

PUBLIC HEARING AGENDA May 17, 2023 12:30 PM

WELCOME

CALL TO ORDER

QUORUM CHECK

PUBLIC HEARING

Anyone wishing to be heard is asked to please wait to be recognized. Speakers will need to state their name and address. Sec. 2-26. (d) Comment procedures for the public. Comments shall be only directly relating to agenda items. Speak only from the podium. Four minutes per person. Refrain from debate, argument, personal attacks, or irrelevant discussion. Address only the merits of the pending matter, and address remarks directly to council. Council can't speak to potential litigation, attorney client or personnel matters. Public input will be allowed after Council receives reports from staff and/or the applicant.

1. Proposed 2023 Property Tax Millage Rate

ADJOURN

Attachment C

			TAX DIGEST HI						FY24 \$
		ESTIMATED TAXES							
CITY	2015	2016	2017	2018	2019	2020	2021	2022	2023
REAL & PERSONAL	\$104,398,300	\$106,587,519	\$115,258,713	\$125,090,437	\$137,457,267	\$147,001,238	\$163,019,331	\$194,984,058	\$232,545,092
MOTOR VEHICLES (2)	\$5,413,850	\$4,615,540	\$3,520,900	\$3,014,170	\$2,833,160	\$3,014,490	\$2,491,010	\$2,300,830	\$2,394,340
MOBILE HOMES (2)	\$60,552	\$54,420	\$54,564	\$56,095	\$62,542	\$59,573	\$61,099	\$59,531	\$61,860
TIMBER - 100%	\$0	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0
HEAVY DUTY EQUIP.	\$133,064	\$3,549	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS DIGEST	\$110,005,766	\$111,261,028	\$118,837,177	\$128,160,702	\$140,352,969	\$150,075,301	\$165,571,440	\$197,344,419	\$235,001,292
LESS EXEMPTIONS (3)	\$2,662,152	\$2,708,735	\$3,207,900	\$3,349,336	\$3,583,735	\$5,222,726	\$3,769,477	\$3,279,600	\$4,990,963
NET DIGEST	\$107,343,614	\$108,552,293	\$115,629,277	\$124,811,366	\$136,769,234	\$144,852,575	\$161,801,963	\$194,064,819	\$230,010,329
% Est. Exemptions to GDigest	2.42%	2.43%	2.70%	2.61%	2.55%	3.48%	2.28%	1.66%	2.12%
GROSS MILLAGE	7.870	8.029	7.576	7.399	6.952	6.391	6.055	6.085	6.558
LESS ROLLBACKS (4)	5.016	5.238	4.899	4.891	4.444	4.023	3.974	4.004	
NET MILLAGE	2.854	2.791	2.677	2.508	2.508	2.368	2.081	2.081	2.922
NET TAXES LEVIED	\$306,359	\$302,969	\$309,540	\$313,027	\$343,017	\$343,011	\$336,710	\$403,849	\$671,860
									*Recommended 0.84 mill increase

Estimated tax increase over 2022 \$268,011 18.52%

19.26%

Less Rollbacks

FY2022 LOST \$ 854,432 Gross Digest 2023 \$ 235,001,292

Millage Rollback calculation:

LOST/Gross Digest 0.003636 Millage Rate rollback 3.636

Proposed Millage 2.921

Current Millage 2.081 mill increase 0.84

NOTES:

(1) Property value is assessed on January 1 of each year but collected in November of the same year, thus crossing fiscal years.

(2) Values for Motor Vehicles held before 2013 and campers and utility trailers are decreasing, though there was a tip upward in 2020 likely due to individuals purchasing pull behind campers. Beginning in 2021, taxes are estimated to decrease 10% annually. Taxes on mobile homes are also expected to annually decrease by a less significant amount at 2%. The Tax Ad Valorem Tax (TAVT) laws have changed and negatively impacted the city's budget. TAVT applies to all self-propelled vehicles and does not apply to non-self propelled campers and utility trailers. Vehicles, campers, and utility trailers held before 2013 (non TAVT) are decreasing. Law change affected years 2013 through 2019 with distribution into buckets: schools, divvy, sales tax percentages on all vehicles in County. As of 2020, only getting sales of vehicles within city limits.

(3) Exemptions are figured to increase at an average rate of 0.21% beginning in 2021; the average rate of increase that exemptions have been of the Gross Digest over the past 5 years. Neither the \$2,000 homestead exemption nor the 65+ year or older (including the exemptions for lower income households) are calculated on the city's portion of the property tax. The two main exemptions that affect the city are the Freeport and the Conservation Use exemptions.

(4) Rollbacks are determined by a formula dividing the Net Digest by the Sales Tax Distributions.

