

NOTICE OF PROPERTY TAX INCREASE

The **Mayor and Aldermen of the City of Savannah** have tentatively adopted a 2020 millage rate which will require an increase in property taxes by **.92** percent.

All concerned citizens are invited to the public hearings on this tax increase to be held at the City Hall Council Chambers, located on the corner of Bay and Bull Streets, Savannah, GA on the following dates.

August 13, 2020, 10:00 am

August 13, 2020 at 2:00 pm

The public may offer comment in one of two ways:

1. Anyone with interest in speaking on this agenda item may submit evidence including written comments to ClerkofCouncil@savannahga.gov or by calling 912-651-6441. Written comments become public record and are shared with the Mayor and Aldermen prior to the Council meeting. Prior to the City Council meeting, persons may also register to speak on the agenda item by registering through the City's website at <http://ga-savannah2.civicplus.com/457/Agendas-Minutes>
2. Members of the public may come to City Hall Council Chambers to join the meeting via a Zoom connection.

This tentative increase will result in a millage rate of **12.856 mills**, an increase of **.117** mills. Without this tentative tax increase, the millage rate will be no more than **12.739 mills**. The proposed tax increase for a home with a fair market value of **\$100,000** is approximately **\$4.68** and the proposed tax increase for non-homestead property with a fair market value of **\$500,000** is approximately **\$23.40**.

City of Savannah, Georgia



NOTICE OF 2020 TAX RATE ADOPTION

The Mayor and Aldermen of the City of Savannah do hereby announce that the millage rate will be set at a meeting broadcast on SGTV, and held at City Hall located on the corner of Bay and Bull Streets, Savannah, Georgia, on **August 13, 2020 at 2:00 PM**, and pursuant to the requirements of O.C.G.A. §48-5-32 do hereby publish the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past five years.

CURRENT 2020 TAX DIGEST AND FIVE-YEAR HISTORY OF LEVY

	2015	2016	2017	2018	2019	2020
Real Property	4,421,640,659	4,500,034,778	4,789,893,243	5,129,839,535	5,440,302,529	5,699,801,848
Personal Property	669,572,255	677,162,768	741,107,390	712,856,241	796,330,863	850,952,483
Motor Vehicles	134,987,120	97,091,970	70,942,790	51,607,340	41,425,910	35,074,430
Mobile Homes	1,825,044	1,757,284	1,814,996	1,770,040	1,837,560	1,771,618
Public Utilities	104,024,562	110,085,930	129,494,983	142,553,041	150,535,524	159,103,782
Timber - 100%	0	44,254	0	0	208,827	434,200
Heavy Duty Equipment	77,283	20,696	138,793	196,385	59,578	142,677
Gross Digest	5,332,126,923	5,386,197,680	5,742,392,195	6,038,822,582	6,430,700,791	6,747,281,038
Less: Exemptions	234,112,379	264,742,373	337,884,676	397,893,783	503,379,105	604,465,993
Net Digest	5,098,014,544	5,121,455,307	5,404,507,519	5,640,928,799	5,927,321,686	6,142,815,045
FLPA Reimbursement Value	2,001,080	2,019,658	2,016,008	0	608,000	608,000
Adjusted Net Digest	5,100,015,624	5,123,474,965	5,406,523,527	5,640,928,799	5,969,412,280	6,143,423,045
Gross Millage Rate	20.31	19.90	19.86	20.59	20.54	20.66
Less: Sales Tax Rollback	-7.83	-7.42	-7.38	-7.19	-7.34	-7.80
Net Millage Rate	12.48	12.48	12.48	13.40	12.856	12.856
Net Taxes Levied	63,648,195	63,940,967	67,473,414	75,588,446	76,742,764	78,979,847
Net Taxes \$ Change	4,349,815	292,772	3,532,447	8,115,032	1,154,318	2,237,086
Net Taxes % Change	7.34%	.46%	5.52%	12.03%	1.5%	2.9%

MORE ABOUT THE NOTICE OF PROPERTY TAX INCREASE

Georgia state law requires the City of Savannah to run the advertisement above using the specific language you see presented, but the official language isn't very easy to understand. The City of Savannah produced this accompanying ad to explain in greater detail what's happening with the City's 2020 property tax rate, also known as the millage rate.

What is a millage rate?

Your City of Savannah property tax bill is determined by two major factors: 1) The assessed value (40% of appraised value) of your property, as set by the Chatham County Board of Assessors, which is a separate government from the City; and 2) The millage rate, as set by the Savannah City Council. At the end of last year, the previous City Council approved a 2020 Budget balanced on a tentative millage rate of 12.856 mills. That means for every \$1,000 in your property's assessed value, the City will tax you \$12.856. Now that the County's annual tax digest has been calculated (it was released in June), Savannah City Council must decide whether to keep the 12.856 tentative millage rate included in the 2020 budget, or change it to something else. That's why we're holding these hearings now.

Is Savannah considering raising the 2020 property tax rate?

No. Savannah City Council currently has two options to consider: keep the rate the same as 2019 (12.856 mills) or lower it to the rollback rate (12.739 mills). Because keeping the 2019 rate would produce more revenue in 2020 due to growth in the property tax digest, the City is required to advertise the consideration of keeping the 2019 rate as a tax increase.



What is the rollback rate?

When the total digest of taxable property is prepared, Georgia law requires that a rollback millage rate must be calculated that will produce the same total revenue on the current year's digest that last year's millage rate would have produced had no reassessments occurred.

Why does this notice say the City Council has tentatively adopted an increase?

The language used in the advertisement is legally required, and must be published so that City Council can discuss maintaining the 2019 rate of 12.856 mills. However, City Council has not yet adopted any millage rate. Discussion on the millage rate options will continue during Public Hearings on August 13th, and the 2020 millage rate will be adopted during the 2:00 pm City Council meeting.

What would be the impact if the rollback rate is adopted?

The City of Savannah would experience a budgetary shortfall of approximately \$600,000 in 2020 if the rollback rate is adopted. This shortfall is in addition to the \$13 million loss in revenue the City is currently managing due to the local impacts of COVID-19. The City is working on a few options to close this large gap in our budget, including defunding capital projects, placing holds on vacant City positions, and reductions in City services. Our goal will always be to minimize the impact these financial challenges have on the public we serve, but losing over \$13 million in budgeted funds will require significant cuts.