

City of Palm Beach Gardens Data Packet

OVERVIEW

This packet contains property tax data specific to the City of Palm Beach Gardens, including how local revenues fund essential services such as public safety and infrastructure. The information is intended to provide helpful, local context for evaluating proposals that may affect municipal funding.

MUNICIPAL MILLAGE RATE TRENDS FROM 2020-2024*¹

- Approximately 71% of cities have 2024 millage rates at or below their 2020 rate
- Approximately 65% of cities have not increased their millage rate in the past five years
- Approximately 53% of cities have decreased their millage rate at least once over the past five years (including those using the rolled-back rate)

**Not all municipal governments in Florida choose to impose the property tax. Home Rule, or local self-government, is part of the Florida Constitution, and under Home Rule, this levy is a choice for each municipality. Not all municipalities chose to levy property taxes between 2020 and 2024. In order to qualify for millage trend analysis, the municipality must have chosen to levy property taxes for all four years (2020-2024). In that time, 391 cities levied property taxes. The Florida Department of Revenue keeps this data.*

GLOSSARY:

Ad valorem: A Latin phrase that means "value of." It is the term used in the Florida Constitution for the property tax allowed for county, school district, and municipal governments. A few special districts have this authority (water management districts, for example); however, it is not widely available to special districts. This tax is applied to real property (but not personal property) in Florida. This tax is imposed annually, with data from the property appraiser's office in each county. Millage rates are adopted with final budget hearings in September each year.

Source: Florida Constitution, Article VII, Section 9, and Article VIII.

Assessed valuation: This term is used by the county property appraiser for determining the value of every county property (including municipal). It should not be confused with market value.

Homestead exemption: The exemption was first created by the Florida Legislature in the 1800s to encourage pioneers and settlers to make Florida their permanent home. This incentive has ranged from \$2,500 to \$50,000. It has numerous caps and limits on it for a variety of conditions by law. Each governing organization (county, municipality, and school district) must carve out caps and limits from applying; however, these calculations are usually done for all properties by the county property appraiser to simplify this process. A few examples of exemptions include widows, blind persons, physically disabled persons, and agricultural land. The current increase in the exemption is 3% per year and is set by Florida law.

¹ Office of Economic and Demographic Research, Municipal Ad Valorem.

Millage rate: From Latin, "mill" is 1,000. Millage rate is the common term used for the number that is multiplied to calculate the rate for each property being taxed. Most governments use up to 10 digits of this tax to make it easier to approve small increases over time. The amount of millage is capped at 10 mills for each county, school district, and municipality.

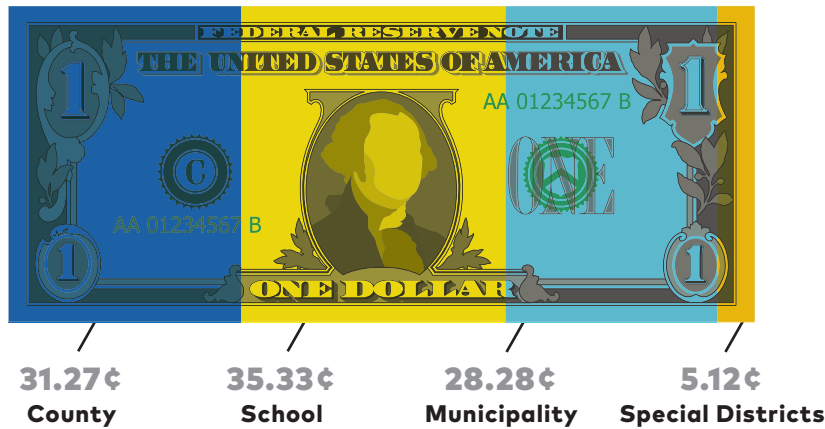
Source: Chapter 200.065, Florida Statutes.

