

# Property Tax Overview

Tuesday, June 13<sup>th</sup> 2017

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# Budget Preparation Timeline

## January - March

- First Quarter Review
- Annual Financial Audit
- Presentation of Annual Progress Report
- Survey Results to City Council
- Annual Update of the Strategic Action Plan

## April

- Revise 10 Year Infrastructure Plan
- Year to Date Budget Results Presentation
- Fund Accounting & Revenue Presentation
- Second Quarter Review
- Departments Begin FY 2018 Budget Preparation



# Budget Preparation Timeline

## May – June

- Long Term Financial Planning Presentation
- Property Tax Review Presentation

## July - August

- General Fund Budget Workshop
- Adopt Maximum Millage Rate (August 4<sup>th</sup> deadline)
- Third Quarter Review
- Proprietary, Special Revenue & Capital Funds Budget Workshop
- Final Proposed Budget Presentation



# Budget Preparation Timeline

## September

- Public Hearing to Tentatively Adopt Millage Rate & Budget
- Public Hearing to Adopt Final Millage Rate & Budget

## October – December

- FY 2017 Year End Close-out
- End of Year Review with Departments



# Presentation Outline

- Truth in Millage (TRIM) Process
- City of Palm Coast Property Taxes
- Revenue Diversification



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# Truth in Millage (TRIM) Process



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# Truth in Millage (TRIM) Process

- *Establishes statutory requirements that all taxing authorities levying a millage must follow, including all notices and budget hearing requirements.*
- *Requires full disclosure by taxing authorities to the taxpayers and general public of the rates and amount of taxes, prior to levying the taxes.*



# TRIM Process Timeline

**By June 1**

Property appraiser provides total assessed value of non-exempt property

**By July 1**

Property appraiser certifies the taxable value

**July 1**

(or date of certification of taxable value whichever is LATER)

First day of the TRIM process



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# TRIM Process Timeline

**Within 35 days of certification of value, notify Property Appraiser of:**

Current year proposed (maximum) millage rate

Current year rolled-back rate

Date, time and meeting place of the Tentative Budget Hearing

**If information not provided within 35 days:**

Prohibited from levying millage rate greater than the rolled-back rate

Rolled-back rate included on the Notice of Proposed Property Taxes



# TRIM Process Timeline

Property Appraiser must mail "Notice of Proposed Property Taxes" (TRIM Notice) within 55 days of certification.

Taxing Authority	COLUMN 1*		COLUMN 2*		COLUMN 3*		PUBLIC HEARING INFORMATION A public hearing on the proposed taxes and budget will be held on:
	Tax Rate 2015	Your Property Taxes 2015	Tax Rate If No Budget Change is Adopted 2016	Your Property Taxes If No Budget Change is Adopted 2016	Tax Rate PROPOSED 2016	Your Property Taxes IF PROPOSED Budget is Adopted 2016	
061							
FLAGLER COUNTY	7.94170	719.07	7.63540			745.19	SEPT 15, 2016, 5:30 PM GOVT. SERV. BLDG 1769 E MOODY BLVD, BUNNELL FL
SCHOOL-STATE LAW LEVY	5.00700	578.52	4.80610			648.14	SEPT 6, 2016 5:15 PM, GOVT SERV. BLDG, 1769 E MOODY BLVD., BUNNELL
SCHOOL DISCRETIONARY	2.24800	259.74	2.15780	251.44		261.95	SEPT. 6, 2016 5:15 PM, GOVT SERV BLDG, 1769 E MOODY BLVD, BUNNELL
CITY OF PALM COAST	4.24500	384.36	4.12760	377.79	4.24500	388.53	SEPT 7, 2016, 5:05 PM, PC CITY HALL, 160 LAKE AVE., PALM COAST
FLAGLER MOSQUITO CONTROL	.23760	21.54	.23820	20.89	.23050	21.02	SEPT 7, 2016 5:01 PM, MOSQUITO CONTROL, 24 UTILITY DR, PALM COAST
SJR WATER MGMT DISTRICT	.30230	27.37	.28850	26.41	.28850	26.41	SEPT 13, 2016, 5:05 PM, SJRWMD-HQ 4049 REID ST., PALATKA, FL 32177
FL INLAND NAVIGATION DIST	.03200	2.90		2.74	.03200	2.93	SEPT 8, 2016 5:30 PM, 340 OCEAN DR COUNCIL CHAMBERS, JUNO BEACH, FL
VOTER APPROVED DEBT	.52510	47.54		46.56	.52510	48.06	SEPT. 15, 2016 5:30 PM GOVT. SERV. BLDG., 1769 E MOODY BLVD., BUNNELL
Total Property Taxes	20.53870	2,041.01	19.79860	1,986.22	20.42380	2,043.13	

