

CITY OF SOUTH FULTON



FIRST PUBLIC HEARING TO ADOPT FY2022 TAX MILLAGE RATE

PRESENTED BY: RACHEL BEMBRY, CPA
INTERIM FINANCE DIRECTOR

VIRTUAL MEETINGS
AUGUST 11, 2021 @10AM
AUGUST 11, 2021 @6PM
AUGUST 24, 2021 @4PM

5440 FULTON INDUSTRIAL BLVD, SOUTH FULTON, GA 30336

#SOUTHFULTONSTRONG

PROPERTY TAX 101

MILLAGE RATE

The tax rate that is applied to the assessed value of taxable property to calculate the amount of property tax to be paid.

The millage rate is usually stated as “dollars per thousand”.

Ex. Millage rate of 5 mills is \$5.00 per thousand of assessed value. For calculation purposes, the millage rate is stated as 0.005.

The millage rate is established by the levying authority each year.



MARKET VALUE/ASSESSED VALUE

Market value is the current estimated amount that property can be bought or sold. Assessed value is 40% of the market value and is used as the basis for calculating the property tax levy (bill) in Georgia.

Ex. If the market value of a parcel of real property is \$150,000; its corresponding assessed value is \$60,000.

PROPERTY TAX CALCULATION ON A SINGLE PARCEL

Market value	\$150,000
Assessed value (40%)	\$60,000
Millage Rate (5 mills)	<u>0.005</u>
Annual Property Tax Levy	\$300



ROLLBACK RATE

The rollback rate is the millage rate that would raise the same amount of revenue as last year if applied to the current value of the property that was on the last year's tax digest.

Rollback rate: 12.139

Recommended millage rate: 12.899

Dollar value of rollback: \$1,924,070



TAX RATE COMPARISON

CURRENT MILLAGE RATE

TOTAL MILLAGE – FY2021 12.899

RECOMMENDED MILLAGE RATE

TOTAL MILLAGE – FY2022 12.899



THE MILLAGE RATE IS NOT BEING INCREASED
IN THE CITY OF SOUTH FULTON.

THE TAX RATE WILL BE THE SAME FOR 2021
AS IT WAS IN 2020.

THE ADVERTISED INCREASE (6.26%) IS DUE SOLELY TO
THE REVALUATION OF REAL PROPERTY TAX ASSESSMENTS.



TAX RATE COMPARISON

BASIC HOMESTEAD PROPERTY

Fair Market Value	175,000		Fair Market Value	175,000
X 40%	0.40		X 40%	0.40
Assessed Value	70,000		Assessed Value	70,000
Assessed Value	70,000		Assessed Value	70,000
Local Exemption	(30,000)		Local Exemption	(30,000)
Taxable Value	40,000		Taxable Value	40,000
Taxable Value	40,000		Taxable Value	40,000
X Millage Rate	0.012139		X Millage Rate	0.012899
City Property Taxes	\$ 485.56		City Property Taxes	\$ 515.96

DIFFERENCE: \$30.40



REASON BEHIND RECOMMENDATION

Developing an operating and capital budget for a municipality is a very complex and layered task. We prepare revenue and personnel projections as well as examine the requests submitted from departments. It is balancing act between the desired service levels and the cost of those service levels. Some difficult decisions were made to reduce expenditures. However, due to the gap in revenue projections and expenditures for the FY22 budget we recommend maintaining the current millage rate.



