

Comparing article on property taxes to how it was portrayed

A sentence was questioned in a front page article published Jan. 12 in the Leelanau Enterprise. The article dealt on the affect of inflation on property taxes paid by property owners in Leelanau County. Parentheses added for context:

"And a second provision (Headlee) is more likely to stand down, prompting local units of government to levy property tax rates at a level that will allow tax revenue for existing property to increase up to 7.9 percent."

How sentence was interpreted at County Board meeting and in Enterprise story published Feb. 16:

"Mr. (Alan) Campbell's article on Jan. 12 about the increase in the tax rates, at least in my township, caused some alarm and Andrew (Giguere) met with one of the representatives from Leelanau Township and it sounds like the article was not correct," Wessell said.

An unattributed paragraph follows:

"The article stated that property tax rates will increase "up to 7.9%" this year; however, that is not correct.

How Headlee works:

The Headlee Amendment to the state Constitution was designed to limit the growth of local governments, with property taxpayers benefitting through lower tax rates. It requires local governments to reduce tax rates, known commonly as millages, when the revenue generated by those tax rates would increase faster than the rate of inflation. New construction is omitted from the equation.

Headlee is the reason that local governments that had been levying 1.0 mills in property taxes every year are now levying half or less of that rate.

This year, however, an inflation rate of nearly 8 percent will allow local governments to increase property tax revenue by that same 8 percent rate without Headlee playing a factor. Local governments have the option of reducing tax rates if they so choose but likely will not be compelled to do so.

Final figures needed to precisely determine maximum millage rates won't be available until early summer.

Why it matters:

Constituents in Leelanau County should be encouraged to participate in all factors of local government policy, including the setting of property tax rates. Dismissing efforts to explain the complicated property tax process as “wrong” may leave residents with a sense that higher taxes are inevitable or that they have no role in determining millage rates.

Sincerity test:

County commissioners seemed sincere in their questioning of the article, and certainly mistakes are part of the processes of governing and journalism.

Alan Campbell