**Maximum Proposed Rate**

**COPC is 21% of total millage**



# TRIM Process Timeline

## Public Hearings

Monday – Friday after 5:00 PM

Anytime on Saturday but never on Sunday

Cannot hold hearing on same date as the school board or BOCC

School board has first priority of a hearing date and BOCC has second choice

Public comment

## First Public Hearing

Advertised on the TRIM Notice

Tentative millage and budget adopted at hearing

## Final Public Hearing

Final hearing should be held 97 to 100 days after certification of value and 2 to 5 days after the hearing is advertised

Must advertise Notice of Proposed Tax Increase or Notice of Budget Hearing and Budget Summary

Final millage & budget adopted at hearing

Final millage cannot exceed the adopted tentative millage

*Two public hearings must be held to adopt a millage rate and budget.*

# TRIM Process Timeline

## Within 3 Days of Final Hearing:

Resolution or ordinance adopting the final millage rate must be forwarded to the Property Appraiser, Tax Collector and the Department of Revenue

## Within 30 Days of Final Hearing:

Each taxing authority must forward necessary documents to certify compliance to the Florida Department of Revenue

*The TRIM process has to be completed within 101 days.*



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# Palm Coast Property Taxes



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# Property Taxes

## Assessed Value

Value for tax purposes

Determined by the property appraiser for a given piece of real or personal property

