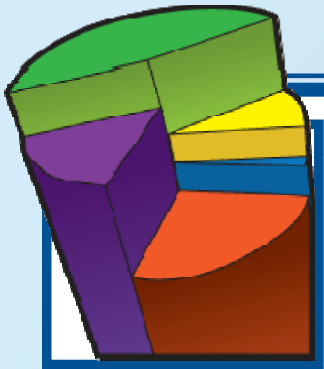


# **Budget Update**

## **July 28, 2011**

# Outline

- **Save-Our-Homes and the Recapture Rule**
- **Truth-in-Millage (TRIM) process overview**
- **Millage rate certification and voting thresholds**
- **Strategic Focus Area: Public Safety**
- **Strategic Focus Area: Health & Human Services**



# **Save Our Homes and the Recapture Rule**

# Residential Property Taxes

- The average market value of a single family residential property in Pinellas County for FY2012 is about \$144,000
  - The average taxable value is \$98,900
- The County-wide property taxes on this average value are \$566.05, assuming the proposed tax rate of 5.7236 mills
  - This rate includes the General Fund, EMS, and Health Dept.
- This is the equivalent of **\$1.55** per day property tax for County-wide services

# Save Our Homes Cap

- Florida Constitution amended in 1995 to limit annual increases in assessed (capped) of property with Homestead Exemption to 3% or the change in the Consumer Price Index, whichever is lower
  - ❑ Only applicable to Homesteaded properties
  - ❑ Amendment One allows qualified property owners to “port” their Save Our Homes Cap when they move to another Florida property – This is the portability benefit
  - ❑ When a property is sold, the cap and exemption are reset for the following year and taxes are calculated on the full market value minus the new owners exemptions and portability benefits
    - Leads to differences in tax bills between similar properties

# Residential Properties Affected by Save Our Homes

- Of the total 434,304 parcels on the property tax roll, **89%** are residential properties.
- **64%** of the residential properties have Homestead Exemptions and are eligible for the Save Our Homes cap on taxable values
  - ❑ 48% of Homestead properties have Save Our Homes benefits in FY2012
  - ❑ In 2006, over 90% of Homestead properties had Save Our Homes benefits
  - ❑ The percentage has declined due to the continued decrease of market values

# Impact of Amendment One and Real Estate Market Decline

Homestead Properties	FY2007	FY2012
Just (Market) Value – Single Family Residential & Condominiums	\$78.1B	\$47.8B
Value of <u>First</u> \$25,000 Homestead Exemptions	\$6.4B	\$6.0B
Value of <u>Second</u> \$25,000 Homestead Exemptions (Amendment One)	\$0	\$4.6B
Value of Save Our Homes Differential	\$24.6B	\$3.1B
Total – Major Exemptions	\$31.0B	\$13.7B
Taxable Value – Single Family Residential & Condominiums	\$48.0B	\$34.2B
Number of parcels with Save Our Homes benefits	232,170	117,966



