



TAX REFORM

- Where Do Tax Dollars Go?
- What has the County Done with Additional Property Tax Revenue?
- How has the State Contributed to the Problem?
- How will State Tax Cut Proposals Affect our County?
- Where and How Would we Make Cuts?

TYPICALLY - LESS THAN ONE-THIRD OF THE PROPERTY TAX BILL IS FOR COUNTY GOVERNMENT EXAMPLE FOR RESIDENTIAL TAXPAYER

Taxable Value * Property Tax Rate = Property Tax

Assessed Value
less: Homestead Exemption
Taxable Value

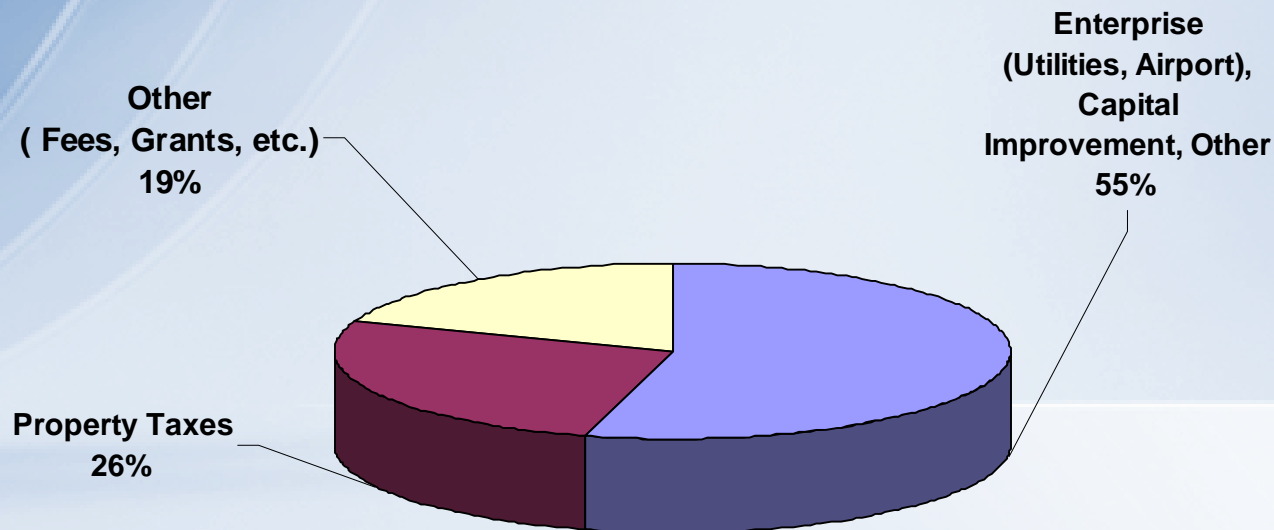
\$ 164,640
(25,000)
139,640

	FY07 Tax Rate		Percent of Tax Bill
TOTAL COUNTY-WIDE	6.1000	\$ 851.80	28%
TOTAL SCHOOL DISTRICT	8.2100	\$ 1,146.44	38%
TOTAL CITY (example)	5.2088	\$ 727.36	24%
TOTAL OTHER	2.2452	\$ 313.52	10%
GRAND TOTAL	<u>21.7640</u>	<u>\$ 3,039.12</u>	100%

That 28% Equals About \$507M - But That is Only a Fraction of The County's Budget Since Property Taxes Make Up Approximately 26% of Our Total Budget

Breakdown of Total Pinellas County Budget

FY07 Adopted: \$1.927 Billion



WHERE HAS THE REVENUE GONE ?

