



# FY10 Budget Update

July 28, 2009



# Outline

- **Save-Our-Homes and the Recapture Rule**
- **BCC Discussion Items**
- **Truth-in-Millage (TRIM) process overview**
- **Millage rate certification and voting thresholds**
- **Next Steps**



# Save Our Homes and the Recapture Rule



# Residential Property Taxes

- ◉ The average taxable value of a residential property in Pinellas County for FY10 is \$113,210.
- ◉ The County-wide property taxes on this average value are \$617.71, assuming no change in the tax rate of 5.4562 mills.
  - This rate includes the General Fund, EMS, and the Health Dept.
- ◉ This is the equivalent of \$1.69 per day property tax for County-wide services.



# Save Our Homes Cap

- **Florida Constitution amended in 1995 to limit annual increases in taxable value of property with Homestead Exemption to 3% or the change in the Consumer Price Index, whichever is lower.**
  - Only applicable to Homesteaded properties
  - When a property is sold, the cap and exemption are reset and taxes are calculated on the full market value
    - Leads to differences in tax bills between similar properties
  - Amendment One allows qualified property owners to “port” their Save Our Homes Cap when they move to another Florida property



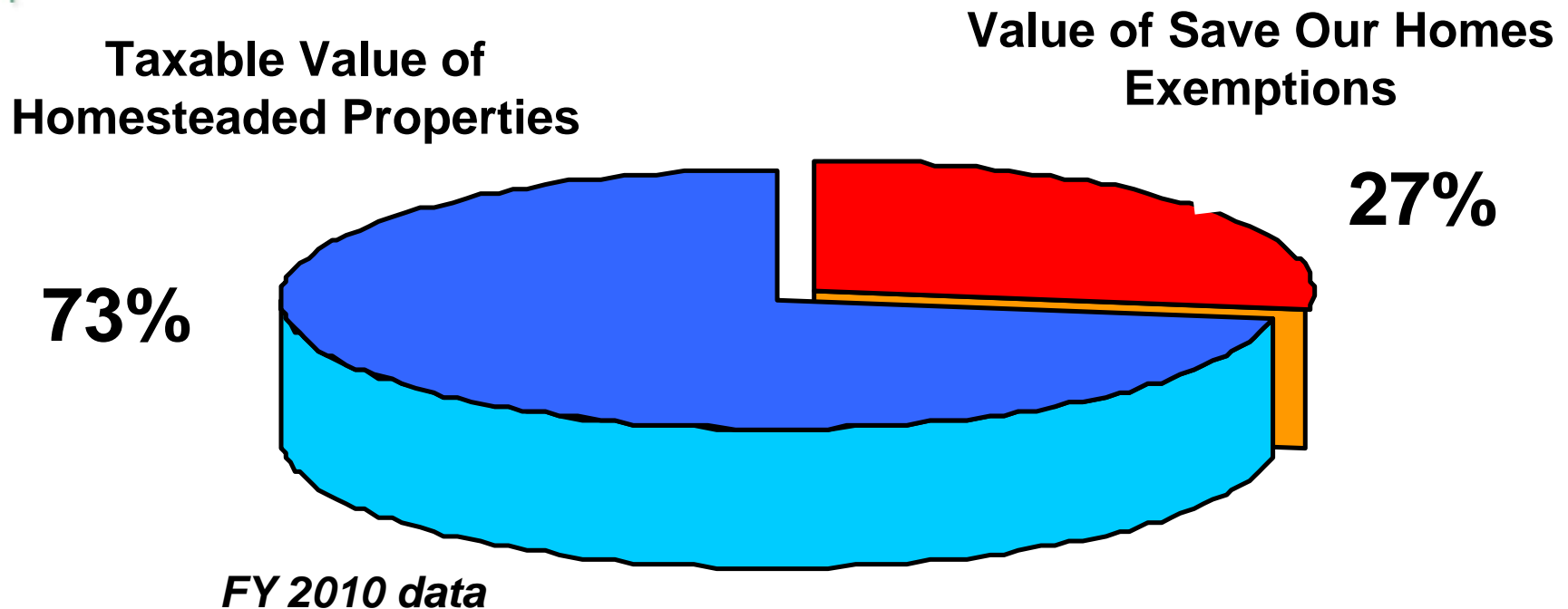
# Most Residential Properties Affected by Save Our Homes

- Of the total 433,967 parcels on the property tax roll, 403,152 are residential properties.
- 254,595, or 63%, of the residential properties have Homestead Exemptions and are eligible for the Save Our Homes cap on taxable values.



