

Revenue Options

June 10, 2008

Major New Revenue Options

- **Property tax rate rollup**
- **Payment-in-lieu-of-taxes: Utilities**
- **Fort De Soto Park fee**

Property Tax Rate Rollup

2008 Senate Bill 1588

- **Made technical corrections to FY08 tax reform legislation**
- **Clarified Save Our Homes portability calculations**
- **Changed threshold for BCC majority approval of millage rates**
- **Specified that “super majority” means 2/3 of entire body, not just members present**

General Fund County-wide Property Tax Base Impacts

- **Increases:**
 - ▣ **New Construction: +1.4% +\$4.5M**
- **Decreases**
 - ▣ **Amendment One impact: -7.1% (\$29.4M)**
 - ▣ **Decline in market values: -2.8% (\$16.7M)**
- *Revenue loss at current tax rate: (\$41.6M)*
- *Other revenues decrease: (\$16.1M)*
- *Growth in per capita personal income 4.15%*

FY09 Millage Rate Options Countywide

General Fund County-wide	Rate (mills)	Revenue \$M @95%	Increase \$M
Current Rate (FY08)	4.8108	\$335.0	
Adjusted for decrease in Market Value (+2.8%)	4.9455	\$344.4	\$9.4
Maximum with majority vote (Rolled-back rate plus personal income including Amendment 1 impact)	5.2420	\$365.0	\$30.0
Rolled-back rate (same revenue as FY08 adjusted for new construction; maximum with no Tax Increase notice)	5.3558	\$372.9	\$37.9

FY09 Millage Rate Options

MSTU

General Fund MSTU	Rate (mills)	Revenue \$M @95%	Increase \$M
Current Rate (FY08)	2.0857	\$36.5	
Adjusted for decrease in Market Value (+2.8%)	2.1232	\$37.2	\$0.7
Maximum with majority vote (Rolled-back rate plus personal income including Amendment 1 impact)	2.2254	\$39.0	\$2.5
Rolled-back rate (same revenue as FY08 adjusted for new construction; maximum with no Tax Increase notice)	2.3398	\$41.0	\$4.5

Payment-in-lieu-
of-taxes: Utilities

Payment-in-lieu-of-taxes (PILOT)

- **Local governments commonly assess a PILOT to their utilities systems**
 - ▣ **Utilities would pay taxes if it were a private company**
- **Two main approaches**
 - ▣ **Apply property tax rate to taxable value of assets**
 - ▣ **Apply a percentage to total revenues as compensation for property taxes not paid**

PILOT's in Tampa Bay

- **Clearwater**: charges water & sewer utility 5.5% of prior year's revenues
- **St. Petersburg**: charges their utilities a flat annual amount, up to 15% of revenues
- **Tampa**: charges water & sewer 4.2% of prior year revenue; and city millage rate on 75% of utility property values
- **Sarasota County**: charges their utilities the county millage rate on utility property values

PILOT's in Florida

- Brevard County:
 - Ft. Lauderdale:
 - Orange County:
 - Collier County:
- } charge their utilities the general millage rate on utility property values
- Tallahassee: Charges their water utility 20%, & sewer 4.5% of revenues
 - Orlando: Charges their water utility 65% of annual net profits

Payment-in-lieu-of-taxes (PILOT)

- **Property tax rate approach: \$4.8M**
 - ▣ **Based on insured values at major facilities**
 - ▣ **Applied current millage rate of 4.8108**

System	Revenue
Solid Waste	\$3.1M
Sewer	\$1.3M
Water	\$403K

Fort De Soto Park Fee

Fort De Soto Park Fee

- **Revenue options:**
 - ▣ **\$2 fee = \$1.1M**
 - ▣ **\$3 fee = \$1.7M**
 - ▣ **\$5 fee = \$2.8M**
- **State parks**
 - ▣ **Range of \$3-\$6 per vehicle**

Fee Administration Options

- **Fee charged at FDOT toll plaza**
 - ▣ **Startup costs = none**
 - ▣ **Recurring costs = % admin. fee to FDOT**
- **Fee charged at new ranger station**
 - ▣ **Startup costs = \$625K**
 - ▣ **Recurring costs = \$150K**

Next Steps

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- **June 12th: Budget recap**
- **July 15th: Tentative Budget to the Board**
- **July 31st: Notify Property Appraiser of proposed millage rates**
- **August 18th: TRIM notices mailed by Property Appraiser**

Next Steps

- **Public Hearings**
 - ▣ **September 2nd**
 - ▣ **September 16th**
- **September 16th: Budget Adoption**