

# 2021 Millage Rate Hearing



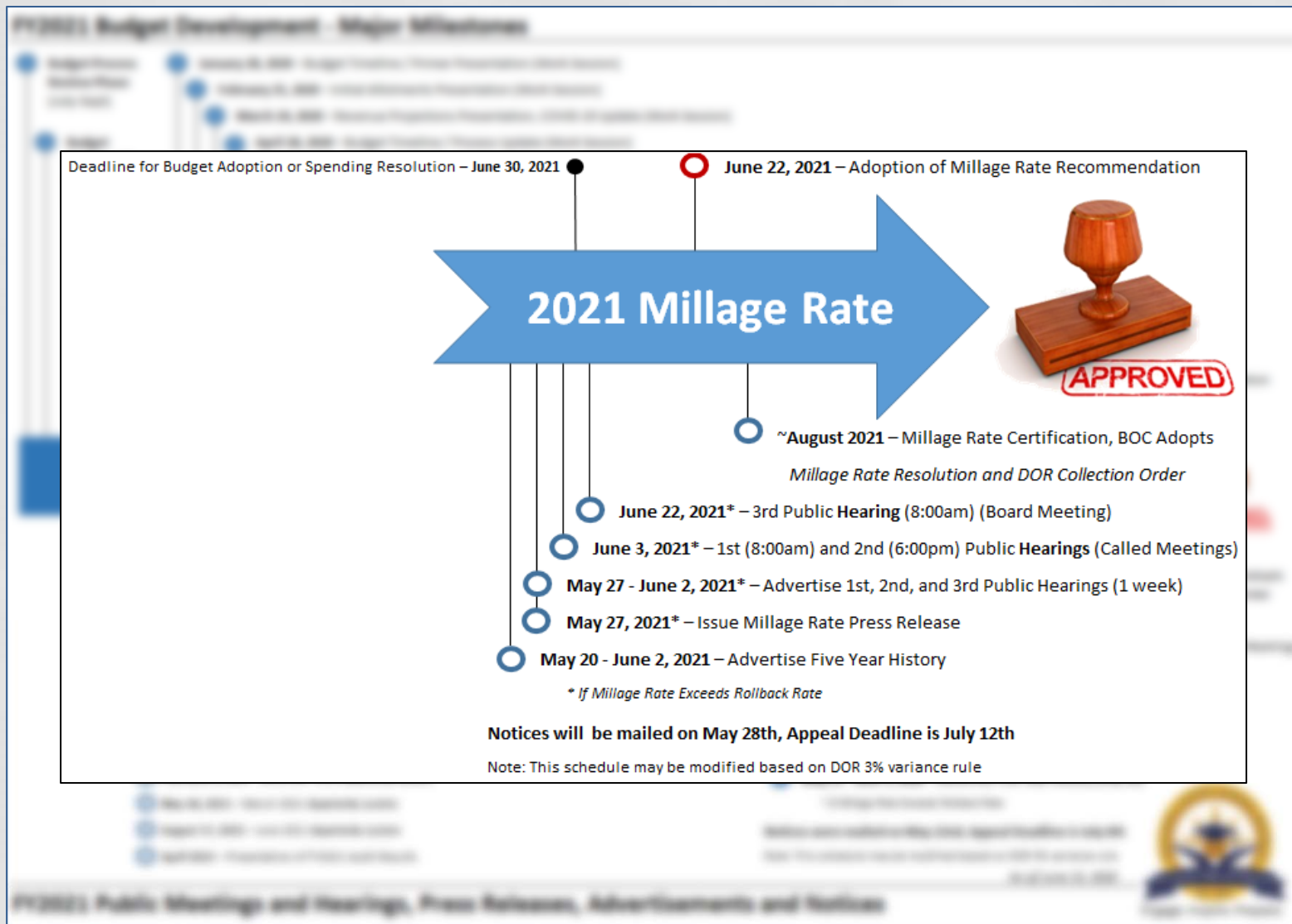
## Agenda

1. Timeline
2. Overview
3. Process
4. History and Comparable Districts

## *Appendix*



June 3, 2021 (8:00am) | June 3, 2021 (6:00pm) | June 22, 2021 (8:00am)



