



FY2011 Budget Update

July 27, 2010

Outline

- ◉ **Save-Our-Homes and the Recapture Rule**
- ◉ **Truth-in-Millage (TRIM) process overview**
- ◉ **Millage rate certification and voting thresholds**
- ◉ **BCC discussion items**
- ◉ **Next steps**



Save Our Homes and the Recapture Rule

Residential Property Taxes

- ◉ The average taxable value of a single family residential property in Pinellas County for FY2011 is \$103,490.
- ◉ The County-wide property taxes on this average value are \$575.30, assuming the proposed tax rate of 5.5590 mills.
 - This rate includes the General Fund, EMS, and the Health Dept.
- ◉ This is the equivalent of \$1.58 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

Residential Properties Affected by Save Our Homes

- Of the total 434,017 parcels on the property tax roll, 93% are residential properties.
- 62% of the residential properties have Homestead Exemptions and are eligible for the Save Our Homes cap on taxable values.
 - 52% of Homestead properties have Save Our Homes benefits in FY2011.
 - In 2006, over 90% of Homestead properties had Save Our Homes benefits
 - The percentage has declined due to the doubling of the Homestead Exemption and the continuing decline in market values

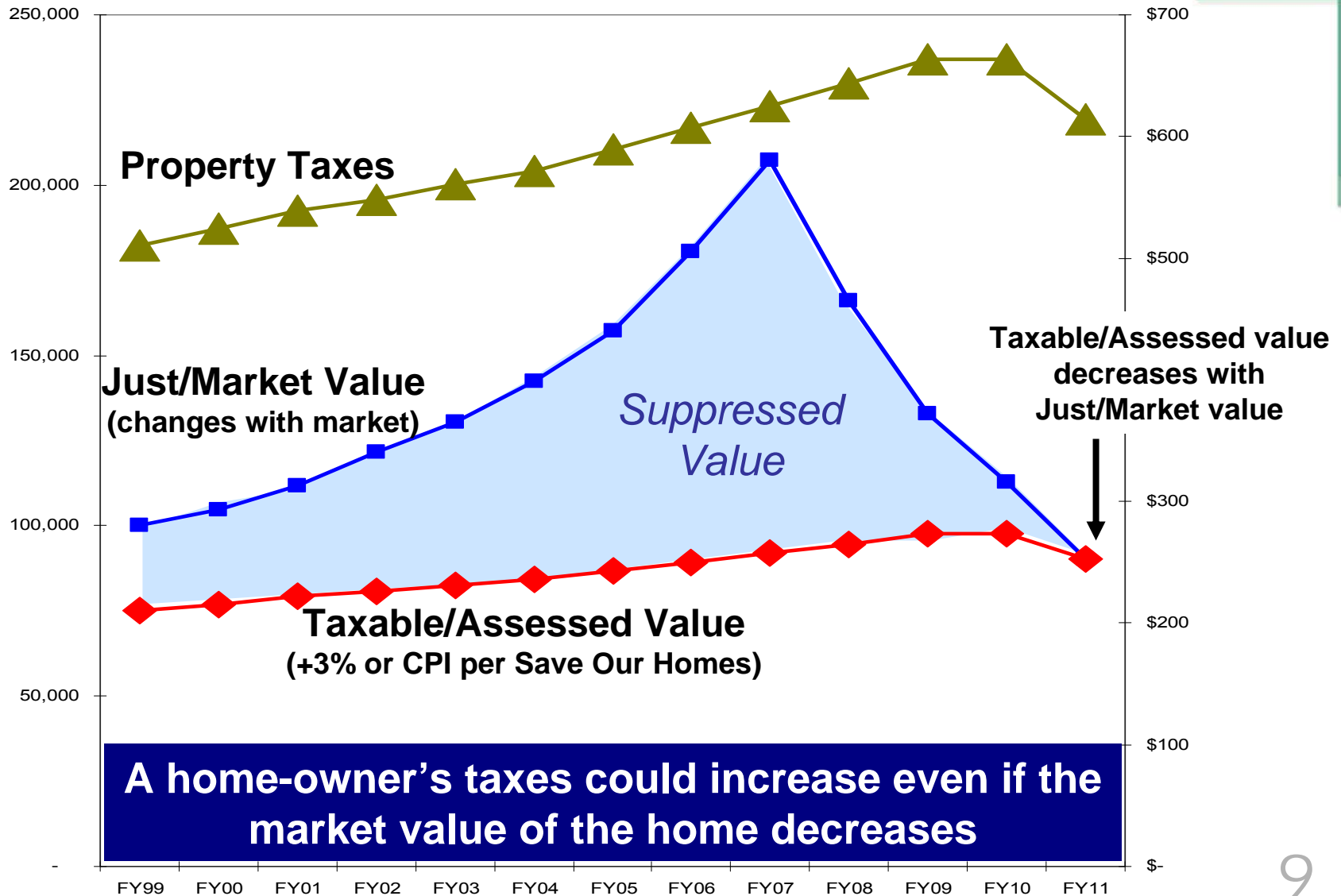
Impact of Amendment One and Real Estate Market Decline

