

## The 1979 Saginaw Tax Caps **JUST THE FACTS**

### WHAT WE'VE LOST

In 1979 the City Charter was amended; imposing both a property tax rate cap and a tax dollar cap on the amount of property tax the City of Saginaw could impose on property owners within the City.

To determine the effect of the rate caps, the Mayor requested a fact-finding committee gather the pertinent information and report back to Council. The Committee submitted its findings and the CPA firm of Yeo & Yeo reviewed the procedures and certified the accuracy of the information provided.

It was confirmed that the imposed **dollar cap** of \$3,828,778 prevented the City from potentially collecting \$49,769,803 in revenue from 1979 to 2002, an annual average of \$2,073,742 over 24 years. It was further confirmed that the adjusted tax **rate cap** of 7.5 mils prevented the City from potentially collecting \$35,415,119 in property tax revenue from 1979 to 2002, an annual average of \$1,475,630 over 24 years.

Additionally, it was confirmed that the tax **dollar cap** prevented the City from potentially collecting \$1,528,926 in State Revenue Sharing from 1979 to 2002. The property tax **rate cap** cost the City potentially \$5,099,239 in State Revenue Sharing.

### THE IMPACT

Based on this information, the City Council voted to place ballot questions 1 and 2 on the November 5 ballot asking the citizens of Saginaw to remove the caps and added question 3 to eliminate the emergency 3 mills provision. The fact is that the City has been operating on 1979 dollars without a raise in General Fund revenues or adjustment for inflation for 24 years. City management has responded to this revenue challenge by not filling vacancies, eliminating departments and increasing workloads.

Additionally, essential services have been reduced. Uniformed police have been reduced from 194 in 1978 to 124 in 2002, a 36% reduction. Sworn firefighters have been reduced from 138 in 1978, to 90 in 2002, a 35% reduction. In total, since 1980, departments and divisions have seen a 43% reduction in staff, from 981 in 1980 to 555 in 2002.

In comparison, the US Census Bureau confirmed that the Saginaw population decreased 23.42% from 1978 to 2002. It is evident that City management has performed responsibly in meeting the revenue challenges the tax cap and revenue cap have created.

City management has been able to stay within the limits of its financial resources. Unfortunately, this can no longer continue without further essential service reductions. The time has come for the residents of Saginaw to respond by investing in their City.

### WHAT YES VOTES MEAN TO YOU

If your home has a market value of \$50,000, removing the tax and revenue caps will be an investment of an additional 30¢ a day. A home with a market value of \$110,000 will invest an additional 67¢ a day.

An investment in Saginaw is an investment in your property value, your quality of life and the future of your City. It's as easy as 1, 2, 3. **REMOVE THE CAPS! INVEST IN SAGINAW! VOTE YES on Ballot Questions 1, 2 and 3 on Tuesday, November 5, 2002!**



## Where Do Your Property Tax Dollars Go?

Did you know that out of all the property taxes you pay as a homestead homeowner, **less than 26% goes directly to the City of Saginaw?** The remainder of your July and December taxes go to several other taxing units in Saginaw County – the City simply collects the taxes for those other authorities.

Here's a list of all the taxing units levying taxes on City of Saginaw homestead residents and the taxing authorities' respective millage rates (note: non-homestead tax bills include an additional 18 mills for public schools):

Taxing Unit - 2001	Homestead Millage Rate
Saginaw County	7.2067
City of Saginaw - Operating	5.5819
State Education Tax	5.0000
Public Libraries	4.0000
Transit Authority	3.0000
City of Saginaw - Rubbish	2.6966
Delta Community College	2.5427
Intermediate School District	2.0885
<b>Total</b>	<b>32.1164</b>

Almost  $\frac{3}{4}$  of your homestead taxes pay jurisdictions **other** than the City of Saginaw.

### Where Your Tax Bill Goes by Percent

