

ORANGE COUNTY, FLORIDA



ANNUAL BUDGET

FISCAL YEAR | 2020-2021

Public Safety | Economic Development
Community Connections
Strategic, Efficient & Engaged Government

**ORANGE COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**



**Jerry L. Demings
Orange County Mayor**



**Betsy VanderLey
District 1**



**Christine Moore
District 2**



**Mayra Uribe
District 3**



**Maribel Gomez Cordero
District 4**



**Emily Bonilla
District 5**



**Victoria Siplin
District 6**

INTRODUCTION

The Orange County Mayor and the Board of County Commissioners are pleased to present the proposed budget for fiscal year 2020-21, encompassing the period beginning October 1, 2020 and ending September 30, 2021. This is a brief overview of the Orange County budget.



At the start of 2020, the economy was thriving and unemployment was at 3%, a record low. The most formidable challenges came in the form of ensuring the availability of affordable housing, and planning for a reliable transportation system. Then in March 2020 the coronavirus pandemic took over the world. The impact of the coronavirus pandemic has not only affected Orange County residents and the business community, but also the overall revenues and operations of our county government. Acknowledging this reality, the County had to rethink the current budget priorities and determine how to maintain long-term financial health. To get through these challenging times the County is freezing the salaries of all employees, with the exception of honoring the contract of bargaining unit members and employees that are part of the salary plan enacted to get all full-time personnel to a minimum of \$15.00/hour by the end of fiscal year 2020-21. The County has also postponed all non-essential operating expenses, such as equipment purchases, vehicles, and other expenditures not related to life, health or safety. By implementing these measures now, it is anticipated this will put the County finances in a stronger position until revenues are able to recover. The County is fortunate to have reserves to handle emergencies, but it is not prudent to rely on reserves alone to fund the impacts to revenues.

A large portion of Orange County's general use revenue is derived from property taxes. It is anticipated that the total taxable value of property in Orange County will increase 8.95% for the fiscal year 2020-21 budget year. This budget anticipates countywide property tax revenue of about \$693 million – an approximate increase of \$55 million from the current year budget. New construction is anticipated to decline during the coronavirus pandemic and certain large projects have been postponed. Economic models for fiscal year 2021-22 and beyond have a high degree of uncertainty, and Orange County has adjusted its long-term outlook to allow for relatively flat property tax revenues for planning purposes. Revenue generated by the countywide property tax is used for a wide variety of government services including public safety, health and social programs, children's services, public transportation, parks and recreation, and numerous infrastructure improvements.

Another county funding source used to fund a variety of county services is the half-cent local government sales based on a population-based distribution from the State. The half-cent sales tax revenue for the current fiscal year will fall below the previous fiscal year from \$197 million to \$148 million, a \$49 million or 25% reduction. The County is expecting sales tax to start recovering in fiscal year 2020-21, and will reach \$173 million as spending begins to return.

Tourist development taxes are used to pay for the Orange County Convention Center construction debt, Visit Orlando destination advertising, Orlando sport and entertainment venues, arts and cultural programs, Orange County Regional History Center, promoting

for sports events, and any potential Convention Center operating shortfalls. Due to the substantial coronavirus related impact to the tourist industry and associated hotel and short-term rental stays for the remaining of the current fiscal year; the revenue estimates have been revised. The estimates are down from \$290 million to \$150 million, for an anticipated decrease of 48% for the year. Given the uncertainty of convention and leisure travel, it is anticipated that fiscal year 2020-21 Tourist Development tax revenues will remain flat at \$150 million as the tourism industry continues its recovery from the effects of the coronavirus pandemic.

There are four gasoline tax revenue sources in Orange County that are used to fund the transportation program, including road maintenance and repair, new roadways, and stormwater management. In fiscal year 2019-20, these taxes were budgeted to produce a combined revenue of \$43 million. Roadway travel has also declined due to the coronavirus resulting in an estimated decrease to \$37 million, which is a 14% reduction in gasoline tax revenue. Unfortunately, this loss of revenue further hinders the ability to make improvements to the transportation system. It is anticipated that gas tax revenue will rebound for FY 2020-21 to \$43 million.

Although no organization can fully insulate themselves from severe economic crises, the County is in a position to successfully adapt to future uncertainty thanks to prudent planning, fiscal constraints, and continuous monitoring. In Orange County, the largest financial safety net is reserves. For more than 20 years, Orange County has emphasized maintaining adequate reserves to weather most any storm. For the fiscal year 2020-21 budget, the General Fund reserve is budgeted at \$78 million or 7% of the fund.

The budget plan continues the strategy of fiscal prudence and transparency, and provides a blueprint for sustainable service delivery to the community. Orange County's \$4.9 billion budget maintains the current property tax rate, while focusing on areas that are heavily impacted by current trends such as public safety, housing affordability, transportation, and other vital services.