Homestead Properties	FY2007	FY2011
Just (Market) Value – Single Family Residential & Condominiums	\$78.1B	\$51.1B
Value of First \$25,000 Homestead Exemptions	\$6.4B	\$6.2B
Value of Second \$25,000 Homestead Exemptions (Amendment One)	\$0	\$4.8 B
Value of Save Our Homes Exemptions	\$24.6B	\$4.3B
Total – Major Exemptions	\$31.0B	\$15.3B
Taxable Value – Single Family Residential & Condominiums	\$48.0B	\$35.9B
Number of parcels with Save Our Homes benefits	232,170	129,689

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 FY2011 values is 2.7%
- 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

	FY2010	FY2011
Market Value	\$203,000	\$174,375
Less Homestead Exemption	\$50,000	\$50,000
Less Save Our Homes Exempt.	\$40,600	\$8,940
Taxable Value	\$112,400	\$115,435
County-wide Millage Rate	5.4562	5.5590
Property Taxes	\$613.28	\$641.70

- 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

	FY2010	FY2011
Market Value	\$203,000	\$174,375
Less Homestead Exemption	\$0	\$0
Less Save Our Homes Exempt.	\$0	\$0
Taxable Value	\$203,000	\$174,375
County-wide Millage Rate	5.4562	5.5590
Property Taxes	\$1,108	\$969

- The property tax decrease should generally match the market value decrease
- The increase in EMS millage slightly offsets a portion of the decrease



