

Item Number: 4



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: May 20, 2025

TO: Mark Washington, City Manager

COMMITTEE: Committee of the Whole

LIAISON: Mark Washington, City Manager

FROM: Scott Saindon, Acting Chief Financial Officer
Fiscal Services

SUBJECT: Resolution Establishing 2025 Property Tax Millage

The attached resolution provides authorization for the City Treasurer and City Assessor to begin preparation of the July 1, 2025, property tax billings. The passage of this resolution also establishes the millage rates that were recommended to the City Commission on May 13, 2025.

CITY OF GRAND RAPIDS PROPOSED 2025 (FY 2026) PROPERTY TAX MILLAGE RATE							
	2024 (FY 2025) TAX LEVY IN MILLS	2024 OPERATING LIMIT		2025 HEADLEE MILLAGE REDUCTION FACTOR		2025 AUTHORIZED TAX LEVY IN MILLS	2025 (FY 2026) PROPOSED TAX LEVY IN MILLS
*City Operating	5.6252	5.6252	x	0.9867	=	5.5503	5.5503
Library	0.3460	0.3460	X	0.9867	=	0.3413	0.3413
Refuse	1.8000	2.5223	X	0.9867	=	2.4887	1.8000
Promotional	0.0068	\$50,000.00		NA		0.0064	0.0064
Parks II	<u>1.1764</u>	1.1764	X	0.9867	=	<u>1.1607</u>	<u>1.1607</u>
	8.9544					9.5474	8.8587
* City Operating Allocation							
PURPOSE				2024 (FY 2025) ALLOCATION		2025 (FY 2026) ALLOCATION	
General Operating				2.4896		2.4398	
General Capital				1.2500		1.2500	
Library Operating				<u>1.8856</u>		<u>1.8605</u>	
				5.6252		5.5503	
Truth in Taxation MCL 211.24e							
2025 Base Tax Rate = 2024 Levy X 2025 BTRF= 8.9544 X 0.9570 = 8.5694 The proposed 2025 (FY 2026) millage rate does exceed the base tax rate and the City is required to hold a public hearing to receive public input on the proposed millage.							

The average residential property in the City of Grand Rapids has a taxable value of approximately \$81,354. If the property tax millage rates shown above are approved, the property taxes for the average residential property for the City of Grand Rapids would be \$720.69.

This compares to the prior year's average residential taxable value of \$76,146 and average City taxes of \$681.84.

Last year (2024) the City levied 8.9544 mills (\$8.95 per \$1,000 taxable value) to generate property tax for City operating purposes. To fund the City's proposed 2025-2026 base budget and maintain essential City services, the City finds it necessary to decrease the operating tax levy by 0.0957 mills to a proposed total operating tax levy of 8.8587.

The City has authority under its Charter and State law to establish the number of mills to be levied within its fully authorized millage rate subject to the limitations imposed by the Headlee Amendment (as amended by State Public Act 539 of 1982). The Headlee Amendment provides that the City Charter limit for the operating property tax levy for 2025 be authorized at 9.5474 mills (\$9.55 per \$1,000 taxable value). The City is proposing to levy 8.8587 mills (\$8.86 per \$1,000 taxable value) of the authorized 9.5474 mills.

The City held a public hearing on Tuesday, May 13, 2025, for the purpose of receiving testimony concerning the proposed property tax millage.

Your COMMITTEE OF THE WHOLE recommends the adoption of the following resolution Establishing 2025 Property Tax Millage.

WHEREAS:

1. It is necessary for the City Treasurer to begin preparation of the tax bills for the 2026 fiscal year in order to have said bills ready for mailing on July 1, 2025; and
2. It is necessary to ascertain the amount of property tax to be levied by the City to prepare said bills; and
3. The City Commission held a public hearing on May 13, 2025, to receive testimony concerning the proposed millage tax rate for 2025 City operating taxes; therefore

RESOLVED:

1. That the City Commission intends to levy the following property taxes sufficient with other resources to pay the expenses of the City government for the 2026 fiscal year; and
2. That there be levied an ad valorem tax for City general operating purposes of 5.5503 mills on the taxable value of property located in the City of Grand Rapids and also as the basis for levying specific taxes; and
3. That there be levied an ad valorem tax of 0.3413 mills for general operating support of the City library system on the taxable value of property located in the City of Grand Rapids, and also the basis for levying the specific taxes; and
4. That there be levied an ad valorem tax of 0.0064 mills for advertising, exploiting, and making known the industrial, commercial, educational, or recreation advantages of the City, and to establish recreational and educational projects for the purpose of encouraging immigration to, and increasing trade, business, and industries of the City, pursuant to Act 359, PA of Michigan of 1925, as amended, in the amount not to exceed \$50,000, on the taxable value of property located in the City of Grand Rapids, and also as the basis for levying specific taxes; and
5. That there be levied an ad valorem tax of 1.8000 mills to support refuse abatement in the City of Grand Rapids, pursuant to Act No. 298 of the Public Acts of Michigan of 1917, as amended, on the taxable value of property located in the City of Grand Rapids, and also as the basis for levying specific taxes; and
6. That there be levied an ad valorem tax of 1.1607 mills to support Parks in the City of Grand Rapids, on the taxable value of property located in the City of Grand Rapids, and also as the basis for levying specific taxes; and
7. That the total levy for ad valorem taxes and as the basis for specific taxes for all of

the above purposes shall not exceed 8.8587 mills on the taxable value of property for the 2026 fiscal year.


CORRECT IN FORM
DEPARTMENT OF LAW