



SEMINOLE COUNTY

Property Tax Reform

Overview



Property Tax Reform

Statutory Amendment - HB 1B

- **Effective October 1, 2007**
 - *2007 Tax Roll*
 - *Fiscal Year 2007/08*

- **Revenue Reduction = \$26.9M**
 - *General Fund = \$20.6M (9%)*
 - *Roads MSTU -= \$0.3M*
 - *Fire Fund = \$6M (11%)*





Property Tax Reform

Statutory Amendment - HB 1B

- **Established a “Maximum Millage Rate”**
 - *FY08 equals the rolled-back rate less 5%*
- **Caps Future Millage Rates**
 - *Rolled-back rate plus growth in Florida per capita personal income*
- **Override Provisions**
 - *Supermajority Vote/Unanimous Vote/ Referendum*
 - *Penalties for Non-compliance –
Loss of State-Shared Half-Cent Sales Tax*





Property Tax Reform

Historical Analysis of Impact if HB 1B had been in Effect since 2001

	Existing Property	Per Capita Personal Income	Millage Rate (4.9989)	Change in Millage Rate
FY08 (2007)	9.3%	5.3%	3.8429	-3.7%
FY07 (2006)	19.9%	4.5%	3.9895	-12.7%
FY06 (2005)	9.9%	7.4%	4.5690	-2.3%
FY05 (2004)	4.7%	2.0%	4.6783	-2.6%
FY04 (2003)	3.9%	1.5%	4.8031	-2.3%
FY03 (2002)	4.6%	2.7%	4.9175	-1.8%
FY02 (2001)	5.8%	6.0%	5.0061	0.1%



Property Tax Reform

	FY07	FY08		Impact		
	Rate	Rolled-Back	Max HB 1B	Current	Rolled-back	Revenue Loss
County-wide	4.9989	4.5872	4.3578	-13%	-5%	-\$20.6M
Roads MSTU	0.1228	0.1124	0.1068	-13%	-5%	-\$0.3M
EMS/Fire MSTU	2.6334	2.4020	2.3299	-12%	-3%	-\$6.0M
Sub-total	7.7551	7.1016	6.7945	-12%	-4%	-\$26.9M
Voted Debt	0.1451	0.1451	0.1451			
Total	7.9002	7.2467	6.9396			





Property Tax Reform

General Fund Comparison of Maximum Millage Rate under HB 1B

	Millage Rate HB 1B	Revenue HB 1B	Revenue 4.9989 Mills
FY07 (2006)	4.9989	\$142.6	\$142.6
FY08 (2007)	4.3578	\$140.1	\$160.7
FY09 (2008)	4.2748	\$147.4	\$172.3
FY10 (2009)	4.1934	\$154.8	\$184.5
FY11 (2010)	4.1135	\$162.4	\$197.3
FY12 (2011)	4.0351	\$170.2	\$210.8
	5 Year Impact	\$150.7	

(Amounts in Millions)



Property Tax Reform

Fire Fund Comparison of Maximum Millage Rate under HB 1B

	Millage Rate HB 1B		Revenue HB 1B	Revenue 2.6334 Mills
FY07 (2006)	2.6334		\$46.1	\$46.1
FY08 (2007)	2.3299		\$45.9	\$51.9
FY09 (2008)	2.2855		\$48.4	\$55.8
FY10 (2009)	2.2420		\$50.9	\$59.8
FY11 (2010)	2.1993		\$53.5	\$64.1
FY12 (2011)	2.1574		\$56.2	\$68.5
5 Year Impact			\$45.2	

(Amounts in Millions)



