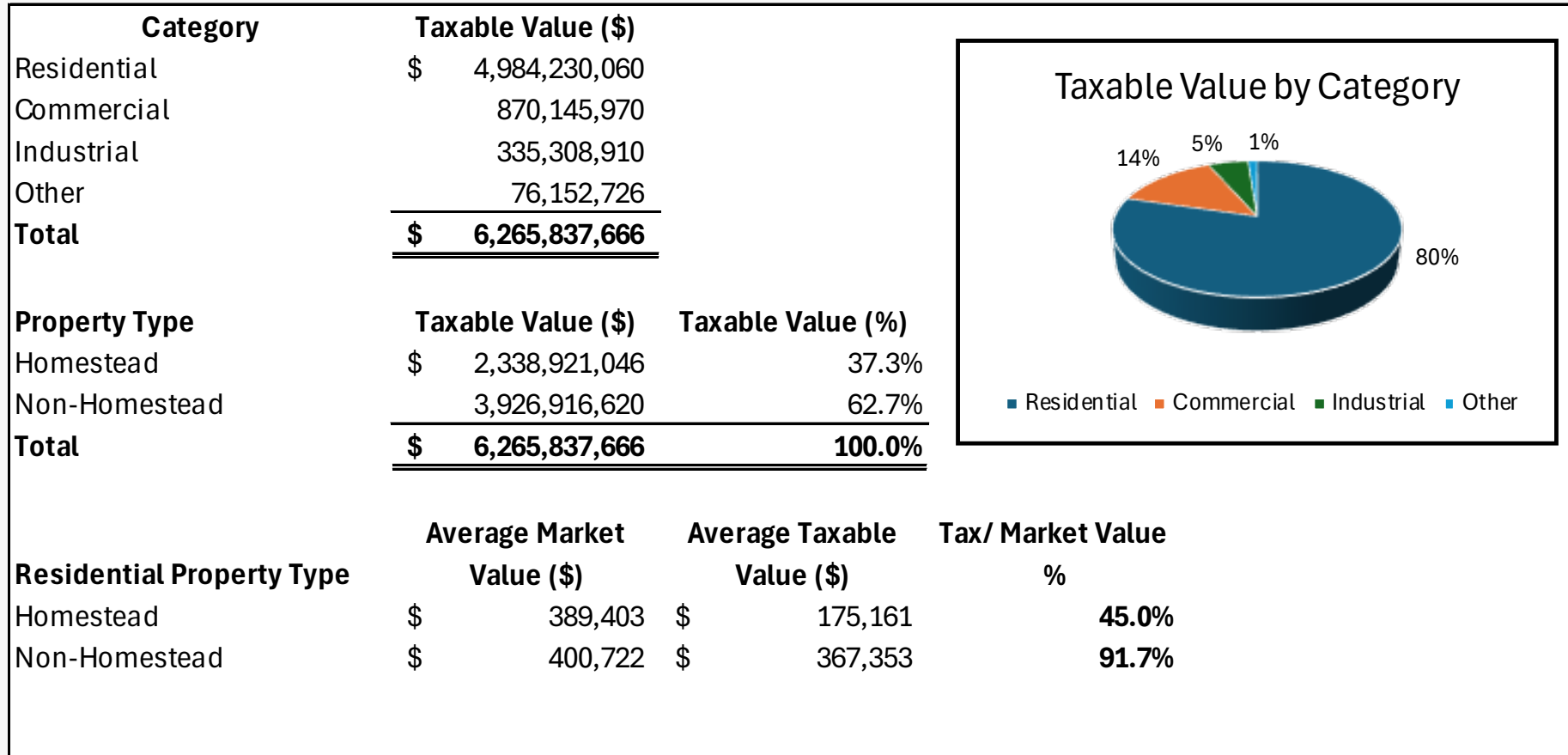


PROPERTY TAX UPDATE

CURRENT PROPERTY TAX ENVIRONMENT

Property Type	Market Value	Assessed Value	Total Exemptions	Taxable Value	Tax Value / Market Value
Homestead	\$ 5,199,695,760	\$ 3,047,586,030	\$ 708,664,984	\$ 2,338,921,046	45.0%
Non-Homestead	5,208,301,970	4,893,548,050	966,631,430	3,926,916,620	75.4%
Total	\$ 10,407,997,730	\$ 7,941,134,080	\$ 1,675,296,414	\$ 6,265,837,666	60.2%
% Homestead	50.0%	38.4%	42.3%	37.3%	
Current Exemptions for Homesteaded Properties:					
\$25,000 fixed exemption from all taxing authorities					
\$25,000 variable exemption from non-school taxing authorities (grows with CPI annually)					
<u>Additional Exemptions Adopted by Coconut Creek:</u>					
\$50,000 senior exemption					
\$25,000 additional long-term residency senior exemption					
Current Assessed Value Limitations: Annual cap on assessed value growth of 3% for homesteaded properties and 10% for non-homesteaded properties.					

