

UNDERSTANDING SAFETY HARBOR PROPERTY TAXES *by: Josh M. Stefancic, City Manager*

WHAT ARE PROPERTY TAXES?

Property taxes are a major source of revenue for counties and municipalities throughout Florida, including the City of Safety Harbor. They account for approximately 38% of the community's annual general fund revenue.

Homeowners and businesses pay taxes based on the assessed value of their property. These funds support essential services such as fire protection, EMS response, law enforcement, emergency management, street repairs, and infrastructure maintenance. They also fund amenities residents enjoy, including the library, recreation centers, playgrounds and parks, special events, and contributions to non-city agencies.

Property tax rates are set annually during two public meetings by the City Commission, which consists of an elected Mayor and four Commissioners. State law limits how much property taxes can increase each year.

HOW IS PROPERTY TAX REVENUE GENERATED?

Property values are assessed by the Pinellas County Property Appraiser and multiplied by a tax rate (called a millage rate) to determine the amount owed. The Property Appraiser is legally responsible for determining market value based on real estate activity.

Rising property values can increase revenue even if the tax rate remains unchanged. Safety Harbor has maintained a 3.9500 millage rate since 2017, which is lower than rates in Clearwater, Dunedin, Largo, Oldsmar, St. Petersburg, and Tarpon Springs.

A local homeowner's annual tax bill also includes taxes for other entities such as Pinellas County (General Fund, Health Department, and EMS), state and local public schools, and the Suncoast Transit Authority.

Based on the current millage rate and property values set by the County Appraiser, Safety Harbor will receive approximately \$7,850,000 in property tax revenue for FY25/26.

HOW DOES THE CITY USE PROPERTY TAX REVENUE?

The \$7,850,000 in property tax revenue represents 37.59% of the City's general fund. Property taxes are the most stable and predictable revenue source, enabling long-term planning, and consistent service delivery.

Other general fund revenue sources include:

- Intergovernmental revenue: 20%
- Other taxes: 17%
- Franchise fees: 9%
- Charges for services: 7.5%
- Interest earnings: 4%
- Miscellaneous: Remaining balance

The total general fund revenue for FY25/26 is \$20,881,840.

WHAT SERVICES DOES THE GENERAL FUND PAY FOR?

The general fund supports:

- Public safety: 36%
- Parks & recreation: 25%
- City administration & general government: 16%
- Library services: 8%
- Streets, facilities, & fleet maintenance: 8%
- Planning & permitting: 7%

For FY25/26, public safety budgeted expenditures for fire protection, EMS, and law enforcement services total \$7,646,220, nearly matching property tax revenue. In other words, property taxes almost fully cover public safety costs alone.

Reducing property taxes could make it difficult to meet rising costs without cutting services or increasing other fees. For additional information, visit cityofsafetyharbor.com/propetytax.