

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: TENTATIVE ADOPTION OF MILLAGE LEVY RESOLUTION
FOR FY 2013-14

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL
RELATIONS

**LINK TO STRATEGIC
FRAMEWORK:** FINANCIAL EFFICIENCY/STABILITY

Florida Statutes prescribe that no millage shall be levied until a resolution or ordinance has been approved by the governing body of the taxing authority, which resolution must be approved by said taxing authority according to the following procedures:

- a. Each school district shall advertise its intent to adopt a tentative budget in a newspaper of general circulation within 29 days of certification of value which is July 1. (The advertisement will appear in the **Miami Herald** on July 22.)
- b. Two to five days thereafter, the district shall hold a public hearing on the tentative budget.
- c. Said hearing shall not be held earlier than 5:00 p.m. if scheduled on a day other than Saturday. No hearing shall be held on Sunday.
- d. Prior to the conclusion of said hearing, the governing body of the taxing authority shall amend the tentative budget as it sees fit, adopt a tentative budget, and adopt a resolution stating the millage rate to be levied. The resolution shall also state the percentage, if any, by which the recomputed millage rate exceeds the rollback rate. The percentage shall be characterized as the percentage increase in property taxes tentatively adopted by the governing body. **The Millage Levy Resolution must be adopted prior to adoption of the Tentative Budget.**
- e. The millage rate adopted at the final budget hearing shall not exceed the millage rate adopted at this tentative budget hearing unless each taxpayer within Miami-Dade County is sent notice by first-class mail of the tax levy to be proposed at the final budget hearing, except under specific conditions prescribed in 200.065(5), Florida Statutes.

f. For FY 2013-14, the maximum **non-voted tax millage as advertised** (exclusive of debt service) that may be levied by the Board, if approved by a vote of a majority of the membership of the Board, is calculated to be 7.644 mills.

The total millage, consisting of both voted and non-voted levies, is 7.977 mills (see page 6). The total millage levy represents a decrease of (.021) mills from FY 2012-13. The **non-voted** millage levy, certified by the Commissioner of Education on July 16, 2013, consists of the following: (a) state-required levy of 5.396 mills to participate in the Florida Education Finance Program; (b) a basic discretionary levy of .687 mills for additional operating costs; (c) a discretionary levy of 1.561 mills for capital purposes. Up to .25 mills of the discretionary operating levy may be transferred to discretionary capital outlay. The **voted** millage consists of a debt service levy of .333 mills required to fund the principal and interest payments and the historic tax roll yield shortfall in the Debt Service Fund and \$300 million of bonds as authorized by referendum in November 2012. (\$1.2 billion authorized by the voters.)

The **total recommended non-voted millage levy** for FY 2013-14 of 7.644 mills is lower than the prior year's level, but represents a 6.41% **increase** in the current year's total proposed rate as a percent change of the rolled-back rate, calculated pursuant to law. In an effort to eliminate automatic revenue growth due to increasing property values, the Florida Legislature enacted statutes known as Truth-in-Millage (TRIM). TRIM requires a calculation of the change in millage rates from one year to the next called the "Rolled-Back Rate". The "rolled-back rate" is the millage that would be necessary to generate the **same amount of dollars** as the previous fiscal year, excluding new construction. The proposed millage rate is compared to the "rolled-back rate" and translated into a percentage. The percentage increase that must be used in published advertisements reflects the percent change of the required portion of taxes which is an increase of 4.97%.

On July 8, 2013, the Board received Agenda Items E-14, Authorization to Advertise Proposed Tentative Budget and Millage Levies for FY 2013-14. The Required Local Effort Millage was reduced due to statewide School Taxable Value increasing from \$1.392 billion used during the 2013 Legislative Session to \$1.421 billion received on July 16, 2013.

