

## BASIC INFORMATION ON PROPERTY TAXES

The calculation of assessed value of real and tangible personal property and how much of this value is subject to ad valorem taxation varies from state to state. In Florida, each county has an elected Property Appraiser whose office supervises the valuation process following the appropriate state laws, regulations and professional guidelines.

### EXEMPTIONS

Florida law provides specific exemptions to reduce the value of property subject to taxation. Some of the more frequently used exemptions are:

**Homestead** - For all permanent residents of Florida, the first \$25,000 of the value of an owner-occupied residence is exempt. Certain elderly low-income homeowners may also qualify for an additional exemption called the *Senior Homestead Exemption*. The Board of County Commissioners set this additional exemption at \$25,000.

**Government** - All property owned by a government is exempt.

**Widows** - An additional \$500 in value is exempt if the resident-owner is a widowed permanent resident.

**Disability** - In addition to any other exemptions, an additional \$500 in value is exempt for totally and permanently disabled or blind residents.

**Institutional** - All properties of non-profit organizations used for literary, scientific, educational and charitable purposes are exempt.

### COMPUTING PROPERTY TAXES

To compute the property tax on a parcel, you need to know three factors: the assessed value as determined by the Property Appraiser; the amount of the value which is not subject to the tax due to the application of exemptions; and the millage rate authorized by a taxing authority. For example:

Start with the

*ASSESSED PROPERTY VALUE = \$100,000*

Minus the amount of any *EXEMPTIONS*:

For example, Homestead Exemption = \$25,000

This results in a

*TAXABLE PROPERTY VALUE = \$75,000*

Then divide the TAXABLE VALUE BY 1,000 = \$75

Multiply this answer by the levied millage. For instance, using the FY 04 adopted countywide millage rate of 7.1877 per thousand dollars of taxable value, the countywide property tax for this property would be:

*\$75 X 7.1877 Mills = \$539*

### THE AGGREGATE ROLLED-BACK RATE

In recent years, much of the legislation in Florida governing the setting of millage rates has been centered on the concept of the "rolled-back rate". The "rolled-back rate" is that millage rate which when applied to the total amount of taxable value of property (excluding new construction) produces the same amount of revenue as the previous year.

The "rolled-back rate" is used as a standardized point of comparison to show how millage rates are changing from one year to the next. The purpose of the "rolled-back rate" calculation is to allow local governments in Florida to identify when they are drawing more tax revenue from existing property. For example, an increase in the assessment of existing property draws more tax revenue for governments even when those governments keep the same millage rates as the previous year. The aggregate "rolled-back rate" varies significantly from the total millage rate because the combined ad valorem revenue from the General Revenue Fund, MSTU, and Library Fund is divided by the countywide taxable value in calculating the "aggregate rolled-back rate" even though ad valorem revenue from the Special Library District millage and the MSTU millage is generated from smaller tax bases.

At the public hearings in September, the County is required to show how proposed millage rates compare to the "aggregate rolled-back rate" and to identify why the proposed rate differs from the "aggregate rolled-back rate".

The following example demonstrates how to compute the "aggregate rolled-back rate", the millage rate that will generate the same ad valorem tax revenues exclusive of new construction, additions to structures, etc.

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### ***CALCULATION OF THE ESTIMATED AGGREGATE ROLLED-BACK RATE***<sup>1</sup>

**Property Taxes Collected in the Previous Year for the General Revenue Fund, MSTU, and Library District = \$498,490,896**

