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# Getting to Know the L-4029 and Other Matters Related to Setting Millage and Renewing Millage

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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

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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 new millage
  - 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 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 – Headlee Rollback

- Below is an example of a L4029 tax rate request form for a district which has a Headlee Rollback factor on its operating and sinking fund millages and has utilized a “hedge” or “buffer” to offset the impact of the rollback.

**2025 Tax Rate Request** (This form must be completed and submitted on or before September 30, 2025)

COPY TO: Each township or city clerk

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 | 2025 Taxable Value of ALL Properties in the Unit as of 05-27-2025 |
|---|---|
| Marquette | 166,651,572 |
| Local Government Unit Requesting Millage Levy | For LOCAL School Districts: 2025 Taxable Value excluding Principal Residence, Qualified Agricutlural, Qualified Forest, Industrial Personal and Commercial Personal Properties. |
| Ishpeming Public School District No 1 | 65,425,030 |

**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 2025 tax roll.**

| (1) Source | (2) Purpose of Millage | (3) Date of Election | (4) Original Millage Authorized by Election Charter, etc. | (5) ** 2024 Millage Rate Permanently Reduced by MCL 211.34d "Headlee" | (6) 2025 Current Year "Headlee" Millage Reduction Fraction | (7) 2025 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 | Operating | 11/2012 | 18.3838 | 18.1027 | .9982 | 18.0701 | 1.0000 | 18.0701 | 18.0000 | | 12/2033 |
| Voted | Sinking | 11/2009 | 2.5000 | 2.4030 | .9925 | 2.3849 | 1.0000 | 2.3849 | 2.3849 | | 12/2034 |
| Voted | Debt | 5/2006 | n/a | n/a | n/a | n/a | 1.0000 | | 0.5600 | | 12/2025 |
| Voted | Debt | 5/2014 | n/a | n/a | n/a | n/a | 1.0000 | | 4.1000 | | 12/2033 |
| Voted | Debt | 11/2021 | n/a | n/a | n/a | n/a | 1.0000 | | 1.0400 | | 12/2038 |

| | |
|---|---|
| For Commercial Personal | 6.0000 |
| For all Other | 18.000 |

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/treasury/local/online-filing/links/community-engagement-and-finance-reports

# 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

Multiplier For L-4029

Base Calculation

## Marquette County L-4028 Non-PRE

| Code Number | Taxing Jurisdiction [1] | 2024 Taxable Value | 2025 Taxable Value | Taxable Value of Losses | Taxable Value of Additions | 2025 Millage Reduction Fraction (2) | Enter "IC" for Intercounty | Base Tax Rate Fraction |
|---|---|---|---|---|---|---|---|---|
| 52180 | Ishpeming Public | | | | | | | |
| | CITY OF ISHPEMING | 60,352,103 | 64,412,860 | 392,086 | 2,453,105 | 0.9977 | | 0.9677 |
| | ISHPEMING TOWNSHIP | 890,565 | 1,012,170 | 218 | 123,160 | 1.0000 | | 1.0015 |
| | Totals | 61,242,668 | 65,425,030 | 392,304 | 2,576,265 | 0.9982 | | 0.9682 |

## Marquette County L-4028

| Code Number | Taxing Jurisdiction [1] | 2024 Taxable Value | 2025 Taxable Value | Taxable Value of Losses | Taxable Value of Additions | 2025 Millage Reduction Fraction (2) | Enter "IC" for Intercounty | Base Tax Rate Fraction |
|---|---|---|---|---|---|---|---|---|
| 52180 | Ishpeming Public | | | | | | | |
| | CITY OF ISHPEMING | 150,699,450 | 157,460,604 | 2,142,199 | 3,088,717 | 0.9922 | | 0.9623 |
| | ISHPEMING TOWNSHIP | 8,760,976 | 9,190,968 | 13,740 | 149,260 | 0.9974 | | 0.9674 |
| | Totals | 159,460,426 | 166,651,572 | 2,155,939 | 3,237,977 | 0.9925 | | 0.9626 |

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

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

| Type of Millage | Expiration (Last Levy) | Possible Elections For New Bond or To Renew / Reinstate Operating / Sinking |
|---|---|---|
| Operating Levy | 12/2025 | May 2025* Aug 2025*<br>Nov 2025* May 2026<br>Aug 2026 Nov 2026 |
| Debt Levy | 12/2026 (Last Levy) | Nov 2025 May 2026<br>Aug 2026 Nov 2026<br>May 2027 Aug 2027 |
| Sinking Fund Levy | 12/2030 | May 2030* Aug 2030*<br>Nov 2030* May 2031<br>Aug 2031 Nov 2031 |
| | | * Renewal of Operating/Sinking Fund Millage would occur if vote were before expiration of current levy. |

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 fluctuations in annual millage rates and to be aware of future drops in millage which could provide opportunities for new capital funding
- District's financial advisor available to assist with guidance in setting annual debt millage and creating future debt strategy

