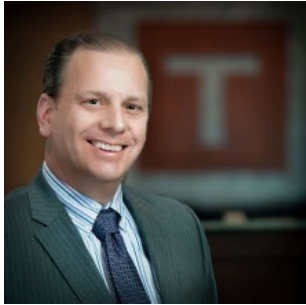




Getting to Know the L-4029 and Other Matters Related to Setting Millage and Renewing Millage 2026 MSBO Annual Conference



April 23, 2026



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Agenda

1. 2026 & 2027 Election Dates
2. Considerations for Renewing / Requesting Millage
3. Headlee Rollbacks to Millage
4. Headlee Strategies
5. L-4029 and planning millage renewals
6. Operating Millage Projections
7. Setting Annual Debt Millage
8. Millage Impact of New Bond Issue
9. Considerations for Timing
10. Election Statistics for Michigan School Bond Proposals



Caution

- ◆ These slides reflect general legal standards for the related presentation and are not intended as legal advice for specific situations
- ◆ Future legal developments may affect these topics
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Election Dates

Election Dates	Filing Deadline 4:00 p.m.
May 5, 2026	Feb. 10, 2026
Aug. 4, 2026	May 12, 2026
Nov. 3, 2026	Aug. 11, 2026
May 4, 2027	Feb. 9, 2027
Aug. 3, 2027	May 11, 2027
Nov. 2, 2027	Aug. 10, 2027





Considerations for Renewing / Requesting Millage

- ◆ Before or after millage expires?
 - Impact on ballot language / renewal or “increase”
 - Will the millage be subject to a Headlee rollback before it is levied?
- ◆ Election cost considerations
 - May election date vs August/November
- ◆ What else is on the ballot?
 - May election date vs August/November
 - Other controversial tax proposals?
- ◆ Educating voters
 - Clear, simple message re: impact on taxpayer and school district



Headlee Rollbacks to Millage

- ◆ What is Headlee?
 - Amendments to the Michigan Constitution approved by voters in 1978 referred to as the “Headlee” amendment
 - Requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation
- ◆ What millages can be rolled back?
 - Operating millages (including voted supplemental)
 - Sinking fund millages
 - Parks and rec millages
 - **NOT** voted unlimited tax debt millages
- ◆ Can rollbacks be prevented?
 - While you can’t prevent a Headlee rollback from occurring, there are measures that can be taken to minimize or eliminate its impact



Source: Sections 25 through 33 of Article IX of the Michigan Constitution



Headlee Strategies

- ◆ Renew millage annually
- ◆ Reactive options
 - Headlee “restoration” asking voters to restore millage to original authorized amounts prior to any Headlee rollback
 - Headlee “hedge” asking voters to authorize higher millage rate than can or will be levied
- ◆ Proactive options
 - Ask voters to approve non-homestead operational millage greater than 18 mills
 - ✓ Limited to .5 mill maximum increase with renewals
 - Headlee “hedge” or replacement
 - Extension of number of years
- ◆ Combination of above Restore / Replace / Extend
- ◆ **Discuss the available options with legal counsel**





L-4029 Example 1 – Headlee Rollback

- Below is an example of the impact of Headlee on a school district’s operating and sinking fund millage, as well as the district’s use of a “hedge” or “buffer” to mitigate the impact of the Headlee rollback on its Non-Homestead Operating Millage.

Michigan Department of Treasury
614 (Rev. 07-25)

ORIGINAL TO: County Clerk(s)
COPY TO: Equalization Department(s)
COPY TO: Each township or city clerk

L-4029

2026 Tax Rate Request (This form must be completed and submitted on or before September 30, 2026)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

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 ABC COUNTY	2026 Taxable Value of ALL Properties in the Unit as of 05-26-2026 \$500,000,000
Local Government Unit Requesting Millage Levy XYZ SCHOOL DISTRICT	For LOCAL School Districts: 2026 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. \$200,000,000

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 2026 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5)** 2025 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2026 Current Year "Headlee" Millage Reduction Fraction	(7) 2026 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
VOTED	OP-NH	5/16	2.6138	2.6138	.9967	2.6051	1.0000	2.6051	0.2712	0.2713	2028
VOTED	OP-NH	5/08	18.0000	17.5154	0.9967	17.4575	1.0000	17.4575	8.7288	8.7287	2028
VOTED	SINKING	5/24	2.0000	2.0000	0.9850	1.9700	1.0000	1.9700	0.9850	0.9850	2035
VOTED	DEBT	5/07	N/A	N/A	N/A	N/A	N/A	N/A	2.3900	2.3900	2032
VOTED	DEBT	5/21	N/A	N/A	N/A	N/A	N/A	N/A	1.6600	1.6900	2059

The above form is for informational purposes only. Blank forms can be found on the Michigan Department of Treasury website at: <https://www.michigan.gov/taxes/property/forms/instructions/millage-millage-rollbacks>



Where do the Rollback Numbers Come From?

