

Referrals
6-11-19

**BUDGET,
FINANCE, AND
AUDIT STANDING
COMMITTEE**



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF BUDGET

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24

June 7, 2019

The Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: Tax Statement for Fiscal Year 2019-20

Dear Honorable City Council Members:

In accordance with Section 18-2-24 of the Detroit City Code, the Office of Budget is submitting a statement of the amounts to be raised by taxation in Fiscal Year 2019-20, formally known as the Tax Statement, for your consideration and approval.

We request a waiver of reconsideration.

Respectfully submitted,

Tanya Stoudemire, J.D.
Deputy CFO / Budget Director

Attachments

Cc: Mayor Michael E. Duggan, City of Detroit
David P. Massaron, Chief Financial Officer
Katie Hammer, Chief Deputy CFO / Policy & Administration Director
John Naglick, Chief Deputy CFO / Finance Director
Alvin Horhn, Deputy CFO / Assessor
Christa McLellan, Deputy CFO / Treasurer
Stephanie Washington, City Council Liaison

CITY CLERK 2019 JUN 7 PM 2:12

BY COUNCIL MEMBER _____

RESOLVED, that the foregoing Tax Statement be hereby and is approved in accordance with Section 18-2-24 of the Detroit City Code.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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**CFO MEMORANDUM
NO. 2019-103-002**

TO: Honorable Michael E. Duggan, Mayor; Honorable Detroit City Council

FROM: Tanya Stoudemire, J.D., Deputy CFO / Budget Director

SUBJECT: Fiscal Year 2019-20 Tax Statement

DATE: June 7, 2019

1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 117.4s(2), as amended by Public Act 182 of 2014, states the chief financial officer shall supervise all financial and budget activities of the city and coordinate the city's activities relating to budgets, financial plans, financial management, financial reporting, financial analysis, and compliance with the budget and financial plan of the city.
- 1.2. CFO Directive No. 2018-101-016 Budget Development, Execution & Monitoring states that the Deputy CFO / Budget Director shall be responsible for the City's budget processes.
- 1.3. The 2012 Charter of the City of Detroit, Article 8, Chapter 2, provides requirements for annual budget adoption. Specifically, Section 8-209 states adoption of the budget shall constitute a levy of the property tax specified therein.
- 1.4. The 2012 Charter of the City of Detroit, Article 8, Chapter 4, provides requirements for property taxation. Specifically, Section 8-401 authorizes the City to levy property taxes up to the rate of 2% (20 mills) of taxable value of all real and personal property in the city for General City purposes, consistent with State of Michigan Public Act 279 of 1909, Section 117.3(g). Pursuant to State of Michigan Public Acts 34 of 2001 and 164 of 1877, the City's levies for Debt Service and Library purposes are not subject to the 2% limitation.
- 1.5. The 1984 Detroit City Code, Chapter 18, Article II, provides procedures for annual budget adoption. Specifically, Section 18-2-24 states after the budget is approved, the budget director shall make an itemized statement of amounts to be raised by taxation (the "Tax Statement"). The City Council shall cause to be levied and collected by general tax the amount of the Tax Statement so approved.

2. OBJECTIVE

- 2.1. To set forth the total number of mills of ad valorem property taxes to be levied and the purposes for which that millage is to be levied, as authorized by the adopted budget for Fiscal Year 2019-20.

3. PURPOSE

- 3.1. To submit the annual Tax Statement to the Mayor and the City Council for consideration and approval.

4. SCOPE

4.1. This Memorandum and the attached report are intended solely to fulfill the requirements for the annual Tax Statement.

5. STATEMENT

5.1. The Office of Budget is submitting the attached Tax Statement of the amounts to be raised by taxation in Fiscal Year 2019-20 and requesting its approval.

5.2. The Tax Statement was developed in coordination with the Offices of the Assessor and the Treasury. It represents amounts authorized by the adopted budget for Fiscal Year 2019-20.

**City of Detroit
Fiscal Year 2019-20
Tax Statement**

Taxable Value:

Ad Valorem Roll less Renaissance Zones

Real Property	\$	4,546,063,138
Personal Property		1,497,357,010
Total	\$	6,043,420,148

Renaissance Zones (RZ)⁽¹⁾

RZ - Real Property	\$	209,655,695
RZ - Real Property (75%)		-
RZ - Real Property (50%)		3,668,500
RZ - Real Property (25%)		763,737
RZ - Personal Property		49,713,468
RZ - Personal Property (75%)		-
RZ - Personal Property (50%)		673,200
RZ - Personal Property (25%)		1,239,600
RZ - Tool & Die - Real Property		448,108
RZ - Tool & Die - Personal Property		367,300
Total	\$	266,529,608

Total Ad Valorem Roll

Real Property	\$	4,760,599,178
Personal Property		1,549,350,578
Total	\$	6,309,949,756

Tax Rates:

General City	19.9520
Debt Service	9.0000
Library	4.6307 ⁽²⁾
Total	33.5827

Tax Levies:

General City	\$	120,631,624
Debt Service		56,789,548
Library		27,997,637
Total Amount to be Raised by Taxation	\$	205,418,809

Notes:

(1) Renaissance Zones are exempt from General City and Library millages, except for designated percentage phase-out for applicable property.

(2) On August 4, 2014, voters approved a 10-year millage renewal of the extra 3.9943 mills for the Detroit Public Library, effective July 1, 2015. This is in addition to the base millage of 0.6364 mills.