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### DETROIT SCHOOL DISTRICT REQUEST FOR RENEWAL OF THREE MILLS FOR OPERATIONS

At the general election on November 3, 1992, Detroit voters will be asked to approve Proposal S, the retroactive renewal of a three-mill, Detroit School District operating levy that expired on June 30, 1992.

Shall the three (3.0) mills (\$3.00 per \$1,000.00) previously approved by the electors as an increase in the limitation in the total amount of taxes which may be Imposed on the assessed valuation, as finally equalized, of property in the School District of the City of Detroit be renewed for two (2) years, July 1, 1992 to June 30, 1994, inclusive, to provide in part the funds to operate and maintain the school system?

The total Detroit school tax rate, including the three mills that expired June 30, 1992, is 48.4 mills: 40.9 operating mills comprise 8.65 allocated mills (of this, .64 mill is passed through to the Detroit Public Library) and 32.25 extra-voted mills; 1.5 mills for retirement of \$160 million of deficit bonds approved in September, 1989; and six mills for retirement of capital bonds.

**The Renewal** The three mills that expired June 30, 1992 and is now before the voters is the last portion of the extra-voted millage to expire at a date other than June 30, 1994. This request is for renewal only for two years, until June 30, 1994.

#### School District of the City of Detroit

Extra-Voted Mills	Years Duration	Expires as of June 30
3.00	10	1992
7.50	10	1994
2.25	8	1994
7.00	6	1994
4.00	5	1994
5.00	5	1994
3.50	4	1994

The school board's strategy of scheduling all extra-voted millage to expire at the same date will force voters to approve or reject all existing extra-voted millage at one election in 1994. Interim requests for new millage within the 50-mill limit will also presumably be coordinated with the established expiration date for all existing extra-voted millage.

**The Operating Levy** Current estimated state equalized value (SEV) of property on the Detroit ad valorem tax roll is just over \$5.7 billion. Tax increment finance districts and other adjustments reduce the available tax base to less than \$5.5 billion. Three mills on that base will produce a levy of about \$16.4 million, of which about 90 percent will be collected in the year of the levy.