Collection Cycle
December Levy 100%
2024 & 2025 Debt Levy: 3.58

**Existing Unlimited Tax Debt & Mills**

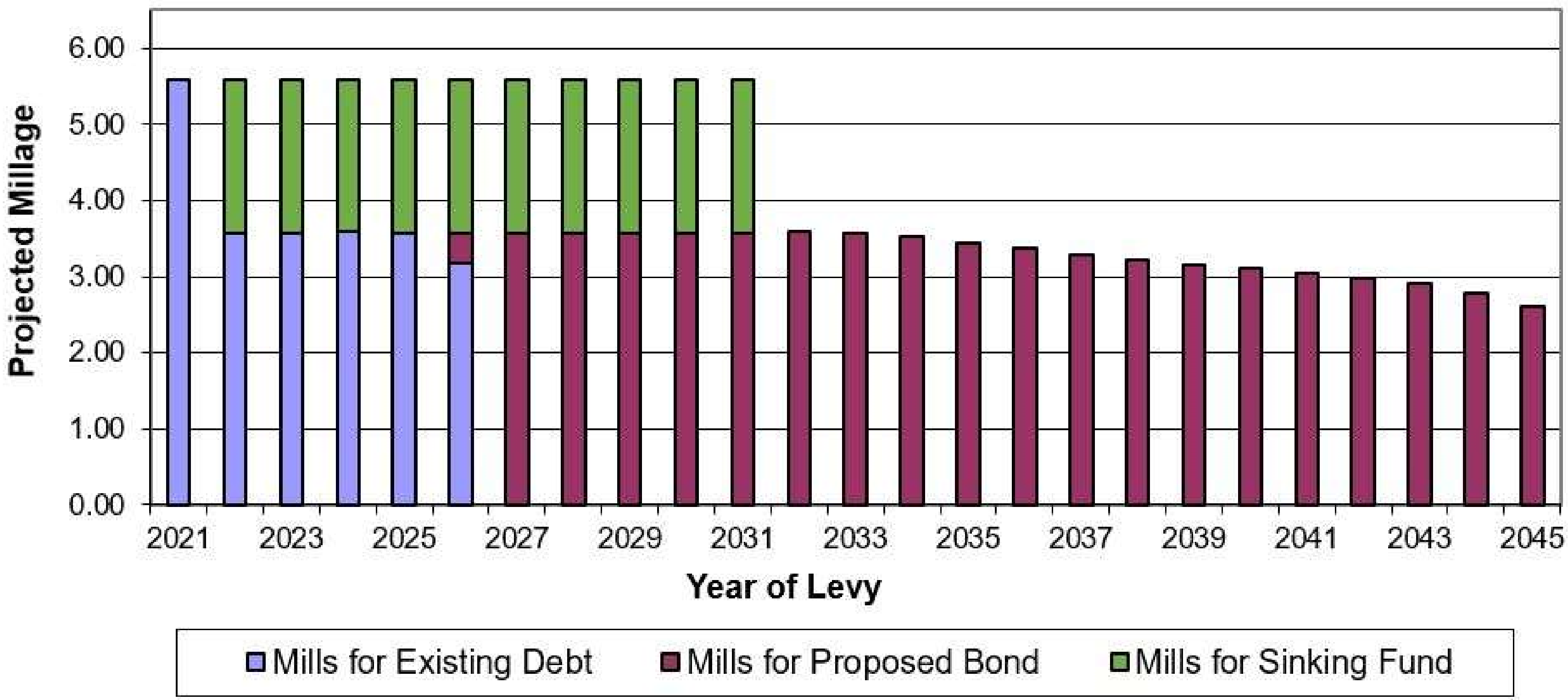
| Levy Year | Payment Year | Projected Taxable Value | Growth Rate | Existing UT Payments | Use of Funds on Hand $73,741 | Delinquency Allowance 7.80% | Exempt Pers. Property Receipts[1] | Net UT Payments | Mills Needed All Debt |
|---|---|---|---|---|---|---|---|---|---|
| 2024 | 2025 | $242,175,640 | 3.44% | $881,331 | ($62,160) | $67,625 | ($19,808) | $866,989 | 3.58 |
| 2025 | 2026 | 249,440,909 | 3.00% | 886,425 | 26,975 | 0 | (20,402) | 892,998 | 3.58 |
| 2026 | 2027 | 255,895,227 | 2.59% | 872,900 | (38,556) | 0 | (20,402) | 813,942 | 3.18 |
| 2027 | 2028 | 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 2024 and $5,698,882 for 2025


NOTE: Schedule above is for illustrative purposes only.

# Millage Impact of New Bond Issue

- The millage projection below depicts an example with the proposed bonds at a no-mill increase from the prior year 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 considering 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 |
|---|---|---|
| May 5, 2026 | Dec. 2025 to early Jan. 2026 | Feb. 10, 2026 |
| 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 |

NOTE: Election Dates and Deadlines are as reported by the State of Michigan – Secretary of State

# 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 |
|---|---|---|---|---|---|---|---|
| Nov-14 | *** | 13 | 62% | 12 | 58% | 1 | 100% |
| Feb-15 | | 17 | 65% | 14 | 57% | 3 | 100% |
| 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% |
| Totals | | 864 | 561 passed | 455 | 226 passed | 409 | 335 passed |
| | | | 65% | | 50% | | 82% |

*Presidential Primary **Presidential Election ***Gubernatorial Election

Source: PFM Financial Advisors LLC. Ann Arbor. MI (734) 994-9700

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