

Amendment 3

PROPERTY

TAX REFORM



Proposed Homestead Constitutional Amendment

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Amendment 3 Property Tax Reform

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Chapter 1:

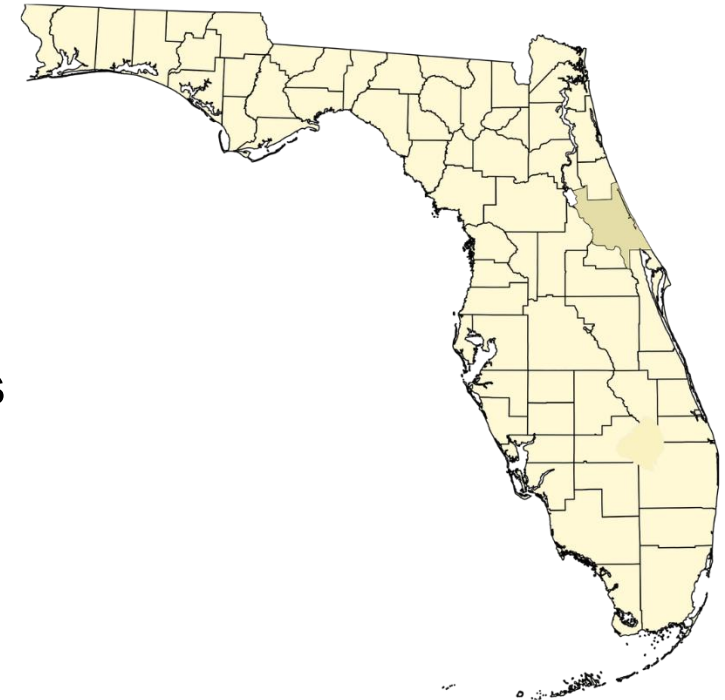
What Is It?



What Is It?

The Proposed Constitutional Amendment

- Amendment would increase homestead exemption from **\$50,000 to \$150,000 in 2027 and \$250,000 in 2028**
- Directs legislature to establish procedure for exemption to be raised up to the full assessed value
- Does not eliminate or reduce school district property taxes
- Public Safety, Law enforcement, Fire Rescue, and Emergency Services would also be significantly impacted as the Amendment is currently written



Chapter 2:

Why Is It Important?



Why Is It Important?

Property Taxes... Your Investment In Your Community

- Primary revenue source cities and counties use to provide resident and business services
- Invested back into the community for public safety, quality of life, and core service programs
- Some are highly visible like EMS, Fire Rescue, Libraries, and Parks
- Others work quietly behind the scenes like Mosquito Control, Veterans Services, and Volusia Forever
- All contribute to making Volusia County a safe, healthy, and desirable place to live



Chapter 3:

What Options Will Local Government Have?



What Options Will Local Government Have?

Public Safety, Infrastructure, Quality of Life

- If the proposed constitutional amendment passes, Volusia County will still be required by law to adopt a balanced budget and provide mandated services
- A combination of options would have to be considered, including:
 - Eliminate or reduce services, programs, and facilities
 - Increase the millage rate
 - Implement new fees
 - Increase existing fees



Chapter 4:

What's Local Financial Impact?

\$455M

County property taxes
collected each year

\$129M

removed every year at the
\$250,000 exemption

28%

of all County
property tax revenue



What's the Local Financial Impact?

What A Homestead Property Saves

Average annual savings on Volusia County taxes at full \$250,000 exemption

\$673

Homesteaded property inside a city

\$1,320

Homesteaded property outside a city

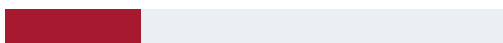
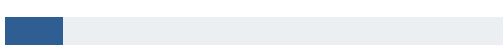
What the County Loses

Once the exemption is fully phased in, the County permanently loses the following annually:

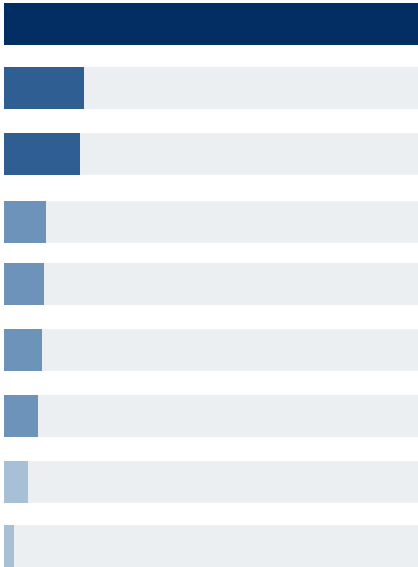
\$129.3M

Spread across 159,893 homesteaded parcels, and paid for by all 346,532 parcels through reduced services

