

# A NEW POLICY TO MAINTAIN (FREEZE) PRIMARY PROPERTY TAXES FOR FIVE YEARS

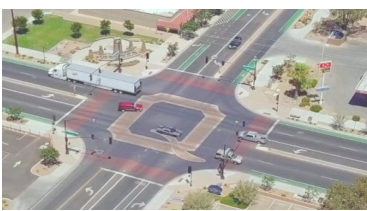
Town Council

November 2, 2022

# PURPOSE OF PRESENTATION

Consideration and Possible Approval of Resolution 1500-22 Adopting a New Financial Policy to Maintain (Freeze) Primary Property Taxes for Existing Taxpayers Beginning July 1, 2023 for Five Years

- Detailed Presentation at October 19<sup>th</sup> Town Council Meeting



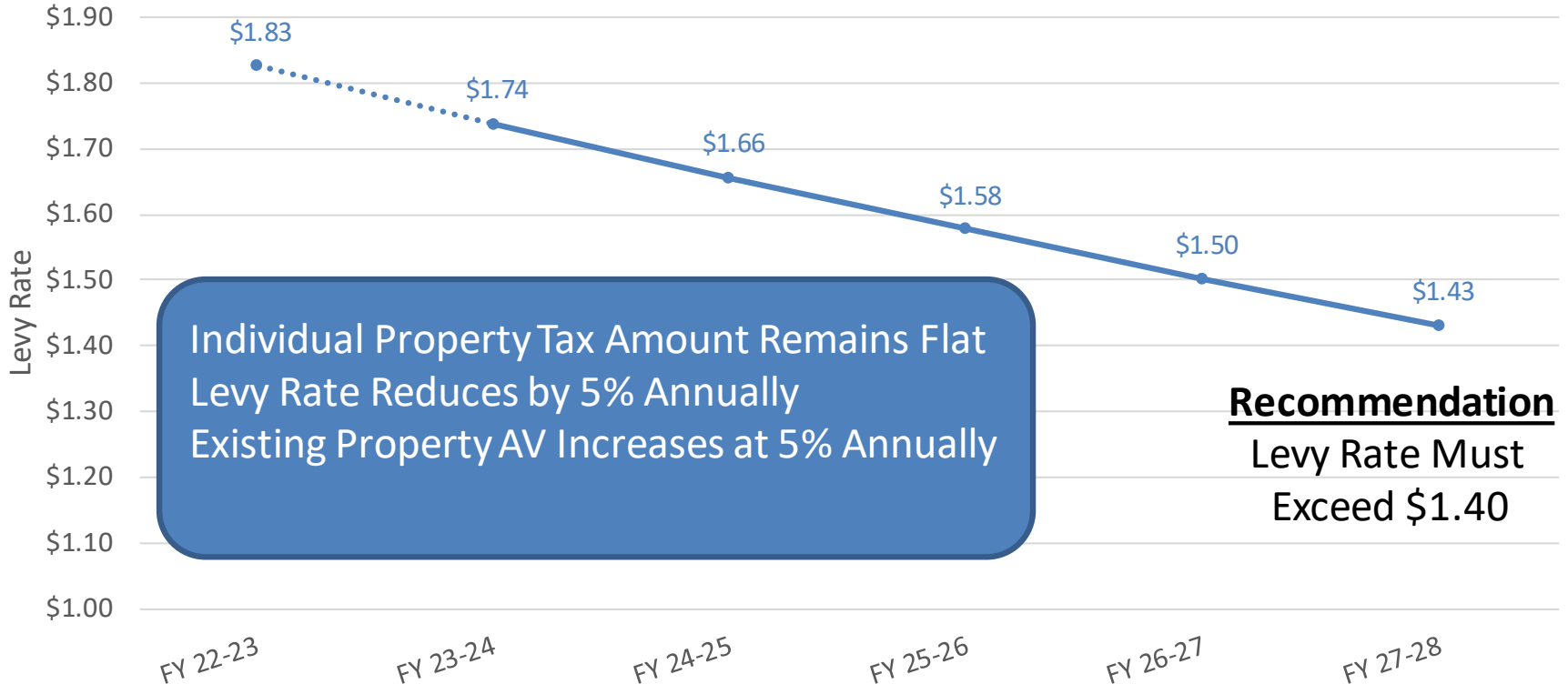