## Exemptions

Amount deducted from the assessed value of property for tax purposes

Examples include homestead, senior, widow/widower, military and tangible

## Taxable Value

Balance of the assessed value minus exemptions

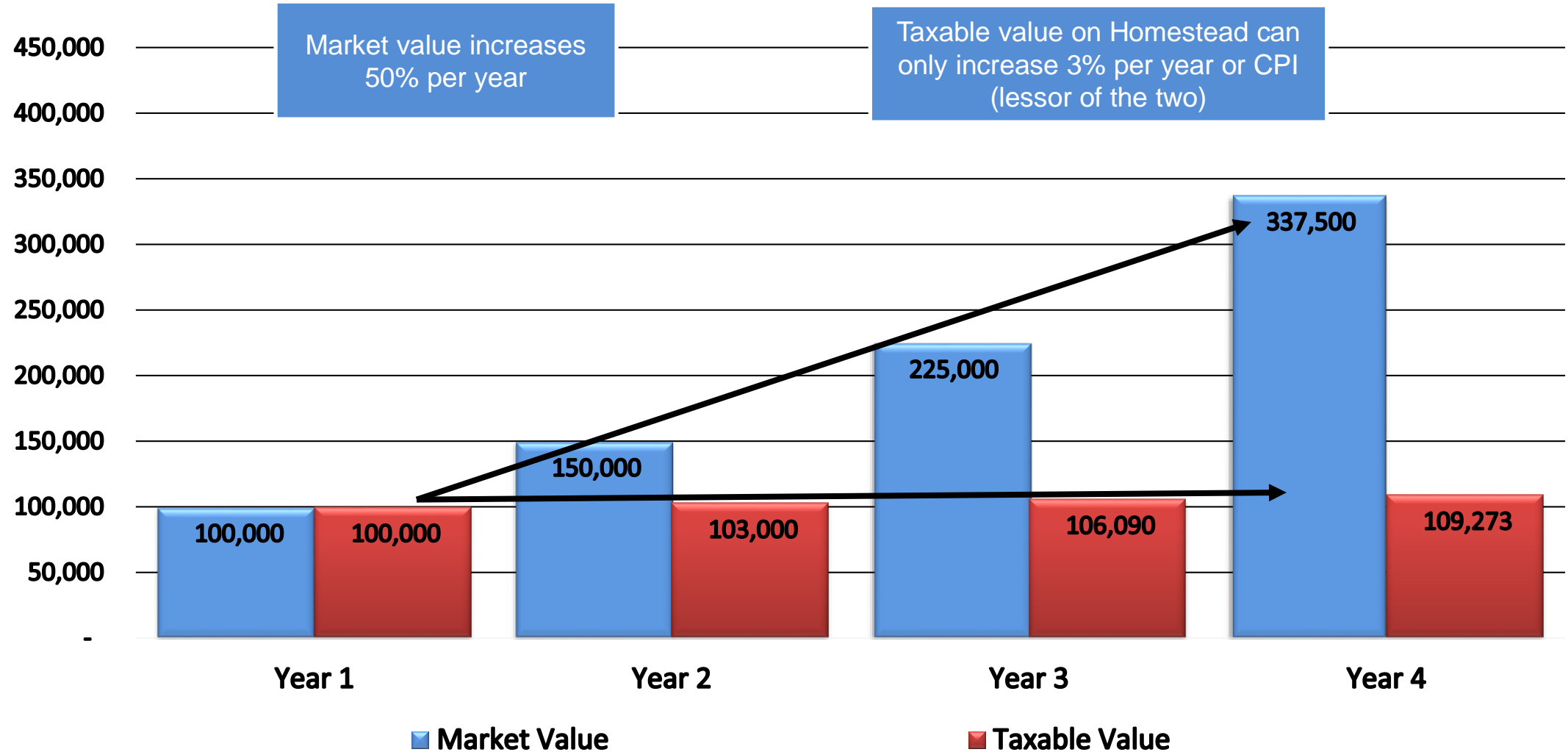
## Save our Homes Limitation

Annual increase in assessment cannot exceed three percent of the prior year's assessed value or the percentage change in the Consumer Price Index (CPI)

**Assessed Value – Exemptions = Taxable Value**

# Market Value vs. Taxable Value

## Hypothetical Example



# Property Taxes

## Millage Rate

Established per \$1,000 of assessed taxable value

Each taxing authority sets their millage rate

3.5 mills, with a taxable value of \$100,000 would pay \$350 in property taxes

## Rolled-Back Rate

Millage rate required to provide the same revenue, from ad valorem taxes, as levied during the prior year

**Taxable Value x Millage Rate = Property Tax**



# Millage Rate Comparison

## Survey of Florida cities :

- Population between 70K-100K
- 14 Cities with Millage

Ranking	City	*Population	**Millage Rate	Taxable Value	Property Tax Collections	Public Service Taxes
1	Boca Raton	88,275	3.4386	21,006,538,921	72,233,085	Yes
2	Palm Coast	81,184	4.2450	4,324,453,760	18,357,306	No
3	Davie	99,446	5.0799	8,382,090,669	42,580,182	Yes
14	Fort Myers	76,108	8.7500	5,486,525,967	48,007,102	Yes

\*Based on April 1<sup>st</sup>, 2016 population estimates.

\*\* Based on FY 2017 millage rate.



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# Millage Rate History

Fiscal Year	Property Value	% Change over Prev Year	Operating Millage	Capital Millage	Total Millage	Ad Valorem Receipts
2008	7,009,877,421	12.34%	2.2123	0.75	2.96234	20,184,340
2009	6,131,965,169	-12.52%	2.6123	0.35	2.9623	17,602,781
2010	5,246,998,187	-14.43%	3.15	0.35	3.5	17,828,406
2011	4,463,085,550	-14.94%	3.5	-	3.5	15,048,300
2012	3,891,594,126	-12.80%	3.54	0.45	3.99	15,000,700
2013	3,646,122,021	-6.31%	4.1502	0.1456	4.2958	15,120,750
2014	3,690,312,857	1.21%	4.1932	0.0773	4.2705	15,203,633
2015	3,892,358,641	5.48%	4.1609	0.0841	4.245	15,963,477
2016	4,129,619,115	6.10%	4.0828	0.1622	4.245	16,973,093
2017	4,346,135,923	5.24%	4.112	0.133	4.245	17,803,620
<b>Change 2008-2017</b>	<b>-2,663,741,498</b>	<b>-38%</b>	<b>1.8997</b>	<b>-0.617</b>	<b>1.28266</b>	<b>-2,380,720</b>

