

**VILLAGE OF NEWBERRY**  
**VILLAGE COUNCIL PUBLIC HEARING**  
**TRUTH IN TAXATION**  
**5:30 P.M., TUESDAY, May 16, 2023**  
**Meeting Location: 307 E. McMillan Avenue**

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Public Comment** – Prior to consideration of official business, citizens may speak to a subject on the budget hearing agenda. Speakers must identify themselves by name and address and will be held to a 3 min time limit.
5. **2023 Tax Rate & Tax Rate Fees, Penalties, & Dates**

- a. Treasurer reads the requested mill levy for approval at the Regular Meeting.

General Operations	11.1038
Streets and Alleys	4.4413
Trash (Disposal/ Collection)	1.3776
Fire Protection	1.9691
<b>Total</b>	<b>18.8918</b>

- b. Treasurer reads the fees, penalties, and dates for approval at the Regular Meeting.

*The Village Council authorizes collection of taxes for **2023 beginning July 1, 2023** and continuing through **February 28, 2024**.*

*The Village Council authorizes the addition of a 1% administrative fee (\$1.00 Minimum) due **July 1, 2023**. After **September 14, 2023**, the Village Council authorizes the addition of a 1% administrative fee (\$1.00 Minimum) and 3% penalty (\$2.00 Minimum), plus 1% interest per month to the Village Treasurer until tax is paid.*

6. **Public Hearing on the proposed 2023 Tax Rates, Fees, Penalties, & Dates**
  - a. Review the L-4028 Millage Reduction Fraction Computation
  - b. Review the L-4029 2023 Tax Rate Request
  - c. Council discussion and/or questions for treasurer
7. **Public Comment-** See section 4 for guidance on comment process.
8. **Adjournment of Public Hearing**

**2023 MILLAGE REDUCTION FRACTION COMPUTATION**

This form is issued under authority of Sections 311.34d and 211.150, M.C.L. Filing of this form is mandatory. Failure to file is punishable under Section 211.119, M.C.L.

**INSTRUCTIONS:** This form is to be completed by the county equalization director for all taxing jurisdictions which levy a property tax in his/her county. This form is to be filed with each unit of local government and with the State Tax Commission. Also provide a copy of this form to the equalization director of each county which shares an intercounty taxing jurisdiction. On this initial computation form, the 2023 millage reduction fraction (MRF) can be calculated only for taxing jurisdictions located exclusively within a single county. This will include the county unit as well as all townships and nearly every city and village. The MRF for a school district which is not fractional with any other county can also be calculated and listed on this form. For any taxing jurisdiction which extends into one or more other counties, enter the notation "IC" for intercounty in the indicated column. **This form is to be filed with the State Tax Commission and with each unit of local government which has taxable property located in this county.**

COUNTY :

Values before the first Monday in May- various dates

2023 CPI =  (ie: IRM 7.9% entered as 1.079, STC Bulletin 17 of 2022)

Code Number	Taxing Jurisdiction (1)	2022 Taxable Value	2023 Taxable Value	Taxable Value of Losses	Taxable Value of Additions	2023 Millage Reduction Fraction (2)	2023 Millage Reduction Fraction (2)
48 000	Luce County	202,848,845	214,415,722	1,042,552	2,599,819	1.0000	1.0280
48 000	Luce County Library	202,848,845	214,415,722	1,042,552	2,599,819	1.0000	1.0280
17000	Eastern U.P. ISD	202,848,845	214,415,722	1,042,552	2,599,819	IC	1.0280
48 001	Columbus Township	11,554,312	11,976,866	1,535	357,533	1.0000	1.0728
48 002	Lakefield Township	61,805,172	65,662,973	2,10,533	1,256,360	1.0000	1.0319
48 003	McMillan Township	83,451,157	88,411,128	592,913	346,192	1.0000	1.0152
48 004	Pentland Township	46,038,204	48,364,755	237,571	639,734	1.0000	1.0355
48 041	Newberry Village	17,936,669	19,152,734	168,439	25,591	1.0000	1.0023
48040	Tauquemanon AS	202,848,845	214,415,722	1,042,552	2,599,819	IC	1.0280
48040	Non-Homestead	116,698,228	122,675,821	188,905	1,767,485	IC	1.0397

(1) See "New Instructions for Local School Districts" contained in the instructions for L-4025  
(2) If this calculation results in a number greater than 1.0000, line through and enter 1.0000.

