

EXECUTIVE BRIEF REGULAR MEETING

AGENDA DATE: July 21, 2020

DEPARTMENT: Finance

TITLE:

Resolution No. 26-2020 - establish the Proposed Tentative Voter Approved Debt Rate for Fiscal Year 2020-2021 and schedule the first public hearing for September 10, 2020 and the second public hearing for September 24, 2020

SUMMARY:

Resolution No. 26-2020 will establish the Proposed Tentative FY 2020 Voter Approved Debt Rate of 1.11 mils for the FY 2021 General Obligation Bond Fund Levy

BACKGROUND AND JUSTIFICATION:

In November 2016, approximately 67% or two-thirds of Voters of the City of Lake Worth approved the issuance of General Obligation Bonds for Road Improvement Projects in an amount not to exceed forty million dollars.

In FY 2018-2019, the City established a Debt Fund to receive the receipts of debt rate and remit the debt service payments. For FY 2020-2021 the debt service receipts will be in the amount of \$2,152,590. Pursuant to §200.001, Florida Statutes, the City must advise the Palm Beach County Property Appraiser of the Tentative Voter Approved Debt Rate, as well as the date of the City's first public budget hearing scheduled for September 10, 2020. The Tentative Voter Approved Debt Rate approved at this public hearing establishes the maximum rate the City may consider and approve during the budget hearings in September. The Voter Approved Debt Rate may be lowered by the Commission at the hearings, but it cannot be raised (without additional notice being provided to each taxpayer at a cost of approximately \$15,500 for postage).

The Voter Approved Debt Rate adoption process is governed by the State Statute known as Truth In Millage (TRIM). In Florida, properties are assessed by the county Property Appraiser and property taxes are collected by the county Tax Collector. All property is assessed at 100% of real value, which is approximately 85% of market value. The State Constitution restricts the annual increase in taxable value of homestead property to 3% or the increase in the CPI, whichever is less.

Property owners are eligible to receive a homestead exemption of \$25,000 on the first \$25,000 of value of their principal place of residence. In addition, homeowners can receive in whole or in part a second \$25,000 homestead exemption on the third \$25,000 of value of their principal place of residence. For instance, if a home's value is \$50,000 or under, the owner is only entitled to the first exemption. However, for example if the home is worth \$67,000 or \$75,000, the owner would be eligible to receive the second exemption in the amount of \$17,000 or \$25,000, respectively.

The City is required to hold two public hearings for adoption of a Voter Approved Debt Rate. The first public hearing is advertised by the Property Appraiser mailing to each property owner on a TRIM notice. In addition to notification of this first public hearing, the TRIM notice contains the following information:

- The new and prior year's assessed value;
- The tax bill if the current property tax rate is changed for the new year;
- The tax bill if the roll-back rate is levied for the new year; and
- The property tax bill if the proposed budget is adopted

MOTION:

Move to approve/disapprove Resolution No. 26-2020 and schedule the first public hearing for the Voter Approved Debt Rate on September 10, 2020, at 6:00 PM at Lake Worth City Hall and the second public hearing for September 24, 2020

ATTACHMENT(S):

Fiscal Impact Analysis – not applicable
Resolution No. 26-2020