Rolled-back rate: The rolled-back rate was first established in the 1980s as a form of relief from higher taxation levels across Florida. The Legislature mandated that each county, municipality, and school district use a rate "rolled back" to equal the sum from the previous year. To calculate this rate, the local government looks at the previous year's values, notes any growth in the values (residential, commercial, and other categories), and then subtracts this year from the previous year to find the difference. The local governments seek to match the total revenues generated by the previous year's sum so that growth in the valuation is not unfairly higher than the millage rate being imposed. If a local government doesn't stick to the rolled-back rate, that government must have a supermajority (a specific large majority) or even a unanimous vote of the council to go above it.

Source: Chapter 200.065, Florida Statutes.

Save Our Homes: This constitutional amendment limits the annual increase in the assessed value of homesteaded properties. Voters approved this measure due to concerns that some groups in Florida's population had seen double-digit increases in their taxes because the values had greatly increased. It was adopted in 1998.

MILLAGE RATE BREAKDOWN FY 2024²



This image shows the proportionate share of each taxing authority within the City of Palm Beach Gardens for every dollar a resident pays in property taxes. For example: if the total millage rate charged by a municipality was 0.2500 and the total millage rates charged by the county, school district, municipality, and special districts within the municipality totaled 1.0000, then 25 cents for every dollar paid towards property taxes by a resident in the municipality would go towards the municipality.

Entity	Millage Rate	Millage Percentage
County	5.5893	31.27%
School	6.314	35.33%
Municipality	5.0537	28.28%
Special Districts	0.915	5.12%
Total	17.872	100.00%

²Collected from County Tax Collector.

AD VALOREM REVENUE COMPARED TO PUBLIC SAFETY EXPENDITURES³

The graph represents the amount of ad valorem revenue collected by the City of Palm Beach Gardens compared to public safety expenditures for fiscal years 2019-2023.

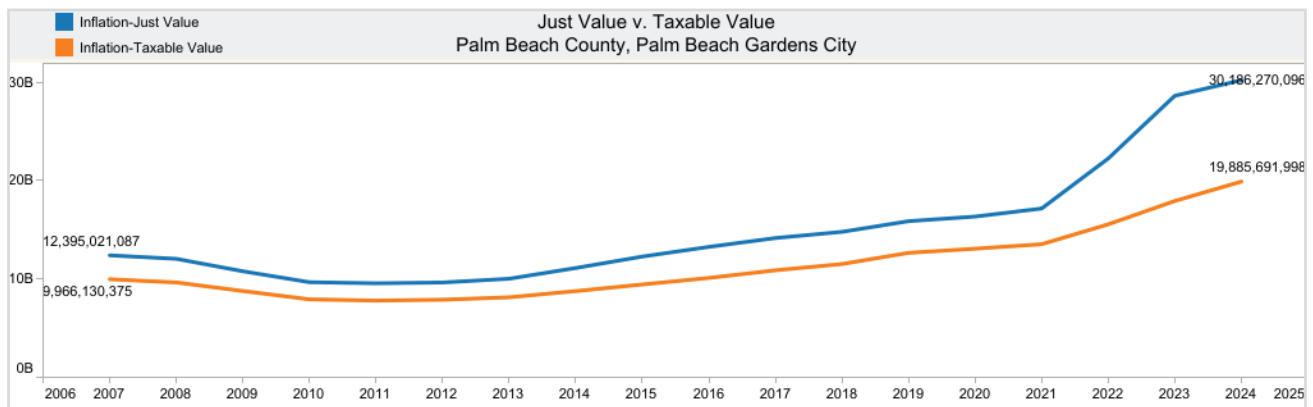


³Ad Valorem Revenue and Public Safety Expenditure Data: Expenditures and Revenues Reported by Florida's Municipal Governments to the Florida Department of Financial Services as reported by the Office of Economic and Demographic Research.

JUST VALUE V. TAXABLE VALUE⁶

This graph represents the difference between the total in just value versus the taxable value for property within the City of Palm Beach Gardens. This graph shows the effect of how Save Our Homes compounds over time. As residents continue to stay in their homes and have their annual assessed rates capped, the gap between the just value and taxable value of properties has increased. The introduction of more exemptions over time has also caused this increase in the gap between the just value and taxable value of properties.

