

Budgeting to Reduce Your Tax Burden

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County Commissioner Maria Marino

Preparing a balanced county budget takes more than covering expenditures with revenues. It requires a focus on providing essential services to our residents, from garbage pick-up and disposal, to striping roads, to assisting low-income elderly folks keep their utilities on, to preserving our beaches and natural areas. We must use precision to create efficiencies and eliminate any waste in our budget in the interest of lessening the tax burden on the property owners in this community and helping households make ends meet.

Property taxes make up roughly 25 percent of the operating budget and public safety takes up the largest portion. Departments covering airports and water utilities are enterprise funds, not funded primarily by property taxes. Per Florida Statutes, the other funds on the balance sheet include the general fund, special revenue funds restricted or committed to a specific purpose, debt service funds, capital projects, and internal services.

With a population of just over 1.5M, nearly half of our residents live in the unincorporated area.

After 11 years with a millage rate of 4.7815, the Commission last year approved a reduction to 4.715, the rate applied to each \$1,000 of taxable property value. As new residents have continued to make Palm Beach County their home, tax revenue has increased at a rate of more than 13% over the past year. With more money coming into the county coffers, I proposed and achieved unanimous consent from the Board to approve a further reduction in the millage rate this year to 4.50 mils, so that taxpayers can realize more savings.

This reduction allows us to keep a hefty level of reserve funds. The County's conservative approach to keeping significant reserves helps us maintain a AAA rating, which is the highest credit designation assigned to bond issuers by rating agencies such as Standard & Poor's and Fitch. Reserves enable us to respond to emergencies and unanticipated expenditures without chipping away at services residents rely on.

Of the total gross budget of \$7.9B, projected total property tax revenue is \$1.9B. Approximately 72 percent of the property tax revenue is for the general fund to provide the budget for the Sheriff and other constitutional officers, judicial facilities and technology, county departments, capital projects, agency partners who assist the public, and to community development agencies that reinvest in their infrastructure. The remaining 28 percent pays for fire rescue, libraries and debt service.

Feedback from the District 1 communities has made it clear that reducing the county tax rate is a trend we need to follow.

Thank you all for your continued input and please feel free to contact me at (561) 355-2201 or by email at mmarino@pbcgov.org