# RESOLUTION 1500-22

Effective July 1, 2023, Create a New Primary Property Tax Policy

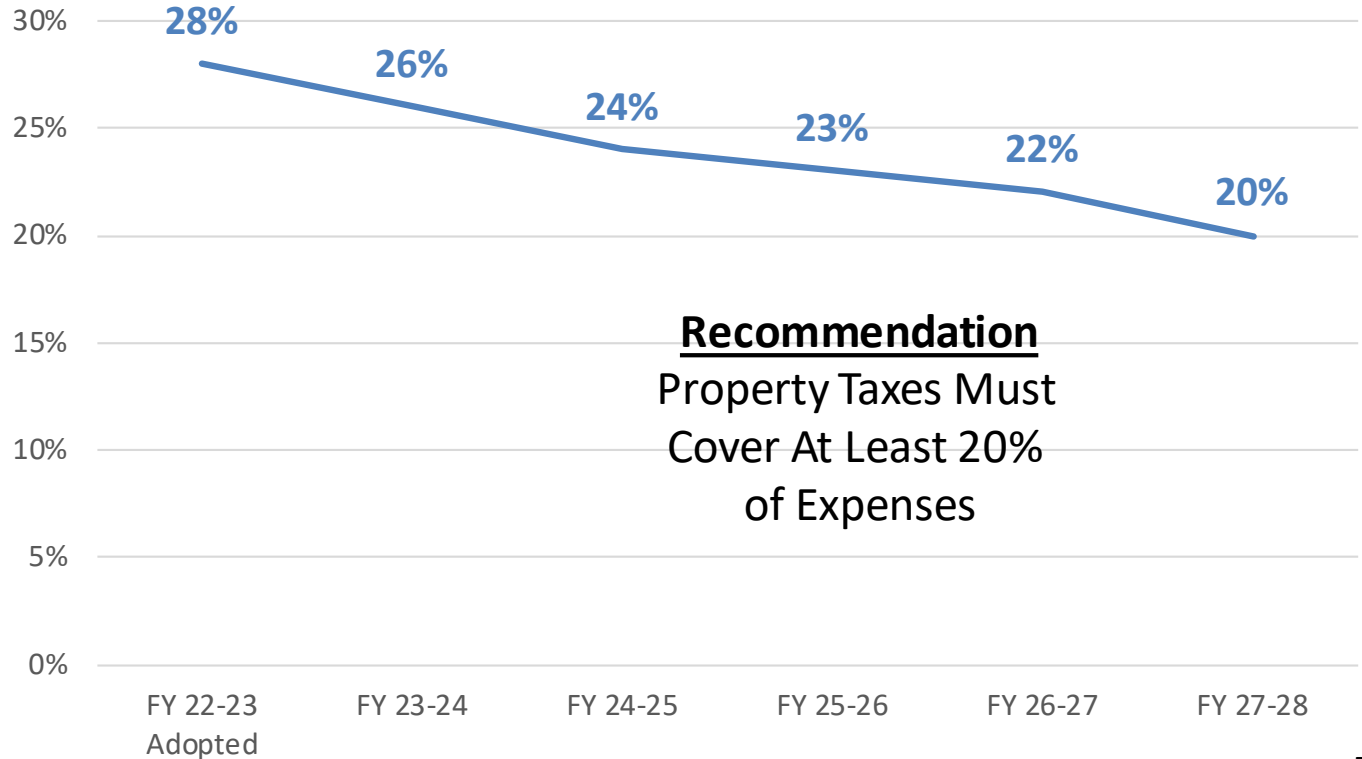
1. Property Taxes Will be Received from New Construction
2. Maintains (Freezes) Primary Property Taxes for Existing Customers for Five Years
3. Property Taxes for Existing Taxpayers Will Be Set at the Truth and Taxation Levy Rate (TNT) Annually if Both of the Following Conditions Exist:
  - A. The Levy Rate Exceeds \$1.40 **AND**
  - B. The Amount of Property Taxes is 20% or Higher of Expenses



