



## MEMORANDUM

**To:** Mayor and Aldermen of the City of Savannah  
**From:** Rob Hernandez, City Manager  
**Date:** June 26, 2018  
**Subject:** Adoption of 2018 Millage Rate

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In today's Savannah Morning News, you will note that we began running the State-required advertising as part of the process to set the 2018 millage rate. These ads can be confusing, as State law specifies the exact wording we must use. Below is background to help clarify.

### **The Public Hearings**

The State requires three public hearings to set the millage rate. They will occur at City Hall on:

- July 5, 6 p.m.
- July 19, 9:45 a.m.
- July 19, 2 p.m. (final vote will follow)

### **The Proposed Millage Rate**

Per Council's direction, the 2018 millage rate will be advertised at 13.40 mills. This is 0.92 mills above the current millage rate of 12.48 mills, a 7.37% increase.

For the owner of a home with a fair market value of \$150,000, this will amount to a property tax increase of \$55.20 annually, or \$4.60 per month.

### **Why We Are Adopting the Millage Rate in July**

While the 2018 Budget was balanced using a millage rate of 11.48 mills, that rate was not officially set with adoption of the budget in December 2017.

The City cannot officially adopt its millage rate until the County releases the annual property tax digest in June, six months after our budget is adopted. This mid-year millage rate adoption occurs annually.

City Council has directed staff to advertise a millage rate of 13.40 mills, which will restore an estimated \$9.985 million of the \$16.467 million in revenue that was reduced in the 2018 Budget with elimination of the fire fee.

### **State-Required Advertisement**

State law specifies the exact wording. The advertisement will read:

### NOTICE OF PROPERTY TAX INCREASE

The **Mayor and Aldermen of the City of Savannah** have tentatively adopted a 2018 millage rate which will require an increase in property taxes by **11.59** percent.

All concerned citizens are invited to the public hearing 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 **July 5, 2018 at 6:00 pm.**

Times and places of additional public hearings on this tax increase are at the City Hall Council Chambers, located on the corner of Bay and Bull Streets, Savannah, GA on **July 19, 2018 at 9:45 am and 2:00 pm.**

This tentative increase will result in a millage rate of **13.40 mills**, an increase of **1.392** mills. Without this tax increase, the millage rate will be no more than **12.008 mills**. The proposed tax increase for a home with a fair market value of **\$150,000** is approximately **\$83.52** and the proposed tax increase for non-homestead property with a fair market value of **\$575,000** is approximately **\$320.16**.

#### Calculating Our 'Rollback' Millage Rate

The advertisement indicates that we are increasing our millage rate by 1.392 mills, when in reality it is increasing 0.92 mills. This is because the State requires the City to use our "rollback rate" as our current rate for advertising purposes.

The rollback rate is what the millage rate would need to be rolled back to in order to offset the increased revenue we will receive from increases in property valuations over the past year. Savannah's rollback rate is 12.008 mills.

#### Savannah's Millage Rate Through the Years

While the proposed rate of 13.40 mills is 7.37% above the 2017 tax rate, it still represents a 23% reduction over the past two decades. Below is Savannah's millage rate since 1971.

YEAR	MILLAGE	YEAR	MILLAGE	YEAR	MILLAGE	YEAR	MILLAGE
1971	26.00	1983	8.50	1995	17.46	2007	12.50
1972	30.00	1984	9.00	1996	17.46	2008	12.50
1973	28.00	1985	9.00	1997	17.46	2009	12.50
1974	28.00	1986	9.00	1998	16.93	2010	13.00
1975	27.00	1987	11.30	1999	16.50	2011	12.50
1976	27.00	1988	13.30	2000	14.80	2012	12.50
1977	9.00	1989	13.30	2001	13.70	2013	12.48
1978	9.00	1990	13.30	2002	13.70	2014	12.48
1979	8.50	1991	14.30	2003	13.30	2015	12.48
1980	8.50	1992	14.30	2004	13.10	2016	12.48
1981	8.50	1993	15.90	2005	12.90	2017	12.48
1982	8.50	1994	17.46	2006	12.70	2018	13.40*

We hope this helps put the millage adoption process in perspective. Please let us know if you have any questions.