER

Farmington Hills officials took part in a cable TV forum last week, but distanced themselves from taking a position on the state tax proposal at the city council meeting Monday.

Mayer Nancy Bates, councilmen Aldo Vagozzi and Jim Grant, City Manager Bill Costick, Hills assessor Dean Babb, Farmington Schools Superintendent Michael Flanagan, state Rep. Jan Dolan, and state Sen. Jack Faxon discussed Proposal A, the state's most recent attempt to reduce property taxes and guarantee adequate funding for schools during the forum.

The plan, which will go before voters statewide June 2, would put a cap on property tax assessments and amend the state constitution to raise the sales tax to 6 percent from the current 4 percent.

At Monday's city council meeting, the five council members present, Bates, Grant, Vagozzi, Larry Lichtman and Terry Sever, decided not to take a formal stand on the issue as a city council.

Sever said the council had provided a forum on the question, and further discussion could be divisive, Grant agreed.

"Since there is no clear consensus on the council, I think we should not take a formal stand," he said.

Latest in long list

The proposal is the latest in a long list of plans that have sounded like names for everything from sandwiches to basketball tournaments a reassurance (BLT), sweet 16 and OK). But this proposal required a two-thirds majority in both the Michigan House and Senate and has the backing of Gov. John Engler, the Michigan Education Association, the Farm-

ington/Farmington Hills Chamber of Commerce, the state Chamber of Commerce and the Michigan Municipal League, a coalition lacking in previous, unsuccessful ballot proposals and ill-fated state bills.

"A two-thirds majority tells you a lot," Dolan said. "This was not a partisan proposal."

The proposal would cost the Farmington Hills in the short run, but could help in the long run by relieving the frustrations of property owners, Costick said.

"This proposal fairly addresses the frustrations of property taxpayers," Costick said at the forum. "It will mean a loss to the city of about \$360,000 in the first year."

Costick said the June 2 vote would allow the city time to ad-

just its budget should Proposal A pass. The shift to a higher sales tax would generate more tax money from tourism, the state's second largest industry.

"It is a tax shift," he said.

Endorsed by chamber

The Farmington/Farmington Hills Chamber of Commerce Board of Directors endorsed the proposal on May 13.

"While acknowledging that the proposal is not a perfect solution and that there are some business related questions which must be resolved, the chamber believes that this attempt to bring the state's high property tax in line, after at least 20 years and almost as many proposals, will put an end to those escalating costs," the letter said.

But the cap on property tax increases will mean some imbalance in property assessments for houses of equal value, said Babb. Under the plan, a property owner's assessment could only be increased by 3 percent during the first year and 5 percent or the rate of inflation, whichever is lower, from then on.

"That would not limit the price a house could fetch, allowing a home buyer to pay, and be assessed, at a higher rate than an equally valued property where assessments would have been kept down by the 5 percent cap."

"We will have to snuff out every property transfer," Babb said.

Senator opposes 'A'

Faxon opposes the proposal. "This is not a tax shift," he

said. "It is a tax increase. It is not good for southeast Michigan." Because the proposal would guarantee equal per-pupil funding throughout the state, southeast Michigan would suffer, because costs in the region are much higher, he said.

Fanagan said the benefits of the plan outweigh the disadvantages.

"There will be short-term losses for the Farmington Schools," he said. "But it will offer an immediate benefit for property taxpayers."

Bates said with all its flaws, the proposal might be the last chance for a long time to change school funding because so many alternatives have been proposed and rejected.

Farmington precinct voting map

1. Farmington City Hall
23600 Liberty
2. Ten Mile Community School
32789 W. Ten Mile
3. Farmington Senior High School
32000 Shiawasssee
4. Flanders Elementary School
32600 Flanders
5. Longacre Elementary School
34850 Arundel
6. Farmington Training Center
33000 Thomas

TAKES GRAPHIC/STAFF ARTIST

Tax vote comes on a Wednesday

BY BILL COUTANT
STAFF WRITER

Farmington and Farmington Hills city officials are reminding voters that the special statewide election on Proposal A, which would limit property taxes and raise the sales tax, will take place on a Wednesday, not a Tuesday.

The special election has been scheduled for Wednesday, June 2. Voters will use the same precincts they did in the November general election in both cities.

"They were going to have it on Tuesday, June 1," said Farmington Hills City Clerk Kathy Dorman. "But that is the day after Memorial Day. We would have to get ready that Monday to have a Tuesday election. This will help a lot."

The only issue on the ballot will be Proposal A. It reads:

"A proposal to limit annual increases in all property tax assessments, reduce maximum school operating taxes, increase the state sales and use tax rates from 4 percent to 6 percent, constitutionally dedicate funds for local schools and set a per-pupil funding guarantee."

The proposed constitutional amendment would:

1. Limit for each property parcel (excluding new construction) annual assessment increase to 5 percent or the inflation rate,

whichever is less. When property is sold or transferred, adjust assessment according to current market value.

2. Reduce maximum school operating taxes to 18 non-voted mills. Permit districts to levy up to 9 additional voted mills.

3. Reduce 60-mill maximum property tax limit to 40 mills.

4. Increase state sales and use tax rates to 6 percent. Dedicate this additional revenue and lottery proceeds to schools.

5. Establish a minimum state/local per-pupil funding guarantee, annually adjusted for revenue changes. Provide a minimum 3 percent per-pupil funding guarantee, annually adjusted for revenue changes. Provide a minimum 3 percent per-pupil funding guarantee in 1993-1994.

Should this proposal be adopted?

Farmington City Clerk-Treasurer Patsy Cantrell said she had no idea of how voters would take to the proposal.

"I'm probably just as up in the air about the outcome as anyone else," she said. "I suppose we have to have the election anyway."

Dorman said absentee voters will likely play a big role in the election. Farmington Hills sends out absentee ballots to all senior citizens, about 12,000 in all.

"We've already received about

'I'm probably just as up in the air about the outcome as anyone else.'

Patsy Cantrell
Farmington clerk-treasurer

- 5,000," she said.
- Absentee ballots must be mailed in by Saturday, May 29.
- The reasons allowed for absentee ballots are:
- Being age 60 or older.
 - Expecting to be absent from the community in which the voter is registered during polling hours.
 - Being physically unable to go to the polls.
 - Not being able to vote because of a conflict with one's religion.
 - Being an election precinct inspector in a precinct other than the precinct where a person lives.
 - Being confined to jail awaiting arraignment or trial.

The state will provide some reimbursement to cities and townships for the expense of the election. Dorman said she expects this special election to cost close to what the March primary cost Michiganans, about \$5.5 million.

"The state is supposed to reimburse us for the cost," she said. "But the legislature has not yet passed the legislation."

Polls will be open from 7 a.m. to 8 p.m. on election day.

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