



Discussion on Proposed Stonecrest Millage Rate & Property Tax July 6, 2020



Q1: *What is the proposed millage rate and estimated revenue for 2020?*

A1: Based on the Parks & Rec portion of the Special Services millage proposed by DeKalb County, the City of Stonecrest plans to transfer 1.438 mills from DeKalb County for the operations and maintenance of the Stonecrest Parks for 2020; the estimated revenue is approximately \$1,860,760 after the Stonecrest Homestead Exemption is applied for eligible homeowners.

Q2: *What is the impact of the “1 mill” homestead exemption for City of Stonecrest property owners?*

A2: The attached schedule was used to estimate that impact, citing the following:

1. Section 5.12(b) of the Charter which is used in the attached schedule,
2. Section 5.12(c) of the Charter which is copied below

“A person shall not receive the homestead exemption granted by subsection (b) of this section unless the person or person's agent files an application with the governing authority of the City of Stonecrest or the designee thereof giving such information relative to receiving such exemption as will enable the governing authority of the City of Stonecrest or the designee thereof to make a determination regarding the initial and continuing eligibility of such owner for such exemption. The governing authority of the City of Stonecrest or the designee thereof shall provide application forms for this purpose”.

The deadline for filing for homestead is April 1st and the City had no millage rate at that time. Accordingly, this 1 mill reduction could not be used in 2020, however, given that DeKalb County mentions the 1 mill reduction in their Local Exemptions section published by the Tax Commissioner, and according to DeKalb County staff the calculation module is already part of their system and is operational after they get a City millage (City of Dunwoody has a similar reduction); the City of Stonecrest budget model considers the reduction to be effective for 2020. (see ***Schedule for 2020 Stonecrest Homestead Exemption***)

Q3: What are the implications of not levying property tax for Parks & Rec for 2020?

A3: DeKalb County does not intend to impose a 2020 millage for Parks & Recreation. If the City chooses to not impose a millage, then the revenue to provide Parks & Recreation services will come from the City's general fund. There is a higher likelihood of receiving the necessary revenue from taxes, as opposed to the general fund. While citizens are legally required to pay taxes, the sources of revenue for the City's general fund are more susceptible to economic fluctuations. As a result, the general fund is likely to be impacted by a decrease in business licenses and building permits due to the COVID-19 pandemic. Adopting a property tax for the Parks & Recreation service will ensure the city of this revenue.

Q4: Why did we remove the millage rate for Public Works for 2020?

A4: Due to the nature of their fiscal year, DeKalb County collects taxes for the year in which the services are provided. For instance, the taxes DeKalb collects for Public Works in 2020, will be applied to the services DeKalb provides in 2020. Despite our negotiations with the County concerning public works over the last few months, County officials just informed us about this last week. Since DeKalb County is delivering the Public Works service until December 31, 2020, they are entitled to collect the property tax for the 2020 service delivery.