- Counties send out the L-4028 (and L-4028IC for districts in multiple counties) with these figures
- Millage reduction fractions vary based on the properties responsible for paying the millage

Michigan Department of
Treasury, STC 612 (Rev. 02-20)

L-4028

2025 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 2024 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				Multiplier For L-4029	Base Calculation
2025 CPI =		(ie: IRM 3.1% entered as 1.031, STC Bulletin 14 of 2024)					
Code Number	Taxing Jurisdiction ⁽¹⁾	2024 Taxable Value	2025 Taxable Value	Taxable Value of Losses	Taxable Value of Additions	2025 Millage Reduction Fraction ⁽²⁾	2025 Millage Reduction Fraction ⁽²⁾
58010	Monroe Public Schools	2,205,210,074	2,325,851,142	13,403,422	70,260,210	1.0000	1.0018
58010	Non-Homestead	733,305,516	799,054,061	6,162,706	52,972,110	1.0000	1.0048
58020	Airport Schools	784,731,772	826,119,353	3,327,432	17,009,596	IC	0.9957
58020	Non-Homestead	188,373,562	200,720,791	1,072,426	8,746,803	IC	1.0059
58030	Bedford Schools	1,463,283,893	1,529,390,935	5,646,885	18,375,831	0.9946	0.9946
58030	Non-Homestead	277,937,522	297,076,237	929,065	10,081,962	0.9951	0.9951
58050	Dundee Schools	538,134,344	574,645,756	1,899,664	23,079,151	1.0000	1.0023
58050	Non-Homestead	185,913,468	203,294,478	893,329	15,691,184	1.0000	1.0168
58070	Ida Schools	431,554,540	452,852,203	1,557,949	9,527,792	1.0000	1.0000
58070	Non-Homestead	53,602,766	58,217,897	1,165,776	4,827,557	1.0000	1.0126
58080	Jefferson Schools	1,004,531,858	1,013,205,470	26,806,815	21,805,742	1.0000	1.0168
58080	Non-Homestead	276,730,161	280,153,410	1,537,741	6,803,236	1.0000	1.0379
58090	Mason Schools	321,474,418	341,420,140	11,053,645	21,500,178	1.0000	1.0004
58090	Non-Homestead	86,524,525	90,605,999	594,134	3,453,785	1.0000	1.0165
58100	Summerfield Schools	230,021,890	242,925,044	840,061	5,274,618	0.9943	0.9943
58100	Non-Homestead	36,402,905	40,207,550	237,100	3,344,841	1.0000	1.0115
58110	Whiteford Schools	275,171,282	288,852,236	1,640,957	5,353,178	IC	0.9947
58110	Non-Homestead	56,835,695	61,490,051	711,163	2,894,918	IC	0.9875

The above form is for informational purposes only.
Source: Monroe County Equalization Department



Example Headlee Impact

- Below are examples of the potential impact of Headlee Rollbacks on a school's Non-Homestead operating taxes at various valuations and rollback factors of .99 and .98
- Schools are **NOT** reimbursed / made whole for operating tax revenue loss from Headlee rollbacks in State Aid