Every Property Tax Fund Will Be Reduced

	Annual revenue reduction		Share of that fund
General Fund		\$59.3M	27.8%
Law Enforcement Fund		\$29.7M	27.8%
Fire District		\$16.1M	32.8%
Municipal Service District		\$7.4M	32.9%
Library		\$6.9M	27.8%
Volusia Forever		\$3.7M	27.8%
Volusia ECHO		\$3.7M	27.8%
Mosquito Control		\$1.7M	23.9%
Ponce Inlet Port Authority		\$0.8M	24.3%
All County property tax funds		\$129.3M	28.5%

What Your Property Tax Pays For

Public safety		\$254.6M	55.9%
State mandates and payments		\$48.7M	10.7%
Parks, transit & other services		\$45.9M	10.1%
Volusia ECHO & Volusia Forever		\$25.0M	5.5%
Libraries		\$24.0M	5.3%
Buildings, technology & operations		\$22.6M	5.0%
Beaches		\$19.8M	4.4%
CRA payments to cities		\$13.9M	3.1%
Roads		\$5.0M	1.1%
Total County Property Tax		\$455.5M	100%

*Property taxes are assumed to pay (1) CRA payments and property appraiser / tax collector commissions; (2) sheriff's budget; (3) limited fund purpose expenditures (i.e. port district, mosquito control, fire district, library). After that assumption, other flexible revenues applied as follows (in order): (1) state mandated payments / courts; (2) buildings, technology & operations.

The Cost of Services and Programs

VoTran transit services	\$11.0M	Veterans services	\$1.4M
Parks, recreation & culture	\$8.7M	Economic development	\$1.2M
Mosquito control	\$6.8M	Ag center & resource stewardship	\$1.1M
Alcohol, drug & mental health match	\$4.0M	Planning & code compliance	\$0.4M
Local court programs	\$3.5M	Community services administration	\$0.4M
Community assistance	\$2.7M	Public guardian & guardian ad litem	\$0.3M
Children & families	\$2.7M	Street lighting district	<\$0.1M
Environmental management	\$1.7M		
		Total	\$45.9M

The Scale of the Loss

Public safety		\$254.6M
The annual loss under Amendment 3		\$129.3M
State mandates and payments		\$48.7M
Parks, transit & other services		\$45.9M
Volusia ECHO & Volusia Forever		\$25.0M
Libraries		\$24.0M
Buildings, technology & operations		\$22.6M
Beaches		\$19.8M
CRA payments to cities		\$13.9M
Roads		\$5.0M

What \$129 Million A Year Actually Costs

\$129.3M

28% of County property tax
25% of all flexible revenue

92% of the entire Sheriff's Office budget

More than Jail and Fire Rescue budgets combined

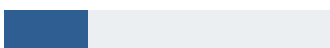
2.0× the property tax funding libraries, beaches, parks and VoTran combined

Public Safety Impacts

\$89.0M

**Must be found in the Law
Enforcement and General Fund**

Everything available adds to \$57.7M;
cutting all of it still leaves \$31.3M to find
in areas like public safety

Beaches		\$17.2M
Human & veterans services		\$11.4M
VoTran transit services		\$11.0M
Parks, recreation & culture		\$8.7M
Roads		\$5.0M
Planning, environmental & econ dev		\$4.4M
Everything available, completely eliminated		\$57.7M
Still short		\$31.3M

**It is not realistic to assume everything on this list will be completely eliminated.
The impact to public safety spending will likely be even larger than \$31.3M.**

Fire District and MSD Have Fewer Options

\$23.5M

Additional public safety impact

Both districts are separate levies and 96% of each tax is used on public safety; the remaining 4% is CRA payments and state-required commissions

A shortfall in one fund cannot be covered by another fund

Fire District

– \$16.1M · 32.8%

The fire district reduction can only be absorbed by the fire services division

Municipal Service District

– \$7.4M · 32.9%

The Sheriff's budget consumes and utilizes all property taxes collected by the municipal service district

*after required withholdings

At least \$54.8 million lands on public safety, unless other fees or taxes are increased

Chapter 5:

What Services and Programs Could be Affected?



What Services and Programs Could Be Affected?