CURRENT PROPERTY TAX ENVIRONMENT (CONT.)



GENERAL FUND FY25-26 BUDGETED REVENUES

Category	FY25-26 Approved Budget (\$)	FY25-26 Approved Budget (%) *
Ad Valorem Taxes - Operating	\$ 42,534,030	43.5%
Franchise Fees/Utility Taxes	13,621,020	13.9%
Licenses and Permits	1,344,690	1.4%
Intergovernmental Revenues	7,218,120	7.4%
Charges for Services	26,133,070	26.7%
Fines and Forfeitures	1,713,170	1.8%
Miscellaneous Revenues	3,810,650	3.9%
Operating Transfers In	1,430,000	1.5%
	<hr/>	
	\$ 97,804,750	100.0%
Appropriated Fund Balance	<hr/>	
	30,500,000	
TOTAL ESTIMATED REVENUES	\$ 128,304,750	
* Percentage represents revenues after deducting fund balance reserves		

GENERAL FUND FY25-26 BUDGETED EXPENDITURES

Category	FY25-26 Approved Budget (\$)	FY25-26 Approved Budget (%) *
Police	\$ 36,314,630	34.2%
Fire Rescue	17,537,340	16.5%
Public Works	11,361,200	10.7%
Parks and Recreation	7,219,830	6.8%
Resilient Design and Development	5,898,500	5.5%
Operating Transfers Out	4,667,350	4.4%
Insurance Services/Risk Management	3,941,900	3.7%
City Commission/City Attorney	3,928,890	3.7%
Information Technology	3,799,160	3.6%
Finance and Administrative Services	3,456,440	3.3%
City Manager	3,118,600	2.9%
Human Resources	2,343,800	2.2%
City Clerk	1,138,860	1.1%
Utilities, Streets and Engineering	956,880	0.9%
Non-Departmental	621,370	0.6%
	<hr/>	
	\$ 106,304,750	100.0%
Contingency and Reserves	22,000,000	
TOTAL ESTIMATED REVENUES	<u>\$ 128,304,750</u>	

** Percentage represents expenditures after deducting contingency and fund balance reserves*

House Bill	Description	Loss of Tax Revenues (\$)	% of General Fund Revenues
HJR 201	Eliminates local (non-school) property taxes on homesteaded homes while preventing reductions in local law enforcement funding.	\$ (15,772,949)	-16.1%
HJR 203	Gradually eliminates local (non-school) property taxes on homesteaded homes by increasing the homestead exemption by \$100,000 per year for the next 10 years with full phase-out by January 1, 2037, while preventing reductions in local first-responder funding. <i>FY29: \$ (4,641,510) additional</i> <i>FY30: \$ (2,346,225) additional</i> <i>Balance of \$ (1,523,083) additional phased out over time</i>	\$ (7,262,131)	-7.4%
HJR 205	Eliminates local (non-school) ad valorem taxes for homesteaded property owned by Florida residents age 65 and older while preventing reductions in local law enforcement funding.	\$ (3,254,710)	-3.3%
HJR 207	Creates a new homestead exemption equal to 25% of a home's remaining assessed value for local (non-school) property taxes, while preventing reductions in local law enforcement funding.	\$ (5,107,218)	-5.2%
HJR 209	Creates a property insurance relief homestead exemption that increases the total homestead exemption for insured homes from the existing \$50,000 up to \$250,000 for local (non-school) property taxes, while preventing reductions in local law enforcement funding.	\$ (11,919,918)	-12.2%
HJR 211	Removes the cap on Save Our Homes portability, allowing homeowners to transfer their full accumulated tax savings to a new homesteaded home for local (non-school) property taxes, while preventing reductions in local law enforcement funding.	TBD	TBD
HJR 1275	Prohibits state and local governments from levying ad valorem (property) taxes on tangible personal property.	\$ (1,376,719)	-1.4%
SJR 274	Freezes increases in the assessed value of homesteaded property after 20 years of ownership and residency and provides an additional 50% homestead exemption for local (non-school) property taxes for homeowners who have owned and lived in their home for 30 years or more.	TBD	TBD