		RESIDENTIAL	(HOMESTEAD)		
2023			2023 (IF ROLLBACK)		
Home Value	\$	300,000.00	Home Value	\$	300,000.00
Homestead	\$	5,000.00	Homestead	\$	5,000.00
Assessed Value	\$	295,000.00	Assessed Value	\$	295,000.00
40% Assessment		0.4	40% Assessment		0.4
Taxable Amount	\$	118,000.00	Taxable Amount	\$	118,000.00
Millage Rate		0.002081	Millage Rate		0.001755786
	\$	245.56		\$	207.18
Taxable Difference	\$	38.38			
Home Value	\$	500,000.00			
Homestead	\$	5,000.00			
Assessed Value	\$	495,000.00			
40% Assessment		0.4			
Taxable Amount	\$	198,000.00			
Millage Rate		0.002081			
•	\$	412.04			
Taxable Difference	\$	204.86			
e millage rate for 2023 so th	at t	he 2023 taxes levie	ed remain the same as the 2022 taxes levied (\$40	3,849),

		COMMERCIAL
2023		2023 (IF ROLLBACK)
Commercial Value	\$ 500,000.00	Commercial Value \$ 500,000.00
Assessed Value	\$ 500,000.00	Assessed Value \$ 500,000.00
40% Assessment	0.4	40% Assessment0.4
Taxable Amount	\$ 200,000.00	Taxable Amount \$ 200,000.00
Millage Rate	0.002081	Millage Rate0.001755786
	\$ 416.20	\$ 351.16
Taxable Difference	\$ 65.04	
Commercial Value	\$ 750,000.00	
Assessed Value	\$ 750,000.00	•
40% Assessment	0.4	
Taxable Amount	\$ 300,000.00	
Millage Rate	0.002081	
•	\$ 624.30	•
Taxable Difference	\$ 273.14	

To calculate the divide \$403,849 by the net digest for 2023 of \$230,010,329. That produces a millage rate of 1.7558. This would be the millage rate for 2023 if the city took the rollback.

\$ \$ 230,010,329 2023 Net Digest 1.7558 2023 Millage Rate with Rollback

403,849 2022 Taxes Levied

Attachment C

Modeling Millage Rates								
Millage	Estimated Taxes Genera	Increase over FY23	Residential (\$500k)	Tax Difference	Commercial (\$750k)	Tax Difference		
2.081	\$ 478,651.49	\$ 74,802.61	\$ 412.04	\$ 204.86	\$ 624.30	\$ 273.14		
2.2	\$ 506,022.72	\$ 102,173.84	\$ 451.64	\$ 244.46	\$ 660.00	\$ 308.84		
2.581	\$ 593,656.66	\$ 189,807.77	\$ 511.04	\$ 303.86	\$ 774.30	\$ 423.14		
2.781	\$ 639,658.72	\$ 235,809.84	\$ 550.64	\$ 343.46	\$ 834.30	\$ 483.14		
2.881	\$ 662,659.76	\$ 258,810.87	\$ 570.44	\$ 363.26	\$ 864.30	\$ 513.14		
2.921	\$ 671,860.17	\$ 268,011.28	\$ 578.36	\$ 371.18	\$ 876.30	\$ 525.14		
2.981	\$ 685,660.79	\$ 281,811.90	\$ 590.24	\$ 383.06	\$ 894.30	\$ 543.14		
3.081	\$ 708,661.82	\$ 304,812.94	\$ 610.04	\$ 402.86	\$ 924.30	\$ 573.14		

Modeling Millage Rates								
Millage	Estimated Taxes Genera	Increase over FY23	Residential (\$300k)	Tax Difference	Commercial (\$500k)	Tax Difference		
2.081	\$ 478,651.49	\$ 74,802.61	\$ 245.56	\$ 38.38	\$ 416.20	\$ 65.04		
2.2	\$ 506,022.72	\$ 102,173.84	\$ 259.60	\$ 52.42	\$ 440.00	\$ 88.84		
2.581	\$ 593,656.66	\$ 189,807.77	\$ 304.56	\$ 97.38	\$ 516.20	\$ 165.04		
2.781	\$ 639,658.72	\$ 235,809.84	\$ 328.16	\$ 120.98	\$ 556.20	\$ 205.04		
2.881	\$ 662,659.76	\$ 258,810.87	\$ 339.96	\$ 132.78	\$ 576.20	\$ 225.04		
2.921	\$ 671,860.17	\$ 268,011.28	\$ 344.68	\$ 137.50	\$ 584.20	\$ 233.04		
2.981	\$ 685,660.79	\$ 281,811.90	\$ 351.76	\$ 144.58	\$ 596.20	\$ 245.04		
3.081	. \$ 708,661.82	\$ 304,812.94	\$ 363.56	\$ 156.38	\$ 616.20	\$ 265.04		