



301 South Bronough Street, Suite 300 ♦ Post Office Box 1757 ♦ Tallahassee, FL 32302-1757
(850) 222-9684 ♦ Fax (850) 222-3806 ♦ Web site: www.flcities.com

Questions: In response to Amendment 1 and the Florida Legislature's restrictions with overrides on levying property tax:

1. How many cities elected to stay within the maximum rate allowable with a simple majority vote, and
2. How many cities got the override votes to go above this rate?

Answer: According to the Florida Department of Revenue (DOR), there were 397 cities whose property tax levies were applicable to these requirements. This provision excluded cities who had been levying property taxes for less than five years.

For background purposes, the maximum property tax rate that a city could levy with a simple majority vote of its elected body is as follows:

1. It provides that the rolled back rate for FY 2008-09 must be calculated as if the tax base had not been reduced by Amendment 1. This will produce a lower millage rate than the commonly used "rolled-back rate."
2. If the city had overridden the property tax reductions specified by the Legislature for FY 2007-08, the calculation in item #1 above would have had to be calculated using the legislatively mandated rate with the 3-, 5-, 7- or 9-percent reductions below the FY 2007-08 rolled-back rate.
3. Finally, the city could increase the rate calculated above by 4.15 percent, the change in Florida's per capita income over the prior year.

In order to go one dollar higher than this "maximum rate," the city needed a two-thirds affirmative vote of the elected body (a four to one vote with five voting members). With this vote, the city could set the millage rate as high as the traditional rolled-back plus an additional 10 percent.

In order to exceed the rolled-back rate plus 10 percent, the elected body needed a unanimous affirmative vote.

According to the property tax data released by DOR on December 15, 2008, 201 cities levied a rate at, or below, the maximum rate allowed with a simple majority vote. An additional 153 used the two-thirds override to levy a rate higher than the maximum rate with a simple majority vote, but no higher than the rolled-back rate plus 10 percent. An additional 43 cities used unanimous votes to set a rate higher than the maximum rate with a two-thirds override.

It is very important to point out that while a significant number of cities utilized the overrides, a significant number of cities set their rate **below** the maximum rate with a simple majority rate. When one compares the data in relationship to property tax "**dollars**" levied, a very interesting trend can be seen.

When you compare the actual property tax dollars levied by all cities for FY 2008-09 with the amount of property tax dollars that would have been levied had every city levied the maximum rate allowed by a simple majority vote, the two amounts are virtually the same.

In short, the actual levy produced only 4/100s of 1 percent more than the threshold amount established by the Legislature without any city voting an override. If you look at the number of cities, one may draw only a partial conclusion. If you talk about total dollars the picture changes. Collectively speaking – in the aggregate – we did, as a group, what the Legislature required.

President Carmine Priore, Vice Mayor, Wellington

First Vice President John Marks, Mayor, Tallahassee ♦ Second Vice President Joy F. Cooper, Mayor, Hallandale Beach

Executive Director Michael Sittig ♦ General Counsel Harry Morrison, Jr.