**FY 2018 Preliminary Estimate of Taxable Value is \$4,590,000,000 (5% increase)**



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# Property Tax Bill

Ad Valorem Taxes					
Taxing Authority	Rate	Assessed Value	Exemption Amount	Taxable Value	Amount
FLAGLER COUNTY					
GENERAL FUND	8.1167	141,527	50,000	\$91,527	\$742.91
2005 ESL BONDS	0.0969	141,527	50,000	\$91,527	\$8.87
2015 G O BONDS	0.2650	141,527	50,000	\$91,527	\$24.7
2009/2016 ESL BONDS	0.1531	141,527	50,000	\$91,527	\$14.0
FLAGLER COUNTY SCHOOL BOARD					
GENERAL FUND	4.7040	141,527	25,000	\$116,527	\$548.0
DISCRETIONARY	0.7480	141,527	25,000	\$116,527	\$8.1
CAP. OUTLAY	0.5000	141,527	25,000	\$116,527	\$11.7
ST. JOHNS RIVER WATER MGMT	0.2885	141,527	50,000	\$91,527	\$26.0
FIND	0.0320	141,527	50,000	\$91,527	\$2.1
MOSQUITO CONTROL	0.2395	141,527	50,000	\$91,527	\$21.0
<b>CITY OF PALM COAST</b>	<b>4.2450</b>	<b>141,527</b>	<b>50,000</b>	<b>\$91,527</b>	<b>\$388.53</b>
<b>Total Millage</b>		<b>20.3887</b>	<b>Total Taxes</b>		<b>\$2,039.92</b>

**COPC  
Portion  
of Total  
Millage  
Rate**

**COPC  
Portion  
of Total  
Taxes**

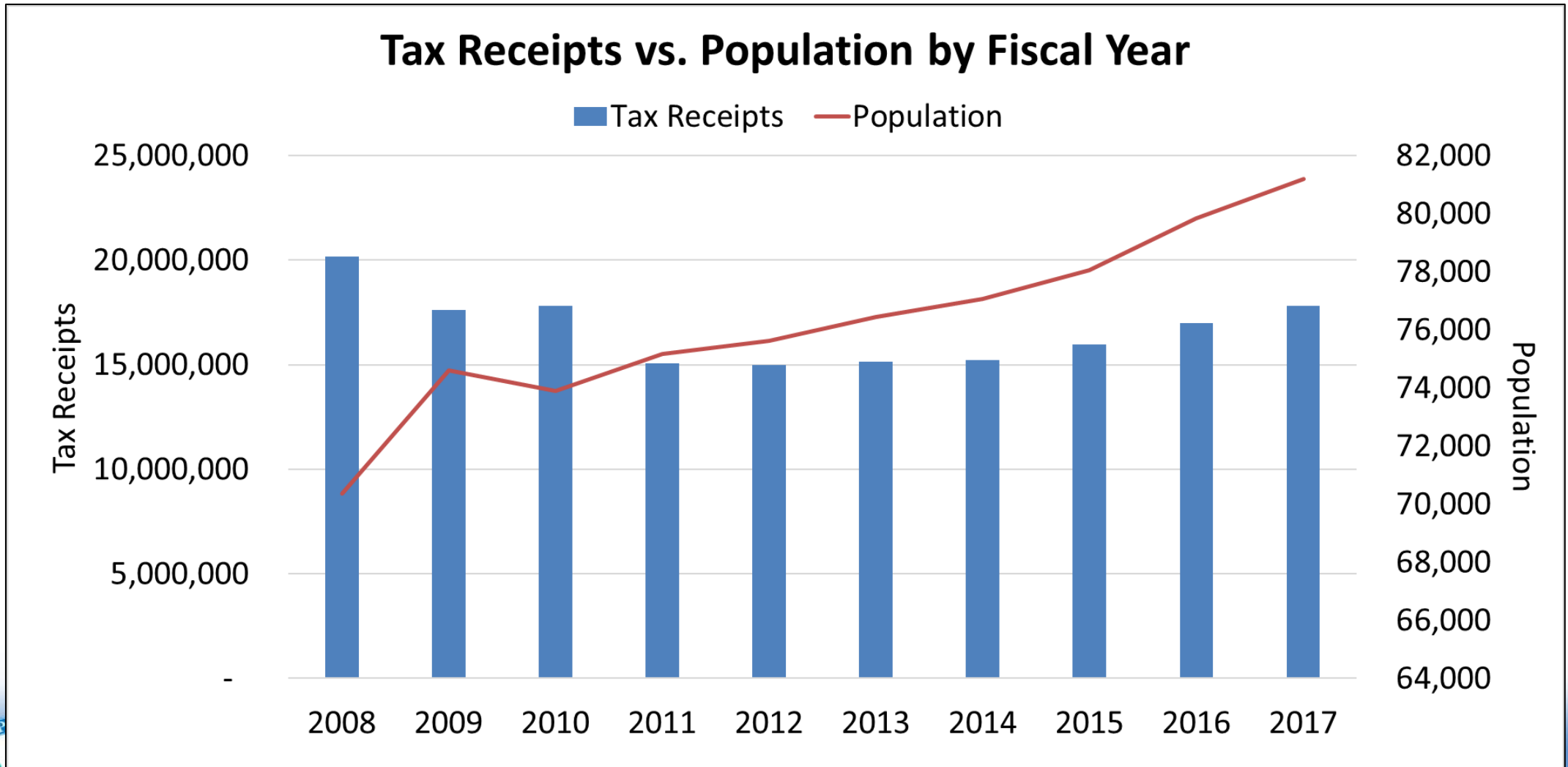
*City of Palm Coast is rate 20% of total millage.*