# TRUTH AND TAXATION (TNT) LEVY RATE PROJECTION



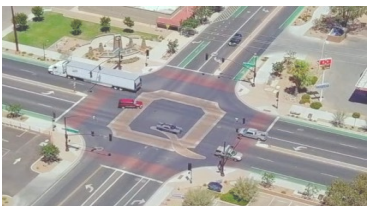
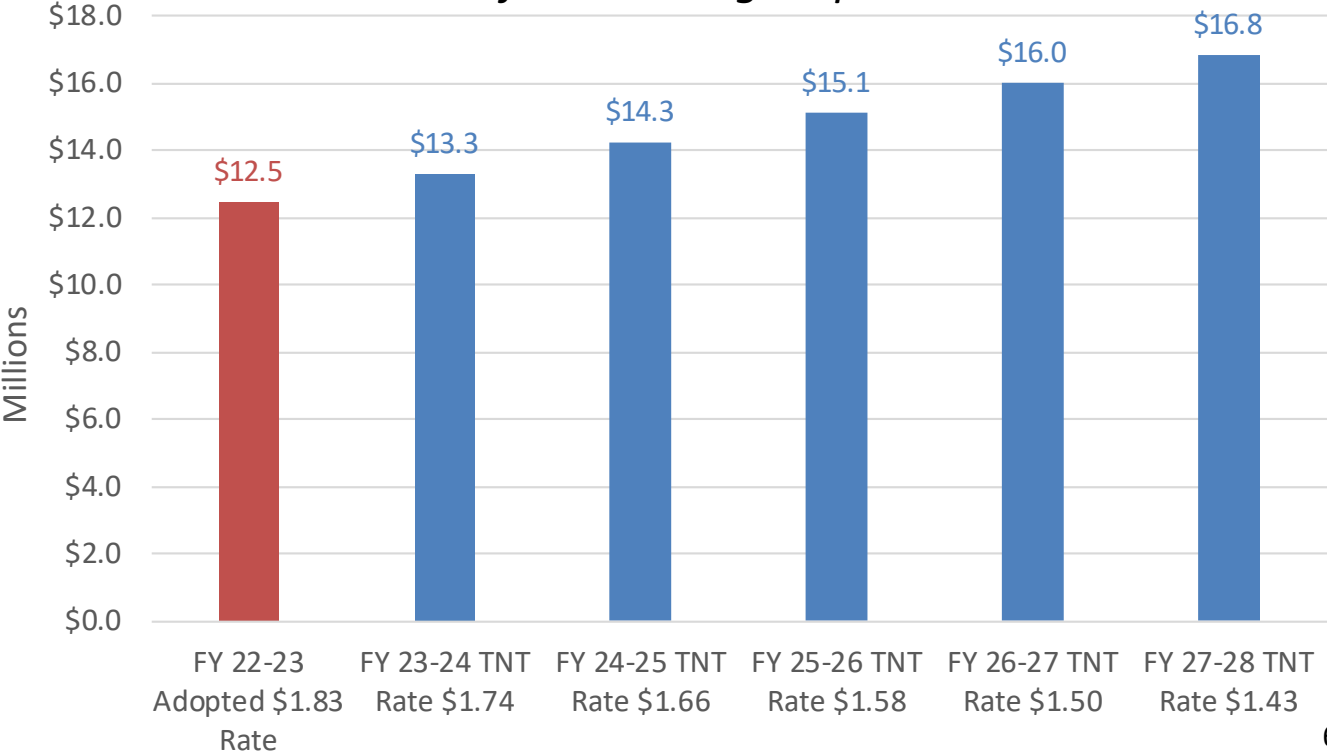
# PERCENT OF EXPENSES COVERED BY PROPERTY TAXES AT TNT RATE