**Divided by**

**The Taxable Value of Countywide Property Less New Construction in the Current Year = \$49,108,644,020**

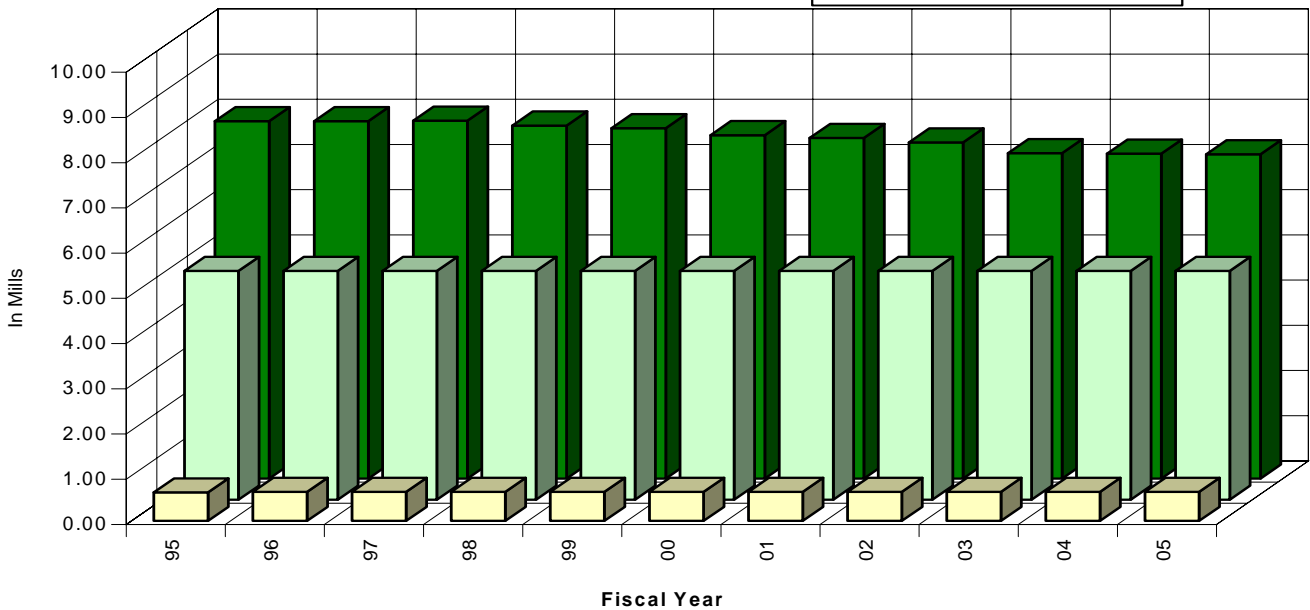
**Equals the Aggregate Rolled-Back Rate of  
10.1508 Mills or \$10.15 per \$1,000 of Taxable Value**

**A Similar Computation is Performed Using the Millages as Proposed for the Next Fiscal Year.**

**The Calculated Proposed Aggregate Millage Rate for Fiscal Year 04 is 10.7999 Mills, or 6.395% Over the Aggregate Rolled-Back Rate.**

### **HILLSBOROUGH COUNTY AD VALOREM OPERATING MILLAGES**

FY 04 includes a .02 mill decrease in the Countywide operating millage. FY 05 includes an additional .02 mill decrease



Library
  Unincorporated General Fund (MSTU)
  Countywide

<sup>1</sup> Florida Statutes require the budget estimate be based on the Property Appraiser's July 1 preliminary certification. Due to taxable value adjustments made after July 1st by the Property Appraiser and Value Adjustment Board, actual property taxes collected will differ from estimated collections used for budget purposes

**IMPACT OF LOCAL TAXES ON A FAMILY IN THE UNINCORPORATED  
AREA OF HILLSBOROUGH COUNTY WITH A HOUSE ASSESSED  
AT \$100,000, LESS A \$25,000 HOMESTEAD EXEMPTION  
(\$75,000 TAXABLE VALUE)**

