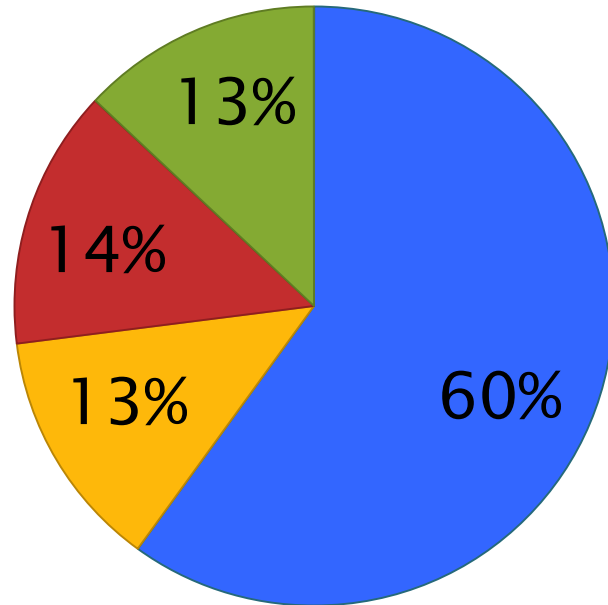


# How Will We Pay ?

Restructuring Revenues  
for  
Manatee County Government

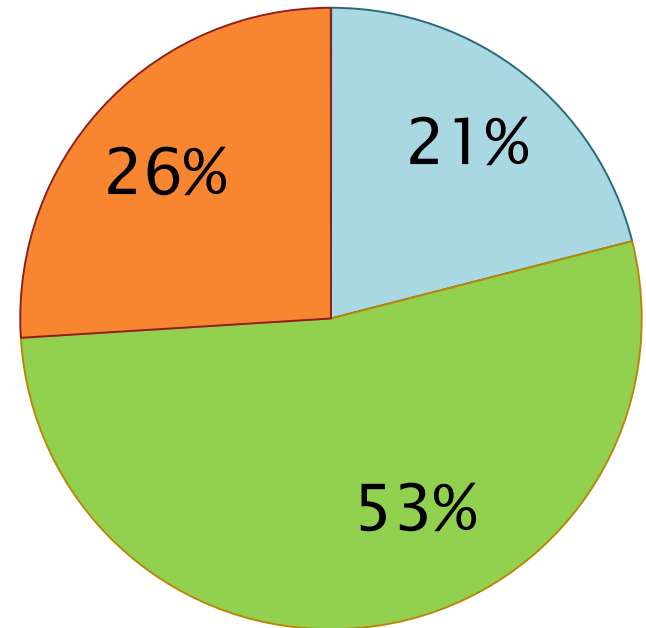
# FY13 BUDGET FOR PROPERTY TAX-SUPPORTED PROGRAMS

## REVENUES




- Property Taxes
- Charges for Services
- State & Fed.
- All Other Sources

## EXPENDITURES



- General Govt.
- Law Enf./Public Safety
- Other Gen. Govt. Prgms.

# How Will We Pay ? – Goals

- ▶ Provide diversification of revenue sources for funding county government with more fairness from a broader base of payers.
  - ▶ Provide ad valorem tax relief to property owners.
  - ▶ Promote economic development.
  - ▶ Lessen the impact of the State Legislature's attack on property taxes.
- 

# FY 13 Adopted + Surtax for four counties added

Line Ref #	FOUR-COUNTY COMPARISON	HILLS- BOROUGH	PINEL- LAS	SARA- SOTA	<u>MANATEE</u> <u>in UMSTU</u>
1	COUNTY PROPERTY TAXES	\$1,610	\$1,140	\$ 473	<i>\$1,037</i>
2	VOTED DEBT SERVICE TAXES	4	0	24	<i>20</i>
3	OTHER PROPERTY TAXES	137	246	163	<i>0</i>
4	WATER	396	384	384	<i>234</i>
5	WASTEWATER	487	427	722	<i>533</i>
6	SOLID WASTE & RECYCLING	231	328	159	<i>163</i>
7	SALES SURTAX	127	127	127	<i>0</i>
8	STORMWATER	12	0	91	<i>0</i>
9	EMS DISTRICT	0	137	99	<i>0</i>
10	FRANCHISE FEES	0	0	71	<i>0</i>
11	TOTAL	\$3,004	\$2,789	\$2,313	<i>\$1,987</i>