# 2021 (FY22) Millage Rate Timeline

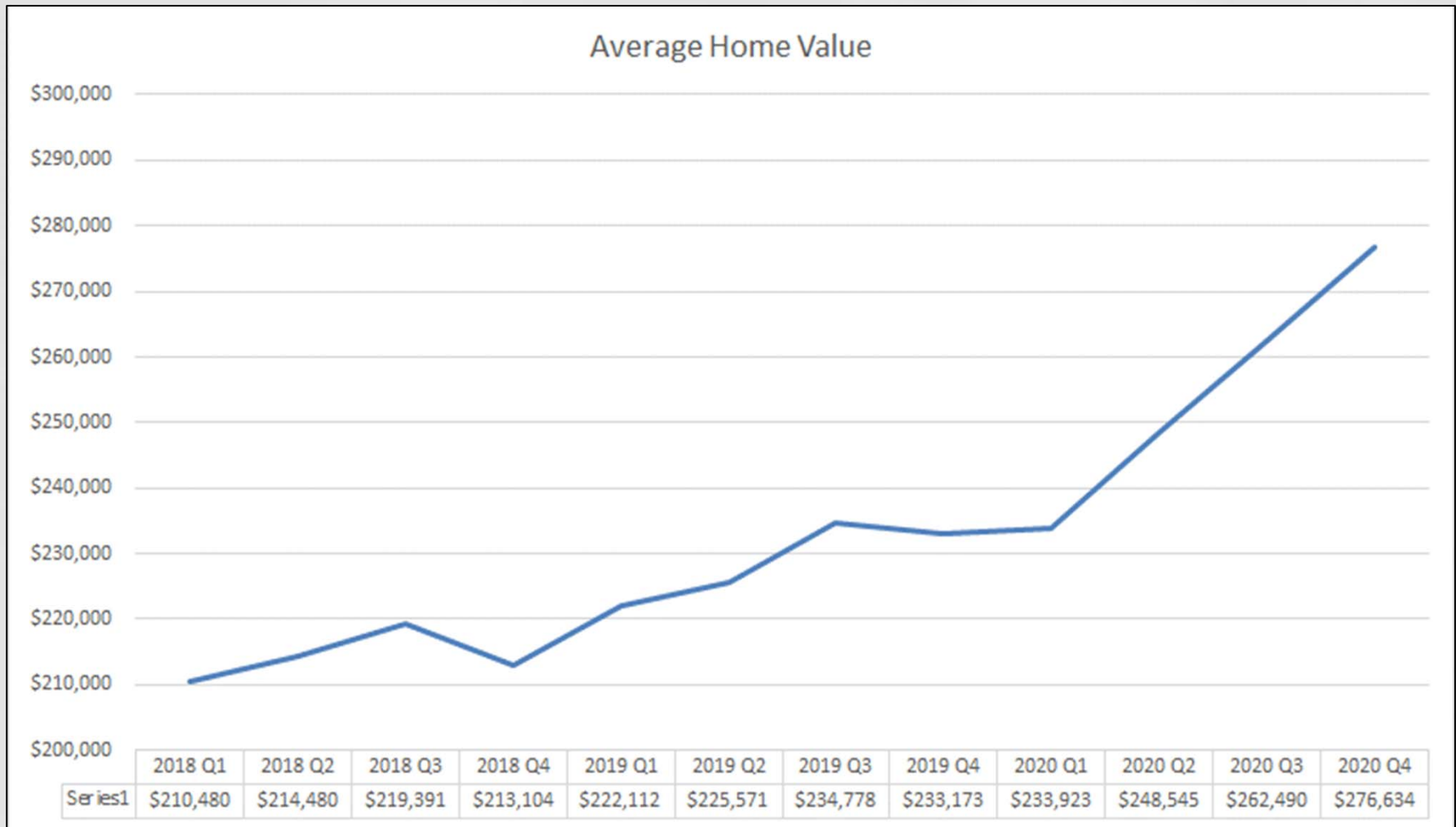


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# Millage Rate Overview

- Maintenance & Operations (M&O) millage rate of **18.750** was utilized for advertisements and the Tentative FY2022 Budget. An M&O millage rate of 18.750 was included in the Original FY2022 Budget – but may be amended.
- Bond millage rate of **0.000** will be maintained in the FY2022 Budget, with bond principal and interest paid through E-SPLOST. A bond millage of approximately 1.757 would be required to meet FY2022 debt service.
- All information presented is based on the most current digest available.
- Net M&O Digest is projected to increase \$546m or 11.3% to \$5.4 billion.
- Changes in assessed property values (reassessment) will increase 2021 property taxes by an average 9.7% (18.750).
- Other changes to the digest will increase 2021 property taxes by 1.6%, compared to 0.4% in 2020.
- Average home value increased \$43,461 or 18.6% between Q4 2020 and 2019

## 2021 Millage Rate Overview



Source: Chief Appraiser, Board of Tax Assessors



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# Millage Rate Process

## Millage Rate Types.

- Maintenance and Operations (M&O)
- Bond

## Bond Millage Rate.

In FY2011 the district eliminated the bond millage rate, which was 2.963 (2010). Debt Service (principle and interest) shifted from a property tax millage to a sales tax – essentially removing the tax burden from property owners and shifting the cost to purchasers of certain goods and services in Paulding County (resident or not). **A bond millage of approximately 1.757 would be required to meet FY2022 debt service.**

## Bond Millage Rate Example

With a bond millage rate of 1.757 (2021), this person's tax bill would increase \$172 annually without SPLOST.

J.W. (Bill) Watson, II  
Paulding County Tax Commissioner  
240 Constitution Blvd, Room 3082  
Dallas, GA 30132-4614  
(770) 443-7581

Certain persons are eligible for certain homestead exemptions from ad valorem taxation. In addition to the regular homestead exemption authorized for all homeowners, certain elderly persons are entitled to additional exemptions. The full law relating to each exemption must be referred to in order to determine eligibility for the exemption. If you are eligible for one of these exemptions and are not now receiving the benefit of the exemption, you must apply for the exemption not later than April 1, 2019 in order to receive the exemption in future years. For more information on eligibility for exemptions or on the proper method of applying for an exemption, you may contact:

Paulding County Board of Tax Assessors  
240 Constitution Blvd, Room #3082  
Dallas, GA 30132  
(770) 443-7606

If you believe that the fair market value placed upon your property by the Board of Tax Assessors is higher than it should be and if you can provide supporting evidence (mortgage appraisal, sales of comparable properties, etc.), then it may be in your best interest to file a property tax return with the Board of Tax Assessors requesting a review of your property appraisal. This must be done not later than April 1, 2019. Information on how to file a property tax return can be obtained from the address above.

Scan this code with your mobile phone to view or pay this bill.

**Sample Bill**

INTERNET TAX BILL  
State, County & School Ad Valorem Tax Notice

Bill No.	Account Number	Fair Market Value	Assessed Value	Tax District	Acreage	Homestead Code
Sample	Sample	228900	\$1580	01	0.25	01

Map Number / Property Description / Street Address	Tax Entity	Exemptions	Net Taxable	Tax Rate	Tax Amount
Sample Bill	SCHOOL M&O			18.750	1,838
	SCHOOL BND			1.757	172

Local Option Sales Tax Information

	COUNTY MSO				
Mills required to produce county budget					
Mills reduction due to sales tax rollback					
Actual mill rate set by county officials					
Tax savings due to sales tax rollback					

This gradual reduction and elimination of the state property tax and the reduction in your tax bill this year is the result of property tax relief passed by the Governor and the House of Representatives and the Georgia State Senate.  
To pay online go to pauldingcountytax.com. If you have any questions concerning this bill, please call our office at (770) 443-7581. Check Verification and Returned Check processing provided by: Evision Payment Solutions.

**TOTAL DUE**

**DATE DUE**

# Millage Rate Types



## **Property Taxpayer's Bill of Rights**

Senate Bill 177, Act 431 was signed April 30, 1999 and became effective January 1, 2000 (O.C.G.A. 48-5-32.1). The bill has two main thrusts:

- Prevention of indirect tax increases resulting from increases to existing property values due to inflation,
- Enhancement of an individual property owner's rights when objecting to and appealing an increase made by a county board of tax assessors to the value of the owner's property.

### **Rollback of Millage Rate When Digest Value Increased by Reassessments**

The Revenue Commissioner developed rules and regulations to implement the terms and provisions of O.C.G.A. 48-5-32.1.