TRIM Process Overview

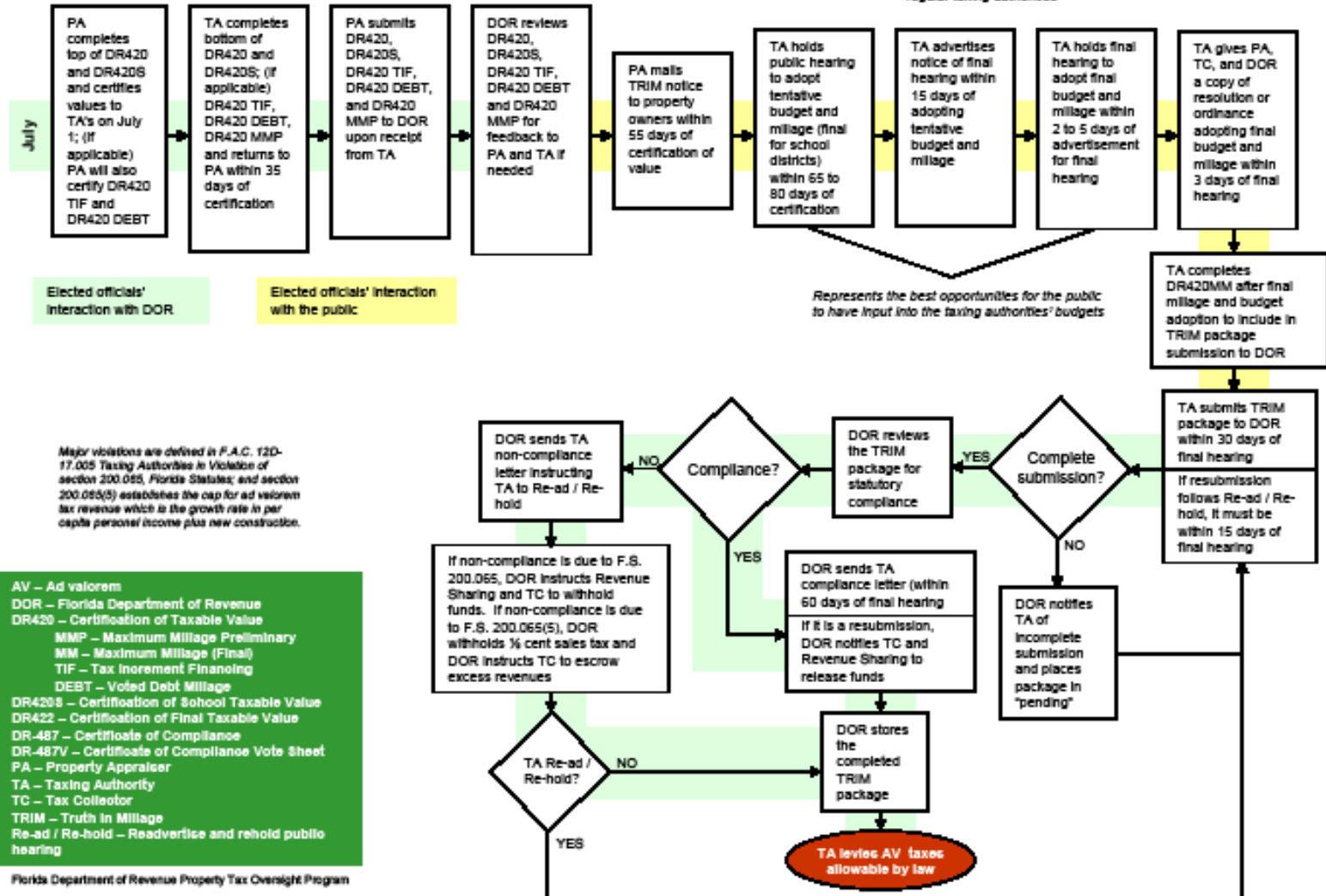
TRIM Process

- ◉ 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 4th: 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 23rd: TRIM notices mailed by Property Appraiser**
 - TRIM notice is considered advertisement for the first Public Hearing

Highlights of the TRIM Process

- **September 7th: 1st Public Hearing**
 - Adoption of Tentative Millage Rates and Budgets
- **September 17th: Advertise notice of final Public Hearing**
- **September 21st: 2nd 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 4th**
 - 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 Gandy & Largo Fire Districts

Millage Rates

	FY2011 Proposed Millage	Vote Required for Approval
General Fund - County-wide	4.8108	Simple Majority
EMS	0.6860	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

Palm Harbor Recreation & Library District

- **Request by Palm Harbor RLD to increase from current millage rate of 0.4378 to the 0.5 cap**
 - **Property tax revenue decreased \$171,380 from FY2010 to FY2011 due to 10.7% decrease in taxable value**
 - **Increasing the millage rate to the cap would generate an additional \$200,430**
 - **Millage rate increase necessary to generate “roll up” amount is 0.4914**
 - **Voting approval threshold for current, roll-up rate, or mill cap is a simple majority**

Public Library Cooperative

- **Request by Public Library Co-op to increase from current millage rate of 0.4437 to the 0.5 cap**
 - **Property tax revenue decreased \$441,050 from FY2010 to FY2011 due to 7.8% decrease in taxable value**
 - **Increasing the millage rate to the 0.5 cap would generate an additional \$624,560**
 - **Millage rate increase necessary to generate “roll up” amount is 0.4862**
 - **Voting approval threshold for current, roll-up rate, or mill cap is a simple majority**

Fire Districts Fund

- County staff negotiates with each municipality for the cost of fire service within each district
- Cost of fire service requests increased in 7 of 12 districts
- Taxable values decreased in all fire districts
 - Range from 3.4% to 15.1%
- 6 out of 12 fire districts have proposed millage rate increases in FY2011
 - Clearwater ○ Safety Harbor
 - Gandy ○ High Point
 - Largo ○ Tierra Verde