Countywide & UMSTU mills


10.7306

7.6021

3.1530

6.9102

# Potential New Revenue Sources


- **Franchise Fees on utilities** – Per county ordinance and franchise fee agreement with utility providers, there is a potential to collect fees for use of county rights of way from electricity, natural gas, and water/sewer customers.
  - **Stormwater Utility Fee** – To cover the cost of maintaining the county's stormwater runoff system, an assessment can be assigned to each property with impervious surface.
  - One or both of these fees are in place in many surrounding counties and municipalities.
- 

# How Will We Pay

» Franchise Fees

January 15, 2013

# New Revenues – Franchise Fees

- ▶ Franchise fees are a charge levied for the use of the county's rights of way by utility systems.
  - ▶ Franchise fees are passed on to customers which would be paid not only by property owners, but by all users of the utilities in the unincorporated area.
  - ▶ Many cities in Manatee County already charge a franchise fee or utility tax for utilities.
  - ▶ This will provide for a franchise fee for electricity with other utilities to be added as franchise agreements are developed and implemented.
- 

# New Revenues – Franchise Fees

- ▶ Electric Franchise Fee(FPL).....\$11.1 M
- ▶ Proposed fees equal to 5% of utility bills will provide \$11.1 million of general revenue which will offset a property tax reduction.
- ▶ Property taxes reduced.....–\$11.1 M
  - Millage change for electric fee.....– 0.6677 mills
  - Savings for Average homestead..... – \$100
- ▶ Typical residential customer would pay \$4.33 per 1000 kwh per month for electricity or \$52 per year.

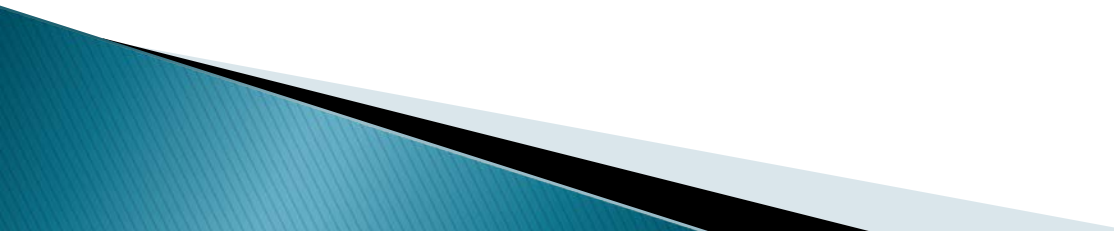


# How Will We Pay

» Stormwater Fees

January 15, 2013

# Stormwater Fee


- The current stormwater program provides a minimal maintenance level which is funded with a transfer of \$3.7 million from other sources fund in the utilities system.
  - This proposal would change the source of funding and reduce garbage rates for residential customers by \$2 per month.
  - A residential stormwater maintenance fee of \$2 per month would be implemented and is recommended to be collected on the property tax bill.
- 

