



To: Honorable Mayor and Village Council

Date: July 3, 2013

From: Ron E. Williams, Village Manager

Re: FY 2013-2014 Maximum
Millage Rate and Budget Hearings

A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, RELATING TO AD-VALOREM TAXES; ESTABLISHING THE PROPOSED MAXIMUM MILLAGE RATE AND SETTING THE DATES, TIMES AND LOCATION FOR THE FIRST AND SECOND BUDGET HEARINGS FOR FY 2013-2014; FURTHER DIRECTING THE VILLAGE CLERK TO FILE SAID RESOLUTION WITH THE MIAMI-DADE COUNTY PROPERTY APPRAISER; AND PROVIDING FOR AN EFFECTIVE DATE.

BACKGROUND AND ANALYSIS:

The procedures and timetables for taxation and the establishment of the Village budget are governed by a series of rules of both the State of Florida and Miami-Dade County. These rules are generally referred to as TRIM (Truth in Millage) rules. This resolution deals with three (3) important TRIM rules: establishment of the maximum millage rate, rollback millage rate, and scheduling of formal budget public hearings.

Maximum Millage Rate:

A primary source of revenue for municipal government is the property or ad valorem tax base. Property taxes apply to commercial and residential real property, and also commercial personal property. The rate at which property is taxed is referred to as the millage rate. The amount of taxes paid by a property owner is determined by multiplying the millage rate times each \$1,000.00 of assessed property value.

Local jurisdictions are required, at the beginning of the budget process, to establish a maximum millage rate. This rate will be advertised by the Village and also mailed by the Miami-Dade Property Appraiser. The initial maximum rate may be decreased by the Village Council during the budget process, but it cannot be increased except under extraordinary circumstances.

The Miami-Dade County Property Appraiser has estimated the Taxable Value within the Village of Palmetto Bay at approximately \$2,400,102,401. This valuation represents a 0.06% decrease from Fiscal Year 2012-13 level of \$2,414,961,782.

It is important to highlight that while the total market value of property within the Village might have decreased, this is not necessarily reflected in an individual homeowner's assessment. Homeowners are taxed based on the assessed value of their home, as compared to the appraised or fair market value of their home. Changes in the overall assessment are due primarily to three factors: new construction, resale of existing homes, and increased value of commercial property now capped at 10%. A Palmetto Bay homeowner may have realized a 0.06% decrease in the market value of their home this past year, but the assessed value can still go up by the lesser of 3% or the Consumer Price Index (CPI), which happens to be also 1.7% as of December 2012. The Save Our Home (SOH) recapture clause, allows the assessed value to increase as long as the market value is not exceeded. Palmetto Bay homeowners that have owned their property for a long time generally have a larger spread between their assessed value and market value, and therefore might still see an increase in the assessed value.

Budget Hearing Schedule:

The Village is required to hold two formal Budget Public Hearings. There are guidelines on when these hearings must be held. Additionally, a local municipality cannot hold a budget hearing on the same date as either the County or the School Board. There are also special advertising requirements for these hearings. The Village Charter requires that the budget be adopted no later than September 30.

It is recommended, given these constraints, that the following schedule be established:

First Budget Hearing	Monday, September 9, 2013 7:00 PM	Village of Palmetto Bay Municipal Center 9705 E Hibiscus Street Palmetto Bay, FL 33157
Second Budget Hearing	Wednesday, September 18, 2013 7:00 PM	Village of Palmetto Bay Municipal Center 9705 E Hibiscus Street Palmetto Bay, FL 33157

RECOMMENDATION:

The Administration is recommending using the current millage rate of 2.4470 as the maximum millage for the Village of Palmetto Bay for Fiscal Year 2013-2014.

Approval is recommended.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, RELATING TO AD VALOREM TAXES; ESTABLISHING THE PROPOSED MAXIMUM MILLAGE RATE AND SETTING THE DATES, TIMES AND LOCATION FOR THE FIRST AND SECOND BUDGET HEARINGS FOR FY 2013-2014; FURTHER DIRECTING THE VILLAGE CLERK TO FILE SAID RESOLUTION WITH THE MIAMI-DADE COUNTY PROPERTY APPRAISER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Village has received the Certification of Taxable Value from the Miami-Dade County Property Appraiser; and,

WHEREAS, the Village is required under State Statutes to establish and furnish to the Property Appraiser the proposed maximum millage rate and the dates, times and location(s) at which public hearings will be held to consider the FY 2013-2014 millage rate and budget; and,

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PLAMETTO BAY, FLORIDA, AS FOLLOWS:

Section 1. The proposed maximum millage rate for the Village of Palmetto Bay for FY 2013-2014 is established at 2.4470 mills, which is \$2.4470 for each \$1,000.00 of assessed property within the Village of Palmetto Bay.

Section 2. The proposed date and place of the first and second public hearings are scheduled as follows:

First Budget Hearing	Monday, September 9, 2013 7:00 PM	Village of Palmetto Bay Municipal Center 9705 E Hibiscus Street Palmetto Bay, FL 33157
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Second Budget Hearing	Wednesday, September 18, 2013 7:00 PM	Village of Palmetto Bay Municipal Center 9705 E Hibiscus Street Palmetto Bay, FL 33157
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Section 3. The Village Clerk is directed to file the original certification of Taxable Value and a certified copy of this resolution to the Property Appraiser.

Section 4. This Resolution shall take effect immediately upon enactment.