This form is not an officially authorized document of the State Tax Commission. While the PTD may accept this form, no warranty is given that all calculations are correct. The user of this form is advised to verify all values and calculations.

(2022 Taxable Value - Losses) X 1.079

(17,936,669 - 168,439) X 1.079

17,768,230 X 1.079

\$19,171,920

2023 Millage Reduction Fraction =

2023 Taxable Value - Additions

= 1.00

19,152,734 - 25,591

\$19,127,143.00

\$19,127,143.00

**2023 Tax Rate Request (This form must be completed and submitted on or before September 30, 2023)**  
MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory. Penalty applies.

County(ies) Where the Local Government Unit Levies Taxes: **Luce County** 2023 Taxable Value of ALL Properties in the Unit as of 5-22-2023: **19,152,734**

Local Government Unit Requesting Millage Levy: **Village of Newberry** For LOCAL School Districts: 2023 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties:

**This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2023 tax roll.**

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5)** 2022 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2023 Current Year "Headlee" Millage Reduction Fraction	(7) 2023 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth In Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Charter	Gen Operations		12.5000	11.1038	1.0000	11.1038	1.0000	11.1038	11.1038		
Charter	Streets Alleys		5.0000	4.4413	1.0000	4.4413	1.0000	4.4413	4.4413		
Charter	Trash		1.5000	1.3776	1.0000	1.3776	1.0000	1.3776	1.3776		
Voted	Fire Service	11/2022	2.0000	1.9691	1.0000	1.9691	1.0000	1.9691	1.9691		

Prepared by: **Michael Woolford** Telephone Number: **734-693-7722** Title of Preparer: **Luce County Equalization Director** Date: **05/02/2023**

**CERTIFICATION:** As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

<input checked="" type="checkbox"/> Clerk	Signature	Print Name	Date
<input type="checkbox"/> Secretary		<b>Terese Schummer</b>	
<input type="checkbox"/> Chairperson	Signature	Print Name	Date
<input checked="" type="checkbox"/> President		<b>Catherine Freese</b>	

\* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

\*\* **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

ORIGINAL TO: County Clerk(s)  
COPY TO: Equalization Department(s)  
COPY TO: Each township or city clerk  
**L-4029**  
Carefully read the instructions on page 2.

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2023 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag., Qualified Forest and Industrial Personal	
For Commercial Personal	
For all Other	

# VILLAGE OF NEWBERRY



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302 East McMillan Avenue, Newberry, MI 49868 Phone: 906-293-3433 Fax: 906-293-8890

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## 2023 Village of Newberry Tax Roll Authorization

### Tax Roll Authorization

#### MOTION 1-

The Village Council authorizes the Village Treasurer to spread the **2023** Tax Roll based on the Taxable Value of **\$19,152,734.00** as determined by the McMillan Township Assessor. Such tax to be levied with **11.1038** mills for general operation purposes and **4.4413** mills for streets and alleys and **1.3776** mills for trash (disposal/collection) and **1.9691** mills for residential fire protection for a total millage of **18.8918**.

### Tax Roll Fees, Penalties, and Dates

#### MOTION 2-

The Village Council authorizes collection of taxes for **2023 beginning July 1, 2023** and continuing through **February 28, 2024**. The Village Council authorizes the addition of a 1% administrative fee (\$1.00 Minimum) due **July 1, 2023**. After **September 14, 2023**, the Village Council authorizes the addition of a 1% administrative fee (\$1.00 Minimum) and 3% penalty (\$2.00 Minimum), plus 1% interest per month to the Village Treasurer until tax is paid.