# Stormwater Fee

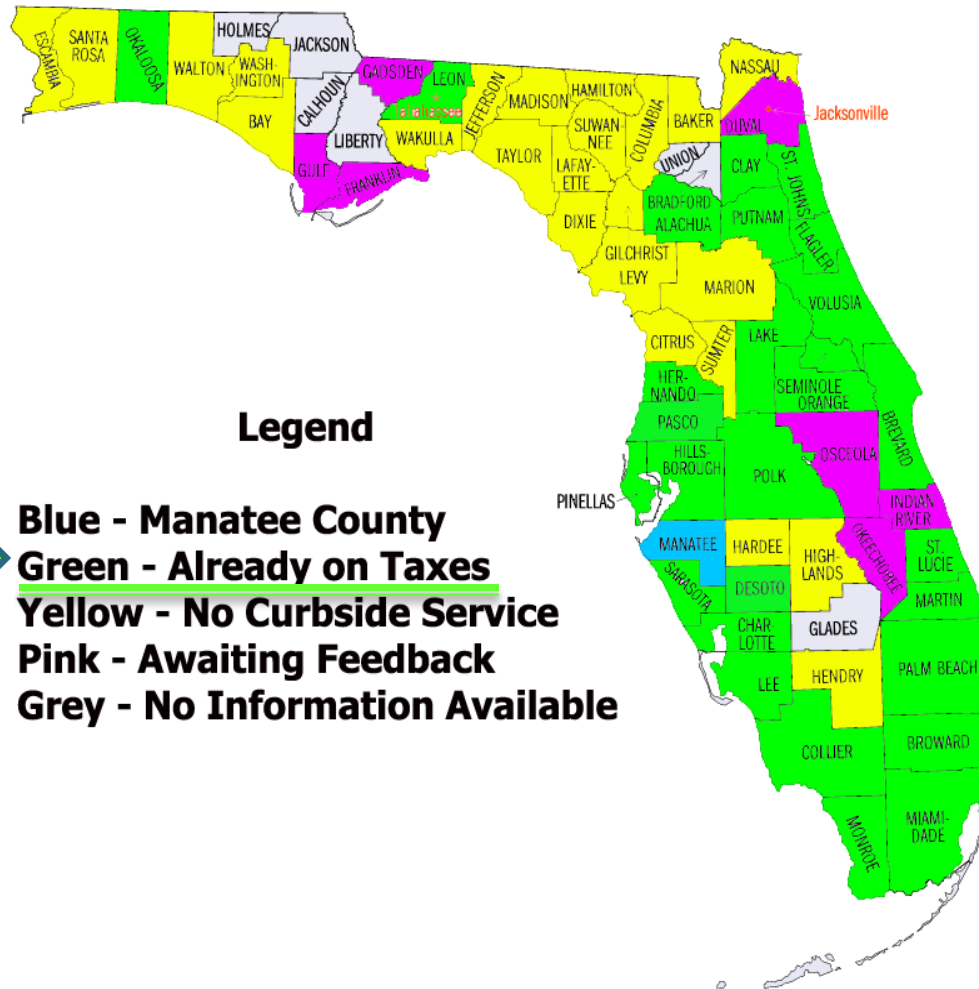
## ➤ Additionally:

- The fee would be paid by properties with impervious surfaces contributing to stormwater runoff, including some properties now exempt from property taxes.
- Stormwater fees are already being paid by property owners in many municipalities.
- A fee study would need to be done to set rates for residential and commercial properties.
- Initial fee to cover maintenance only. Capital costs would require future assessment.
- Implementation in FY15.

# Stormwater / Garbage Assessment

- ▶ With the stormwater fee appearing on the tax bill, there are good reasons to also move the garbage charges from monthly utility bill to property tax bill:
    - Eliminate monthly billing for garbage collection allowing customer to “turn off” utility billing seasonally.
    - Improve collections and reduce bad debt.
    - Owners receive discount for paying tax bills early.
    - Will be able to reduce operating costs for Business Operations Division of the Utilities Department.
- 

# SOLID WASTE COLLECTION METHODS IN OTHER COUNTIES

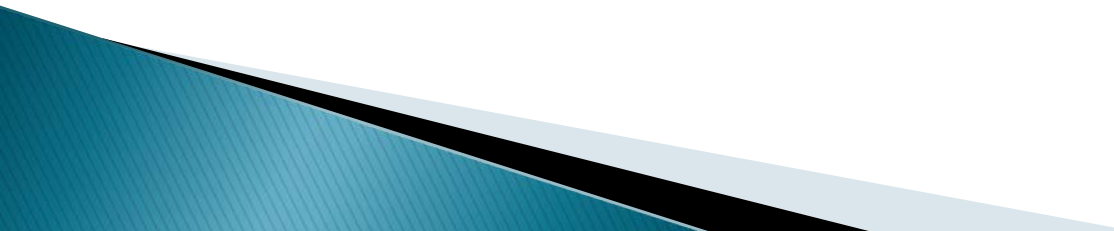


## Legend



**Blue - Manatee County**  
**Green - Already on Taxes**  
**Yellow - No Curbside Service**  
**Pink - Awaiting Feedback**  
**Grey - No Information Available**