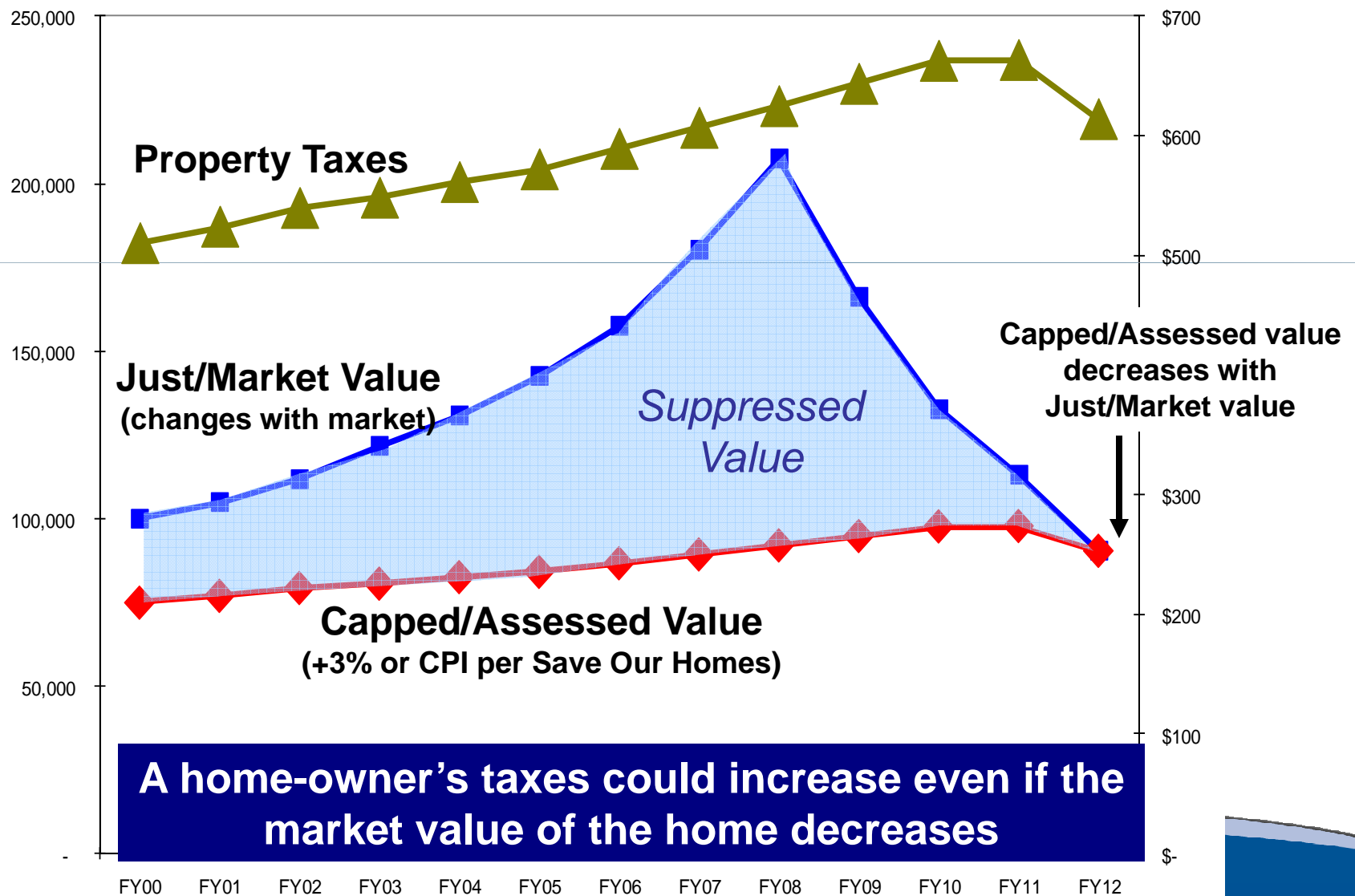
to the Budget ←

# The “Recapture Rule”

- Raises the assessed (capped) 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 FY2012 (2011 tax roll) values is 1.5%
- Applies to all properties with assessed values limited by Save Our Homes where the capped value 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

	FY2011	FY2012
Market Value	\$205,000	\$185,000
Less Save Our Homes differential	\$51,300	\$29,000
Capped/Assessed Value	\$153,700	\$156,000
Less Homestead Exemption	\$50,000	\$50,000
Taxable Value	\$103,700	\$106,000
County-wide Millage Rate	5.4562	5.7236
Property Taxes	\$565.81	\$606.70

- If a property has suppressed value under Save Our Homes, property taxes will increase due to recapture rule and EMS millage increase

# Example of Non-Homesteaded Property

	FY2011	FY2012
Market Value	\$205,000	\$185,000
Less Save Our Homes differential	\$0	\$0
Capped/Assessed Value	\$205,000	\$185,000
Less Homestead Exemption	\$0	\$0
Taxable Value	\$205,000	\$185,000
County-wide Millage Rate	5.4562	5.7236
Property Taxes	\$1,118	\$1,059