**Prevention of Indirect Tax Increases:** Each year there are two types of value increases made to a county tax digest;

- increases due to inflation, and
- increases due to new or improved properties.

There are no additional requirements if the levying (or recommending) authority rolls back the millage rate each year to offset any inflationary increases in the digest.



**Rollback of Millage Rate to Offset Inflationary Increases:** When the total digest of taxable property is prepared, Georgia Law requires that a rollback millage rate must be computed that will produce the same total revenue on the current year's new digest that last year's millage rate would have produced had no reassessments occurred.

If the county (school district) elects to set their millage rate higher than the rollback rate, they will be required:

- 1. Notification of Tax Increase With Three Public Hearings:** The levying (or recommending) authority must hold three public hearings allowing the public input into the proposed increase in taxes.
- 2. Publish Notice in Paper One Week Before Each Hearing:** The levying (or recommending) authority must publish a notice in the paper one week in advance of each of these three public hearings.
- 3. Press Release to Explain Tax Increase:** The levying (or recommending) authority must issue a release to the press explaining its intent to increase the taxes.

*Georgia Department of Revenue: Local Government Services Division  
<https://dor.georgia.gov/property-taxpayers-bill-rights#rollback>, May 28, 2019*

“Each year, the Paulding County Board of Tax Assessors is required to review the assessed value for property tax purposes of taxable property in the county. When the trend of prices on properties that have recently sold in the county indicate there has been an increase in the fair market value of any specific property, **the Board of Tax Assessors is required by Georgia law to re-determine the value of such property and increase the assessment. This is called a reassessment. If you have questions or concerns regarding your assessed value, please contact the Board of Tax Assessors. The deadline to appeal your 2021 assessed value is July 12, 2021.**

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

*May 24, 2021 PCSD Press Release*

### Rollback Example

	2020	2021 (Increase)		2021 (Decrease)	
		Same Rate	Rollback	Same Rate	Rollback
FMV	\$ 228,600	\$ 250,000	\$ 250,000	\$ 207,200	\$ 207,200
FMV Change		\$ 21,400	\$ 21,400	\$ (21,400)	\$ (21,400)
<b>40% FMV</b>	<b>\$ 91,440</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 82,880</b>	<b>\$ 82,880</b>
Less; Exemption	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)
Net Value	\$ 89,440	\$ 98,000	\$ 98,000	\$ 80,880	\$ 80,880
<b>Millage Rate</b>	<b>18.750</b>	<b>18.750</b>	<b>17.117</b>	<b>18.750</b>	<b>20.740</b>
Annual Property Tax	\$ 1,677	\$ 1,838	\$ 1,677	\$ 1,517	\$ 1,677
<b>Annual Change</b>		<b>\$ 161</b>	<b>\$ 0</b>	<b>\$ (161)</b>	<b>\$ (0)</b>
<b>Monthly Change</b>		<b>\$ 13</b>	<b>\$ 0</b>	<b>\$ (13)</b>	<b>\$ (0)</b>

- 9% **increase** in FMV equals a rollback rate of 17.117, anything higher would be considered a tax increase or "not revenue neutral".
- 9% **decrease** in FMV equals a rollback rate of 20.740, anything higher would be considered a tax increase or "not revenue neutral".



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# Millage Rate History and Comparable Districts

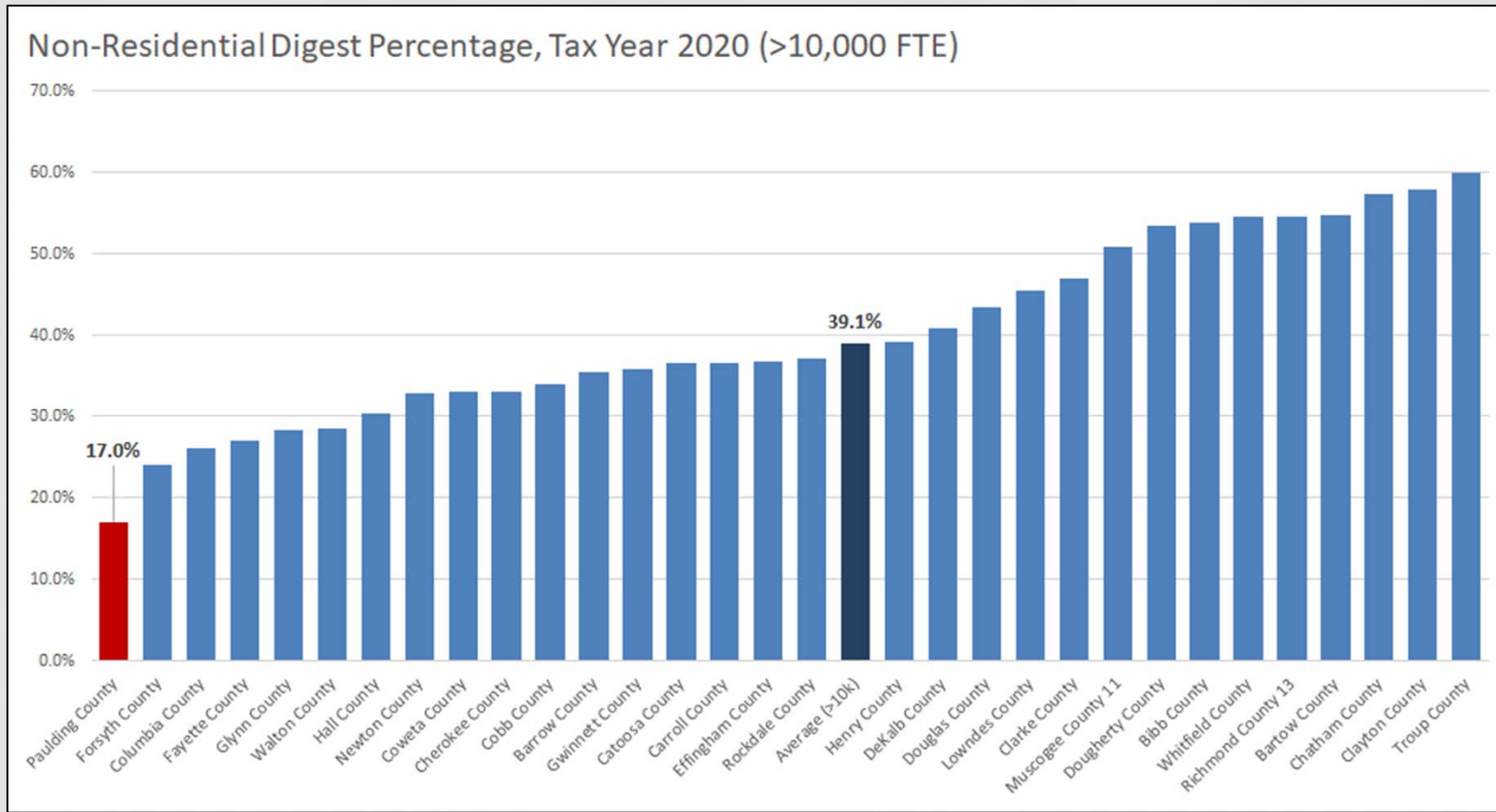
**Paulding County Board of Education**  
**CURRENT 2021 TAX DIGEST AND FIVE YEAR HISTORY OF LEVY**