# Value of Save Our Homes Exemptions

- Save Our Homes continues to exempt a significant portion of potential taxable values.



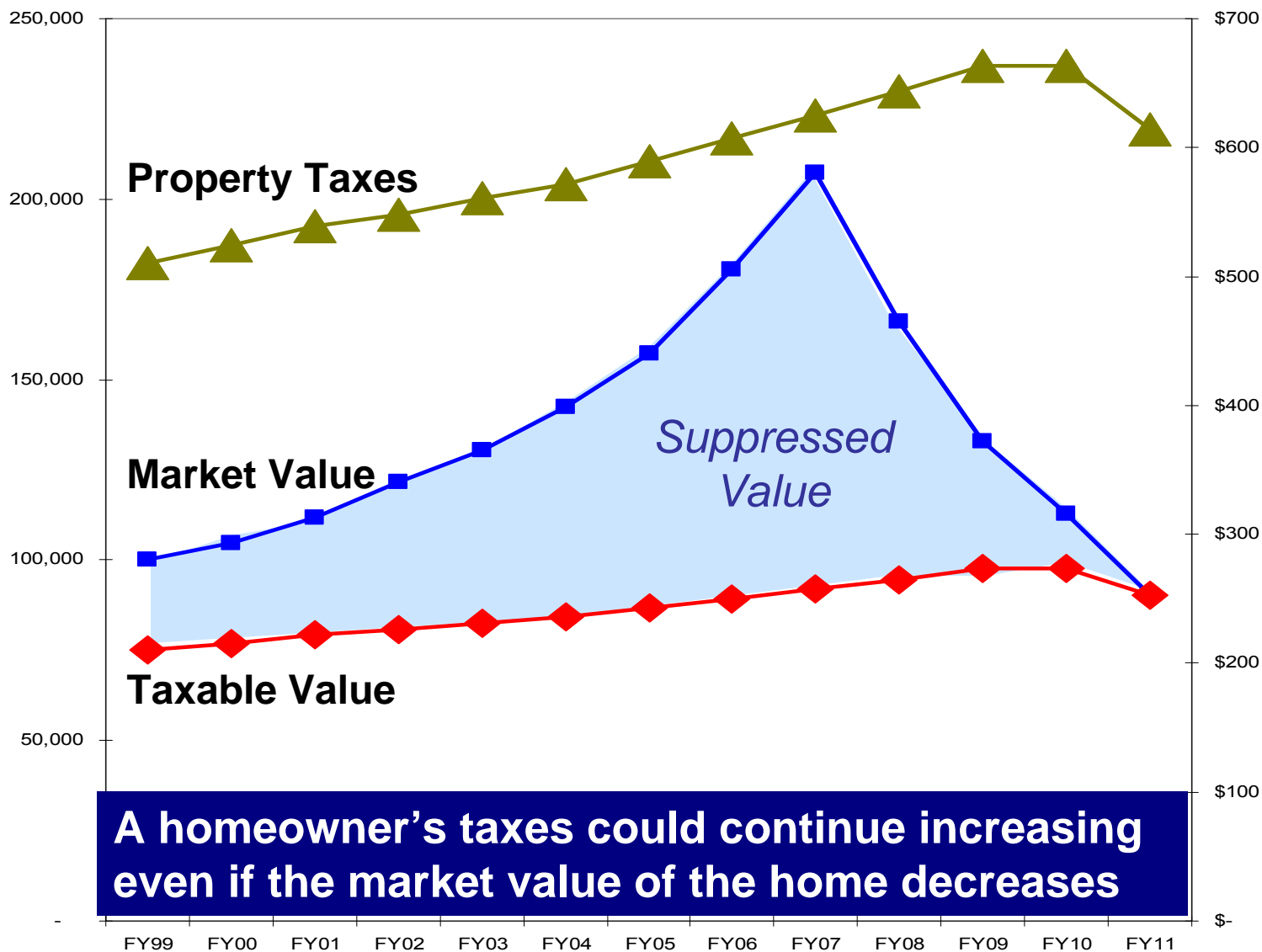


# The “Recapture Rule”

- Raises the taxable value of a qualifying homestead property by the maximum of 3% or the annual change in the Consumer Price Index, whichever is less.
  - The CPI increase for FY10 values is only 0.1%
- Applies to all properties with Save Our Homes exemptions and a taxable value that is less than full market value whether or not that property’s market value increased during that calendar year.