- The property tax decrease should generally match the market value decrease unless the property benefits from the 10% cap on non-homesteaded property
- The increase in EMS millage slightly offsets a portion of the decrease

# TRIM Notice Information

- Information regarding the TRIM notice can be found on the Property Appraiser's website at <http://www.pcpao.org/>

- TRIM Guide
- TRIM Notice
- Parcel values and exemptions
- Save Our Homes and Recapture Rule information

**TRIM GUIDE**  
Helping you read and understand your Annual Truth in Millage (TRIM) Notice.

Pam Dubov, CFA, CAE  
Pinellas County Property Appraiser  
2011  
[www.pcpao.org](http://www.pcpao.org)

**Sample TRIM Notice**

**2011 NOTICE OF PROPOSED PROPERTY TAXES AND PROPOSED OR ADOPTED NON-AD VALOREM ASSESSMENTS**  
PINELLAS COUNTY TAXING AUTHORITIES  
315 Court Street, Clearwater, Florida 34756-0191

**DO NOT PAY**  
**THIS IS NOT A BILL**

**1 YOUR PROPERTY IDENTIFIERS**  
At the top of the form is the parcel number or tangible personal property account number identifying your property, as well as the site address, legal description, appraisal area, and tax district. The mailing address printed here is the address where your tax bill will be mailed; please notify us in writing of any address changes.

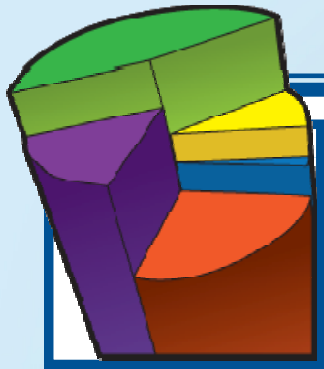
**PROPERTY VALUES**  
The following values are listed for this year and last year:

**2 Market Value** - The 2011 market value is an estimate of the most probable selling price as of January 1, 2011, based on sales and other market data from 2010.

**3 Assessed/Capped Value** - This is the market value as limited by an assessment cap, such as the Save-Our-Homes cap or the 10% cap on non-homestead parcels.