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

**Bulletin 17 of 2022  
Inflation Rate Multiplier  
November 15, 2022**

**TO:** Assessors and Equalization Directors

**FROM:** Michigan State Tax Commission

**SUBJECT:** Inflation Rate Multiplier for use in the 2023 capped value formula and the "Headlee" Millage Reduction Fraction (MRF) formula

The calculation of the Inflation Rate Multiplier is set in statute in MCL 211.34d:

(l) "Inflation rate" means the ratio of the general price level for the state fiscal year ending in the calendar year immediately preceding the current year divided by the general price level for the state fiscal year ending in the calendar year before the year immediately preceding the current year.

(f) "General price level" means the annual average of the 12 monthly values for the United States consumer price index for all urban consumers as defined and officially reported by the United States Department of Labor, Bureau of Labor Statistics.

**Calculation of 2023 Inflation Rate Multiplier**

Based on the statutory requirements in MCL 211.34d, the calculation of the inflation rate multiplier for 2023 is as follows:

1. The 12 monthly values for October 2020 through September 2021 are averaged.
2. The 12 monthly values for October 2021 through September 2022 are averaged.
3. The ratio is calculated by dividing the average of column 2 by the average of column 1.

The specific numbers from the US Department of Labor, Bureau of Labor Statistics are as follows:

**CPI Data used to Calculate Inflation Rate Ratio for 2023 Property Taxes**

	<u>FY 2020 - 2021</u>		<u>FY 2021 - 2022</u>
Oct 2020	260.388	Oct 2021	276.589
Nov 2020	260.229	Nov 2021	277.948
Dec 2020	260.474	Dec 2021	278.802
Jan 2021	261.582	Jan 2022	281.148
Feb 2021	263.014	Feb 2022	283.716
Mar 2021	264.877	Mar 2022	287.504
Apr 2021	267.054	Apr 2022	289.109
May 2021	269.195	May 2022	292.296
Jun 2021	271.696	Jun 2022	296.311
Jul 2021	273.003	Jul 2022	296.276
Aug 2021	273.567	Aug 2022	296.171
Sep 2021	274.310	Sep 2022	296.808
Average	266.616	Average	287.723
		Ratio	1.079
		% change	7.9%

**Important:** Local units cannot develop or adopt or use an inflation rate multiplier other than 1.05 in 2023. It is not acceptable for local units or assessors to indicate to taxpayers that they do not know how the multiplier is developed.

**Inflation Rate Multiplier (IRM) Used in the 2023 Capped Value Formula**

The inflation rate, expressed as a multiplier, to be used in the 2023 Capped Value Formula is 1.05.

**2023 CAPPED VALUE = (2022 Taxable Value – LOSSES) X 1.05 + ADDITIONS**

- The formula above includes 1.05 because the inflation rate multiplier of 1.079 is higher than 1.05.

**Inflation Rate Multiplier Used in 2023 “Headlee” Calculations**

The inflation rate multiplier of 1.079 must be used in the calculation of the 2023 “Headlee” Millage Reduction Fraction required by Michigan Compiled Law (MCL) 211.34d.

The formula for calculating the 2023 “Headlee” Millage Reduction Fraction (MRF) is:

**2023 MRF =  $\frac{(2022 \text{ Taxable Value} - \text{LOSSES}) \times 1.079}{2023 \text{ Taxable Value} - \text{ADDITIONS}}$**

**Historical Inflation Rate Multipliers**

The following is a listing of the inflation rate multipliers used in the Capped Value and "Headlee" calculations since the start of Proposal A.

Year	IRM
1995	1.026
1996	1.028
1997	1.028
1998	1.027
1999	1.016
2000	1.019
2001	1.032
2002	1.032
2003	1.015
2004	1.023
2005	1.023
2006	1.033
2007	1.037
2008	1.023
2009	1.044

Year	IRM
2010	0.997
2011	1.017
2012	1.027
2013	1.024
2014	1.016
2015	1.016
2016	1.003
2017	1.009
2018	1.021
2019	1.024
2020	1.019
2021	1.014
2022	1.033
2023	1.05 (Capped Value) 1.079 (Headlee)

## Headlee Rollback and Headlee Override

### Introduction

The term “Headlee Rollback” became part of municipal finance lexicon in 1978 with the passage of the Headlee Amendment to Michigan’s Constitution. In a nutshell, Headlee requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation. As a consequence, the local unit’s millage rate gets “rolled back” so that the resulting growth in property tax revenue, community-wide, is no more than the rate of inflation. A “Headlee override” is a vote by the electors to return the millage to the amount originally authorized via charter, state statute, or a vote of the people, and is necessary to counteract the effects of the “Headlee Rollback.”