- *Just value is the fair market value of the home, while the taxable value is the value of the home exclusive of all qualifying exemptions and assessment limitations for the property.*



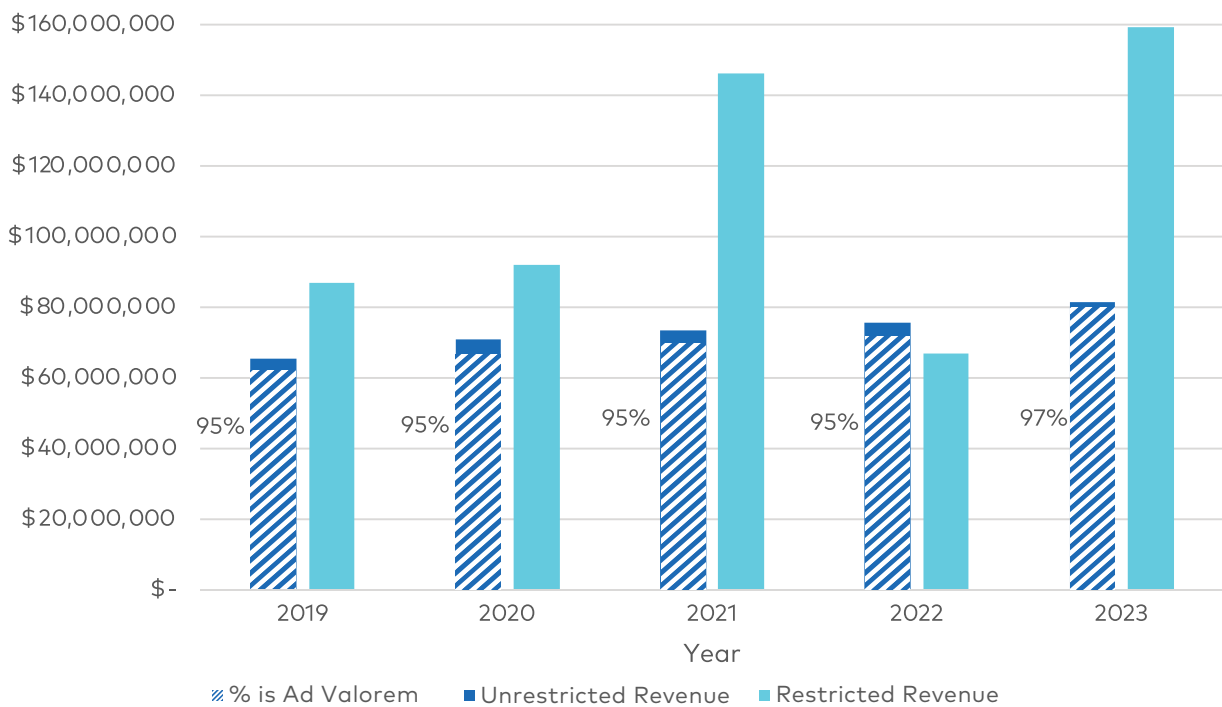
⁶Office of Economic and Demographic Research, Municipal Ad Valorem.

REVENUES⁷

The graph represents unrestricted revenue sources compared to restricted revenue sources. Unrestricted revenue sources are the constitutionally authorized revenue sources that municipalities may use for whatever municipal purpose. While cities may utilize other types of unrestricted revenue, this data packet defines them as ad valorem taxes, municipal utility taxes, communications services tax, and local business tax.

Restricted revenue sources include every other tax that municipalities are authorized to levy. However, these taxes must only be used for the purpose authorized by law. Examples of restricted revenue sources include the permit fee paid by a builder or the fee paid to use a park facility.

Unrestricted Compared to Restricted Revenue Sources



UNRESTRICTED REVENUES FOR FY 2023

This chart depicts unrestricted revenues for the City of Palm Beach Gardens for fiscal year 2023.