# Impact of Recapture Rule



# Example of Recapture Rule

Property at Avg. Market Value	FY09	FY10
Market Value	\$191,000	\$169,315
Less Homestead Exemption	\$50,000	\$50,000
Less Save Our Homes Exempt.	\$28,000	\$6,100
Taxable Value	\$113,100	\$113,210
County-wide Millage Rate	5.4562	5.4562
Property Taxes	\$617.10	\$617.71

- If a property has suppressed value under Save Our Homes, property taxes will increase slightly

# Example of Non-Homesteaded Property

Property at Avg. Market Value	FY09	FY10
Market Value	\$191,000	\$169,315
Less Homestead Exemption	\$0	\$0
Less Save Our Homes Exempt.	\$0	\$0
Taxable Value	\$191,000	\$169,315
County-wide Millage Rate	5.4562	5.4562
Property Taxes	\$1,043	\$924

- The property tax decrease should generally match the market value decrease on the property between FY10 and FY09



# BCC Discussion Items

# Discussion Items

- ◉ **One-Time Funding Allocations**
- ◉ **Homeless Initiative**
- ◉ **Animal Services**
- ◉ **Environmental Lands Management**
- ◉ **Fort DeSoto Park – Park Security**
- ◉ **Size of Tax Cut**
- ◉ **Guidance on Setting Millage Rates**



# TRIM Process Overview



# TRIM Process

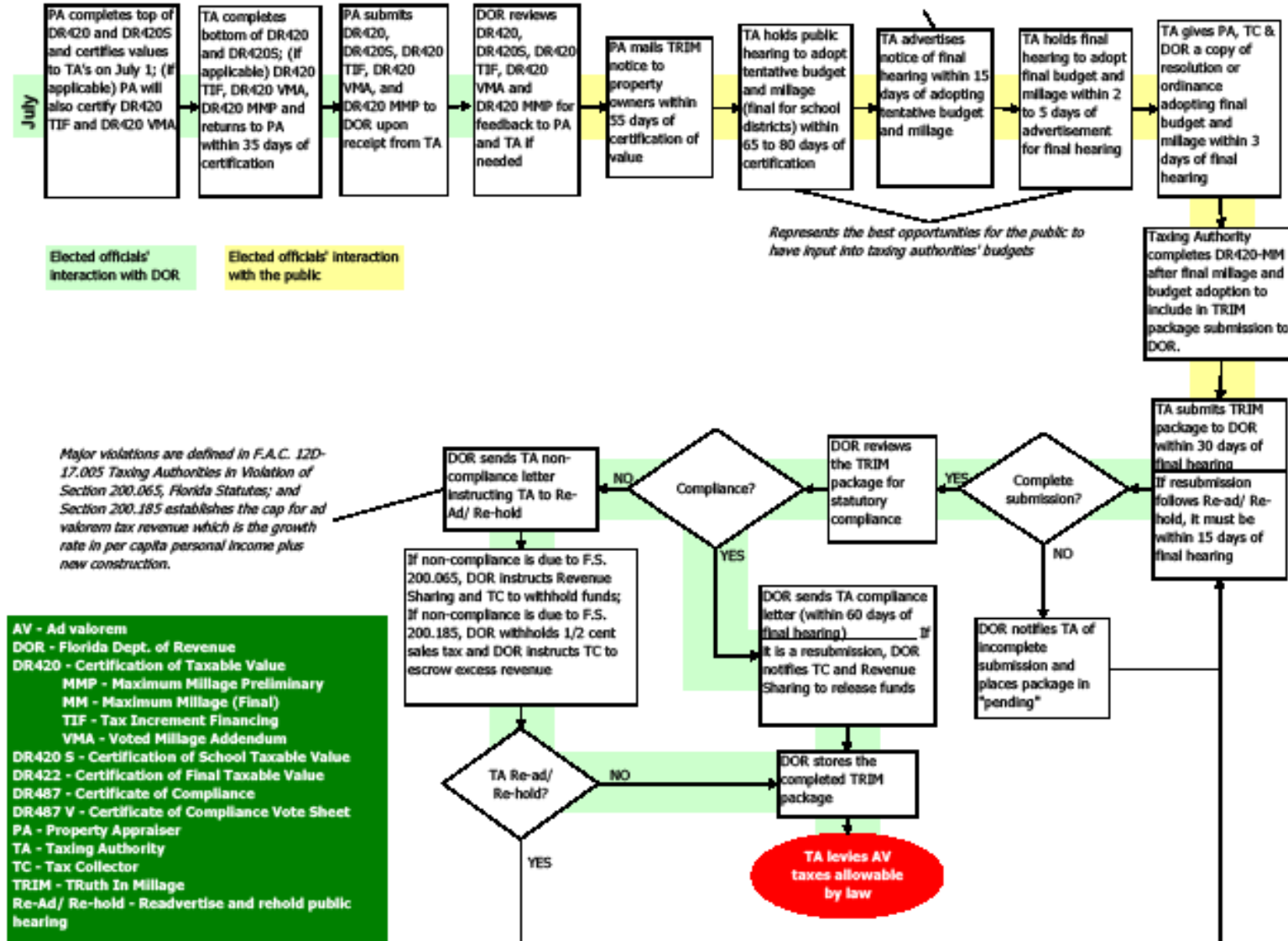
- ◉ In 1980, the Legislature passed the “Truth-in-Millage” (TRIM) Act
- ◉ This law is designed to inform taxpayers which governmental entity is responsible for the taxes levied
- ◉ TRIM establishes the statutory requirements that all taxing authorities levying a millage must follow
- ◉ TRIM process is very detailed and time specific as outlined by the Florida Department of Revenue

