

# OPERATING BUDGET FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION:**  
**CONTACT DEPARTMENT(S):**  
**FUND:**

6/4/15  
Financial Services  
Support Services

**SUBJECT:** Approve an ordinance amending Ordinance No. 20141120-014 increasing the percentage-based ad valorem (property) tax exemption on the assessed value of residence homesteads.

**CURRENT YEAR IMPACT:** This item has no fiscal impact in FY 2015.

**FIVE-YEAR ESTIMATED IMPACT:**

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
At Forecasted Tax Rates	0	0.4750	0.4811	0.4811	0.4953
Revenue Loss of 20% Exemption	0	(32,560,900)	(35,098,251)	(37,720,032)	(40,754,759)
At Rollback Rates	0	0.4886	0.4967	0.5020	0.5184
Revenue Loss of 20% Exemption	0	(19,248,269)	(18,805,946)	(14,406,575)	(13,751,921)
	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
At Forecasted Tax Rates	0	0.4750	0.4811	0.4811	0.4953
Revenue Loss of 6% Exemption	0	(7,614,080)	(18,805,946)	(14,406,575)	(13,751,921)
At Tax Rates to Balance	0	0.4824	0.4886	0.4886	0.5030
Revenue Loss of 6% Exemption	0	0	0	0	0

**ANALYSIS / ADDITIONAL INFORMATION:** The Five-year Estimated Impact section illustrates four examples for increasing the general homestead exemption. The first four lines display the projected revenue loss from increasing the general homestead exemption to 20% at both the forecasted and rollback tax rates. The final four lines display the projected revenue loss from increasing the general homestead exemption to 6% at the forecasted tax rates and at the rate required to balance to forecasted General Fund expenditures. Should Council approve an increase in the homestead exemption to a percentage other than 6% or 20%, the tax rate and revenue loss, if any, will be updated to reflect their collective decision.