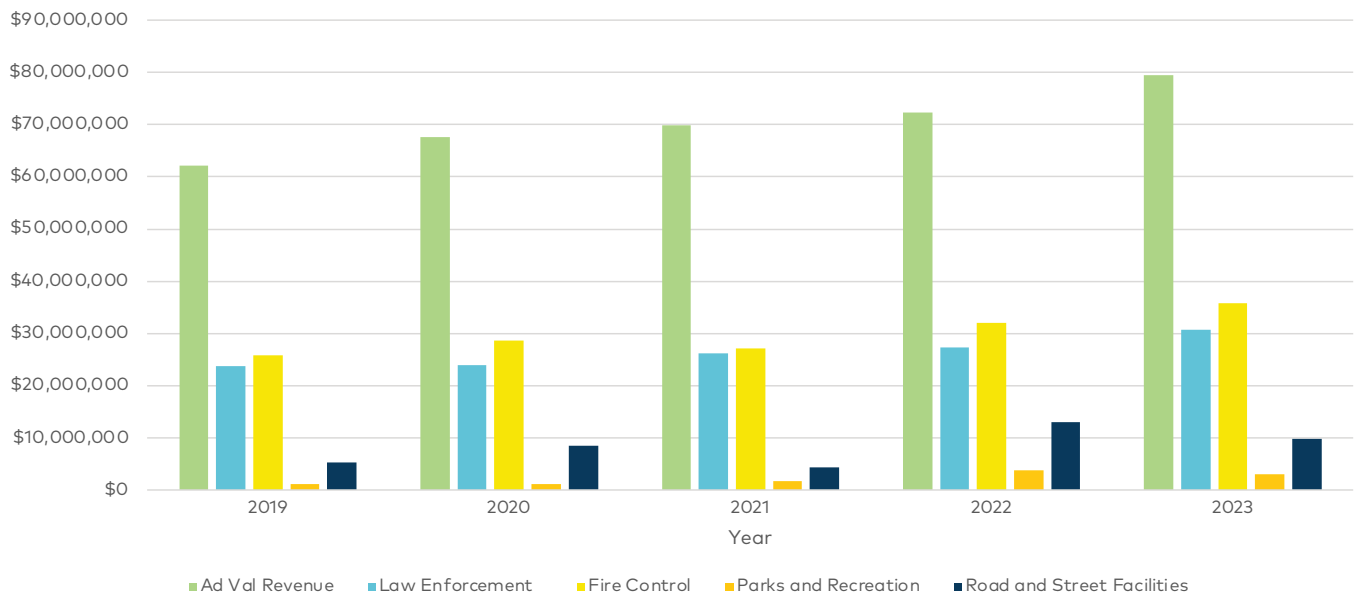
Revenue Sources	FY 2023	Percentage
Ad Valorem	\$79,555,916.00	97.40%
Communications Service Tax	\$2,026,242.00*	2.48%
Local Business Tax	\$97,941.00	0.12%
Total	\$81,680,099.00	100.00%

**Information reflects municipal data and has been verified by city officials. For further questions regarding this data, please contact the city manager, finance director, or budget staff for the city. Contact information may be found at the end of this packet.*

⁷Ad Valorem Revenue Data: Expenditures and Revenues Reported by Florida's Municipal Governments to the Florida Department of Financial Services as reported by the Office of Economic and Demographic Research.

AD VALOREM REVENUES COMPARED TO GENERAL FUND EXPENDITURES⁸

The graph compares ad valorem revenues to a number of general fund expenditures. Most or all ad valorem revenues are used to fund these general fund expenditures.



Year	Ad Val Revenue	Law Enforcement	Fire Control	Parks and Recreation	Road and Street Facilities
2019	\$62,162,541	\$23,770,516	\$25,801,657	\$1,161,603	\$5,190,626
2020	\$67,588,710	\$23,891,559	\$28,568,790	\$1,195,710	\$8,432,393
2021	\$69,931,518	\$26,179,278	\$27,065,830	\$1,671,029	\$4,409,563
2022	\$72,330,588	\$27,322,464	\$31,948,645	\$3,829,947	\$13,047,039
2023	\$79,555,916	\$30,645,687	\$35,794,297	\$3,080,281	\$9,864,531

⁸ Ad Valorem Revenue and General Expenditure Data: Expenditures and Revenues Reported by Florida's Municipal Governments to the Florida Department of Financial Services as reported by the Office of Economic and Demographic Research.

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