Major Revenues

The Office of Management and Budget develops revenue forecasts by reviewing current and projected economic data, historical trends of specific revenue sources, and input from operating departments responsible for collecting the revenue. State revenue estimates are analyzed and modified to reflect local experience.

Ad Valorem Taxes: The Countywide Ad Valorem receipts are budgeted at \$692,686,469 for FY 2020-21, an 8.95% increase from the FY 2019-20 proceeds. This revenue is derived from the levy of taxes on real property and tangible personal property. The countywide ad valorem millage supports Orange County's General Fund, the Capital Projects Fund, and the Parks Fund.

Half-Cent Local Government Sales Tax: The Half-Cent Sales Tax revenue is budgeted at \$173,135,000 for FY 2020-21. Orange County receives a population-based distribution of funds from the state equal to 8.9744% of net sales tax collections.

State Revenue Sharing: The State Revenue Sharing revenue is budgeted at \$39,475,000 for FY 2020-21. Orange County receives 2.9% of net cigarette tax collections and 2.0810% of state sales tax.

Constitutional Gas Tax: The Constitutional Gas Tax revenue is budgeted at \$11,902,000 for FY 2020-21. Constitutional Gas Tax is collected by the Florida Department of Revenue and is transferred by the State Board of Administration (SBA) to the counties. This is a tax of two cents per gallon on gasoline. The distribution factor is calculated based on a formula contained in Article XII of the Constitution.

County Gas Tax: The County Gas Tax revenue is budgeted at \$4,800,000 for FY 2020-21. County Gas Tax is a one cent per gallon tax on gasoline. It is distributed to counties by the Florida Department of Revenue based on the same formula used to distribute Constitutional Gas Tax.

Local Option Gas Tax: The Local Option Gas Tax revenue is budgeted at \$25,000,000 for FY 2020-21. A six cent per gallon gas tax is levied in Orange County as provided by the Florida legislature. This tax is distributed by the Florida Department of Revenue according to annual population estimates presented by the Bureau of Economic and Business Research.

Local Option Tourist Development Tax: The Local Option Tourist Development Tax revenue is budgeted at \$150,000,000 for FY 2020-21. On authority granted by the state legislature, Orange County has elected to levy a 6% tax on most short-term rents, leases or lets, and living accommodations in hotels, motels, apartments, houses, and mobile home parks, which have been contracted for periods of six (6) months or less.

The first four cents of the 6% Tourist Development Tax is for priority tourism related expenses in the Tourist Development Plan prepared by the Tourist Development Council and approved by the Board of County Commissioners. The fifth cent is for convention and sports debt and is currently allocated to the Convention Center construction debt. The sixth cent is for sports debt and tourism promotion.

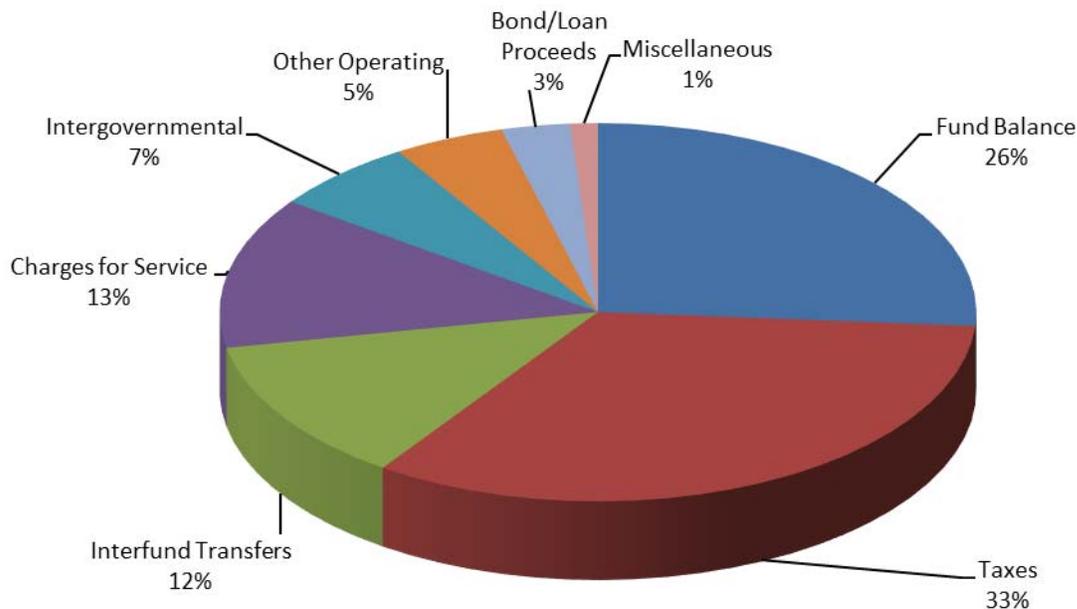
Public Service Tax: The Public Service Tax revenue is budgeted at \$75,125,160 for FY 2020-21. Florida Statutes authorize municipalities and charter counties, such as Orange County, to levy a public service tax. The tax is levied on purchases of electricity, fuel oil, metered or bottled gas (natural liquefied petroleum gas or manufactured), and water services.

