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Collier commissioners agree to lower property tax rate

By Larry Hannan

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The property tax rate in Collier County will be slashed for fiscal 2007.

At a budget hearing Friday, county commissioners unanimously agreed the property tax rate for next year would be lowered to \$3.59 per \$1,000 of taxable property. For the past five years, the property tax rate has been \$3.90 per \$1,000 of taxable property.

The estimated savings would be \$28.60 per \$100,000 of taxable value. Collier is forgoing about \$22 million in property taxes under this proposal.

"This was the first bite out of the apple," County Manager Jim Mudd said. "A second bite might still be coming."

The commissioners still are looking into the possibility of dropping the property tax rate even more. But that decision won't be made until at least July.

Earlier in the week, Kevin Lilly, a tax roll analyst with the Collier County Property Appraiser's Office, said the rollback in property taxes will result in a decrease of about \$125 in the average property tax bill.

The average home in Collier is valued at about \$436,000, Lilly said.

With a tax rate of \$3.59 per \$1,000 of taxable property, a homeowner who owned that house would pay \$1,568 in property taxes. Under a rate of \$3.90 per \$1,000 the property tax bill would be \$1,693, Lilly said.

The property tax rate for 2007 won't be approved initially by commissioners until their July 25 meeting. After a property tax rate gets initial approval, commissioners still can lower the rate, but they can't raise it.

County staff recommended the property tax reduction. Originally commissioners were split, with Commissioner Jim Coletta opposing any reduction and Commissioner Tom Henning pushing for an even greater tax reduction than staff recommended.

In the end, the five commissioners agreed to stick with the staff recommendation for now. Mudd will go back into the budget and look at whether any more cuts can be made before the budget officially is approved.

Coletta realized he was the only one who wanted to keep the property tax rate the same, so he gave up that fight.

"I can see this is the way it's going to be," Coletta said near the end of Friday's commission workshop.

Coletta wanted to keep the tax rate the same so the county could have as much money as possible for road construction projects. He urged residents to show up at the budget workshop Friday and speak against lowering the tax rate.

Six residents showed up and spoke in favor of keeping the tax rate the same.

After the residents spoke, Henning said the county was in good financial shape with a property tax cut. He objected to the idea that a tax cut meant less funding for roads.

"We can hold our heads high and say 'yeah we cut your taxes, but look at all the great things we're doing'," Henning said.

The county has significantly increased the money for road construction in the past few years, and a lot of money is still going to roads, he said.

A tax cut is occurring even though the total county budget is going up by 20 percent, from \$984 million to just less than \$1.2 billion.

Taxable property values increased by 25.6 percent in the past year, so even with the millage reduction, many people will still end up paying the same or more property taxes in 2007 as they did in 2006.

Commissioner Fred Coyle said it's important to remember that property taxes are only one aspect of the county's budget.

"About \$276 million of our budget comes from property taxes," Coyle said, pointing out that impact fees, gas taxes, grants and developer contribution agreements all make up a significant share of the budget as well.

"When we talk about reducing taxes, we're only talking about that \$276 million portion of a \$1.2 billion budget," Coyle said.

Earlier this year, commissioners decided that an increase of up to 16 percent of taxable property values would be taken in by the county. Anything greater than that would be returned to the taxpayers.

Henning argued Friday that the county should return anything beyond a 12 percent increase. But Mudd said he was uncomfortable with that and asked if he could review the budget some more and see if that is feasible.

The extra cut Henning pushed for would give back another \$10 million.

The commissioners also heard a \$775,000 loan request from the Southwest Florida Transportation Authority.

The authority was created by the state Legislature last year in an attempt to speed up the widening of Interstate 75. But the state hasn't provided any funding.

Bill Barton, chairman of the authority, said they needed the loan to operate for the next year. The money will be used to hire staff, conduct studies and work toward widening the interstate.

A request for the same amount of money is being made to Lee commissioners next week, Barton said.

Collier commissioners agreed to put the request on their unfunded priorities list. The county has about \$30 million in funds that they haven't allocated to any specific source.

Commissioners will allocate some of this money at either their July 25 commission meeting, or during two budget hearings scheduled for September.

At the end of the second budget hearing in September, commissioners will approve the fiscal 2007 budget. Fiscal 2007 begins on Oct. 1, 2006.

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