Fire District Millage Rates

Fire Districts	FY2010 Adopted Millage	FY2011 Proposed Millage	Variance	Millage Caps	Variance	Vote Required for Approval
Belleair Bluffs/Largo	1.7320	1.7320	-	5.0	(3.2680)	Simple Majority
Clearwater	1.8628	2.1385	0.2757	5.0	(2.8615)	Simple Majority
Dunedin	2.0102	2.0102	-	5.0	(2.9898)	Simple Majority
Gandy	1.3143	2.1594	0.8451	5.0	(2.8406)	Unanimous
Largo	2.4416	3.4384	0.9968	5.0	(1.5616)	Unanimous
Pinellas Park	2.3675	2.3675	-	5.0	(2.6325)	Simple Majority
Safety Harbor	2.4252	2.6800	0.2548	5.0	(2.3200)	Simple Majority
Tarpon Springs	2.3745	2.3745	-	5.0	(2.6255)	Simple Majority
Seminole	1.9581	1.9581	-	10.0	(8.0419)	Simple Majority
High Point	2.7275	3.2644	0.5369	10.0	(6.7356)	Simple Majority
Tierra Verde	1.3997	1.7382	0.3385	3.0	(1.2618)	Simple Majority
South Pasadena	2.2188	2.2188	-	5.0	(2.7812)	Simple Majority



BCC Discussion Items

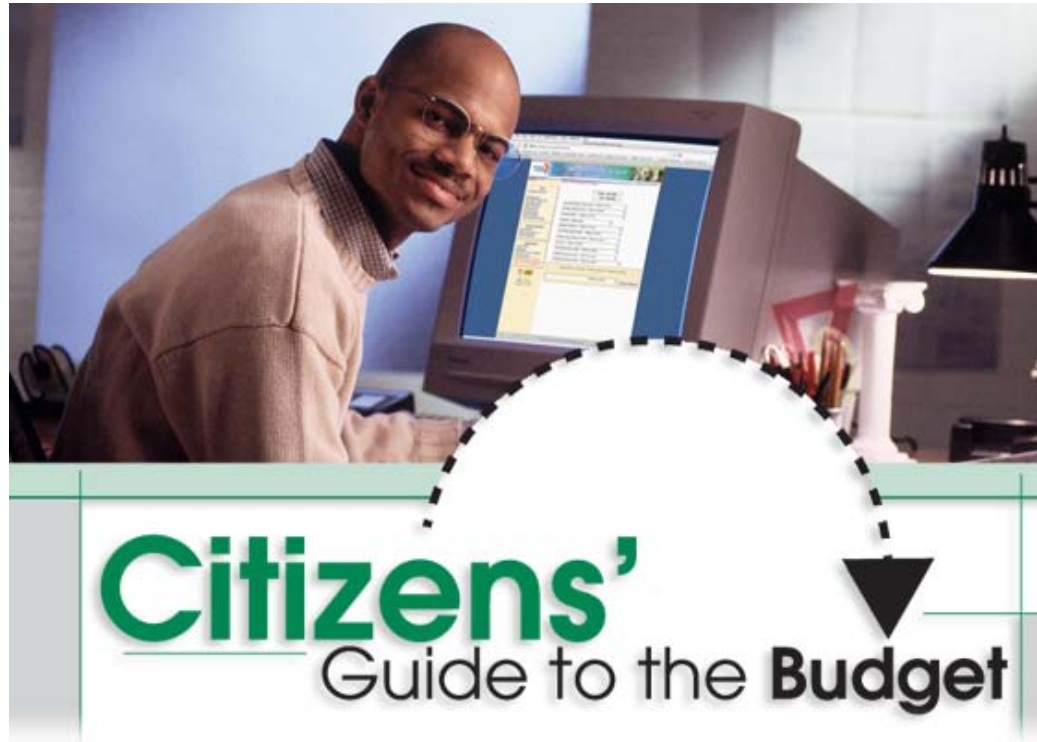


Next Steps

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- July 27th: BCC work session to finalize proposed millage rates for inclusion in the TRIM notice
- August 4th: Property Appraiser is notified of proposed millage rates
- August 10th: BCC work session
- August 17th: BCC work session
- August 23rd: TRIM notices mailed
- September 7th: First public hearing on the FY2011 budget
- September 21st: Second public hearing on the FY2011 (budget adoption)

Information on the Pinellas County Budget



www.pinellascounty.org