- TRIM e-TownHall is scheduled for August 25<sup>th</sup> from 7 to 8 pm





# **TRIM Process Overview**

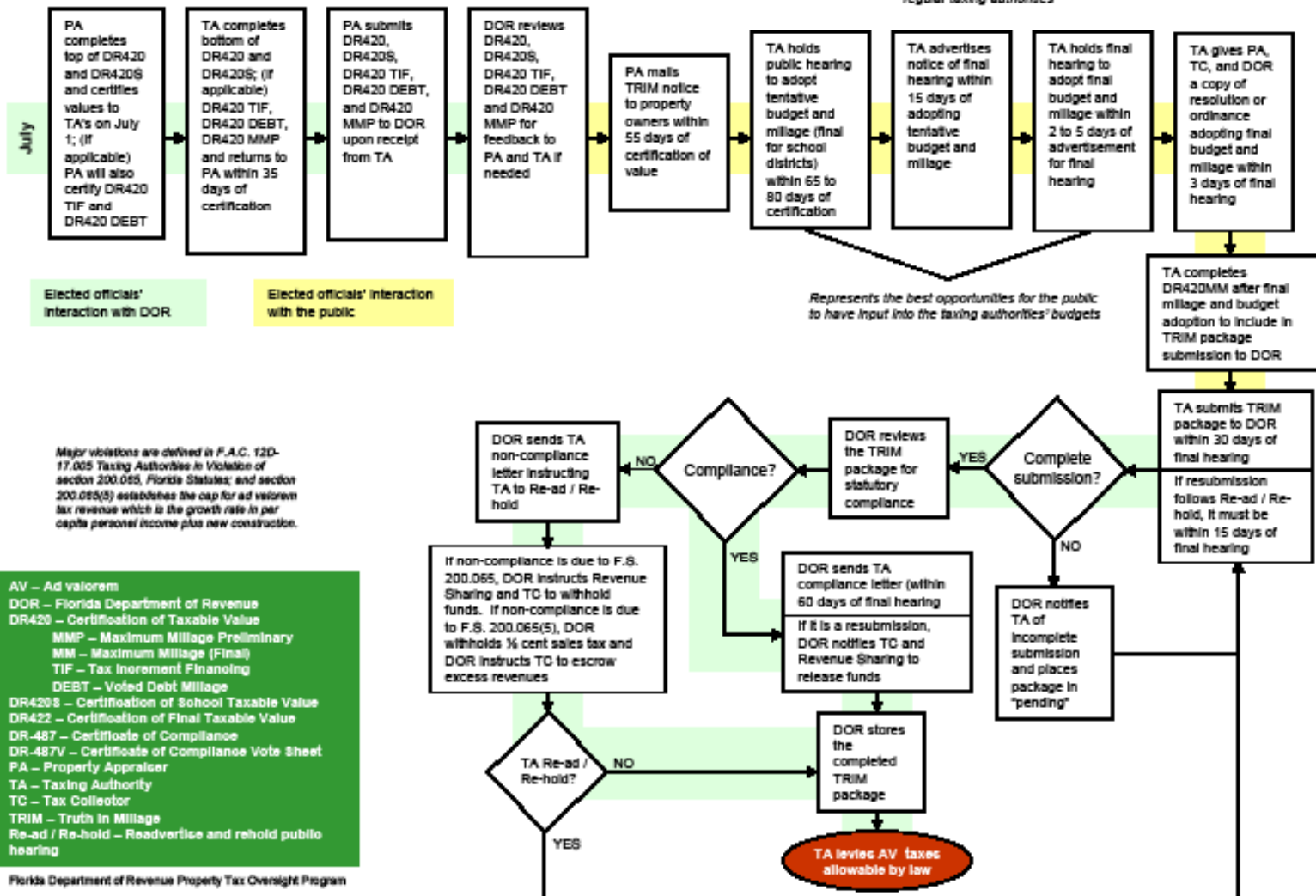
# TRIM Process

- 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

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.

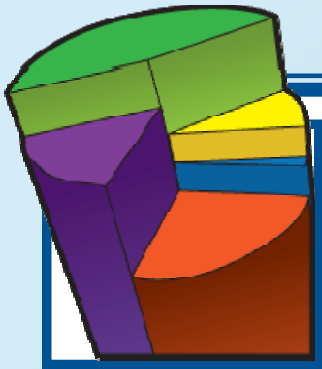
TRIM notice is considered advertisement for first hearing for regular taxing authorities



# 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 22<sup>nd</sup>: TRIM notices mailed by Property Appraiser
  - ❑ TRIM notice is considered advertisement for the first Public Hearing
- September 6<sup>th</sup>: 1<sup>st</sup> Public Hearing
  - ❑ Adoption of Tentative Millage Rates and Budgets
- September 11<sup>th</sup>: Advertise notice of final Public Hearing
- September 15<sup>th</sup>: 2<sup>nd</sup> Public Hearing
  - ❑ Adoption of Final Millage Rates and Budgets





# **Millage Rate Certification & 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 High Point Fire District

# Millage Rates

	FY2012 Proposed Millage	Vote Required for Approval
General Fund - County-wide	4.8108	Simple Majority
EMS	0.8506	Simple Majority
Health Department	0.0622	Simple Majority
MSTU (Unincorporated Area)	2.0857	Simple Majority
Public Library Cooperative	0.4437	Simple Majority
Palm Harbor Recreation and Library District	0.4378	Simple Majority
Feather Sound Community Services District	0.5660	Simple Majority
Pinellas Planning Council	0.0125	Simple Majority

