

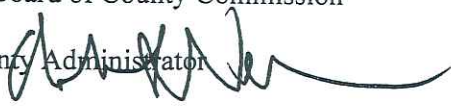


INTEROFFICE COMMUNICATION

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TO: Jeff Koons, Chairman
& Members of the Board of County Commission

FROM: Bob Weisman, County Administrator 

DATE: June 3, 2009

SUBJECT: **Impact of Lower than Estimated Values and Higher than Estimated New Construction**

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Palm Beach County
Board of County
Commissioners

Jeff Koons, Chairman

Burt Aaronson, Vice Chairman

Karen T. Marcus

Shelley Vana

Steven L. Abrams

Jess R. Santamaria

District 7

County Administrator

Robert Weisman

The budget proposal submitted to you on Thursday was balanced using the rollback rate of 4.29 calculated with an estimated 12% decrease in taxable value. Friday, the Property Appraiser released the official estimate for the 2009 tax roll and the actual decrease was 13.5%. Total value went from \$160 billion to \$138 billion, but new construction was \$1.6 billion higher than expected. As the total value is lower, the rollback rate to generate the same amount of taxes has increased to 4.37. Adopting the rollback rate of 4.37 would generate an additional \$4.6 million in taxes above the \$608.9 million included in the proposed budget, but only because of the increase in new construction.

In addition, Senate Bill 2108 will allow the increase of a surcharge to fund Court Facilities. If approved by the Governor and then the Board, this increase could generate an additional \$3 million for the County. On the cost side, the loss in State funding for the HCD-SHIP program has created a budget shortfall of \$890,000 needed for the on-going monitoring and reporting functions of the program.

The net effect is \$6.7 million in additional revenue not shown on the budget proposal given to you last week.

