

**CITY COUNCIL RESEARCH DIVISION  
LEGISLATIVE SUMMARY**



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**Bill Type and Number:** Ordinance 2022-276

**Introducer/Sponsor(s):** Council Members Becton, Diamond, and Ferraro

**Date of Introduction:** April 12, 2022

**Committee(s) of Reference:** F, R

**Date of Analysis:** April 14, 2022

**Type of Action:** Request to Mayor's office

**Bill Summary:** The bill encourages the Mayor to submit a budget proposal for FY22-23 using anticipated ad valorem revenues based on the estimated rolled-back millage rate calculated pursuant to the state's TRIM property tax notice procedure.

**Background Information:** The bill's preamble states that for the past 7 fiscal years the Mayor has proposed and the Council has approved budgets with no change in the millage rate, which has had the effect of producing more than \$285 million in new ad valorem tax revenue due to rising property values and the increased value of a mill. The resolution also states that the City is benefitting from increasing state-shared revenues, growth in the revenue from the local half-cent sales tax and the local option gas tax recently approved, and an unprecedented influx of hundreds of millions of dollars of COVID-related CARES Act and American Rescue Plan funding from the federal government. In recognition of this growth in revenues, the resolution encourages the Mayor to submit a proposed FY22-23 budget in July based on the rolled-back millage rate.

The rolled-back rate is required by state law to be calculated and reported to property owners via a Truth In Millage (TRIM) notice. Generally speaking, the rolled-back rate is the millage rate which, when applied to the upcoming year's assessed taxable value, would produce the same amount of revenue as was produced in the current year on the same properties. The resolution points out that if the rolled-back rate is used, ad valorem revenues would still increase because of the new revenue received from properties appearing on the tax roll for the first time, an increase of up to 3% on the value of currently homesteaded properties, and the increased taxable value of homesteaded properties that are sold.

**Policy Impact Area:** Property tax rate

**Fiscal Impact:** The amount of growth in ad valorem revenue using the "rolled-back" millage calculation for the FY22-23 budget cannot be computed until the preliminary property assessment roll is produced by the Property Appraiser in June. The resolution states that if the rolled-back millage rate was used for the current fiscal year, it would have generated an additional \$19,353,555 over the previous year's ad valorem revenue.

**Analyst:** Clements