

Public Hearing to Adopt the 2014 Millage Rate



City of Clarkston
July 1, 2014

Public Hearing to Adopt 2014 Millage Rate

AGENDA

- ▶ Millage rate presentation and discussion
- ▶ Public Hearing
- ▶ Adopt resolution setting the total millage –
Regular Meeting – July 1, 2014



What is the Process?

- ▶ The Council must hold three public hearings due to the proposed millage rate increasing.
 - June 24th Work Session
 - July 1st Special Called Meeting
 - July 1st Regular Meeting
- ▶ The purpose of the meetings is to take public comment on the millage rate for consideration in setting the final adopted rate
- ▶ After the conclusion of the final Public Hearing , the Council will vote to adopt the final millage rate for 2014

First, a few definitions



Appraised Value

The total estimated value of your property (land and building), as determined by the DeKalb County Tax Assessor's Office

Assessed Value

- ▶ Typically 40% of the Appraised total value
- ▶ You may have exemptions that will lower this amount even more, e.g....
Homestead and Over age 65

Tax Digest

- ▶ The value of all the property in an area
- ▶ Like your individual property, this figure is generally given at 40% of the total appraised value

What is a “mill”?



A property tax levy of \$1.00 per \$1,000 of taxable property value

So, if the rate is *10 mills*, then you would owe 10 dollars for every \$1,000 of the *assessed* value for your house.

Rollback Rate

The rollback rate is the millage rate that would raise the same amount of revenue as last year if applied to the current tax digest.

Calculating the Millage Rate

- ▶ Property taxes are calculated based on the difference between planned expenditures and forecasted revenues from all other sources

$$\text{Tax Rate} = \frac{\text{Amount Required}}{\text{Net Tax Digest}}$$

Calculating the Millage Rate

Estimated Expenditures	\$3,519,610
Estimated Revenues (not including prop. Taxes)	\$2,164,610
Amount Needed to Balance	<u>\$1,317,000</u> ←
Gross Digest	\$70,619,546
Exemptions	\$1,802,546
Net Digest (amount after exemptions)	<u>\$68,935,931</u> ←

Calculating the Millage Rate

$$\text{Tax Rate} = \frac{\text{Amount Required}}{\text{Net Tax Digest}}$$

$$\text{Tax Rate} = \frac{\$1,317,000}{\$68,935,931}$$

$$\text{Tax Rate} = 0.0191046 \text{ (19.10)}$$

Calculating the Millage Rate

$$\text{Tax Rate} = \frac{\text{Amount Required}}{\text{Net Tax Digest}}$$

$$\text{Tax Rate} = \frac{\$1,382,850 \text{ (95\%)}}{\$65,492,234 \text{ (5%)}}$$

$$\text{Tax Rate} = 0.0211147 \text{ (21.11)}$$

2014 Estimated Tax Revenue

21.11 Millage Rate

Gross Digest	\$70,738,477
Less Exemptions	\$1,802,546
Net Digest	\$68,935,931

$$(21.11/1000 = 0.02111 \times 68,935,931) =$$

Total Tax Levy **\$1,455,237***

2014 Anticipated Property Tax $\$1,455,237 + (\$50,000) =$
\$1,505,237*

2014 Budget Property Tax **\$1,317,500**

2013 Budget General Fund Budget **\$3,519,610**

**Amount adjusted for collection rate & appeals*

Gross Digest History

2007	\$100,673,813
2008	\$99,248,731
2009	\$97,624,713
2010	\$92,764,259
2011	\$77,799,972
2012	\$70,278,203
2013	\$64,729,727
2014	\$70,738,477



City of Clarkston Net Digest Reductions

- ▶ 16.13% decrease in 2011
- ▶ 9.7% decrease in 2012
- ▶ 7.9% decrease in 2013



- ▶ 9.38% increase in 2014
 - Trending in the right direction!



- ▶ 24.30% decrease since 2010

Tax Millage History

<u>Fiscal Year</u>	<u>Millage Rate</u>
2004	4.614
2005	11
2006	11
2007	11
2008	11
2009	11
2010	11.313
2011	14.00
2012	17.95
2013	17.95
2014	21.11

Proposed Millage Rates of DeKalb Cities

▶ Avondale Estates	11.2	(\$6.86mil)
▶ Brookhaven	2.85	(\$329.7mil)
▶ Chamblee	6.4	(\$220.8mil)
▶ Decatur	13 _(50%)	(\$152.9mil)
▶ Doraville	9	(\$16.4mil)
▶ Dunwoody	2.74	(\$215mil)
▶ Lithonia	19.869	(\$2.1 mil)
▶ Pine Lake	29.824	(\$1.3mil)
▶ Stone Mountain	22	(\$8.6mil)
▶ Clarkston (proposed)	21.11	(\$5.9mil)

So.....

What does this mean
for the taxpayer?



How are my taxes computed?

Appraised Value	50,000
Assessed Value	20,000
Taxable Value	20,000

Divided by 1,000	20
X Millage Rate	21.11

City Property Taxes **\$422.20 (\$359)**

\$63.20 yr./\$5.27 per month

How are my taxes computed?

Appraised Value	75,000
Assessed Value	30,000
Taxable Value	30,000

Divided by 1,000	30
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X Millage Rate	21.11
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City Property Taxes	\$633.30 (\$538.50)
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\$94.80 yr./\$7.90 per month

How are my taxes computed?

Appraised Value	100,000
Assessed Value	40,000
Taxable Value	40,000

Divided by 1,000	40
X Millage Rate	21.11

City Property Taxes **\$844.40 (\$718)**

\$126.40 yr./\$10.53 per month

Public Hearing