- All proposals exempt school property taxes
- Municipalities are prohibited from reducing law enforcement (and in one instance, first responders) funding under all proposed reforms
- All proposals are effective January 1, 2027
- None of the proposals provide a new source of revenue to offset these impacts

IMPACT OF TAX REFORM PROPOSALS

Category	FY25-26 Approved Budget
Revenue *	\$ 97,804,750
Police	<u>\$ (36,314,630)</u>
	\$ 61,490,120
Ad Valorem Loss Due to Homestead Exclusion	<u>(15,772,949)</u>
Remaining	<u><u>\$ 45,717,171</u></u>
Non-Law Enforcement General Fund Budget	-25.7%

* Revenues after deducting fund balance reserves of \$30.5M.

- Over 25% of non-law enforcement General Fund budget would need to be cut to maintain a balanced budget.
- This would require staffing and other adjustments, resulting in significant reductions in service levels throughout the community, including fire rescue, parks, recreation, special events, athletic and senior programs, public infrastructure (facilities and centers), streets and sidewalk repair and maintenance, etc.
- While law enforcement is exempted from immediate reductions, there would be long-term fiscal impacts to the Police Department, such as future staffing levels, compensation, equipment and building lifecycles, etc.

GENERAL FUND BUDGET IMPACT HJR 201

Category	FY25-26 Approved Budget
Revenue *	\$ 97,804,750
Police and Fire Rescue	(53,851,970)
	<u>\$ 43,952,780</u>
Ad Valorem Loss Due to Homestead Exclusion:	
Year 1	(7,262,131)
Year 2	(4,641,510)
Year 3	(2,346,225)
Years 4-10	(1,523,083)
Remaining	<u><u>\$ 28,179,831</u></u>
Non-First Responder General Fund Budget	-35.9%

* Revenues after deducting fund balance reserves of \$30.5M.

- Over 35% of non-first responder General Fund budget would need to be cut to maintain a balanced budget.
- This would require staffing and other adjustments, resulting in significant reductions in service levels throughout the community, including parks, recreation, special events, athletic and senior programs, public infrastructure (facilities and centers), streets and sidewalk repair and maintenance, etc.
- While first responders are exempted from immediate reductions, there would be long-term fiscal impacts to the Police and Fire Rescue Departments, such as future staffing levels, compensation, equipment and building lifecycles, etc.

GENERAL FUND BUDGET IMPACT HJR 203

Category	FY25-26 Approved Budget
Revenue *	\$ 97,804,750
Police	(36,314,630)
	\$ 61,490,120
Ad Valorem Loss Due to Homestead Exclusion	(11,919,918)
Remaining	\$ 49,570,202
Non-Law Enforcement General Fund Budget	-19.4%

- *Revenues after deducting fund balance reserves of \$30.5M.*
- Over 19% of non-law enforcement General Fund budget would need to be cut to maintain a balanced budget.
- This would require staffing and other adjustments, resulting in significant reductions in service levels throughout the community, including fire rescue, parks, recreation, special events, athletic and senior programs, public infrastructure (facilities and centers), streets and sidewalk repair and maintenance, etc.
- While law enforcement is exempted from immediate reductions, there would be long-term fiscal impacts to the Police Department, such as future staffing levels, compensation, equipment and building lifecycles, etc.

GENERAL FUND BUDGET IMPACT HJR 209

OPTIONS TO MITIGATE THE IMPACTS

- Implement cost-containment measures using a phased approach over the next three years, which will impact service levels
- Reduce or defer certain initiatives, programs, and projects
- Consider adjustments to the millage rate
- Evaluate increases to the fire protection services assessment
- Update City fees and user charges to align with full cost recovery

POSSIBLE UNINTENDED CONSEQUENCES

- Makes City funding less predictable and gives local governments less control over finances and operations
- Could increase existing property values, making homes less affordable
- May result in fewer available residential units, therefore, increasing housing costs
- Shifting from property taxes to fees and assessments could place a greater burden on some households, depending on income and ability to pay
- Renters will end up paying more while homesteaded property owners pay less
- More properties may shift to homestead status, which could erode the City's future tax base
- Uncertainty in costs, service levels, and funding could slow economic growth
- Cities could lose one of the most cost-effective ways to finance major infrastructure projects, including issuing and repaying bonds for roads, parks, and public safety facilities
- Financial uncertainty could result in higher borrowing costs for City capital projects
- Overall quality of life in the community could be negatively affected

THANK YOU

Presented By:

Sheila N. Rose

City Manager

City of Coconut Creek