|   | FY 99             | FY 00             | FY 01             | FY 02             | FY 03             | FY 04<br>Adopted  | FY 05<br>Planned  |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>TAXES LEVIED COUNTYWIDE</b>            |                   |                   |                   |                   |                   |                   |                   |
| BOCC - General Fund                       | \$581.25          | \$569.76          | \$565.02          | \$557.62          | \$539.87          | \$539.08          | \$537.96          |
| BOCC - General Obligation Debt            | 11.80             | 13.91             | 11.15             | 9.55              | 8.55              | 7.84              | 7.46              |
| Southwest Florida Water Mgmt District *   | 31.65             | 31.65             | 31.65             | 31.65             | 31.65             | 31.65             | 31.65             |
| School Board (incl. General Oblig. Debt)* | 714.83            | 680.33            | 653.63            | 643.95            | 644.63            | 636.00            | 636.00            |
| Children's Board *                        | 31.28             | 31.28             | 31.28             | 31.28             | 37.50             | 37.50             | 37.50             |
| Port Authority*                           | 23.25             | 23.25             | 22.13             | 21.75             | 21.75             | 21.75             | 21.75             |
| <b>TOTAL COUNTYWIDE TAXES</b>             | <b>\$1,394.05</b> | <b>\$1,350.17</b> | <b>\$1,314.84</b> | <b>\$1,295.79</b> | <b>\$1,283.94</b> | <b>\$1,273.82</b> | <b>\$1,272.32</b> |
| <b>TAXES LEVIED WITHIN SPECIFIC AREAS</b> |                   |                   |                   |                   |                   |                   |                   |
| Library District                          | \$48.17           | \$48.17           | \$48.17           | \$48.17           | \$48.17           | \$48.17           | \$48.17           |
| Municipal Services Taxing Unit (MSTU) **  | 379.66            | 379.66            | 379.66            | 379.66            | 379.66            | 379.66            | 379.66            |
| MSTU Parks General Obligation Debt **     | 6.07              | 6.37              | 5.51              | 4.38              | 3.75              | 3.41              | 3.29              |
| Hillsborough Area Regional Transit*       | 37.50             | 37.50             | 37.50             | 37.50             | 37.50             | 37.50             | 37.50             |
| Hillsborough River Basin*                 | 21.38             | 21.38             | 21.38             | 21.38             | 21.38             | 21.38             | 21.38             |
| <b>TOTAL TAXES WITHIN SPECIFIC AREAS</b>  | <b>\$492.77</b>   | <b>\$493.07</b>   | <b>\$492.21</b>   | <b>\$491.09</b>   | <b>\$490.46</b>   | <b>\$490.12</b>   | <b>\$490.00</b>   |
| <b>TOTAL AD VALOREM TAXES</b>             | <b>\$1,886.82</b> | <b>\$1,843.24</b> | <b>\$1,807.05</b> | <b>\$1,786.88</b> | <b>\$1,774.40</b> | <b>\$1,763.93</b> | <b>\$1,762.31</b> |
| \$ change from preceding year:            | (\$44.21)         | (\$43.58)         | (\$36.19)         | (\$20.18)         | (\$12.48)         | (\$10.46)         | (\$1.62)          |
| % change from preceding year:             | (2.3%)            | (2.3%)            | (2.0%)            | (1.1%)            | (0.7%)            | (0.6%)            | (0.1%)            |

Notes:

- \* Not a tax levy, assessment, or fee of the Board of County Commissioners (BOCC)
- \*\* Homeowners residing within the municipalities of Tampa, Temple Terrace, or Plant City pay city taxes instead of the MSTU taxes. The Hillsborough Area Regional Transit Tax is not levied in Plant City. The Library District tax is not levied in Temple Terrace or Plant City.

Assumptions:

- Excludes any exemption other than the homestead exemption.
- Excludes any other special district assessment (i.e., street lighting tax district or maintenance district).
- For the purposes of consistency, the Hillsborough River Basin was selected. Other basins have different tax rates.

## MILLAGE COMPARISON

|                                   | FY 02<br>ADOPTED |                      | FY 03<br>ADOPTED |                      |
|-----------------------------------|------------------|----------------------|------------------|----------------------|
|                                   | MILLAGE          | LEVY                 | MILLAGE          | LEVY                 |
| <b>COUNTYWIDE</b>                 |                  |                      |                  |                      |
| OPERATING                         |                  |                      |                  |                      |
| General Revenue Fund              | 7.3122           | \$312,655,433        | 7.0622           | \$328,234,511        |
| Environ. Sensitive Lands          | 0.1227           | 5,246,413            | 0.1360           | 6,320,961            |
| <b>TOTAL OPERATING</b>            | 7.4349           | 317,901,846          | 7.1982           | 334,555,472          |
| DEBT SERVICE                      |                  |                      |                  |                      |
| Environ. Sensitive Lands          | 0.1273           | 5,455,004            | 0.1140           | 5,313,982            |
| <b>TOTAL DEBT</b>                 | 0.1273           | 5,455,004            | 0.1140           | 5,313,982            |
| <b>TOTAL OPERATING &amp; DEBT</b> | 7.5622           | 323,356,850          | 7.3122           | 339,869,454          |
| <b>NON COUNTYWIDE</b>             |                  |                      |                  |                      |
| OPERATING                         |                  |                      |                  |                      |
| General Purpose MSTU              | 5.0621           | 126,786,064          | 5.0621           | 138,434,671          |
| Library Services                  | 0.6423           | 26,094,119           | 0.6423           | 28,446,054           |
| <b>TOTAL OPERATING</b>            | 5.7044           | 152,880,183          | 5.7044           | 166,880,725          |
| DEBT SERVICE                      |                  |                      |                  |                      |
| Parks & Recreation Bonds          | 0.0584           | 1,462,695            | 0.0500           | 1,367,364            |
| <b>TOTAL OPERATING &amp; DEBT</b> | 5.7628           | 154,342,878          | 5.7544           | 168,248,089          |
| <b>TOTAL BOCC</b>                 | <b>13.3250</b>   | <b>\$477,699,728</b> | <b>13.0666</b>   | <b>\$508,117,543</b> |