Year	18 mill non-homestead			Non-homestead buffer / "Hedge"			Estimated NHS to be Levied			Hypothetical Impact / (Loss) of Revenue at various NHS taxable values			
	Prior year	Headlee	Current	Prior year	Headlee	Current	NHS	Buffer	Total	\$75,000,000	\$100,000,000	\$150,000,000	\$200,000,000
	Millage	Factor	Year Levy	Max	Factor	Yr Max							
1	18.0000	0.9900	17.8200	0.5000	0.9900	0.4950	17.8200	0.1800	18.0000	\$0	\$0	\$0	\$0
2	17.8200	0.9900	17.6418	0.4950	0.9900	0.4901	17.6418	0.3582	18.0000	\$0	\$0	\$0	\$0
3	17.6418	0.9900	17.4654	0.4901	0.9900	0.4851	17.4654	0.4851	17.9505	\$3,710	\$4,947	\$7,420	\$9,894
4	17.4654	0.9900	17.2907	0.4851	0.9900	0.4803	17.2907	0.4803	17.7710	\$17,173	\$22,897	\$34,346	\$45,795
5	17.2907	0.9900	17.1178	0.4803	0.9900	0.4755	17.1178	0.4755	17.5933	\$30,501	\$40,668	\$61,003	\$81,337
6	17.1178	0.9900	16.9466	0.4755	0.9900	0.4707	16.9466	0.4707	17.4174	\$43,696	\$58,262	\$87,393	\$116,523
7	16.9466	0.9900	16.7772	0.4707	0.9900	0.4660	16.7772	0.4660	17.2432	\$56,759	\$75,679	\$113,519	\$151,358
8	16.7772	0.9900	16.6094	0.4660	0.9900	0.4614	16.6094	0.4614	17.0708	\$69,692	\$92,922	\$139,383	\$185,845
9	16.6094	0.9900	16.4433	0.4614	0.9900	0.4568	16.4433	0.4568	16.9001	\$82,495	\$109,993	\$164,990	\$219,986
10	16.4433	0.9900	16.2789	0.4568	0.9900	0.4522	16.2789	0.4522	16.7311	\$95,170	\$126,893	\$190,340	\$253,786

Year	18 mill non-homestead			Non-homestead buffer / "Hedge"			Estimated NHS to be Levied			Hypothetical Impact / (Loss) of Revenue at various NHS taxable values			
	Prior year	Headlee	Current	Prior year	Headlee	Current	NHS	Buffer	Total	\$75,000,000	\$100,000,000	\$150,000,000	\$200,000,000
	Millage	Factor	Year Levy	Max	Factor	Yr Max							
1	18.0000	0.9800	17.6400	0.5000	0.9800	0.4900	17.6400	0.3600	18.0000	\$0	\$0	\$0	\$0
2	17.6400	0.9800	17.2872	0.4900	0.9800	0.4802	17.2872	0.4802	17.7674	\$17,445	\$23,260	\$34,890	\$46,520
3	17.2872	0.9800	16.9415	0.4802	0.9800	0.4706	16.9415	0.4706	17.4121	\$44,096	\$58,795	\$88,192	\$117,590
4	16.9415	0.9800	16.6026	0.4706	0.9800	0.4612	16.6026	0.4612	17.0638	\$70,214	\$93,619	\$140,428	\$187,238
5	16.6026	0.9800	16.2706	0.4612	0.9800	0.4520	16.2706	0.4520	16.7225	\$95,810	\$127,747	\$191,620	\$255,493
6	16.2706	0.9800	15.9452	0.4520	0.9800	0.4429	15.9452	0.4429	16.3881	\$120,894	\$161,192	\$241,787	\$322,383
7	15.9452	0.9800	15.6263	0.4429	0.9800	0.4341	15.6263	0.4341	16.0603	\$145,476	\$193,968	\$290,952	\$387,936
8	15.6263	0.9800	15.3137	0.4341	0.9800	0.4254	15.3137	0.4254	15.7391	\$169,566	\$226,088	\$339,133	\$452,177
9	15.3137	0.9800	15.0075	0.4254	0.9800	0.4169	15.0075	0.4169	15.4243	\$193,175	\$257,567	\$386,350	\$515,133
10	15.0075	0.9800	14.7073	0.4169	0.9800	0.4085	14.7073	0.4085	15.1158	\$216,311	\$288,415	\$432,623	\$576,831

The above tables are for informational purposes only.



Timing of Proposals – Example For a District with 100% December Levy

Type of Millage	Expiration (Last Levy)	Possible Election Dates
Operating Levy	12/2026	May 2026* Aug 2026* Nov 2026* May 2027 Aug 2027 Nov 2027
Debt Levy	12/2027 (Last Levy)	Nov 2026 May 2027 Aug 2027 Nov 2027 May 2028 Aug 2028
Sinking Fund Levy	12/2031	May 2031* Aug 2031* Nov 2031* May 2032 Aug 2032 Nov 2032
<p><i>* Renewal of Operating/ Sinking Fund Millage would occur if vote were before expiration of current levy.</i></p>		

Note: The table above is for illustrative purposes only.



