

## MEMORANDUM

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July 19, 2022

**TO:** Honorable Mayor & City Commissioners

**VIA:** James Slaton, City Manager

**FROM:** Dorothy Abbott, Finance Director

**SUBJECT:** Certification of 2022 Taxable Value, Interim Millage & FY22'23 Budget Hearing Dates

**SYNOPSIS:** The City Commission will consider approval of the Polk County property appraiser's certification of taxable value for 2022, set the interim millage rate, and set the dates for the public hearings to adopt the final millage rate and the FY22'23 budget.

### RECOMMENDATION

It is recommended that the City Commission take the following actions:

1. Approve the Property Appraiser's Certification of Taxable Value for 2022.
2. Set the interim millage rate at 6.3626 mills.
3. Set the dates for the required public hearings for the final millage rate and adoption of the FY22'23 Budget as Wednesday, September 7 and Tuesday, September 20.

### BACKGROUND

#### **Certification of Taxable Values**

Attached for your review and approval is the Polk County property appraiser's Certification of Taxable Value for 2022. As indicated, the City's gross taxable value for operating purposes is \$1,062,074,168. Lake Wales has experienced an increase in taxable value of \$171,947,099, since the 2021 certification. The certification for 2022 is 19.32% above 2021's final gross taxable value of \$890,127,069. It is recommended that the City Commission approve the Certification of Taxable Value for 2022.

#### **Interim Millage Rate**

In order for the property appraiser to proceed with the mailing of the required TRIM notices, it will be necessary for the Commission to set an interim millage rate and establish the required public hearing dates for adoption of the final 2022 millage rate and the FY22'23 budget.

Staff recommends the interim millage rate be set at the current year rolled-back rate of 6.3626. The City current millage rate is 6.7697.

**The City Commission will be able to lower the millage rate throughout the budget adoption process but will be unable to raise the rate above the interim rate.**

## OTHER OPTIONS & FISCAL IMPACT

Taxes levied by the various options are as follows:

<u>Interim Millage Rates</u>	<u>Rate</u>	<u>CRA</u>	<u>Library</u>	<u>General</u>	<u>Total</u>
<b>Roll-back Rate</b>	<b>6.3626</b>	<b>1,362,546</b>	<b>470,984</b>	<b>4,721,296</b>	<b>6,554,826</b>
Current Rate	<b>6.7697</b>	1,449,726	501,119	5,023,380	<b>6,974,225</b>
<b>Difference over Roll-back</b>		<b>87,180</b>	<b>30,135</b>	<b>302,084</b>	<b>419,399</b>

The City does not receive 100% of ad valorem tax levy due to 1) discounts offered for early payment and 2) unpaid delinquent taxes. Staff estimates Ad Valorem for budget purposes at 97%.

**The final adopted millage rate may not exceed the interim millage rate, but it may be lower than the interim millage rate.**

### Date and Time for Public Hearings:

State law requires that the county property appraiser notify each property owner of the interim millage rate and the dates of the meetings for adoption of the millage and budget. To give time for the mailing of this notice to the property owner, the City must, by law, adopt an interim millage rate no later than August 4.

Florida Statutes stipulate that the first public hearings can be held no sooner than 65 days after the Certification of Taxable Value by the Property Appraiser or July 1, whichever is later. Certification occurred on July 1, therefore the first public hearings can be held no sooner than Thursday, September 3 (65 days after July 1).

This year, the Board of County Commissioners has scheduled its public hearings on Monday, September 12 and Monday, September 19. The School Board's final public hearing is scheduled for Tuesday, September 6.

We are recommending the first public hearings for the millage and budget be set for Wednesday September 7, 2022. We are also recommending that the second public hearings be set for Tuesday September 20, 2022.

The City Commission is not required to make a decision on the final millage rate at this meeting. The final decision should be made after we thoroughly review and discuss the budget and all of its implications; however, we do have to make a decision on the interim millage rate at this meeting.

### **ATTACHMENTS**

Proposed TRIM Calendar

Property Appraiser's Certification of Taxable Value (Form DR-420)

**Proposed TRIM Calendar FY 22'23**

- **August 4, 2022**

**Deadline to notify Property Appraiser's Office:**

- a. **Interim millage rate**
- b. **Current year rolled-back rate**
- c. **Date, time & place of 1<sup>st</sup> budget hearings**

- **September 7, 2022 (Commission Meeting)**

**1<sup>st</sup> reading of ordinance adopting millage rate**  
**1<sup>st</sup> Public Hearing, Millage Rate**  
**1<sup>st</sup> reading of ordinance adopting FY 22'23 budget**  
**1<sup>st</sup> Public Hearing, FY 22'23 Budget**

- **September 15, 2022**

**Advertisement of FY 22'23 Budget Summary (TRIM Ad)**  
**Advertisement of 2<sup>nd</sup> Public Hearing**  
**(State Statutes require the 2<sup>nd</sup> Public Hearing must be held**  
**between 2 and 5 days after advertisement)**

- **September 20, 2022 (Commission Meeting)**

**2<sup>nd</sup> reading of ordinance adopting millage rate**  
**2<sup>nd</sup> Public Hearing, Millage Rate**  
**2<sup>nd</sup> reading of ordinance adopting FY 22'23 budget**  
**2<sup>nd</sup> Public Hearing, FY 22'23 Budget**

- **September 23, 2022**

**Deadline to forward ordinance adopting millage rate to Property Appraiser, Tax Collector, and Department of Revenue.**

- **October 7, 2022**

**Within 3 days of receiving notice of final adjusted tax roll,**  
**Deadline to certify form DR-422 to Property Appraiser (No later than 10/12 by 2 pm)**

- **October 20, 2022**

**Deadline to forward Certificate of Compliance (DR-487) to Department of Revenue**  
**Within 30 days after final hearing**