The Paulding County Board of Education does hereby announce that the millage rate will be established at a meeting to be held at the Paulding County Board of Education Board Room on June 22, 2021 at 8:30 AM EST 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.

County School	2016	2017	2018	2019	2020	2021
Real & Personal Ad Valorem	\$ 3,843,751,629	\$ 4,267,812,331	\$ 4,695,351,018	\$ 5,197,039,026	\$ 5,676,816,294	\$ 6,308,413,844
Motor Vehicle Ad Valorem	147,754,190	109,114,430	84,458,480	69,422,580	31,621,130	50,251,310
Mobile Home Ad Valorem	1,862,849	1,781,714	1,646,786	1,644,067	1,632,921	1,534,173
Timber Ad Valorem (100%)	324,868	1,068,015	501,435	208,158	5,360	225,181
Heavy Duty Equipment	153,533	942,267	133,553	49,891	163,857	86,134
<b>Gross Digest</b>	<b>3,993,847,069</b>	<b>4,380,718,757</b>	<b>4,782,091,272</b>	<b>5,268,363,722</b>	<b>5,710,239,562</b>	<b>6,360,510,642</b>
Less M&O Exemptions	(563,602,175)	(626,135,711)	(698,086,901)	(797,100,194)	(891,271,119)	(995,663,606)
<b>Net Digest</b>	<b>3,430,244,894</b>	<b>3,754,583,046</b>	<b>4,084,004,371</b>	<b>4,471,263,528</b>	<b>4,818,968,443</b>	<b>5,364,847,036</b>
Gross M&O Millage Rate	18.879%	18.879%	18.879%	18.750%	18.750%	18.750%
Less Millage Rate Rollbacks						
<b>Net M&amp;O Millage Rate</b>	<b>18.879%</b>	<b>18.879%</b>	<b>18.879%</b>	<b>18.750%</b>	<b>18.750%</b>	<b>18.750%</b>
<b>Net Taxes Levied</b>	<b>\$ 64,759,593</b>	<b>\$ 70,882,773</b>	<b>\$ 77,101,919</b>	<b>\$ 83,836,191</b>	<b>\$ 90,355,658</b>	<b>\$ 100,590,882</b>
Net Taxes \$ Increase	\$ 3,318,330	\$ 6,123,180	\$ 6,219,145	\$ 6,734,273	\$ 6,519,467	\$ 10,235,224
Net Taxes % Increase	5.4%	9.5%	8.8%	8.7%	7.8%	11.3%

Note: M&O is Maintenance and Operations. 2021 Net Taxes Levied reflects 18.750, pending Paulding County Board of Education adoption of 2021 Millage Rate.

Reflects the Consolidation & Evaluation of Digest 2021, dated May 24, 2021



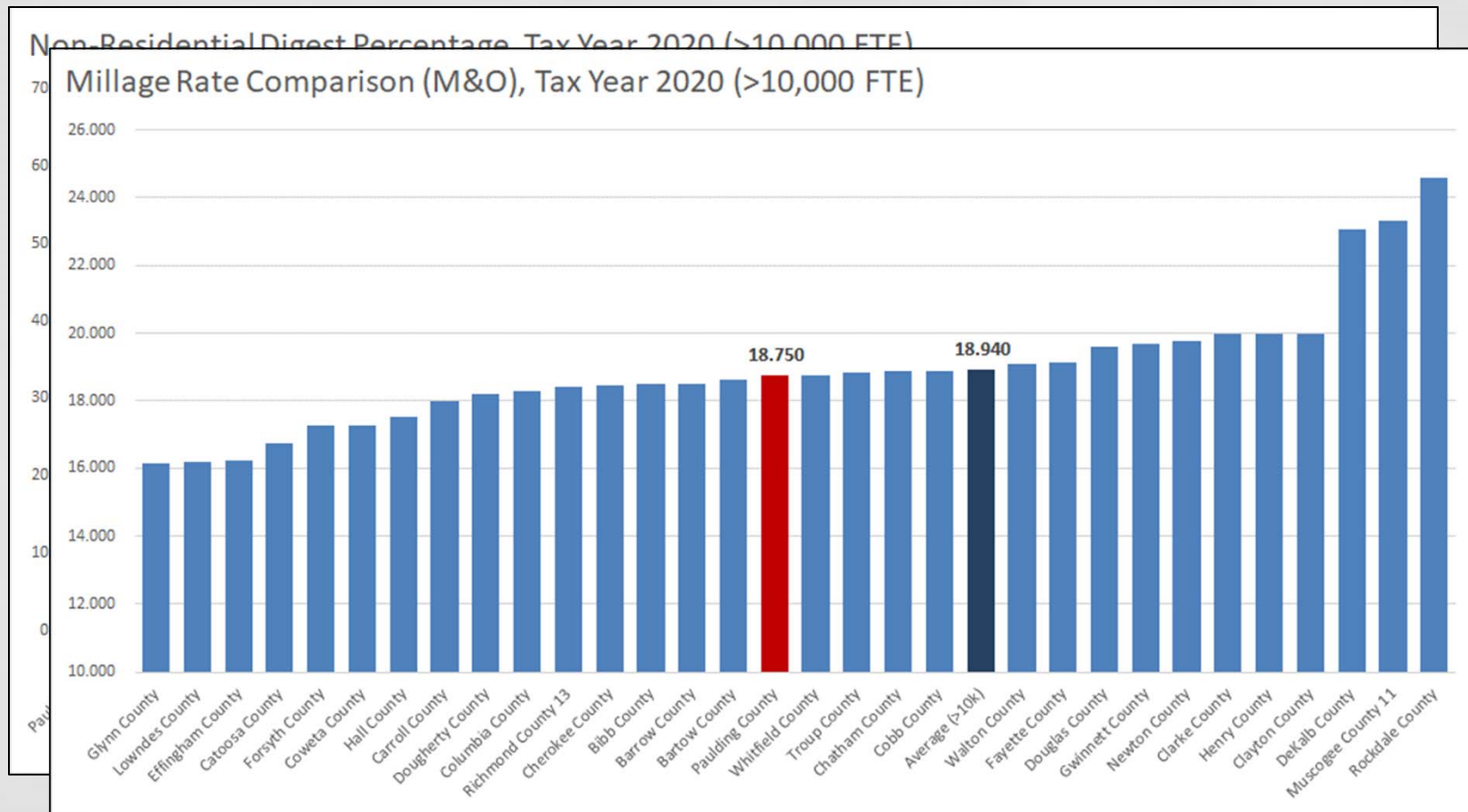
**Local Revenue Metrics.** Among large districts, PCSD ranked lowest in non-residential digest percentage, had a lower-than-average millage rate and ranked 8<sup>th</sup> lowest in levy per FTE.