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# Palm Coast Property Tax History

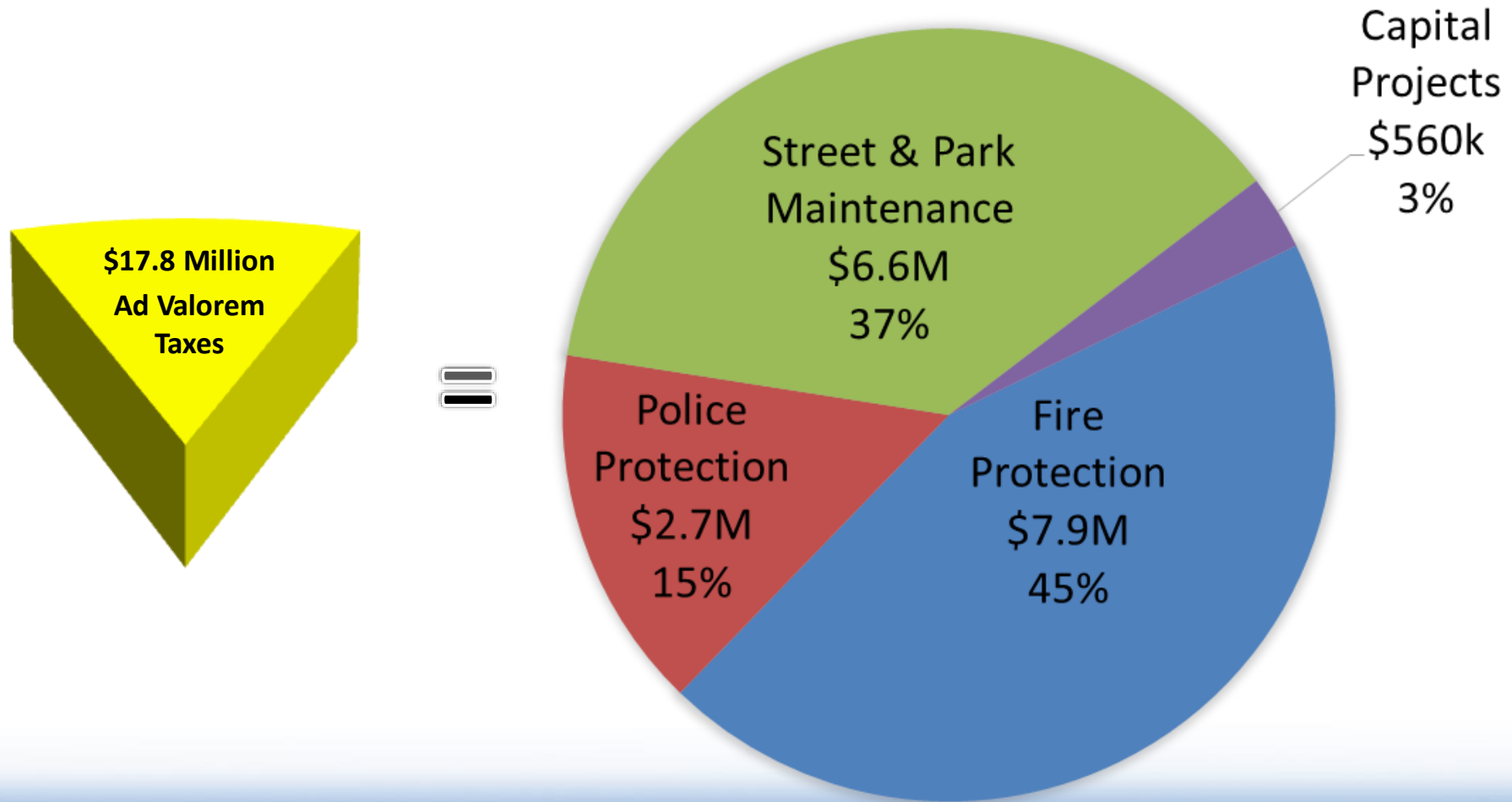
FY 2008-2017



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# Services Provided Through Property Taxes

FY 2017



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# Palm Coast Citizen's Tax Bill

Including grants, the City receives:

\$38/month or \$455/year per city resident.

Not including grants the City receives:

\$33/month or \$393/year per city resident.



Emergency Services  
Additional Law Enforcement



Code Enforcement  
Housing Programs  
Streets



(including Maintenance and Resurfacing)



Parks, Paths and Trails  
(including maintenance and construction)  
Indirect Costs and Others



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# Revenue Diversification



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# Revenue Diversification Options

## Restricted Use

Special  
Assessments

## Unrestricted Use

Franchise Fees

Public Service  
(Utility) Tax





# Revenue Diversification Options

## Fire Assessment

Offsets fire protection costs

Must be shown to benefit the property not an individual

Fee determined by rate study

Amount determined by City Council

Assessment appears as a separate line on property tax bill

## Electric Franchise Fee

Redistributes burden from residential to commercial

6% Electric Franchise Fee = \$4 million annually

Amount and use is at the sole discretion of City Council

Added to FPL Bill

