

CITY OF FRANKENMUTH

SPECIAL ASSESSMENT FOR POLICE AND FIRE PROTECTION

Frequently Asked Questions (FAQs):

1. Why is the City proposing a special assessment for Police and Fire Protection?

Taxes are how municipalities like Frankenmuth generate revenue to provide municipal services. The proposed 2024-25 City budget anticipates the collection of 9.75 mills. Within the Downtown Development District, all of the growth experienced during the past 33 years is captured by the DDA. This capture equals about \$600,000. To ensure the City can continue to provide services at the level residents have been accustomed to, Michigan Public Act 33 of the Public Acts of 1951, as amended (PA 33), provides an option for the City to capture some of the growth within the Downtown Development District.

Presently, the proposed 2024-25 budget for police and fire protection is estimated to be \$2,100,000. At this time, the City is proposing to reduce its general ad valorem property tax by 5.0 mills, and then, utilizing the PA 33 special assessment process to fund police and fire service. For 2024-25 budget, the proposed special assessment is anticipated to raise \$1,715,164 for police and fire protection. As such, the City residents should see little or no increase in their tax bill.

2. What is a special assessment?

Municipalities may raise funds for special purposes by implementing a special assessment against property as an alternative to imposing a property tax. A special assessment has some of the characteristics of a tax but differs in that a special assessment may be levied only on land and may be imposed to pay the costs of an improvement or service by which the land is specially benefitted. The land specifically assessed is located within a geographically defined area or special assessment district (SAD). The assessments are apportioned among the landowners in the SAD.

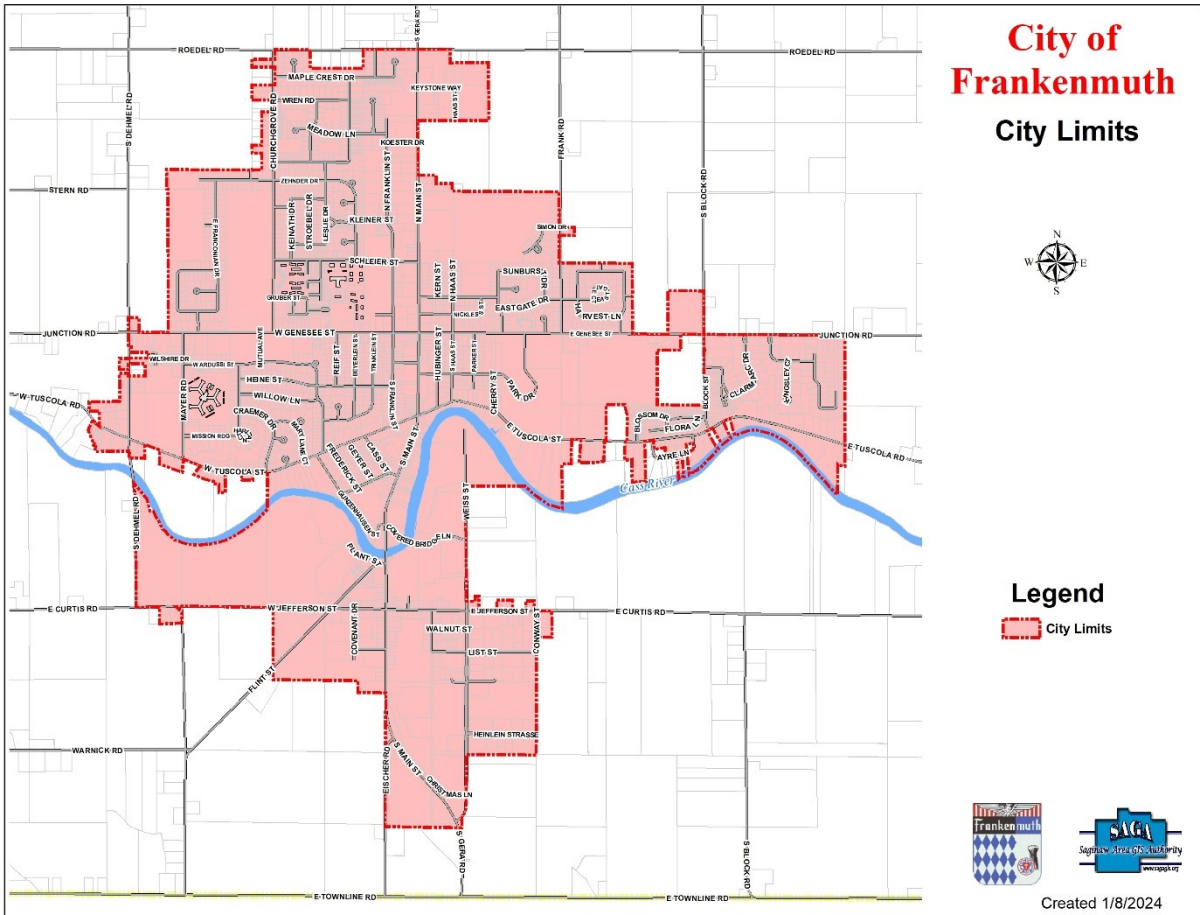
3. What is the special assessment for Police and Fire Protection?

PA 33 provides the statutory authority for the City of Frankenmuth to impose a special assessment for providing police and fire protection services to the community. PA 33 authorizes special assessments based on a property's taxable value.

The process for imposing a special assessment for police and fire requires the City to hold a public hearing to establish a special assessment district, and to hold a public hearing to determine the amount of the annual levy in connection with the police and fire services. Once the SAD is established, each year thereafter (and after holding a public hearing), the City Council determines the amount of the Special Assessment levy, which is placed on the property tax bills in the same way as other property taxes.

The proposed Frankenmuth Police and Fire Protection Special Assessment District is comprised of all lands and premises located within the boundaries of the City (except for lands and premises exempt from the collection of taxes under the Michigan General Property Tax Act, Michigan Public Act 206 of 1893, as amended); see **Figure 1**.

Figure 1 - Frankenmuth Police and Fire Protection Special Assessment District



4. If I am a veteran and exempt from property taxes, will I be exempt from the proposed PA 33 special assessment?

No. The exemption provided to qualified disabled veterans pursuant to Section 7b of the Michigan General Property Tax Act does not include an exemption from special assessment districts.