Page 6 reflects the proposed FY 2013-14 millage levy and actual millage levies for the three prior years and the tax effects using the average assessed value from each year. **The proposed total millage levy for FY 2013-14 is (.021) mills lower than FY 2012-13.** However, due to increases in the average assessed value, **annual taxes on the average homestead will increase \$23.38; during the three year period beginning FY 2010-11, the average homestead property tax decreased by \$(27.82) annually.**

The tax effect on the **typical homeowner participating in the Save Our Homes program**, however, **will actually be \$20.13 higher** than the prior year if the homeowner resided in the same homestead with no property improvements (i.e. added on to). The increase for the **typical homeowner** is due to a 1.7% capped increase (CPI level was 1.7%) in assessed value partially offset by a decrease in the millage levy rate.

NOTE: This item is one of two items which are part of the 6:00 p.m. public hearing, which should be discussed only at that time and should be approved first.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to:

1. tentatively adopt the millage rates below:
 - a) locally levied Discretionary Operating millage levy of .687 mills and Capital Outlay millage levy of 1.561 mills;
 - b) state established and Required Local Effort millage levy of 5.396 mills; and
 - c) Debt Service levy of .333 mills.
2. tentatively adopt the millage resolution for FY 2013-14 for a total of 7.977 mills.

Please return completed form to:
 Florida Department of Education
 Office of Funding and Financial Reporting
 325 W. Gaines St., Room 824
 Tallahassee, FL 32399-0400

FLORIDA DEPARTMENT OF EDUCATION

RESOLUTION DETERMINING
 REVENUES AND MILLAGES LEVIED

RESOLUTION OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, DETERMINING THE AMOUNT OF REVENUES TO BE PRODUCED AND THE MILLAGE TO BE LEVIED FOR THE GENERAL FUND, FOR THE DISTRICT LOCAL CAPITAL IMPROVEMENT FUND, AND FOR DISTRICT DEBT SERVICE FUNDS FOR THE FISCAL YEAR BEGINNING JULY 1, 2013, AND ENDING JUNE 30, 2014.

WHEREAS, Section 1011.04, Florida Statutes, requires that upon receipt of the certificate of the property appraiser giving the assessed valuation of the county and of each of the special tax school districts, the school board shall determine, by resolution, the amounts necessary to be raised for current operating purposes and for debt service funds and the millage to be levied for each such fund, including the voted millage; and

WHEREAS, Section 1011.71, Florida Statutes, provides for the amounts necessary to be raised for local capital improvement outlay and the millage to be levied; and

WHEREAS, the certificate of the property appraiser has been received;

THEREFORE, BE IT RESOLVED by the District School Board that the amounts necessary to be raised as shown by the officially adopted budget and the millages necessary to be levied for each school fund of the district for the fiscal year are as follows:

DISTRICT SCHOOL TAX (non-voted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>215,102,167,528</u>	Required Local Effort	\$ <u>1,078,952,472</u>	<u>5.2250</u> mills <small>s. 1011.62(4), F.S.</small>
	Prior Period Funding Adjustment Millage	\$ <u>35,311,173</u>	<u>0.1710</u> mills <small>s. 1011.62(4)(e), F.S.</small>
	Total Required Millage	\$ <u>1,114,263,645</u>	<u>5.3960</u> mills

DISTRICT SCHOOL TAX DISCRETIONARY MILLAGE (non-voted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>215,102,167,528</u>	Discretionary Operating	\$ <u>141,864,181</u>	<u>0.6870</u> mills <small>s. 1011.71(1), F.S.</small>

DISTRICT SCHOOL TAX ADDITIONAL MILLAGE (voted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ _____	Additional Operating	\$ _____	_____ mills <small>ss. 1011.71(9) and 1011.73(2), F.S.</small>
	Additional Capital Improvement	\$ _____	_____ mills <small>s. 1011.73(1), F.S.</small>

4. DISTRICT LOCAL CAPITAL IMPROVEMENT TAX (non-voted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>215,102,167,528</u>	Local Capital Improvement	\$ <u>309,747,121</u>	<u>1.5000</u> mills s. 1011.71(2), F.S.
	Discretionary Capital Improvement	\$ <u>12,596,383</u>	<u>0.0610</u> mills s. 1011.71(3)(a), F.S.