Property Tax Reform

Proposed Constitutional Amendment – SJR 2D

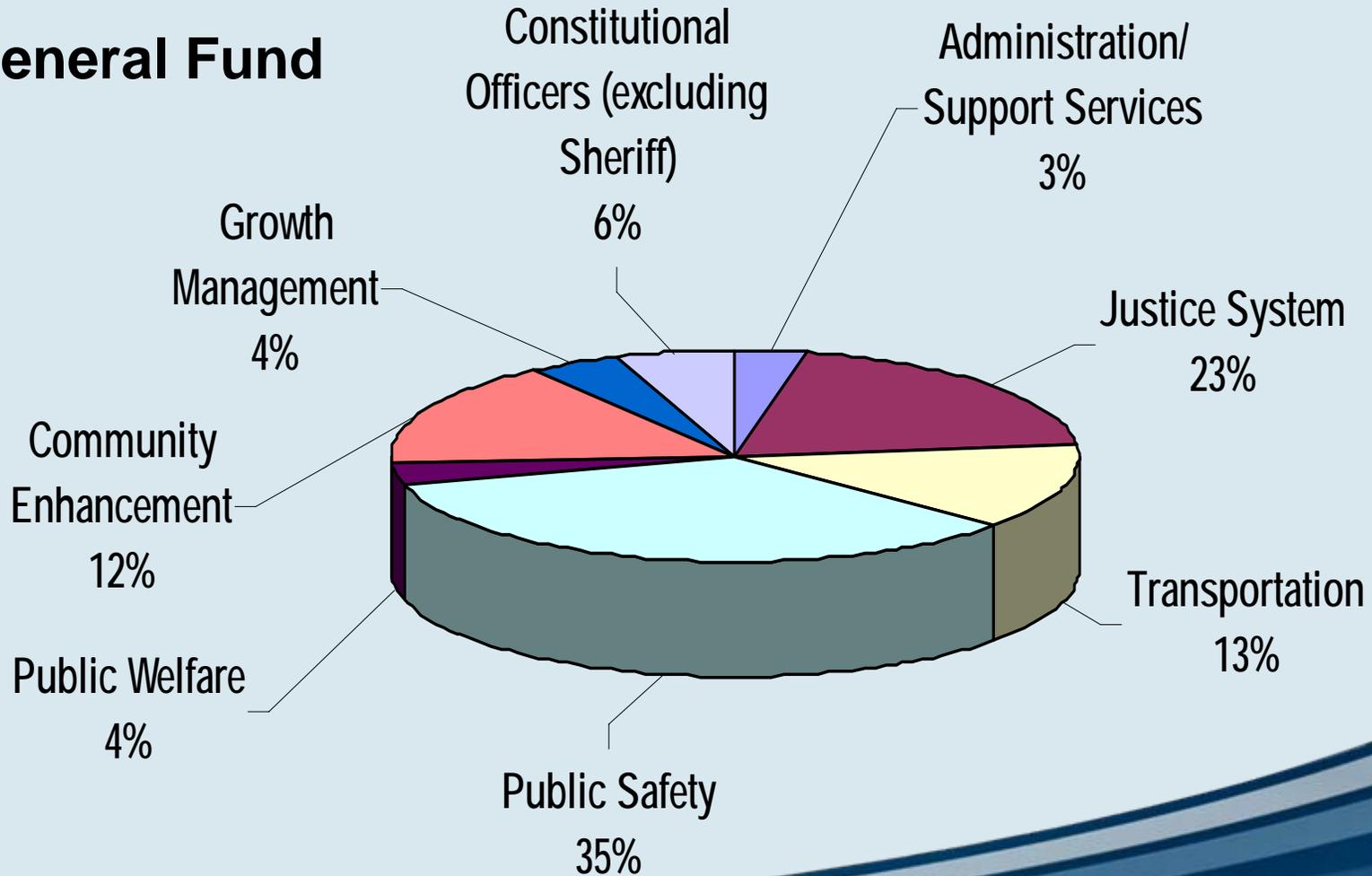
- **Ballot January 29, 2008**
- **Effective October 1, 2008**
 - *2008 Tax Roll*
 - *Fiscal Year 2008/09*
- **County-wide Estimated Revenue Impact = \$34.2M**
 - *Seminole County Government = \$20.0M*
 - **General Fund = \$15.1M (7%)**
 - **Fire Fund = \$4.9M (10%)**