| <b>TAXABLE PROPERTY VALUES</b>  |                  |                  |
|---------------------------------|------------------|------------------|
|                                 | FY 02            | FY 03            |
| <b>COUNTYWIDE</b>               |                  |                  |
| Value of Existing Property      | \$41,182,380,113 | \$44,676,183,083 |
| Value of New Construction       | 1,575,672,535    | 1,801,474,167    |
| <b>Total Taxable Value</b>      | \$42,758,052,648 | \$46,477,657,250 |
| <b>ELAPP Debt Service</b>       |                  |                  |
| Value of Existing Property      | \$41,275,887,843 | \$44,812,399,115 |
| Value of New Construction       | 1,575,672,535    | 1,801,474,167    |
| <b>Total Taxable Value</b>      | \$42,851,560,378 | \$46,613,873,282 |
| <b>UNINCORPORATED(MSTU)</b>     |                  |                  |
| Value of Existing Property      | \$24,018,461,131 | \$26,270,885,737 |
| Value of New Construction       | 1,027,678,612    | 1,076,395,212    |
| <b>Total Taxable Value</b>      | \$25,046,139,743 | \$27,347,280,949 |
| <b>SPECIAL LIBRARY DISTRICT</b> |                  |                  |
| Value of Existing Property      | \$39,105,071,950 | \$42,557,580,953 |
| Value of New Construction       | 1,520,989,586    | 1,730,218,500    |
| <b>Total Taxable Value</b>      | \$40,626,061,536 | \$44,287,799,453 |

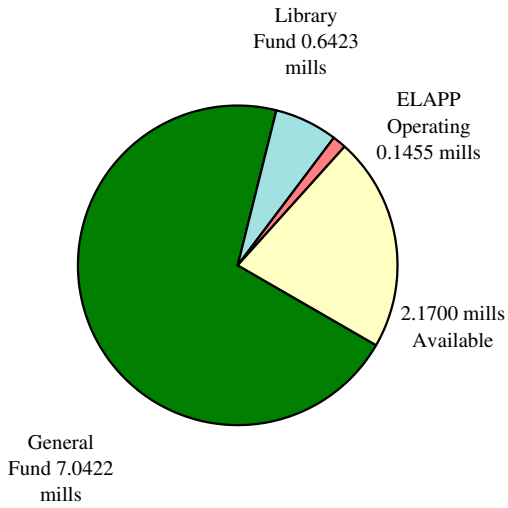
## MILLAGE COMPARISON

|                                   | FY 04<br>ADOPTED |                      | FY 05<br>PLANNED |                      |
|-----------------------------------|------------------|----------------------|------------------|----------------------|
|                                   | MILLAGE          | LEVY                 | MILLAGE          | LEVY                 |
| <b>COUNTYWIDE</b>                 |                  |                      |                  |                      |
| OPERATING                         |                  |                      |                  |                      |
| General Revenue Fund              | 7.0422           | \$356,498,962        | 7.0222           | \$378,522,021        |
| Environ. Sensitive Lands          | 0.1455           | 7,365,681            | 0.1506           | 8,117,886            |
| <b>TOTAL OPERATING</b>            | 7.1877           | 363,864,643          | 7.1728           | 386,639,907          |
| DEBT SERVICE                      |                  |                      |                  |                      |
| Environ. Sensitive Lands          | 0.1045           | 5,306,490            | 0.0994           | 5,374,592            |
| <b>TOTAL DEBT</b>                 | 0.1045           | 5,306,490            | 0.0994           | 5,374,592            |
| <b>TOTAL OPERATING &amp; DEBT</b> | 7.2922           | 369,171,133          | 7.2722           | 392,014,499          |
| <b>NON COUNTYWIDE</b>             |                  |                      |                  |                      |
| OPERATING                         |                  |                      |                  |                      |
| General Purpose MSTU              | 5.0621           | 151,833,162          | 5.0621           | 162,370,383          |
| Library Services                  | 0.6423           | 31,029,842           | 0.6423           | 33,040,575           |
| <b>TOTAL OPERATING</b>            | 5.7044           | 182,863,004          | 5.7044           | 195,410,958          |
| DEBT SERVICE                      |                  |                      |                  |                      |
| Parks & Recreation Bonds          | 0.0455           | 1,364,732            | 0.0439           | 1,408,123            |
| <b>TOTAL OPERATING &amp; DEBT</b> | 5.7499           | 184,227,736          | 5.7483           | 196,819,081          |
| <b>TOTAL BOCC</b>                 | <b>13.0421</b>   | <b>\$553,398,869</b> | <b>13.0205</b>   | <b>\$588,833,580</b> |