Setting Annual Debt Millage

- ◆ Districts should carefully review and set debt millage annually to guard against building up excessive fund balance, avoid fluctuations in millage rates, and to be aware of future drops in millage which could provide opportunities for new capital funding opportunities
- ◆ Districts' financial advisors are available to assist with guidance in setting annual debt millage and creating future debt strategy

<u>Collection Cycle</u> December Levy 100% 2025 & 2026 Debt Levy: 3.58
--

Existing Unlimited Tax Debt & Mills

Levy Year	Payment Year	Projected Taxable Value	Growth Rate	Existing UT Payments	Use of Funds on Hand \$73,741	Delinquency Allowance 7.80%	Exempt Pers. Property Receipts ^[1]	Net UT Payments	Mills Needed All Debt
2025	2026	\$242,175,640	3.44%	\$881,331	(\$62,160)	\$67,625	(\$19,808)	\$866,989	3.58
2026	2027	249,440,909	3.00%	886,425	26,975	0	(20,402)	892,998	3.58
2027	2028	255,895,227	2.59%	872,900	(38,556)	0	(20,402)	813,942	3.18
2028	2029	262,516,552	2.59%	0	0	0	0	0	0.00
				\$2,640,656	(\$73,741)	\$67,625	(\$60,612)	\$2,573,929	

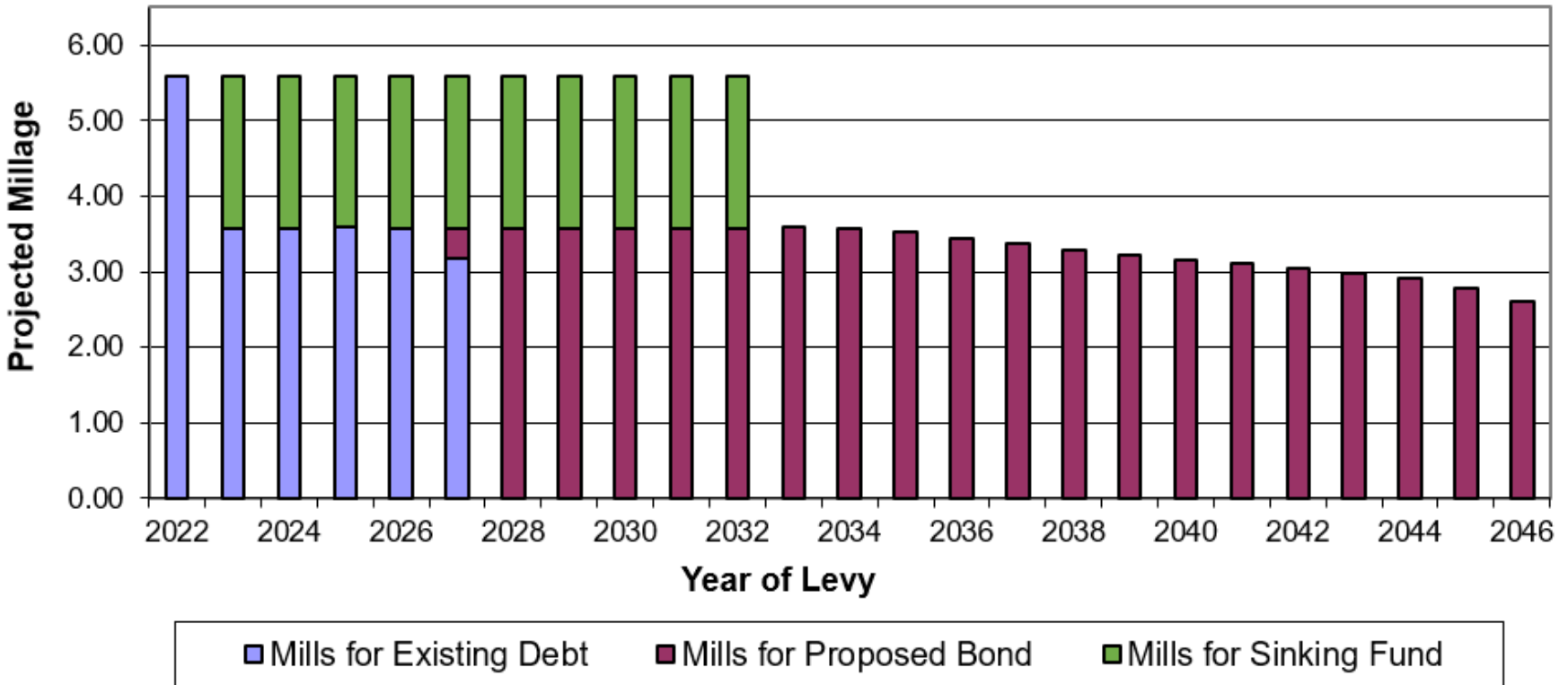
[1] Based on \$5,532,895 of Exempt Personal Property for 2025 and \$5,698,882 for 2026