Source: GaDOR (Consolidated Tax Digest Summaries)  
Large Districts are districts with >10,000 FTE

**2020**

# Local Revenue: Property Tax



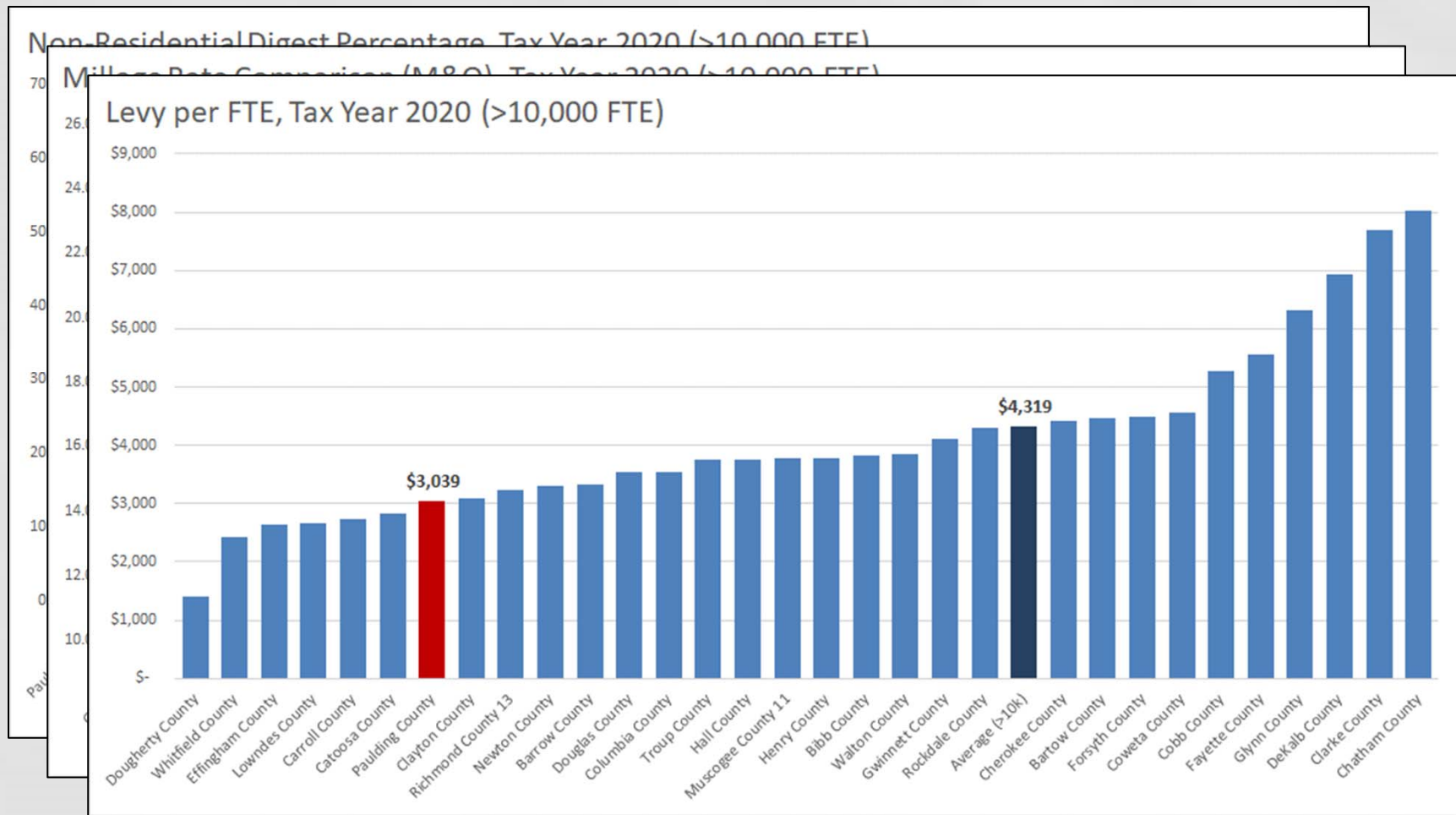


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2020

## Local Revenue: Property Tax



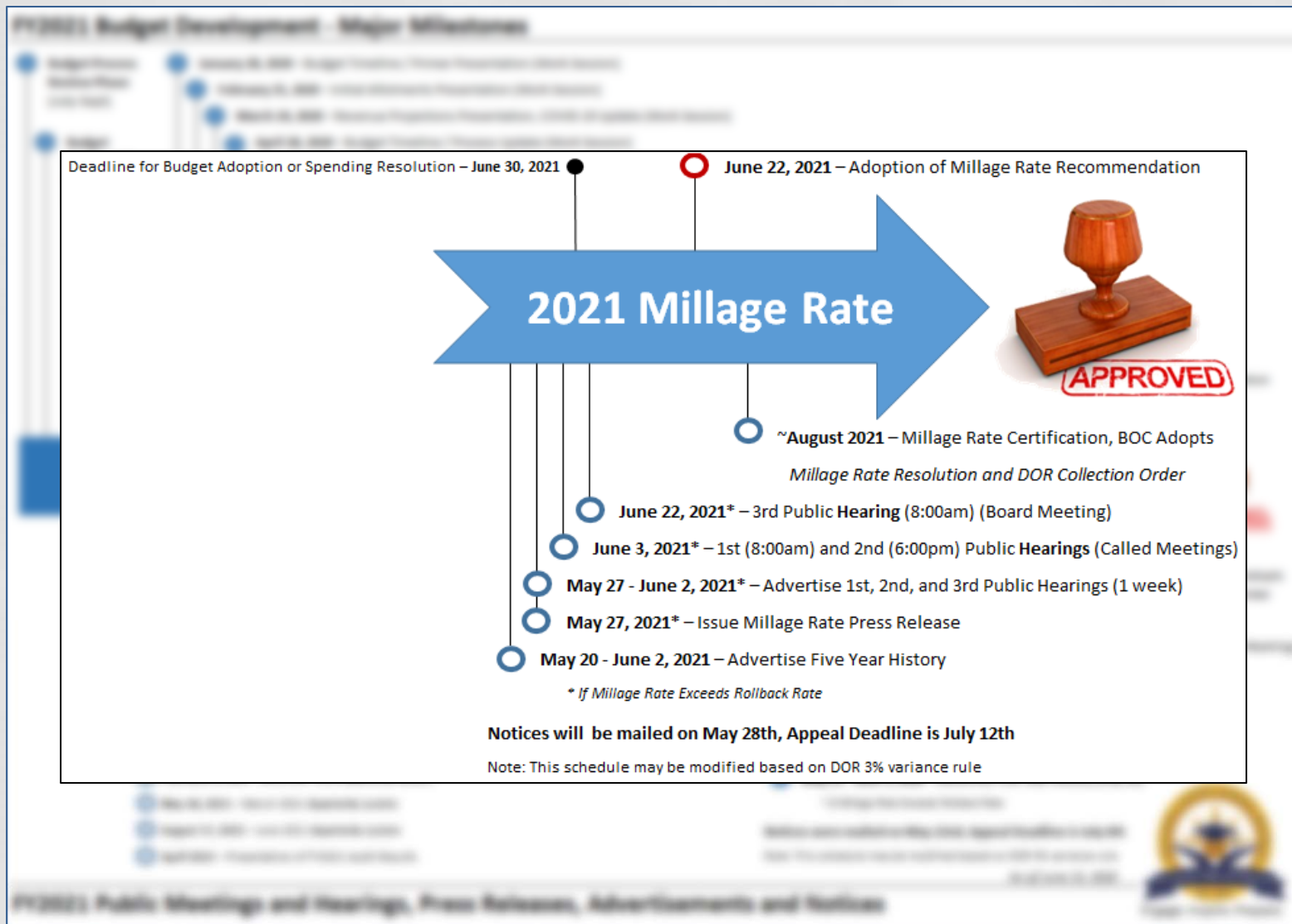
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2020

# Local Revenue: Property Tax





# 2021 (FY22) Millage Rate Timeline



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# Thank You

For Budget Ideas and Feedback  
Visit our Website (Budget Feedback)



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# Appendix

Per Pupil Local Revenue Comparison, FY1999 - FY2020



**Per-Pupil Local Revenue.** As of FY2020, PCSD remained \$979 lower in per-pupil local revenue than comparable districts or \$1,482 lower than the statewide average.

Source: FY2022 Budget Primer - GaDOE School System Revenue/Expenditures Report as of FY2020

**FY1999 – FY2020**

# Local Revenue: Per-Pupil Revenue

Appendix

		Unique Feature	How does that impact funding?	Measurement	Rankings	
Demographic and Economic Factors	Local Funding Low Wealth	Paulding County has a limited commercial and industrial tax base. In fact, only 17% of the tax digest is non-residential.	<b>Less local funding</b> due to a lower net tax digest per student (NDPS) and a slightly below-average millage rate.	NDPS is \$66,000 or 29% lower than the average large district in Georgia. On average, 39% of the large district tax digest is non-residential. <sup>a</sup>	29 out of 35 large districts or 115 out of 180 total districts in Local Revenue per Student <sup>b</sup>	30 out of 35 large districts or 158 out of 180 total districts in Total Revenue per Student <sup>b</sup>
		PCSD does not compensate for a limited tax base by inflating the millage rate.		18.750 millage rate compared to a large district average of 18.940. <sup>a</sup>		
		Paulding County has a large number of school-age children per household.	<b>Less local funding</b> because funding is based on property tax values not the number of school-age children living in the home.	10.7% more persons-per-household than the state average, specifically school-age children. <sup>c</sup>		
	State/Federal Funding	PCSD is highly dependent on state funding sources.	<b>Highly susceptible to changes in state funding</b> , including austerity reductions, Equalization Grant funding and changes in the Quality Basic Education (QBE) formula.	Approximately 65% of PCSD revenue comes from state sources, compared to a statewide average of 53%. <sup>b</sup>	9 out of 35 large districts or 102 out of 180 total districts in State Revenue per Student <sup>b</sup>	
