

Frequently Asked Questions (FAQs)

Q: What is the purpose of the City budget?

A: The budget is an annual financial plan for the City of Tampa. It specifies the level of municipal services to be provided in the coming year. It reflects the policies and priorities set by the Mayor and City Council.

Q: How and when is the budget prepared?

A: The City of Tampa's annual budget process routinely begins in November with the preparation of initial revenue and expense estimates which are reviewed with the Mayor. In January, departments consider strategic and citywide goals and develop service delivery objectives for use in building the budget for the coming year. Target budgets for each department are then determined. Targets are based on current budget levels, levels of service desired by the administration, and estimates of available revenues. Each department then prepares its budget for the upcoming fiscal year within the target amount. The resulting budgets are reviewed and requests for additional funding are considered. The Recommended Annual Operating and Capital Budget is presented to City Council by August 15. Finally, budget hearings are held and the budget is adopted by the end of the current fiscal year (September 30).

Q: Where does the City obtain its revenues?

A: From local, state, and federal taxes, fees, licenses, and payments for municipal services such as water, wastewater, and solid waste

Q: How is the money used?

A: It is used to pay for salaries, operating expenses, equipment, supplies, capital improvements, and debt service needed to provide fire

Q: What is a mill of tax?

A: One mill is equal to \$1.00 for each \$1,000 of assessed property value. City property taxes on a \$262,047 home, with a \$50,000 homestead exemption and millage rate of 6.2076 (example only), would be \$1,316.

| | | |
|------------------------------|----|---------|
| Assessed Home Value (FY2023) | \$ | 262,047 |
| Less homestead exemption | \$ | 50,000 |
| Net taxable value | \$ | 212,047 |
| | ÷ | 1,000 |
| | | 212.05 |
| Millage | X | 6.2076 |
| Property Tax | \$ | 1,316 |

Q: What is property tax?

A: When the City adopts its annual budget, it determines the tax rate that must be applied on property to generate the necessary general fund revenue. The estimated tax rate (millage) in the City of Tampa's recommended FY2022 budget is 6.2076 mills or \$6.2076 per \$1,000 of taxable value. The Hillsborough County Property Appraiser establishes the taxable value of all property within the City. For FY2022, the average home assessed value provided by the Hillsborough County Property Appraiser is \$262,047, which after a \$50,000 homestead exemption, results in a taxable amount of \$212,047. In this example, your taxes paid to the City would be \$1,316 (\$212,047/1,000 x 6.2076 mills).

Q: How much of the total millage on property in Tampa was paid to the City?

A: In FY2021, only 6.2076 mills of the 19.7121 mills levied for tax year 2020 was paid to the City.

Q: What is the difference between ad valorem tax and property tax

A: There is no difference between ad valorem tax and property tax. They are different names for the same tax.

Q: Why is the City collecting more property taxes if the millage rate is constant?

A: On each parcel of real estate or tangible personal property, a taxable valuation is established by the Hillsborough County Property Appraiser as a basis for levying taxes. This valuation is determined by subtracting all exemptions from the assessed value of a property which is determined by comparing a home to similar homes that have sold recently. Property taxes increase even though the millage rate remains constant, when taxable property values within the City increase.

Q: What is an operating budget?

A: An operating budget is an annual financial plan for recurring expenditures such as salaries, utilities, and supplies.

Q: What is a capital improvement budget?

A: A capital improvement budget is a long-range plan for the construction of physical assets such as buildings, streets, parks, and sewers.

Q: How is the Capital Improvement Program funded?

A: There are three primary means to fund and/or finance the City's capital projects: 1) current revenues (pay as you go), 2) grants, and/or

Current Revenues (Cash Basis) – The City primarily funds its capital improvement program on a cash basis. There are various revenues sources used for this purpose. Some revenues are restricted, such as transportation impact fees, local option fuel taxes, and community investment taxes.

Community Investment Tax (CIT) – The Community Investment Tax was approved by voters in 1996 and can only be used to fund certain capital improvement projects and/or debt service for qualified capital projects.

Stormwater Improvement Assessment – Stormwater Improvement Assessment pay for capital improvements associated with the stormwater system construction within the Central and Lower Basin Improvement Area.