# Fire Districts Fund

- County staff negotiates with each municipality for the cost of fire service within each district
- Taxable values decreased in all fire districts
  - Range from 2.7% to 21.3%
- 7 out of 12 fire districts have proposed millage rate increases in FY2012
  - Clearwater
  - Dunedin
  - Gandy
  - Largo
  - High Point
  - Tierra Verde
  - South Pasadena



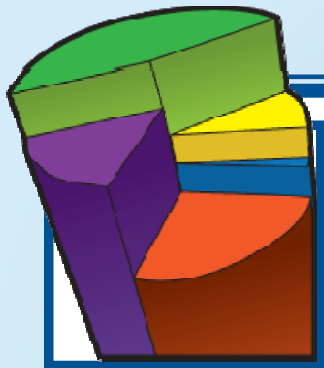
# Fire District Millage Rates

Fire Districts	FY2011 Adopted Millage	FY2012 Proposed Millage	Variance	Millage Caps	Vote Required for Approval
Belleair Bluffs/Largo	1.7320	1.7320	-	5.0	Simple Majority
Clearwater	2.1385	2.6591	0.5206	5.0	Simple Majority
Dunedin	2.0102	2.2576	0.2474	5.0	Simple Majority
Gandy	2.1594	2.2602	0.1008	5.0	Simple Majority
Largo	3.4384	3.5133	0.0749	5.0	Simple Majority
Pinellas Park	2.3675	2.3675	-	5.0	Simple Majority
Safety Harbor	2.6800	2.6800	-	5.0	Simple Majority
Tarpon Springs	2.3745	2.3745	-	5.0	Simple Majority
Seminole	1.9581	1.9581	-	10.0	Simple Majority
High Point	3.2644	4.1916	0.9272	10.0	Super Majority
Tierra Verde	1.7382	1.9087	0.1705	3.0	Simple Majority
South Pasadena	2.2188	3.1257	0.9069	5.0	Simple Majority



# Policy Direction

- **Need Board direction regarding potential changes to millage rates in the FY2012 Proposed Budget for inclusion in the TRIM notice**

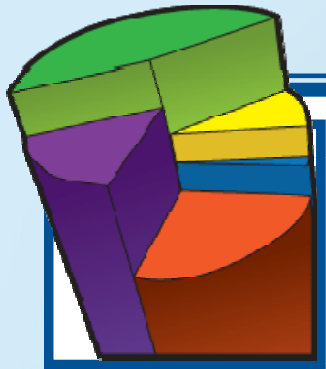


# **SFA: Public Safety**

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- **Animal Services**
- **Emergency Management**
- **Justice & Consumer Services**
- **Public Safety Services**

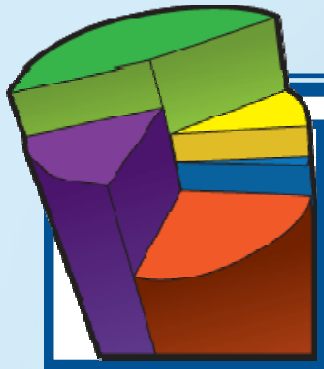




# **SFA: Health & Human Services**

# SFA: Health & Human Services

- Health & Human Services



# Next Steps

# Next Steps

## August

### August 4: Budget Information Session –

- SFA: Econ. Develop., Redevelop. & Housing;
- SFA: Environ., Open Spaces, Recr. & Culture

### August 11: Budget Information Session –

- SFA: Transportation, Utilities, & Stormwater;
- SFA: Effective Government

### August: Budget Information Sessions – as needed

# Next Steps

## September

**September 6:** 1st Public  
Hearing – BCC adopts  
**tentative** FY2012 millage  
rates and budgets

**September 15:** 2nd Public  
Hearing – BCC adopts  
**final** FY2012 millage rates  
and budgets

## October

**October 1:**  
Beginning of fiscal year  
2012



**Citizens' Guide**  
to the **Budget** ←



# Citizens' Guide to the Budget ←

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