		PCSD is one of the largest recipients of equalization.		9% of total General Fund revenue comes from the Equalization Grant. <sup>b</sup>	4 out of 35 large districts or 180 total districts in Equalization <sup>b</sup>	
		PCSD has relatively low Title I funding.	<b>Less Federal funding.</b> Low wealth school districts typically have a higher percentage of Title I schools. This also impacts other funding allocations like the CARES Act, which was allocated based on Title I funding.	While PCSD ranks 4th in equalization funding (an indication of low wealth), it ranks 168 out of 180 in Title I funding per pupil. No other school district in Georgia has a greater disparity between equalization and Title I funding. <sup>d</sup>	30 out of 35 large districts or 168 out of 180 total districts <sup>d</sup>	
		PCSD has relatively low free-and-reduced lunch participation.	<b>Less Federal funding.</b> Low wealth school districts typically have a higher percentage of free-and -reduced lunch. This also impacts other funding allocations like the IDEA grants (ESEP).	According to the US Census, Paulding County had a poverty percentage of 8.8% in 2019, 174 out of 180 total districts. The FY20 free-and-reduced lunch percentage was 40.8%, compared to a statewide average 24.5%.	29 out of 35 large districts <sup>d</sup>	
	Enrollment Factors	PCSD is one of the fastest growing school districts in the state.	With a limited non-residential tax base, the value of new residential construction is critical. Typically, property taxes from new residential construction does not support the additional enrollment.	3-year average annual growth rate for FY17-FY20 was 1.6%, compared to a large district rate of 0.1%. FY18-FY21, including COVID-19, was 0.6%, compared to a large district rate of -0.7%. FY22 enrollment is projected to grow 206 or 0.7%. <sup>b</sup>	12 out of 35 large districts and 180 total districts <sup>b</sup>	
		PCSD has a high percentage of students in a Exceptional Students Educational Program (ESEP).	FY20, the average additional cost per ESEP student was \$2,348 or 29.1% (including Local, State and Federal sources).	In FY21, 15.1% of PCSD students were ESEP, compared to a large district average of 12.7%. This contributes to PCSD's low weighted NDPS (based on ESEP participation). <sup>b</sup>	6 out of 35 large districts and 26 out of 180 total districts <sup>b</sup>	