Public Safety, Infrastructure, Quality of Life

- Property taxes help fund a majority of the infrastructure, services, programs, and facilities Volusia County provides for the community
- While the proposal would reduce property tax revenue collected by local governments, the demand for services and the cost of providing them will not go away
- There will simply be significantly less revenue available to pay for them



What Services and Programs Could Be Affected?

Public Safety, and Public Protection

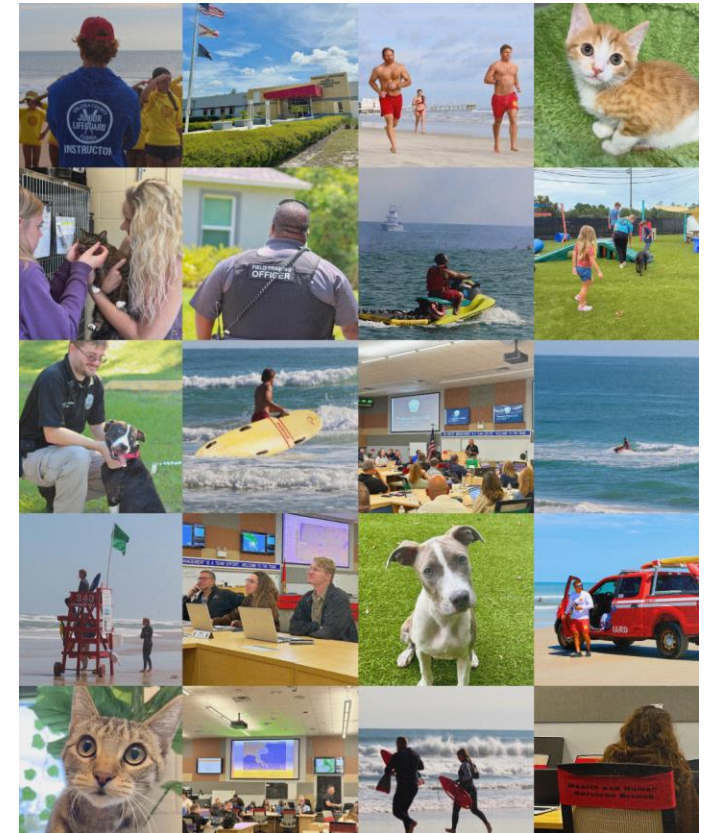
- If the amendment passes, impacted services could include:
 - **Law Enforcement:** Potential \$37M loss in funding for deputies, vehicles, and equipment
 - **Fire Rescue:** Potential \$16M loss resulting in fewer firefighters, closed fire stations, and longer response times
 - **Emergency Medical Services:** Potentially longer ambulance response times during periods of high demand, fewer resources available to expand EMS coverage for our growing population



What Services and Programs Could Be Affected?

Public Safety and Public Protection

- If the amendment passes, impacted services could include:
 - **Beach Safety:** Potentially fewer lifeguards, fewer staffed lifeguard towers, and/or increased beach driving or off-beach parking fees to help maintain beach operations
 - **Emergency Management:** Potentially fewer resources available to prepare for, respond to, and recover from major emergencies and natural disasters
 - **Animal Services:** Potentially fewer resources available to reunite lost pets with their owners and respond to public safety calls regarding animal concerns



What Services and Programs Could Be Affected?

Infrastructure and Core Services

- If the amendment passes, impacted services could include:
 - **Stormwater & Flood Protection:** Potentially less frequent canal and drainage maintenance delayed stormwater/flooding improvement projects
 - **Roads, Sidewalks & Drainage:** Potentially longer timelines for road resurfacing, sidewalk improvements, and neighborhood drainage projects
 - **Mosquito Control:** Potentially longer wait times for mosquito treatment requests, greater emphasis on reactive spraying rather than proactive neighborhood treatments



What Services and Programs Could Be Affected?