## Public Service (Utility) Tax

Includes electric, natural/propane gas & water

State allows up to 10%

10% Public Service Tax = approximately \$5 million/annually

Rate and use determined by City Council

Added to utility bills

# Revenue Diversification Options

- More than 80% of Florida Municipalities have at least 1 Public Service Tax
- Neighboring Cities with a Water and/or Electric Public Service Tax:
  - Ormond Beach
    - Electric 10%
  - Daytona Beach
    - Electric 10%
  - Deland
    - Electric 10%
    - Water 10%
  - St. Augustine
    - Electric 10%
  - Flagler Beach
    - Electric 10%
    - Water 10%
  - Bunnell
    - Electric 10%
    - Water 10%



*This information was provided by the Florida Department of Revenue.*

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# Benefits of Revenue Diversification

- Higher level of control of revenue sources by City Council
- Decrease in reliance on property taxes
  - 10 mill State cap
- More equitable distribution of tax burden
  - Commercial vs. Residential
  - Visitors vs. Residents
- Higher level of equity for services provided versus services paid for



# Looking Ahead

- July 11<sup>th</sup>** Budget Workshop - General Fund
- July 18<sup>th</sup>** Adopt Maximum Millage Rate (August 4<sup>th</sup> deadline)
- August 8<sup>th</sup>** Budget Workshop – Proprietary Special Revenue Funds & Capital Funds
- August 29<sup>th</sup>** Final Proposed Budget Presentation
- September:** Public Hearing to adopt tentative millage rate and Budget & Final Public Hearing to adopt final millage and budget