Millage Impact of New Bond Issue

- The millage projection below depicts an example of a district which has the opportunity to issue a new bond at a no-mill increase from the prior year's levy.
- Each district's existing debt is unique and should be analyzed to determine which debt structure best suits the current debt portfolio and goals of the individual district



The debt millage projection is contingent on several variables including: the future Taxable Value and the interest rate on the proposed bonds.

NOTE: Chart above is for illustrative purposes only. The actual millage is subject to several variables including interest rate on the proposed bonds and actual taxable value.



Considerations for Capital Project Timing



- There are several timing considerations when planning funding of capital projects:
 - How long will it take to prioritize the needs and decide which projects to finance?
 - Can the projects be funded over time, and if so, what will the impact be on the overall cost?
 - Does the sinking fund millage, if applicable, expire over the time period needed to fund projects?
 - Does the district have an upcoming decline in the existing debt millage or sinking fund millage?
 - Can the decline in existing millage offset the millage needed for funding new capital projects?
 - When issuing/structuring debt, always consider the future needs of the school district.
 - If bonding, does the school district have ample time for the state qualification process?

Election Dates	State Qualified Preliminary Qualification Meeting	Filing Deadline
Aug. 4, 2026	March to early April 2026	May 12, 2026
Nov. 3, 2026	June to early July 2026	Aug. 11, 2026
May 4, 2027	Dec. 2026 to early Jan. 2027	Feb. 9, 2027
Aug. 3, 2027	March to early April 2027	May 11, 2027
Nov. 2, 2027	June to early July 2027	Aug. 10, 2027



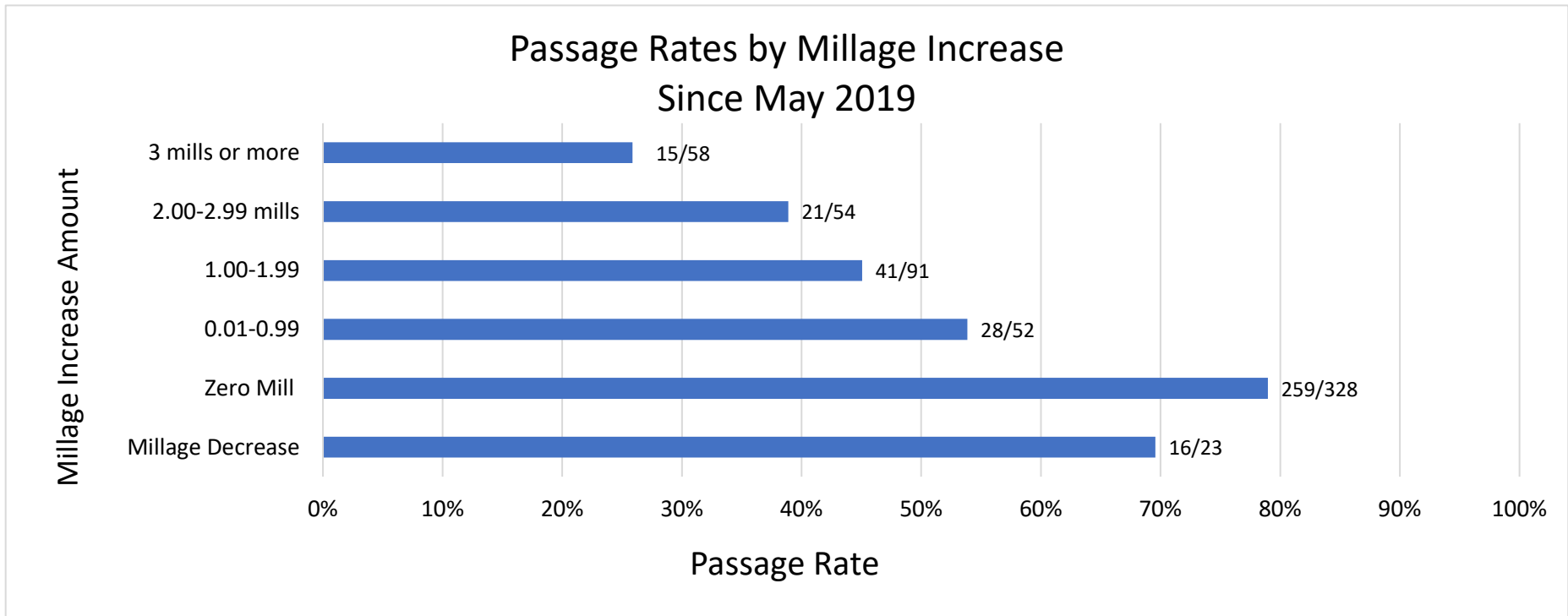
Election Statistics for Michigan School Bond Proposals