# Summary

- ▶ The following slides show the results of these changes on:
    - \$150,000 home (A homestead assessed at \$200,000 with exemptions of \$50,000 for a taxable value of \$150,000),
    - \$450,000 home (A homestead assessed at \$500,000 with exemptions of \$50,000 for a taxable value of \$450,000),
    - A small retail/pharmacy, and
    - A large discount department store.
- 

Line  
Ref #

Unincorp. Area  
\$150k Taxable

MANATEE  
Current

Franchise Fee ,  
Stormwater Fee  
Change

MANATEE  
Proposed

1	COUNTY PROPERTY TAXES	\$1,037	-100	\$ 937
2	VOTED DEBT SERVICE TAXES	20		20
3	OTHER PROPERTY TAXES	0		0
4	WATER	234		234
5	WASTEWATER	533		533
6	SOLID WASTE & RECYCLING	163	-24	139
7	SALES SURTAX	0		0
8	STORMWATER	0	24	24
9	EMS DISTRICT	0		0
10	FRANCHISE FEES	0	52	52
11	TOTAL	\$1,987	\$- 48	\$1,939

Line Ref #	Unincorp. Area \$450k Taxable	<u>MANATEE</u> Current	Franchise Fee , Stormwater Fee Change	<u>MANATEE</u> Proposed
1	COUNTY PROPERTY TAXES	\$3,110	-301	\$ 2,809
2	VOTED DEBT SERVICE TAXES	60		60
3	OTHER PROPERTY TAXES	0		0
4	WATER	234		234
5	WASTEWATER	533		533
6	SOLID WASTE & RECYCLING	163	-24	139
7	SALES SURTAX	0		0
8	STORMWATER	0	24	24
9	EMS DISTRICT	0		0
10	FRANCHISE FEES	0	52	52
11	TOTAL	\$4,100	\$-249	\$ 3,851



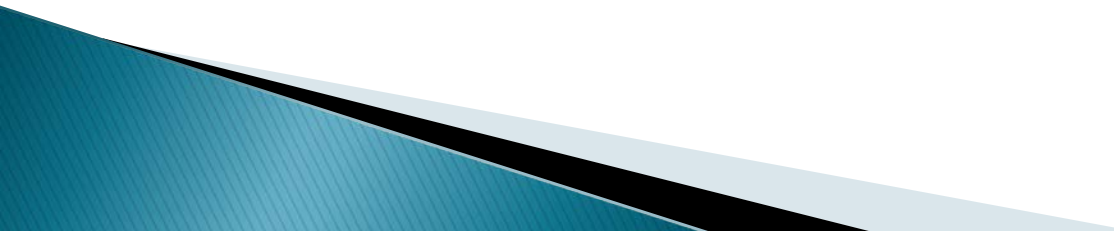
Line Ref #	Unincorp. Area Small Retail / Pharmacy	<u>MANATEE</u> <u>Current</u>	Franchise Fee , Stormwater Fee Change	<u>MANATEE</u> <u>Proposed</u>
1	COUNTY PROPERTY TAXES	<i>\$13,130</i>	<i>-1,269</i>	<i>\$ 11,861</i>
2	VOTED DEBT SERVICE TAXES	<i>253</i>		<i>253</i>
3	OTHER PROPERTY TAXES	<i>0</i>		<i>0</i>
4	WATER and	<i>1,042</i>		<i>1,042</i>
5	WASTEWATER			
6	SOLID WASTE & RECYCLING	<i>6,096</i>	<i>TBD</i>	<i>6,096</i>
7	SALES SURTAX	<i>0</i>		<i>0</i>
8	STORMWATER	<i>0</i>	<i>TBD</i>	<i>0</i>
9	EMS DISTRICT	<i>0</i>		<i>0</i>
10	FRANCHISE FEES	<i>0</i>	<i>TBD</i>	
11	TOTAL	<i>\$20,521</i>	<i>TBD</i>	<i>\$ 19,252</i>

