

MEMORANDUM

To: Mayor and City Council
From: Amy King, Accounting Manager
Date: June 11, 2018
Subject: **Public Hearings and Ordinance to establish the 2018 Ad Valorem Tax Rate**

ITEM DESCRIPTION

Public Hearings and Ordinance to establish the 2018 Ad Valorem Tax Rate.

BACKGROUND

The proposed millage rate is a levy of 2.74 mills or \$2.74 for every \$1,000 of the assessed value of property (about 40% of the fair market value.) This rate applies to both real property and personal property for businesses.

Three public hearings, two advertisements in the Crier, a press release, and posting to our website are all required to adopt the proposed millage rate. Staff has addressed each of these required steps.

Collection of the ad valorem taxes will contribute to General Fund revenues for the general operations of the City including police, public works, community development, and administration; as well as capital projects. Increases in the digest over time should offset inflationary increases in the costs of providing services as well as the costs of new programs approved by Council.

This year's digest projects a 13.45% increase in revenue (~\$1 million) over the prior year. This figure consistently drops throughout the calendar year as appeals are settled. Due to the assessment freeze on homestead property, most of the increase is for commercial property. No one owning a home when Dunwoody incorporated is paying more for the same property as they did in 2009 with this credit. Also, no one who purchased since 2009 is paying more tax than when they acquired their homestead, except in cases where the property was improved. Differences from the budget in property tax revenues will be combined with other variances and subsequently allocated by Council through the normal budgetary process.

RECOMMENDED ACTIONS

Staff recommends adopting the ordinance to establish the 2018 Ad Valorem Tax Rate.

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF
DUNWOODY, GEORGIA TO FIX THE AD VALOREM TAX RATE OF THE
CITY OF DUNWOODY FOR FISCAL YEAR 2018 AND FOR OTHER
PURPOSES**

WHEREAS, the City of Dunwoody is charged with operating and maintaining City Government and pursuant to the Charter of the City of Dunwoody to provide for the assessment of ad valorem property taxes on all real and personal property subject to ad valorem taxation; and

WHEREAS, the millage rate set by the City of Dunwoody for fiscal year 2017 was 2.74 mills; and

WHEREAS, the City of Dunwoody has approved a contract with the Tax Commissioner of DeKalb County, Georgia to serve as Tax Collector for the City for the collection of ad valorem taxes; and

WHEREAS, due to the increase in the Tax Digest for properties within the boundaries of the City of Dunwoody, the City’s anticipated millage rate will result in a tax increase; and

WHEREAS, the City Council has properly given notice, and held public hearings, in accordance with the law of the State of Georgia, on June 11, 2018 at 9:00 a.m., June 18, 2018 at 6:00 p.m. and June 18, 2018 at 8:00 a.m. for the purpose of receiving relevant evidence, testimony, and public comment concerning the proposed millage rate for ad valorem property taxes; and

WHEREAS, the Mayor and City Council, after hearing and after duly considering all such relevant evidence, testimony and public comment, has determined that it is in the best interest of, and necessary to meet the expenses and obligations of, the City of Dunwoody to set a levy in the amount of 2.74 mills on each \$1,000.00 of taxable value for all property subject to ad valorem taxation by the City.

THEREFORE, THE CITY COUNCIL OF THE CITY OF DUNWOODY, GEORGIA, HEREBY ORDAINS, as follows:

SECTION 1: The ad valorem tax at the rate for the City of Dunwoody, Georgia for the 2018 fiscal year on property subject to ad valorem taxation by the City, is hereby fixed at 2.74 mills on each \$1,000.00 of taxable value or any part thereof of the value of all real and personal property which under the Laws of this State is subject to taxation within the corporate limits of the City for this purpose. Said millage rate is hereby levied for general government purposes.

SECTION 2: Pursuant to the approved contract with the Tax Commissioner of DeKalb County the billing date and due date for ad valorem taxes for the City shall be the same as those for DeKalb County.

**STATE OF GEORGIA
CITY OF DUNWOODY**

ORDINANCE 2018-06-XX

SECTION 3: The Tax Commissioner of DeKalb County or other designated tax collector is hereby authorized to bill and collect ad valorem taxes for the City of Dunwoody for fiscal year 2018 based on the millage rate set herein and to take, on behalf of the City, such actions authorized by the approved contract with the Tax Commissioner and State of Georgia law as may be necessary for this process.

SECTION 4: The City Manager is hereby authorized to execute the Millage Rate Rollback Calculation Worksheet based upon the millage rate hereby adopted by the Mayor and Council and submit same to the Tax Commissioner of DeKalb County.

SECTION 5: This ordinance hereby repeals any and all conflicted ordinances.

SECTION 6: This ordinance shall become effective immediately upon its adoption by the City Council.

SO ORDAINED, this 18th day of June, 2018.

Approved:

Denis L. Shortal, Mayor

ATTEST:

Approved as to Form and Content:

Sharon Lowery, City Clerk
(Seal)

City Attorney

NOTICE OF PROPERTY TAX INCREASE

The Dunwoody City Council has tentatively adopted a millage rate which will require an increase in property taxes by 12.85 percent due solely to the revaluation of real property tax assessments.

All concerned citizens are invited to the public hearings on this tax increase to be held at 4800 Ashford Dunwoody Road on June 11, 2018 at 9:00 a.m. and 6:00 p.m.

Time and place of an additional public hearing on this tax increase is at 4800 Ashford Dunwoody Road on June 18, 2018 at 8 a.m.

This tentative increase will result in a millage rate of 2.74 mills. Without this tentative tax increase, the millage rate will be no more than 2.428 mills. The proposed tax increase for a home with a fair market value of \$375,000 is approximately \$46.80 and the proposed tax increase for nonhomestead property with a fair market value of \$1,900,000 is approximately \$237.12.

CURRENT 2018 TAX DIGEST AND 5 YEAR HISTORY OF LEVY

INCORPORATED	2013	2014	2015	2016	2017	2018
Real & Personal	2,619,523,517	2,877,382,480	3,021,007,904	3,291,069,371	3,511,436,157	3,905,575,475
Motor Vehicles	114,145,810	97,644,680	69,585,460	50,026,160	42,877,420	24,293,260
Mobile Homes						
Timber - 100%						
Heavy Duty Equipment						7,438
Gross Digest	2,733,669,327	2,975,027,160	3,090,593,364	3,341,095,531	3,554,313,577	3,929,876,173
Less M & O Exemptions	590,879,129	617,188,259	663,433,440	741,508,916	830,832,727	840,138,387
Net M & O Digest	\$2,142,790,198	\$2,357,838,901	\$2,427,159,924	\$2,599,586,615	\$2,723,480,850	\$3,089,737,786
State Forest Land Assistance Grant Value						
Adjusted Net M&O Digest	2,142,790,198	2,357,838,901	2,427,159,924	2,599,586,615	2,723,480,850	3,089,737,786
Gross M&O Millage	2.740	2.740	2.740	2.740	2.740	2.740
Less Rollbacks (LOST)						
Net M&O Millage	2.740	2.740	2.740	2.740	2.740	2.740
Net Taxes Levied	\$5,871,245	\$6,460,479	\$6,650,418	\$7,122,867	\$7,462,338	\$8,465,882
Net Taxes Levied	\$5,871,245	\$6,460,479	\$6,650,418	\$7,122,867	\$7,462,338	\$8,465,882
Net Taxes \$ Increase	\$210,978	\$589,233	\$189,940	\$472,449	\$339,470	\$1,003,544
Net Taxes % Increase	3.73%	10.04%	2.94%	7.10%	4.77%	13.45%