Property Tax Reform

General Fund





Property Tax Reform

Proposed Constitutional Amendment – SJR 2D

- **Modified Homestead Exemption**
- **Portability of Save Our Homes**
- **Tangible Personal Property Exemption**
- **Non-Homesteaded Property Assessment Cap**





Property Tax Reform

Modified Homestead Exemption

■ Provision:

- *Additional \$25,000 Homestead Exemption*
- *Applicable to Assessed Value \$50K-\$75K*
- *Does not apply to School Taxes*

■ Revenue Impact = \$19.3M

- *Seminole County \$13.7M*
 - **General Fund = \$10.4M**
 - **Fire Fund = \$3.3M**

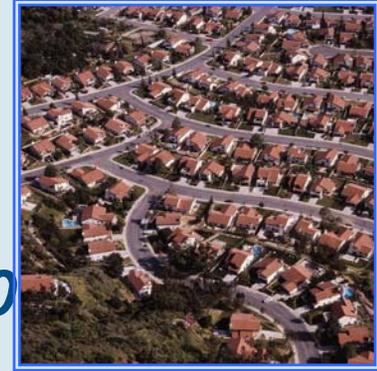




Property Tax Reform

Portability of Save Our Homes

Provision:

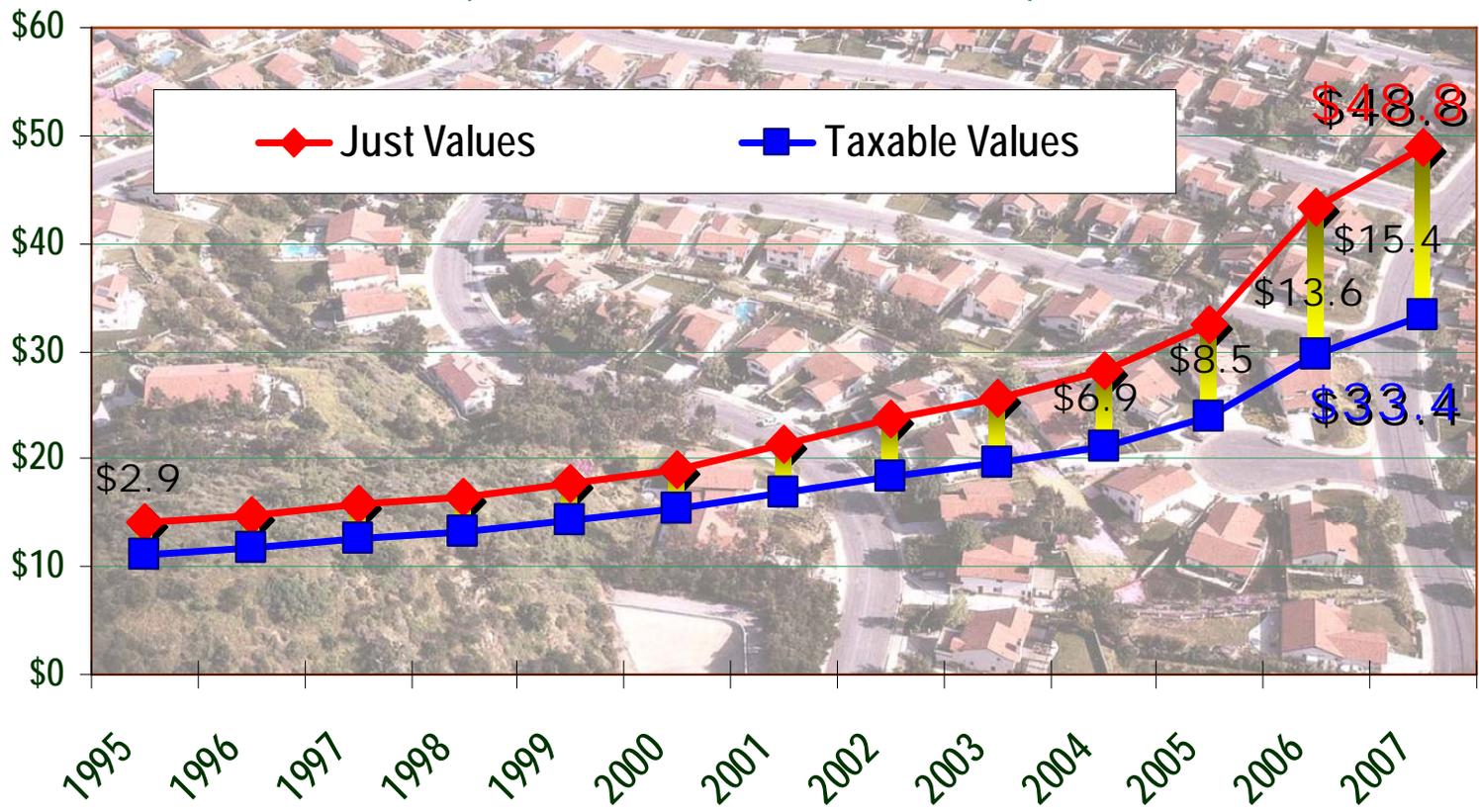


- *Transfer to New Homestead up to \$500,000*
- *Downsizing: Proportional to Value of New Homestead*
- *Two Years to Transfer*
- *Applies to School Taxes (Estimated \$6.7M)*
- **Estimated Revenue Impact = \$12.7M to \$14.7M**
 - *Seminole County = \$5.4M*
 - **General Fund = \$4.1M**
 - **Fire Fund = \$1.3M**



Property Tax Reform

(Amounts in Billions)





Property Tax Reform

Tangible Personal Property Exemption

Provision:

- *Exempts \$25,000 of TPP Assessed Value*
- *Applies to School Taxes*
- *Helps Small Business Owners*
- **Estimated Revenue Impact = \$1.2M**
 - *Seminole County = \$900K*
 - **General Fund = \$600K**
 - **Fire Fund = \$300KM**





Property Tax Reform

Non-Homesteaded Property Assessment Cap

Provision:

- *10% Assessment Cap*
 - *Sunsets After 10 Years (Unless Voter Re-approval)*