Version 1.1

# What Makes PCSD Funding Unique?



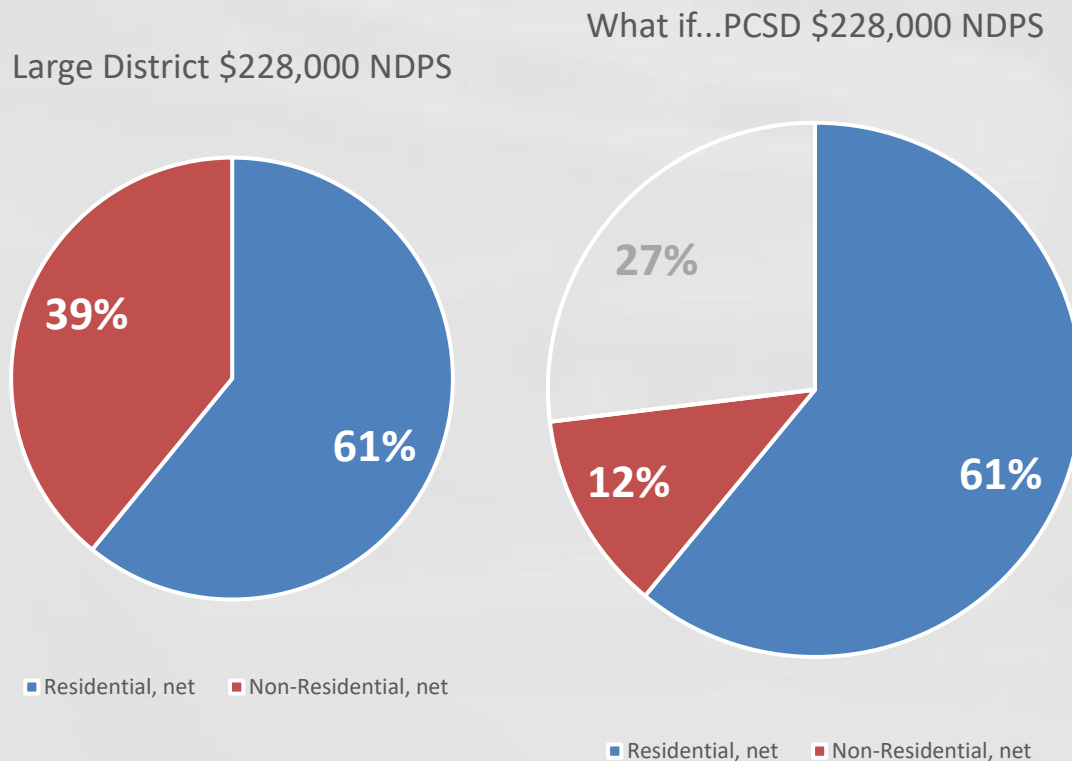
Rank	Digest			Millage Rate		Levy	Revenue	Expenditures	FESR
	FY2019 Enrollment	2020 (FY21) % Non-Residential	2020 (FY21) Net Digest per Student	2020 M&O Millage Rate	% Variance to PCSD	FY2020 Levy per Student	FY2020 Local Revenue per Student	FY2020 Expenditures per Student	FY2019 FESR
1	Cobb 106,621	Bartow 55%	Cobb \$279,125	Muscogee 23.321	Muscogee 4.571	Cobb \$5,275	Bartow \$11,090	Cobb \$10,570	Cherokee 4.5
2	Cherokee 40,807	Richmond 55%	Coweta \$263,190	Douglas 19.600	Douglas 0.850	Coweta \$4,553	Cobb \$10,974	Muscogee \$10,500	Avg >10k 4.1
3	Avg Comp 35,025	Muscogee 51%	Cherokee \$239,682	Avg Comp 19.080	Avg Comp 0.330	Bartow \$4,454	Avg >10k \$10,885	Avg >10k \$10,450	Paulding 4.0
4	Avg >10k 32,939	Douglas 43%	Bartow \$238,807	Avg >10k 18.940	Avg >10k 0.190	Avg Comp \$4,423	Richmond \$10,574	Bartow \$10,448	Coweta 4.0
5	Muscogee 29,806	Avg >10k 39%	Avg Comp \$231,809	Cobb 18.900	Cobb 0.150	Cherokee \$4,422	Avg Comp \$10,538	Richmond \$10,336	Avg Comp 3.6
6	Paulding 29,735	Avg Comp 38%	Avg >10k \$228,058	Paulding 18.750	Paulding 0.000	Avg >10k \$4,319	Carroll \$10,422	Avg Comp \$10,228	Carroll 3.5
7	Richmond 28,295	Carroll 37%	Douglas \$180,248	Bartow 18.650	Bartow -0.100	Muscogee \$3,781	Douglas \$10,409	Carroll \$10,144	Douglas 3.5
8	Douglas 25,716	Cobb 34%	Richmond \$175,581	Cherokee 18.450	Cherokee -0.300	Douglas \$3,533	Muscogee \$10,358	Coweta \$9,999	Bartow 3.5
9	Coweta 21,693	Cherokee 33%	Muscogee \$162,140	Richmond 18.419	Richmond -0.331	Richmond \$3,234	Coweta \$10,332	Cherokee \$9,932	Cobb 3.5
10	Carroll 14,416	Coweta 33%	Paulding \$162,064	Carroll 17.998	Carroll -0.752	Paulding \$3,039	Cherokee \$10,149	Paulding \$9,897	Muscogee 3.0
11	Bartow 12,849	Paulding 17%	Carroll \$152,495	Coweta 17.300	Coweta -1.450	Carroll \$2,745	Paulding \$10,142	Douglas \$9,892	Richmond 3.0