Reserves

Rising Costs

New programs

**State Mandates
&**

Decreases in Revenue Sharing

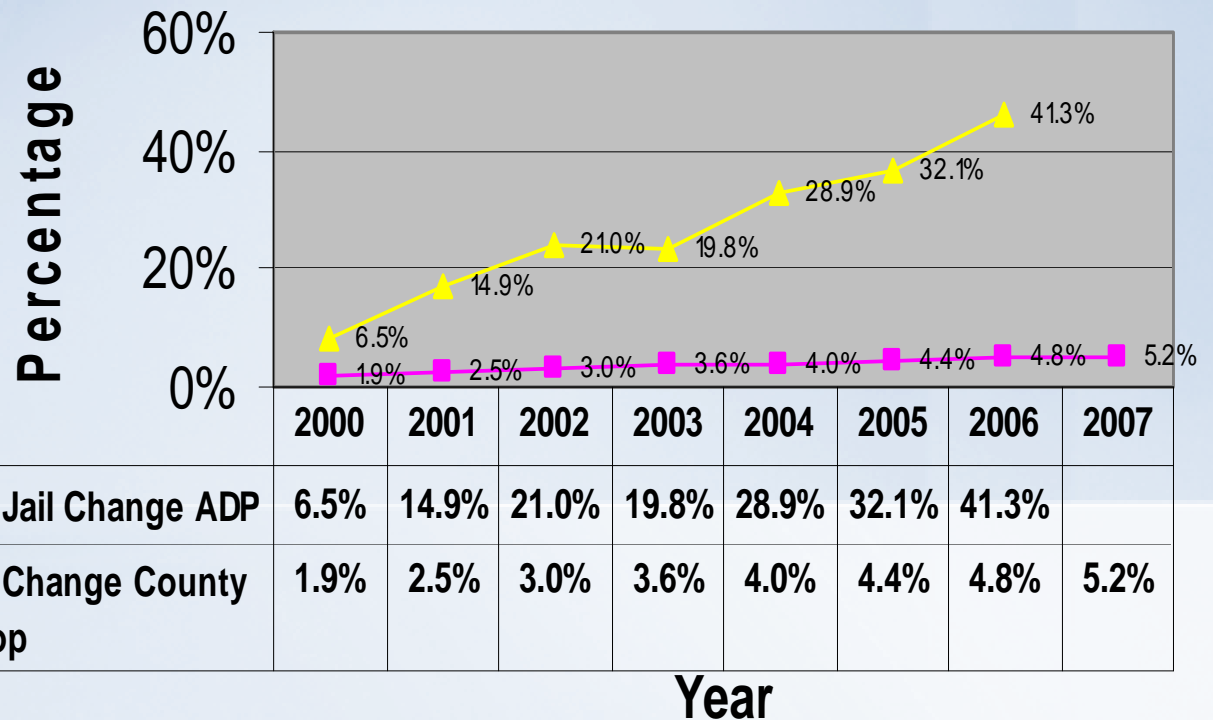
RESERVES

**Pinellas County Reserves
\$144m or 22% of Operating Budget**



**Auditors Recommend 15%
Reserves for Coastal High Hazard Counties**

RISING COSTS

Cumulative Yearly % Increase County Population and Jail ADP



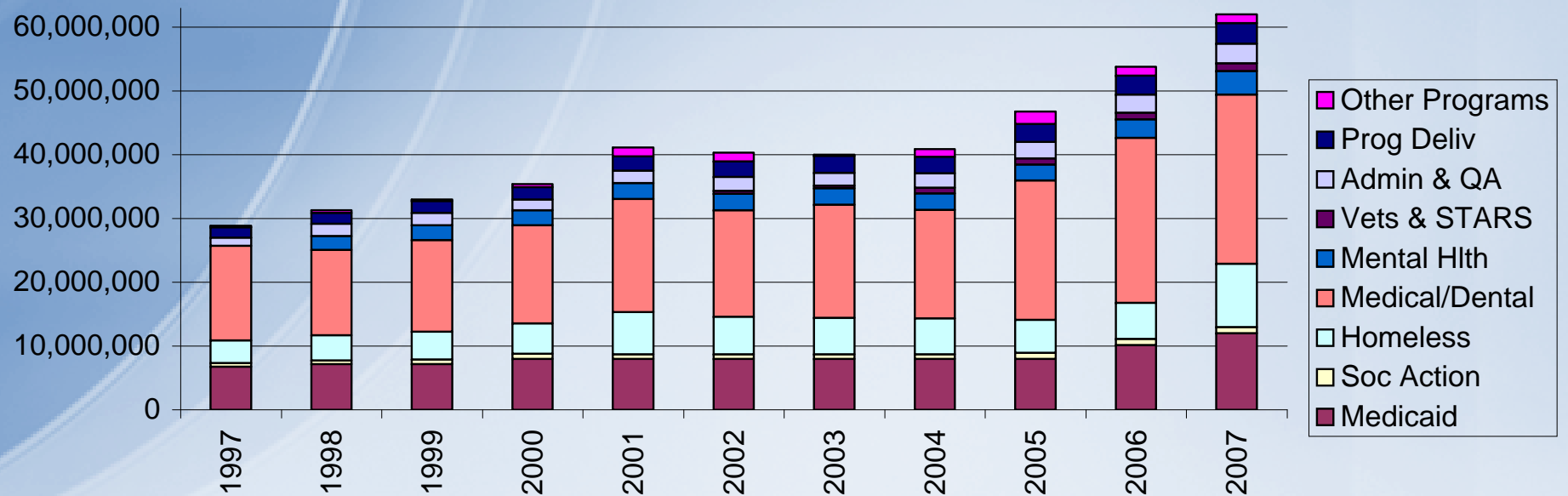
 % Jail Change ADP
 % Change County Pop

 % Jail Change ADP	6.5%	14.9%	21.0%	19.8%	28.9%	32.1%	41.3%	
 % Change County Pop	1.9%	2.5%	3.0%	3.6%	4.0%	4.4%	4.8%	5.2%

NEW PROGRAMS

- **Expanded Health Services for Indigent – Uninsured**
- **Funded Indigent Health Care Cost Increases**
- **Added more Personnel for Code Enforcement**
- **Added \$500,000 for Drug Court**
- **Added Personnel for Animal Services**
- **Four more Animal Control Officers**
- **Affordable Housing Trust Fund - \$10 million**
- **Increased Funding for Jail Diversion Programs**
- **Expanded Services to the Homeless - \$1.2 million**

HUMAN SERVICES FUNDING



Source: Annual Operating and Capital Budget

HOW HAS THE STATE CONTRIBUTED TO THE PROBLEM?