 - *Does not apply to School Taxes*
 - *Helps owners to plan, minimizes extreme increases*
- **Estimated Revenue Impact**
 - *Minimal*





Property Tax Reform

Language Not Included From Original 2007D Session Proposal

- No Local Government Revenue Caps
- No Exemption for Low-Income Seniors
- No Exemption for First-time Homebuyers
- No Provisions for Affordable Housing
- No Working Waterfront Assessment Provisions
- No Property Appraisers Provisions



Property Tax Reform

Critique of SJR 2D:

- As a package the Proposal does not address equity issues being faced in current system (makes them worse).
- Economic effects not studied.
- Replacement funding for Schools and fiscally constrained local governments not identified.
- Preempts the work of the constitutional Taxation & Budget Reform Commission



Property Tax Reform

How Will Seminole County Respond???





Property Tax Reform

Strategic Planning & Program/Service Inventory Evaluation

- Focused on review of service delivery in five main functional areas:

- *Transportation/Physical Environment*
- *Public Safety*
- *Economic Environment/Human Services*
- *Cultural & Recreation*
- *Internal Support Services*





Property Tax Reform

Approach Focused on:

- **Long-term Fiscal Sustainability**
- **Community/Customer Perspective**
- **Delivery of Competitive Services**
- **Foster a Positive, High Performing Work Environment**



SEMINOLE COUNTY

**Property Tax Reform
Questions???**
**Call the Department of Fiscal Services
at 407-665-7176**

Seminole County Government