5. DISTRICT DEBT SERVICE TAX (voted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>215,102,167,528</u>	<u>VOTED DEBT</u>	\$ <u>68,763,861</u>	<u>0.3330</u> mills s. 1010.40, F.S.
		\$ <u>0</u>	<u>0</u> mills s. 1011.74, F.S.
		\$ <u>0</u>	<u>0</u> mills

6. THE TOTAL MILLAGE RATE TO BE LEVIED EXCEEDS IS LESS THAN THE ROLL-BACK RATE COMPUTED PURSUANT TO SECTION 200.065(1), F.S., BY 6.41 PERCENT.

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

I, Alberto M. Carvalho, Superintendent of Schools and ex-officio Secretary of the District School Board of Miami-Dade County, Florida, do hereby certify that the above is a true and complete copy of a resolution passed and adopted by the District School Board of Miami-Dade County, Florida, July 25, 20 13.

Signature of Superintendent of Schools

Date of Signature

Note: Copies of this resolution shall be sent to the Florida Department of Education, School Business Services, Office of Funding and Financial Reporting, 325 W. Gaines Street, Room 824, Tallahassee, Florida 32399-0400; county tax collector; and county property appraiser.

MIAMI-DADE COUNTY PUBLIC SCHOOLS
Millage History and Tax Effect to Homeowners

MILLAGE

	Actual FY2010-11	Actual FY2011-12	Actual FY2012-13	Proposed FY2013-14
<u>STATE ESTABLISHED AND REQUIRED:</u>				
Required Local Effort (RLE)	5.616	5.693	5.557	5.396
<u>LOCALLY LEVIED:</u>				
Discretionary Operating	0.698	0.472	0.647	0.687
Additional Discretionary Operating (.25)	0.000	0.000	0.000	0.000
Discretionary Capital	1.550	1.600	1.561	1.561
Sub-Total Locally Levied	2.248	2.072	2.208	2.248
Sub Total Non Voted-Millage	7.864	7.765	7.765	7.644
Debt Service (Voted)	0.385	0.240	0.233	0.333
Total Millage Levy	8.249	8.005	7.998	7.977
Increase (Decrease) from Prior Year	0.254	(0.244)	(0.007)	(0.021)

TAX EFFECT USING AVERAGE ASSESSED VALUE

	FY2010-11	FY2011-12	FY2012-13	FY2013-14
Assessed Value-Average Homestead *	\$ 179,626	\$ 177,992	\$ 171,121	\$ 174,437
Less: Homestead Exemption	(25,000)	(25,000)	(25,000)	(25,000)
Taxable Value	\$ 154,626	\$ 152,992	\$ 146,121	\$ 149,437
Total Millage Levy	8.249	8.005	7.998	7.977
Total Taxes	\$ 1,275.51	\$ 1,224.70	\$ 1,168.68	\$ 1,192.06
Increase (Decrease) from Prior Year	\$ (188.67)	\$ (50.81)	\$ (56.02)	\$ 23.38
Average Tax Decrease Since 2010-11				\$ (27.82)

**TAX EFFECT ON
TYPICAL HOMEOWNER**

	FY2012-13	FY2013-14
Assessed Value-Typical Homestead *	\$ 171,121	\$ 174,030
Less: Homestead Exemption	(25,000)	(25,000)
Taxable Value	\$ 146,121	\$ 149,030
Total Millage Levy	7.998	7.977
Total Taxes	\$ 1,168.68	\$ 1,188.81
Increase over Prior Year		\$ 20.13

* Source: Miami-Dade County Property Appraiser - These two charts contrast the change of ad valorem tax levies which would be determined by using the 'average assessed value' of property to that which would be paid by the typical homeowner participating in the "Save Our Home" program. A typical homeowner is capped at a 1.7% increase in assessed value for FY2013-14, one that resides in the same homestead and has not improved (i.e. 'added onto') their property.