As might be expected, school bond elections with a no millage increase have a higher passage rate than propositions with a millage increase.

Elections	School Bond Proposals	Passage Rate	With Millage Increase	Passage Rate	Without Millage Increase	Passage Rate
Feb-15	17	65%	14	57%	3	100%
May-15	30	57%	17	35%	13	85%
Aug-15	9	56%	5	40%	4	75%
Nov-15	31	74%	22	64%	9	100%
Mar-16 *	4	75%	4	75%	0	n/a
May-16	40	83%	31	77%	9	100%
Aug-16	13	62%	9	56%	4	75%
Nov-16 **	9	78%	6	83%	3	67%
May-17	29	55%	19	32%	10	100%
Aug-17	8	50%	4	25%	4	75%
Nov-17	35	74%	17	71%	18	78%
May-18	35	63%	30	60%	5	80%
Aug-18	11	82%	4	75%	7	86%
Nov-18 ***	24	75%	14	57%	10	100%
May-19	37	68%	24	50%	13	100%
Aug-19	5	80%	3	67%	2	100%
Nov-19	34	68%	18	44%	16	94%
Mar-20 *	17	82%	10	70%	7	100%
May-20	23	91%	9	78%	14	100%
Aug-20	31	65%	18	39%	13	100%
Nov-20 **	11	100%	9	100%	2	100%
Mar-21	2	0%	2	0%	0	n/a
May-21	32	81%	11	55%	21	95%
Aug-21	14	71%	5	60%	9	78%
Nov-21	25	64%	10	40%	15	80%
May-22	32	66%	13	46%	19	79%
Aug-22	13	46%	6	17%	7	71%
Nov-22 ***	23	57%	13	31%	10	90%
May-23	38	58%	21	43%	17	76%
Aug-23	16	69%	4	25%	12	83%
Nov-23	45	51%	21	10%	24	88%
Feb-24 *	7	14%	2	50%	5	0%
May-24	43	60%	13	15%	30	80%
Aug-24	24	50%	5	40%	19	53%
Nov-24 **	28	64%	15	60%	13	69%
May-25	45	47%	13	8%	32	63%
Aug-25	11	64%	2	50%	9	67%
Nov-25	49	63%	14	36%	35	74%
Totals	900	584 passed	457	224 passed	443	360 passed
		65%		49%		81%
		*Presidential Primary	**Presidential Election		***Gubernatorial Election	
Source: PFM Financial Advisors LLC, Ann Arbor, MI (734) 994-9700						



Election Statistics for Michigan School Bond Proposals





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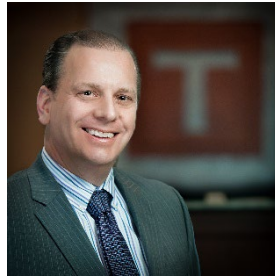
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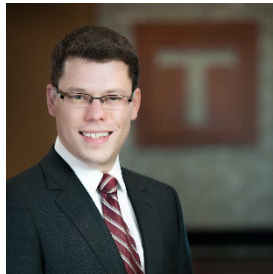
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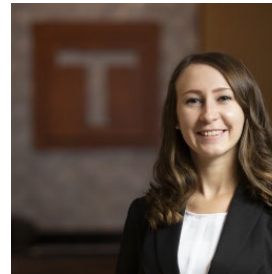
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