All For Transportation – The All For Transportation sales surtax was approved by voters in 2018. The tax provides funding for various citywide transportation projects relating to intersection improvements, road and bridge improvements, traffic congestion mitigation, and bicycle and pedestrian safety improvements.

Transportation Impact Fees – Impact Fees were assessed on land development in six impact fee districts to support the added demands on the transportation network due to expanded or new construction. Transportation impact fees are restricted to projects that provide for increased roadway (vehicle) capacity improvements, address right-of-way and construction, and can only be spent within the transportation impact fee district in which they were collected. Effective August 1, 2015, Tampa ceased collection of transportation impact fees and instead collects multi-modal fees.

Transportation Multi-Modal Fees – Transportation Multi-Modal Fees are assessed on land development to support the added demands on the transportation network due to expanded or new construction. The new multi-modal fee provides flexibility to expand capital facilities for bicycle, pedestrian, and transit modes in addition to funding automobile capacity along the classified roadway network. Multi-modal fees can only be spent within the transportation impact fee district in which they were collected.

Local Option Fuel Tax (Fuel Tax) – Fuel Tax usage is restricted for various transportation capital improvement projects including resurfacing, complete streets such as multi-median sidewalks, bike lanes, medians, and traffic signals. Local governments may assess up to 11 cents per gallon. Hillsborough County currently assesses 6 cents per gallon of fuel purchased within County boundaries for transportation capital funding.

Utilities Services Taxes – Utilities Services Taxes are levied by the City on taxable sales for communications and utilities. The tax is assessed on the following services: communications, water, electricity, and gas. Utilities taxes may be used to fund general governmental operations, to purchase capital equipment, for capital improvement projects, and/or to pay the debt associated with capital projects.

Enterprise Revenues – Enterprise revenues are collected within the Parking, Water, Wastewater, and Solid Waste departments for the delivery of their respective services. These revenues are restricted to funding the operations, capital projects, and/or debt within the respective departments (e.g., wastewater rate revenue cannot be used to fund a solid waste capital project).

Grants – The City receives both operating and capital grants from several sources. These grants are for specific purposes and often require a local match. The granting agencies usually impose specific requirements to qualify for the grant.

Debt – The City issues debt to either refund an existing debt issuance or to obtain new funds to acquire and/or construct major improvements to the City's infrastructure. The City uses a combination of fixed-rate and variable rate, long and short-term debt based on the lowest possible cost and risk to the City to fund its capital needs. The financing methodology for each transaction is determined based on funding priorities and available debt capacity. For each debt issuance, the City will comply with all prudent financial policies, the City charter, and all legal, Internal Revenue Service, Securities and Exchange Commission, and Municipal Securities Rulemaking Board rules and regulations.

Q: What is a revenue or enterprise fund?

A: A revenue or enterprise fund earns its own revenues by charging patrons for municipal services. The Water operating fund is an example of an enterprise fund. It generates revenues by billing its customers for the water they use.

Q: What is a budget appropriation?

A: A budget appropriation is a specific amount of money that has been approved for use in a particular manner by City Council.

Q: Why doesn't the City add an income tax to generate additional revenue?

A: The laws of the State of Florida prohibit the levying of such taxes by cities.

Q: What is the difference between recurring and non-recurring revenues?

A: Recurring revenue is income from sources which continue from year to year, where a similar amount can be expected annually. Property taxes and franchise fees are examples of recurring revenue. Nonrecurring revenues are those that exist only for a limited period of time, or whose amounts vary considerably from one year to the next. Examples of non-recurring revenues include surplus land sales or one-time grants.

Q: What are the purposes of bond/state loans?

A: The purpose of bond/state loans is to lend money to the government so that they can cover their capital construction costs.

Q: How does the City prepare/pay for unforeseen emergencies such as hurricanes, terrorist threats, etc.?

A: In the tax operating funds, the City's policy is to budget property taxes at 95% and other major revenues at approximately 98% of expected collections as a reserve for contingencies and potential revenue shortfalls. These measures, along with reserving a portion of existing fund balance (\$7.6 million), help the City prepare for future emergencies.