



Legislation Text

File #: 16-0125, **Version:** 1

Summary

To: Mayor Gary H. Katica, Commissioners
From: Micah Badana
Date: 7/22/2016

Subject:

Approval of the Maximum Millage Preliminary Rate

Summary:

As part of the Truth in Millage Process, local taxing authorities must set and notify the tax collector of, the Maximum Millage Preliminary (MMP) Rate to be levied for collection of Ad Valorem Property Tax. The final millage rate shall not exceed the previously set maximum millage rate. The Commission may set a final rate equal to, or less than the MMP. The fiscal year 2015-16 millage is 5.9257: 4.9247 to the General Fund, and 0.9830 to the Infrastructure Fund (CIP). The fiscal year 2015-16 millage calculation is based upon the certified total taxable value of \$634,941,314 dollars.

Fiscal Year 2016-17 Total Taxable Value is 671,698,069 dollars and the statutory mandate of 95% percent collection of the total taxable value is \$638,113,166 dollars. The taxable value represents an increase of 5.79% over the prior year's total taxable value.

At the July 21, 2016 meeting the Finance Board approved setting the Maximum Millage Preliminary Rate at 5.9257.

Previous Commission Action: The Commission must set a maximum millage rate to be published on the TRIM notices pursuant to F.S. 200.065(5)

Background/Problem Discussion:

Staff has identified three "benchmarked" rates.

1. The current fiscal year rate of 5.9257. If this rate is retained, Total AD Valorem Proceeds will increase by 5.79%.
2. The Current Year Rolled Back Rate as per the DR-420 MMP. This rate assumes that the increase to the millage rate only reflects an adjustment to bring proceeds commensurate with the preceding year. The calculation is based on 100% collection of current year total taxable value. Staff identified this rate at 5.6058.
3. The final benchmarked rate utilizes the statutorily approved calculations for setting the maximum millage rate allowed. This rate factors in a change in per capita Florida income (CPI) of 1.0196. This calculated rate of 6.2634 results in a net increase to the General Fund of \$229,458 dollars and \$45,626 dollars to the Infrastructure Fund

Expenditure Challenges N/A

Financial Implications:

The MMP greatly affects the amount of Ad Valorem Revenue to the general governmental funds.

Total Taxable Value at 95% Collection- \$638,113,166

Recap

Description	Rate	Net Proceeds	General Fund	CIP
FY 15-16 Rate	5.9257	\$ 3,781,250	\$ 3,154,000	\$ 627,250
95% Adjusted RBR	5.6801	\$ 3,602,340	\$ 3,004,747	\$ 597,593
RBR-Adjusted for CPI	6.5294	\$ 4,024,963	\$ 3,333,758	\$ 691,204
Tenth Mill Reduction	5.8257	\$ 3,717,456	\$ 3,100,783	\$ 616,673

Recommendation: Staff recommends setting the Maximum Millage Preliminary Rate at the current millage rate of 5.9257.

Proposed Motion I move approval of setting the Maximum Millage Preliminary Rate at the current millage rate of 5.9257.