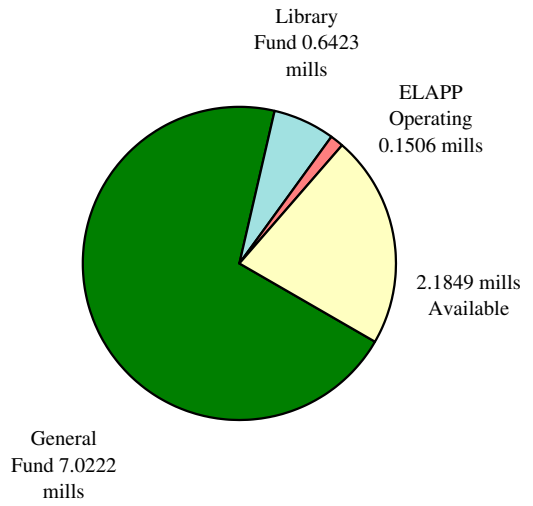
| <b>TAXABLE PROPERTY VALUES</b>  |                  |                  |
|---------------------------------|------------------|------------------|
|                                 | FY 04            | FY 05            |
| <b>COUNTYWIDE</b>               |                  |                  |
| Value of Existing Property      | \$49,108,644,020 | \$52,290,884,152 |
| Value of New Construction       | 1,514,593,187    | 1,612,738,826    |
| <b>Total Taxable Value</b>      | \$50,623,237,207 | \$53,903,622,978 |
| <b>ELAPP DEBT SERVICE</b>       |                  |                  |
| Value of Existing Property      | \$49,265,212,913 | \$52,457,598,710 |
| Value of New Construction       | 1,514,593,187    | 1,612,738,826    |
| <b>Total Taxable Value</b>      | \$50,779,806,100 | \$54,070,337,535 |
| <b>UNINCORPORATED(MSTU)</b>     |                  |                  |
| Value of Existing Property      | \$28,908,133,719 | \$30,914,358,199 |
| Value of New Construction       | 1,085,971,808    | 1,161,338,251    |
| <b>Total Taxable Value</b>      | \$29,994,105,527 | \$32,075,696,451 |
| <b>SPECIAL LIBRARY DISTRICT</b> |                  |                  |
| Value of Existing Property      | \$46,824,246,677 | \$49,858,457,862 |
| Value of New Construction       | 1,486,264,929    | 1,582,574,896    |
| <b>Total Taxable Value</b>      | \$48,310,511,606 | \$51,441,032,758 |

# MILLAGE COMPARISON

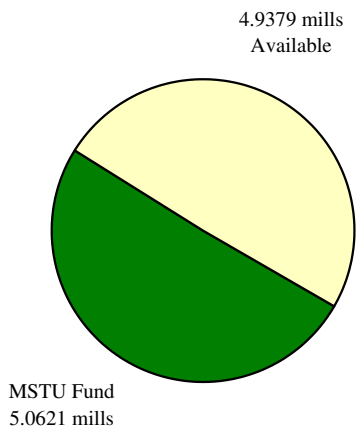
**Hillsborough County's  
Use of the Countywide  
10-mill Cap - FY 04**



**Hillsborough County's  
Use of the Countywide  
10-mill Cap - FY 05**



**Hillsborough County's  
Use of the Unincorporated Area  
10-mill Cap - FY 04**



**Hillsborough County's  
Use of the Unincorporated Area  
10-mill Cap - FY 05**

