

Town of Loxahatchee Groves

Finance Department

Memorandum

TO: Francine Ramaglia, Town Administrator
 FROM: Christopher Wallace, Finance Director
 DATE: Thursday, June 27, 2024
 SUBJECT: FY2025 Budget— Millage Rate Options

The City is governed by Florida Statutes §200.065, *Determination of Millage, Method of fixing millage*. This section of the statutes control what the Town Council can do with its millage rates and is ultimately limited by Florida's Constitution. The constitution limits local government to 10.0000 mills, unless, for a period not-to-exceed two years, voters of the Town approve an additional millage rate levy of up to 2.0000 mills.

The main controlling constraints to the Town are essentially how many votes you can get to raise the millage rate above the “rolled back rate”. The rolled back rate is the rate, once levied, that generates the same gross revenues as the prior year. These amounts are gross of discounts and allowances that total no more than 95%. For our analysis, we have assumed that the Town will generate 95% of the taxes levied. The 95% comes about from the 4% discount allowed taxpayers if they pay early (November instead of March of the subsequent year) plus a 1% allowance for adjustments made by the property appraiser's office to the tax roll after the millage rate is adopted.

We have calculated the various options. Essentially, if the Council votes unanimously, the Town can levy up to the 10-mill limit. If the Council has less than unanimity, the amount that can be levied is constrained. The chart below details the options:

Option	Millage Rate	Generates, Net, on Taxable Value of \$605,888,138	Difference To Current Rate of 3 mills
Current Millage Rate	3.0000	1,726,781.19	-
Rolled Back Rate	2.7048	1,556,865.92	(169,915.27)
Proposed Millage Rate	3.0000	1,726,781.19	-
Maximum Millage Rate Without Voter Approval	10.0000	5,755,937.31	4,029,156.12
Majority Vote of 3 Maximum Millage Rate	2.8587	1,645,449.80	(81,331.39)
Majority Vote of 4 Maximum Millage Rate	3.1446	1,810,012.05	83,230.85
Each 1 mill generates, net	1.0000	575,593.73	