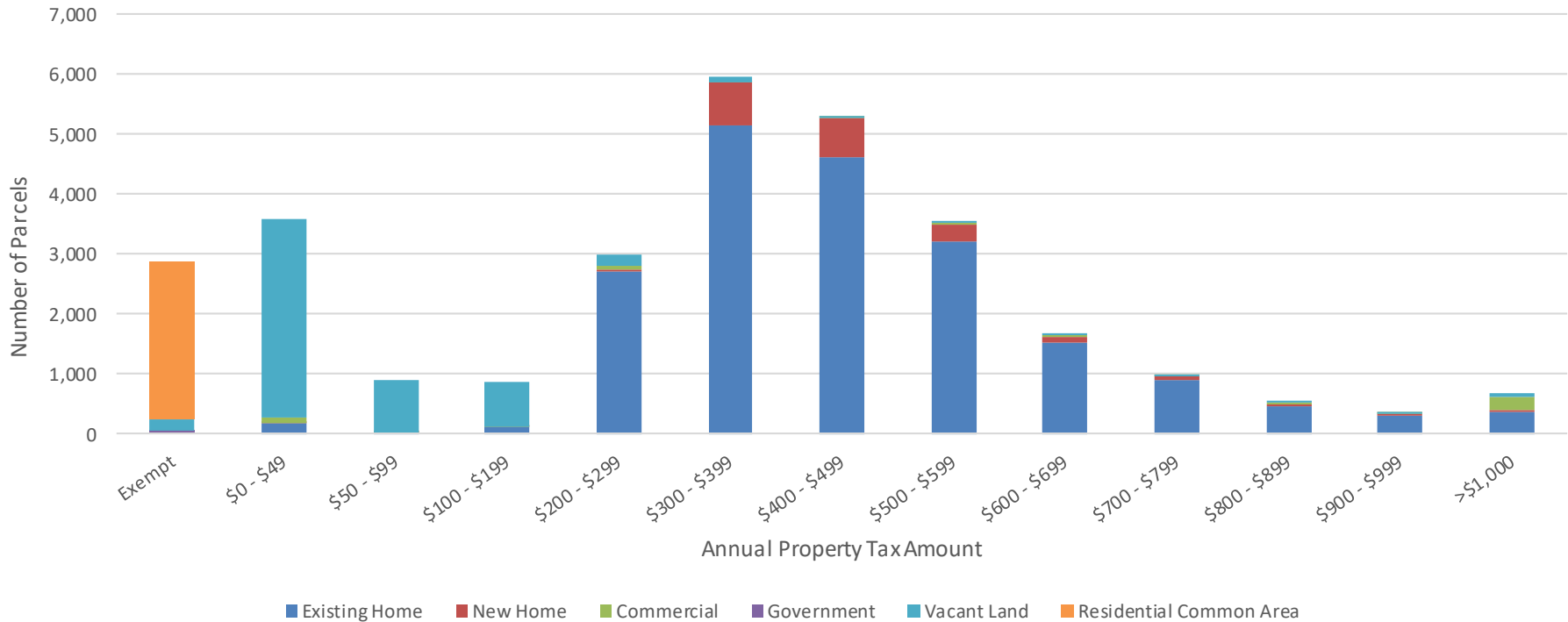
# PROPERTY TAX REVENUE AT TNT RATE

*Property Tax Revenues Increase Only by New Construction, Not from Existing Properties*

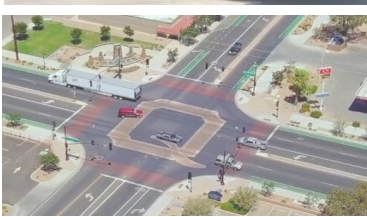


# PROPERTY TAXES: ALL PROPERTY TYPES (~30K PARCELS)

## FY 22-23: \$12.5M



# EXAMPLE: SAME PROPERTY TAX (MEDIAN VALUE HOME)



	Assessed Value (+5% Annually)	Levy Rate (-5% Annually)	Property Tax
FY 22-23	\$241K	\$1.83	\$441
FY 23-24	\$253K	\$1.74	\$441
FY 24-25	\$266K	\$1.66	\$441
FY 25-26	\$280K	\$1.58	\$441
FY 26-27	\$294K	\$1.50	\$441
FY 27-28	\$308K	\$1.40	\$441

No  
Change

In FY 27-28 (5<sup>th</sup> Year), \$122 taxes avoided annually (as compared to if levy rate remained at the current \$1.83)

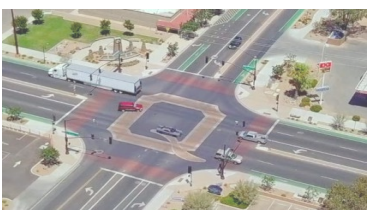


# EXAMPLE: SAME PROPERTY TAX (MEDIAN VALUE HOME)



	Property Taxes at TNT Levy Rate (-5% Reduction Annually)	Property Taxes at \$1.83 Constant Levy Rate	Annual Savings	Cumulative Savings
FY 22-23		\$441		
FY 23-24	\$441	\$463	\$22	\$22
FY 24-25	\$441	\$486	\$45	\$67
FY 25-26	\$441	\$510	\$69	\$136
FY 26-27	\$441	\$536	\$95	\$231
FY 27-28	\$441	\$563	<b>\$122</b>	<b>\$353</b>

# WHAT DOES THE NEW POLICY ACCOMPLISH?



- Affirms Public Safety is the Town Council's #1 Priority
  - Does Not Restrict the Ability to Increase Public Safety Expenses
- Creates Certainty for Taxpayers (Existing and New)
  - No Increase for 5 Years
  - \$241K Median Value House: \$122 Less in Property Taxes in 5<sup>th</sup> Year
- Property Tax Revenues Increase Only by New Construction
  - Foregone Property Tax Revenues (\$4.7M in 5<sup>th</sup> Year as Compared to the Status Quo)
- A Shift in the Funding of Public Safety Costs
  - More of the Town's General Revenue Sources Will Be Used (\$4.7M More in 5<sup>th</sup> Year)

# MOTION

Approval of Resolution 1500-22 as presented