## Florida Property Tax TRIM Process

Rev 01-07-09

This Truth in Millage (TRIM) process map describes the steps taken to make sure the public is informed on which taxing authorities are responsible for property taxes levied and have an opportunity to provide input into taxing authorities' budgets and millage rates before they become final.

TRIM notice is considered advertisement for first hearing for regular taxing authorities







# Highlights of the TRIM Process

- ◉ **August 4<sup>th</sup>: Property Appraiser is notified of proposed millage rates**
  - After this date, millage rates may remain the same or can be decreased but they cannot be increased
- ◉ **August 24<sup>th</sup>: TRIM notices mailed by Property Appraiser**
  - TRIM notice is considered advertisement for the first Public Hearing



# Highlights of the TRIM Process

- **September 8<sup>th</sup>: 1<sup>st</sup> Public Hearing**
  - Adoption of Tentative Millage Rates and Budgets
- **September 18<sup>th</sup>: Advertise notice of final Public Hearing**
- **September 22<sup>nd</sup>: 2<sup>nd</sup> Public Hearing**
  - Adoption of Final Millage Rates and Budgets



# Millage Rate Certification and Voting Thresholds



# Millage Certification and Voting Thresholds

- **County Administrator certifies the tentative millage rates to the Property Appraiser by August 4<sup>th</sup>**
  - **After this date, millage rates may remain the same or can be decreased but they cannot be increased**
- **In 2007, the Legislature established voting thresholds for approval of millage rates**
  - **All proposed millage rates can be adopted with a simple majority except three of the Fire Districts**



# Millage Rates

	<b>FY10 Proposed Millage</b>	<b>Vote Required for Approval</b>
<b>General Fund - County-wide</b>	<b>4.8108</b>	<b>Simple Majority</b>
<b>EMS</b>	<b>0.5832</b>	<b>Simple Majority</b>
<b>Health Department</b>	<b>0.0622</b>	<b>Simple Majority</b>
<b>MSTU (Unincorporated Area)</b>	<b>2.0857</b>	<b>Simple Majority</b>
<b>Public Library Cooperative</b>	<b>0.4437</b>	<b>Simple Majority</b>
<b>Palm Harbor Recreation and Library District</b>	<b>0.4378</b>	<b>Simple Majority</b>
<b>Feather Sound Community Services District</b>	<b>0.5660</b>	<b>Simple Majority</b>
<b>Pinellas Planning Council</b>	<b>0.0125</b>	<b>Simple Majority</b>