Quality of Life and Community Enrichment

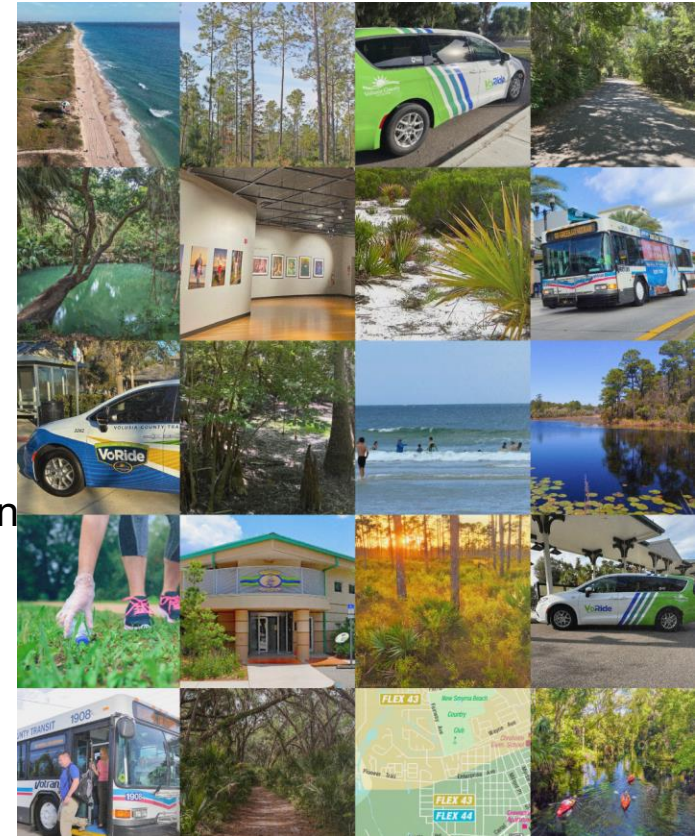
- If the amendment passes, impacted services could include:
 - **Veterans Services:** Potentially longer wait times, fewer staff to assist with navigating VA benefits and claims, reduced operating hours
 - **Library Services:** Potentially shuttered library branches, fewer days open, reduced hours, and fewer educational programs for children, seniors, and families
 - **Parks & Recreation:** Potentially closed parks, delayed park and trail maintenance, reduced recreational programming, higher participation fees



What Services and Programs Could Be Affected?

Quality of Life and Community Enrichment

- If the amendment passes, impacted services could include:
 - **VoTran/VoRide:** Potentially fewer VoTran routes or shorter operating hours; fares could increase to help offset operating costs
 - **Environmental Protection:** Water quality monitoring, sea turtle conservation efforts, and habitat restoration projects could all be reduced or delayed
 - **Volusia Forever:** Potentially fewer conservation acquisitions, less public land for recreational opportunities, elimination of programming
 - **Volusia ECHO:** Potentially reduced funding for ECHO projects in unincorporated Volusia County and municipalities
 - **Private businesses and nonprofit agencies:** Could experience a significant reduction in contracts with local governments



Chapter 6:

Who Pays Under a Tax Shift?



Who Pays Under a Tax Shift?

Segments of the Community Will Be Impacted Differently

- A tax shift could occur if elected officials determine it is necessary to raise additional revenue by assessing higher taxes on non-homestead properties or implementing fees for services now funded by property taxes
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- ➔ • **Community wide:** a tax shift is predicted to impact businesses, commercial property owners, renters, military families, young Floridians, visitors and tourists
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- ➔ • **Commercial and residential properties:** rents could increase, millage rates could increase on residential and commercial properties, and residents could experience new fees
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- ➔ • **Local governments:** depending on the makeup of a local government's tax base, the tax shift will impact each agency and municipality differently



Chapter 7:

What's The Bottom Line?



What's the Bottom Line?

What this means for Volusia County

\$528M

is the flexible revenue the County has to work with

86%

of that flexible revenue is property tax

\$129.3M

is removed every year — 28% of all property taxes

Largest impact

on quality-of-life services (beaches, parks, transit, human & veterans services)

No allocation

of a cut this large avoids public safety

What's the Bottom Line?

The Big Picture on Property Tax Reform in Volusia County

- Volusia County has a long history of conservative fiscal management
- Like any household or business, we continuously look for efficiencies, evaluate spending, and find ways to operate more effectively within the budget
- In fact, the County decreased its operating budget every year for the previous nine years
- We also steadily reduced the millage rate over the past nine years while continuing to provide services to a growing community



What's the Bottom Line?

The Big Picture on Property Tax Reform in Volusia County

- Relationship between the community and residents' investment in the services they need and utilize
- Property taxes fund many of those services
- If the amendment passes, local governments will have to make difficult decisions about how those services are delivered and funded in the future
- Those decisions could include closed facilities, eliminated services, and additional or higher fees
- Whatever your perspective on the proposed amendment, we hope today's presentation provided a clearer understanding of why this proposal is significant and why these conversations matter



Questions?

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