- **County Average Annual Growth - 12.4%**
(9.3% without Reserves)
- **State Average Annual Growth – 10%**
(9.5% without Reserves)
- **General Fund Average Annual Spending Growth Over the Last Five Years – 7.5%**
5.2% without Sheriff's Budget
****Lower Than Other Urban Counties**

STATE SHIFTS TO LOCAL GOVERNMENT

Education

Affordable Housing

Social Services

Criminal Costs

CIP Construction

GOVERNOR CRIST'S RECOMMENDATIONS & ESTIMATED Revenue Loss

- Exempting the (Commercial) Owner's of Less Than \$25,000 in Tangible Personal Property - **\$3.6 Million**
- Doubling the Homestead Exemption from \$25,000 to \$50,000. **\$42.4 Million**
- Allowing the Save Our Homes Benefit to be Taken (or ported) by the Owner to a New Homestead **\$12.7 Million**
- Cap on Non-Homestead Assessment Increases **\$10.1 Million**
- Capping Milleages Based on the Revenues Generated in 03-04 Adjusted by the Consumer Price Index and New Construction - **\$116 million**
- Total Estimated Impact - **\$184.8 Million**

2007 LEGISLATURE: HOUSE PROPOSAL & **Estimated Revenue Loss**

- **Eliminating the Property Tax on All Homestead Property and Replacing all the Lost Revenue by a 2.5 Percent Increase in the State Sales Tax**
- **Capping Millages Based on the Revenues Generated in 2000 – 2001 Adjusted by the Consumer Price Index and New Construction **\$181.6 Million*****

**Excluding Sales Tax Impact*

SENATE BIPARTISAN PROPOSALS & ESTIMATED **Revenue Loss**

- **Capping Millages Based on the Revenues Generated in 2005-06 Adjusted by the Percentage Growth in Personal Income - \$23.2 Million**
 - **Allowing a *Modified* Save Our Homes Benefit to be Taken (or Ported) by the Owner to a New Homestead \$10 Million***
 - **Exempting the (Commercial) Owner's of Less Than \$25,000 in Tangible Personal Property - \$3.6 Million**
 - **Doubling the Homestead Exemption from \$25,000 to \$50,000 for "First Home" Buyers - \$Unknown**
 - **Reduce Assessed Values for *Affordable Housing* - \$Unknown**
- Total Estimated Impact: - \$36.8 Million**

**Maximum Impact (FAC Estimate)*

IMPACT on PINELLAS COUNTY

With a 5% Cut in Property Taxes - Revenue Would be Reduced by \$21.4M and all Non-Essential Services Would Need to be Cut by 11%

- **A 10% cut: \$42.8 Million - 21%**
- **A 20% cut: \$85.7 Million - 43%**
- **A 25% cut: \$107.1 Million - 53%**
- **A 40% cut: \$171.3 Million - 85%**
- **A 50% cut: No Money for any Non-Essential Services and Non-Sheriff Public Safety Would be Cut by 45%**

WHERE & HOW WILL WE CUT ?

- **Mandatory – Sheriff - Courts**
- **Limited Discretion – 911**
- **Discretionary**
- **Parks**
- **Human Services**

KEY POINTS

- **We're Already Cutting Taxes and Using Reserves for Relief**
- **We are Thinning and Trimming Where Possible**
- **Our Growth in the Rate of Spending is Controlled**

KEY POINTS

- **Deliberate - Meaningful Tax Relief Should Target Most Burdened**
- **Deep Cuts will Change Our Communities and Quality of Life**
- **Look to State Tax Reform Commission for Long Term Solutions**

WHAT'S NEXT ?

2008 Budget Schedule

- **Board Budget Information Sessions:**
May 17 - May 22 - June 7
- **Public Comments Welcome**
- **Tentative Budget to Board - July 15**
- **TRIM Notices Mailed by Property Appraiser - August 13**
- **Public Hearings: September 4 and September 18**

WHAT CAN EMPLOYEES DO ?

- **Give Us Your Suggestions for Cuts**
- **Be Patient and Educate Yourself**
- **Don't Settle for Rumors - Get the Facts!**



ANY QUESTIONS ?