### Impact of Headlee Amendment

Since the passage of the Headlee Amendment, units of government are required to annually calculate a Headlee rollback factor. The annual factor is then added to Headlee rollback factors determined in prior years resulting in a cumulative Headlee rollback factor sometimes referred to as the “millage reduction fraction.” This total “millage reduction fraction” is then applied to the millage originally authorized by charter, state statute, or a vote of the people. In summary, the actual mills available to be levied by a unit of local government is the product of the authorized millage rate times the total millage reduction fraction. This is known as the “Headlee maximum allowable millage.”

### Impact of Proposal A

Prior to Proposal A legislation passed in 1994, local governments were allowed to “roll up” their millage rates when growth on existing property was less than inflation. “Roll ups” were a self-correcting mechanism that allowed local governments to naturally recapture taxing authority lost due to Headlee rollbacks in prior years. A local government could only “roll up” its millage rate to the amount originally authorized by charter, state statute, or a vote of the people.

Additions to taxable value (such as newly constructed property) are typically excluded (or exempt) from the Headlee roll back calculation. The 1994 General Property Tax Act changes did not specifically define “uncapped values” (increases resulting primarily from property transfers) as exempt.

### Result

Although it might appear that a community with an annual increase in uncapped property values would benefit monetarily, uncapped values are treated as growth on existing property and trigger Headlee rollbacks. For local governments levying at their Headlee maximum authorized millage, rolling back the maximum authorized millage rate reduces the revenue that would have been generated from these increased property values. The increase in the taxable value of property not transferred is capped at the lesser of inflation or five percent. Even though the taxable value of a particular piece of property increases at the rate of inflation, the millage rate for the entire community is “rolled back” as a result of the increase in the total taxable value of the community. The net result—a less than inflationary increase in the actual dollars received from property taxes. Consequently, the 1994 change to the General Property Tax Act has prevented local governments from being able to share the benefits of any substantial market growth in existing property values.

Based on System Failure: Michigan’s Broken Municipal Finance Model. Prepared for the Michigan Municipal League by Plante and Moran, PLLC, March, 2004



# 2022 Tax Rate Request (This form must be completed and submitted on or before September 30, 2022)

## MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory. Penalty applies.

Carefully read the instructions on page 2.

County(ies) Where the Local Government Unit Levies Taxes  
**Luce County**

2022 Taxable Value of ALL Properties in the Unit as of 5-23-2022  
**17,936,669**

Local Government Unit Requesting Millage Levy  
**Village of Newberry**

For LOCAL School Districts: 2022 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties.

**This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2022 tax roll.**

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2021 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2022 Current Year "Headlee" Millage Reduction Fraction	(7) 2022 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Charter	Gen Operations		12.5000	11.2296	.9888	11.1038	1.0000	11.1038	11.1038		
Charter	Streets Alleys		5.0000	4.4917	.9888	4.4413	1.0000	4.4413	4.4413		
Charter	Trash		1.5000	1.3932	.9888	1.3776	1.0000	1.3776	1.3776		
Voted	Fire Service	8/2016	2.0000	1.9914	.9888	1.9691	1.0000	1.9691	1.9691		

Prepared by **Nathanael Moulton** Telephone Number **(906) 293-3433** Title of Preparer **Village Treasurer** Date

**CERTIFICATION:** As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary, to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.121(3).

Clerk **Terese Schummer** Signature *Terese Schummer* Date **05/17/22**  
 Secretary  
 Chairperson **Catherine Freese** Signature *Catherine Freese* Date **5/17/22**  
 President

\* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

\*\* **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

Local School District Use Only. Complete if requesting millage to be levied. See 51C Bulletin 2 of 2022 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag., Qualified Forest and Industrial Personal	
For Commercial Personal	
For all Other	