Line Ref #	Unincorp. Area Large Discount Dept. Store	<u>MANATEE</u> <u>Current</u>	Franchise Fee , Stormwater Fee Change	<u>MANATEE</u> <u>Proposed</u>
1	COUNTY PROPERTY TAXES	\$ 76,012	-7,344	\$ 68,668
2	VOTED DEBT SERVICE TAXES	1,466		1,466
3	OTHER PROPERTY TAXES	0		0
4	WATER and	20,508		20,508
5	WASTEWATER			
6	SOLID WASTE & RECYCLING	16,884	TBD	16,884
7	SALES SURTAX	0		0
8	STORMWATER	0	TBD	0
9	EMS DISTRICT	0		0
10	FRANCHISE FEES	0	TBD	
11	TOTAL	\$114,870	TBD	\$107,526

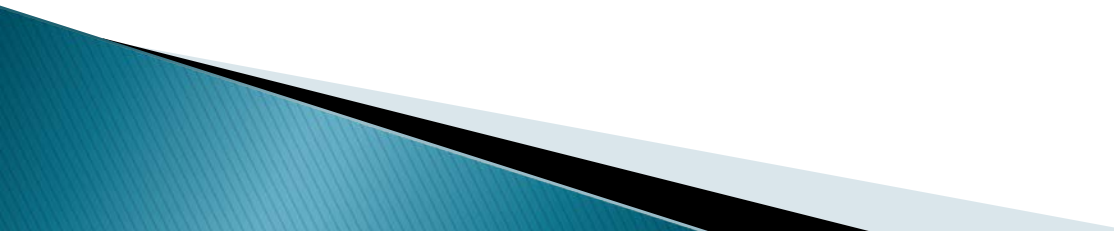
# The Change Process

- ▶ Utility Franchise Fees
- ▶ Assessments on Property Tax Bills
  - Stormwater Utility Fee
  - Solid Waste Assessment
- ▶ Property Tax Millage Revisions

# Franchise Fees

- ▶ Franchise Fee agreement with providers is required. FPL is amenable to such agreement.
  - ▶ Ordinance or Resolution will be needed for Water/Sewer fees to allow franchise fee charge.
    - Utility bills will not increase based on current revenue and cost projections.
  - ▶ Process does not have to coincide with the start of a fiscal year.
  - ▶ Agreements for natural gas utilities and with other electricity providers will also be pursued.
- 

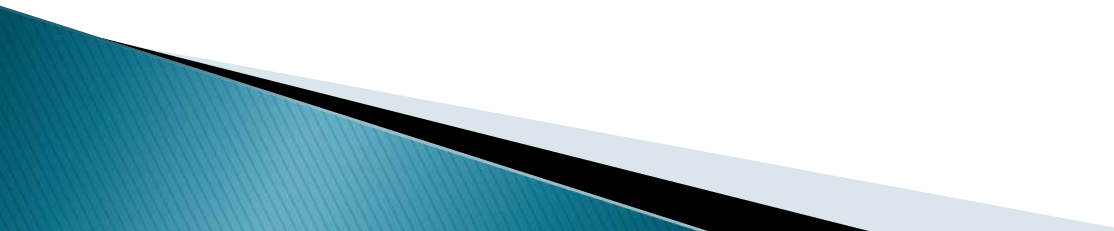
# Solid Waste and Stormwater Fee Assessments on Property Tax Bill

- ▶ Provide public notice of intent to create assessment districts.
  - ▶ Hold public hearing prior to December 31 of year prior to imposition.
  - ▶ Finalize assessment methodology.
  - ▶ Adopt assessment to be placed on tax bill during budget process in year subsequent to creation of assessment district.
- 

# Property Tax Revision

- ▶ Proposed millage reductions
  - Franchise fee revenues allow for lower county-wide millage rate.
- ▶ Adopt revised millage during budget process.

# Next Steps

- ▶ Develop franchise agreements with utility providers.
  - ▶ Draft appropriate resolution/ordinance to initiate franchise fee.
  - ▶ Contract with consultant for the stormwater fee study.
  - ▶ Board consideration in April, 2013.
- 

**This presentation is available on the web at  
[MyManatee.org/HowWillWePay](http://MyManatee.org/HowWillWePay)**