**Value of Mill.** For 2021, 1 mill will produce \$5.4 million in revenue (\$178 per pupil). Meaning, every ¼ mill produces approximately \$1.3 million in revenue. To raise the Levy per Student to the Average Comparable would require ~7.800 additional mills.

## Digest, Millage and Per Pupil Comparisons

## Net Digest Allocation: Residential versus Non-Residential

*What if Paulding County's Digest was Similar to the Average Large District in Georgia?*



- **Residential** would need to increase 3% or **\$149 million**
- 61% represents \$138,712 Residential NDPS, compared to \$134,483 in FY2021
- **Non-Residential** would need to increase 222% or **\$2.2 billion**
- 39% represents \$88,885 Non-Residential NDPS, compared to \$27,581 in FY2021 - an additional \$61,304 per student

Source: Georgia Department of Revenue, Consolidated Tax Digest Summary - Large School Districts Average (enrollment >10,000)

**FY2021**

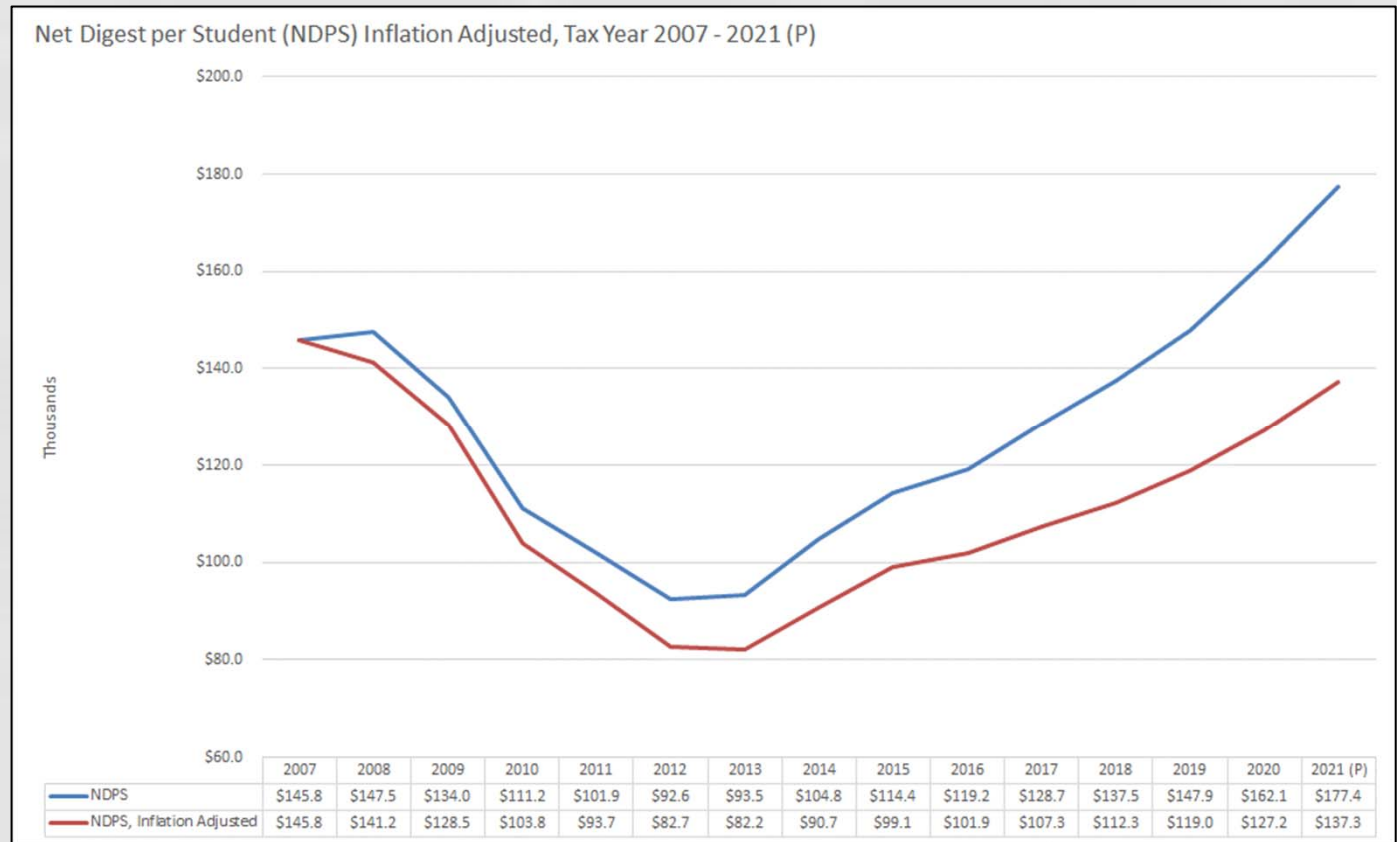
# Tax Digest: Net Digest per Student

Appendix



**Great Recession.** While Paulding County's housing-centric economy is recovering from the recession, the residual inflation-adjusted effect on the tax digest remains material. This is significant to note because approximately one-third of the District's revenues comes from local sources.

- Between fiscal years 2009 and 2014, the net digest decreased by 36% or \$1.5 billion
- FY2022(P) net digest per student (NDPS) remains 3% lower than FY2009, inflation adjusted



Source: Bureau of Labor Statistics, CPI Calculator (measured in January, annually) and Georgia Department of Revenue, Consolidated Tax Digest Summary

**FY2022 (P)**

# Tax Digest: Net Digest per Student Trend

Appendix