# Fire District Millage Rates

	<b>FY10 Proposed Millage</b>	<b>Vote Required for Approval</b>
<b>Belleair Bluffs</b>	<b>2.6430</b>	<b>Unanimous</b>
<b>Clearwater</b>	<b>1.8628</b>	<b>Simple Majority</b>
<b>Dunedin</b>	<b>2.0102</b>	<b>Simple Majority</b>
<b>Gandy</b>	<b>1.3143</b>	<b>Simple Majority</b>
<b>Largo</b>	<b>2.4769</b>	<b>2/3 Majority (5 votes)</b>
<b>Pinellas Park</b>	<b>2.3675</b>	<b>Simple Majority</b>
<b>Safety Harbor</b>	<b>2.4252</b>	<b>Simple Majority</b>
<b>Tarpon Springs</b>	<b>2.3745</b>	<b>Unanimous</b>
<b>Seminole</b>	<b>1.9581</b>	<b>Simple Majority</b>
<b>High Point</b>	<b>2.7478</b>	<b>Simple Majority</b>
<b>Tierra Verde</b>	<b>1.5000</b>	<b>Simple Majority</b>
<b>South Pasadena</b>	<b>2.2188</b>	<b>Simple Majority</b>



# Next Steps

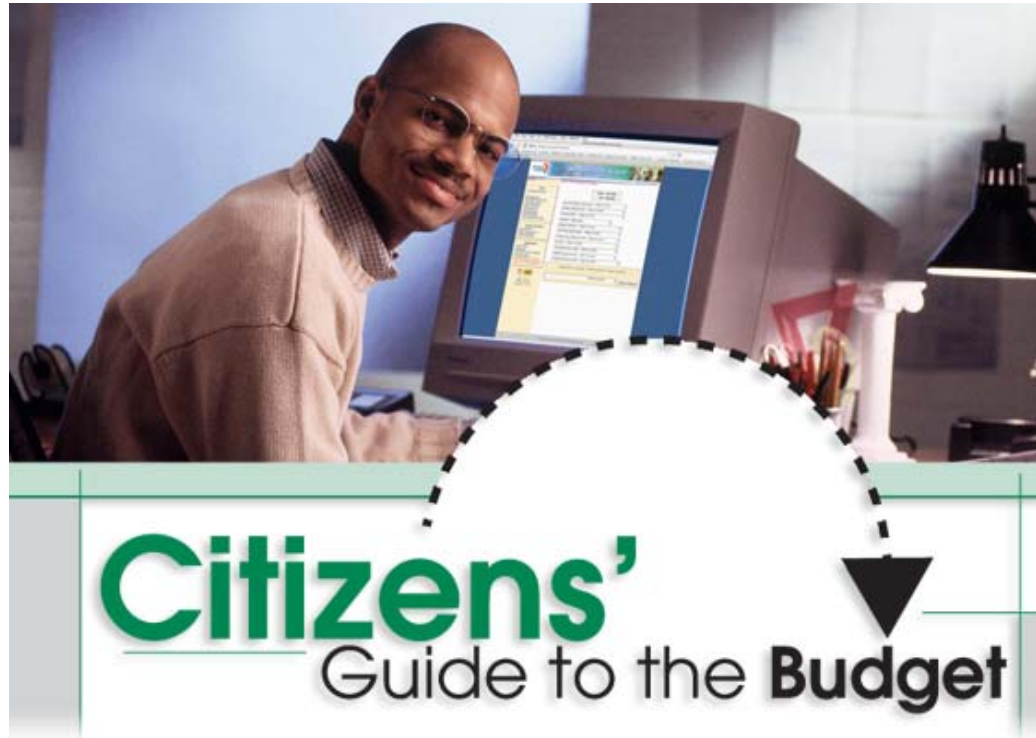


# Next Steps

- **August 4<sup>th</sup>: Property Appraiser is notified of proposed millage rates**
- **August 24<sup>th</sup>: TRIM notices mailed by Property Appraiser**
- **Additional budget information sessions can be scheduled in August as needed**
- **September 8<sup>th</sup>: 1<sup>st</sup> Public Hearing**
- **September 22<sup>nd</sup>: 2<sup>nd</sup> Public Hearing**
- **October 1<sup>st</sup>: Beginning of new fiscal year**
- **Fall: Strategic Plan update**



# Information on the Pinellas County Budget



[www.pinellascounty.org](http://www.pinellascounty.org)