Communications Services Tax: The Communications Services Tax (CST) revenue is budgeted at \$17,000,000 for FY 2020-21. The CST has two (2) components, state and local. Generally, the state CST is 7.44% and consists of a 4.92% state tax plus a 2.52% gross receipts tax. The local CST is 4.98% for unincorporated Orange County.

Sources of Revenue (in millions)

	FY 2020-21
Taxes Property (ad valorem), gasoline, resort, and franchise taxes.	\$1,308.7
Fund Balance Unspent funds from prior fiscal year.	\$1,671.7
Interfund Transfers Budgeted amounts transferred from one governmental account to another. An example is an interfund transfer from the Sales Tax Trust Fund (sales tax revenue) to the General Fund.	\$617.3
Charges for Service Fees and charges for various County services.	\$648.2
Intergovernmental Revenues received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes. Half-cent local sales tax, state revenue sharing, and state grants are examples.	\$310.9
Miscellaneous Various smaller sources including interest earnings, contributions, rent, and impact fees.	\$59.1
Other Operating Permits, fees, court related revenue, and fines and forfeitures.	\$236.6
Bond/Loan Proceeds Revenues generated when bonds are sold to pay for various projects.	\$147.0
TOTAL	\$4,999.5
Statutory Deductions 5%, excluding Non-Revenues, as required by Florida Statute 129.01.	(\$115.6)
NET TOTAL	\$4,883.9

FY 2020-21 Revenue Budget

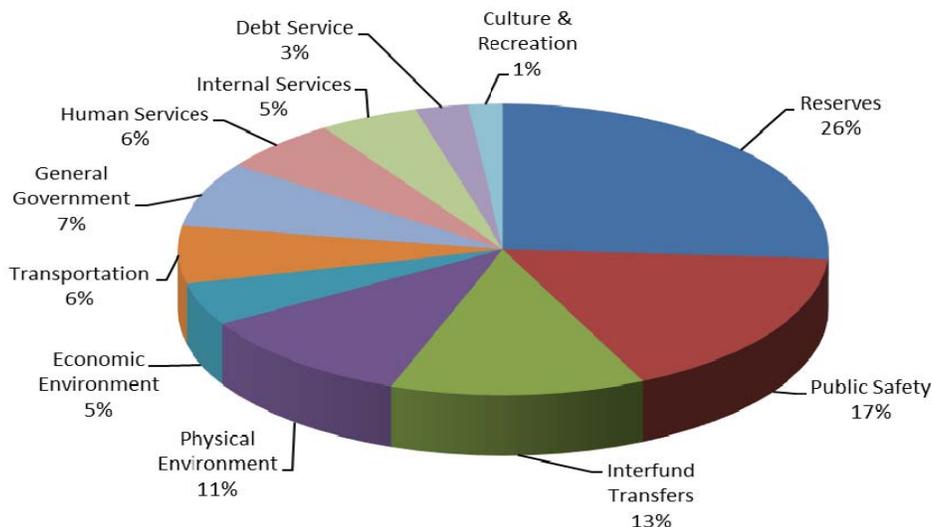


How the County Allocates Money (in millions)

FY 2020-21

General Government	\$353.0
Board of County Commissioners, Constitutional Officers, County Administrator, Procurement, Office of Management and Budget, Human Resources, Planning, Non-Departmental Expenditures, Legal, Facilities Management, and Telecommunications.	
Public Safety	\$826.3
Sheriff, Corrections, Law Enforcement Impact Fees, Fire Impact Fees, Fire Rescue Services, Medical Examiner, Emergency Management, Emergency Medical Services, Building, Zoning, and Consumer Fraud.	
Physical Environment	\$531.2
Solid Waste, Mandatory Refuse, Lake Districts, Water and Wastewater Utilities, Air Pollution Control, Environmental Protection, Retention Ponds, and Cooperative Extension.	
Transportation	\$312.3
Traffic Engineering, Local Option Gas Tax, Roads and Drainage, Highway Construction, Street Light Districts, Transportation Impact Fees, and Transit Authority (LYNX).	
Economic Environment	\$231.4
Youth Employment, Veteran Services, Community Development, Convention Center, and Office of Economic Development.	
Human Services	\$288.5
Mosquito Control, Animal Services, Medical Clinic, Social Services, Great Oaks Village, Human Services Agencies, Head Start, and Citizens' Commission for Children.	
Culture & Recreation	\$85.5
Parks and Recreation, and Cultural Agencies.	
Interfund Transfers	\$617.3
Transfers between individual funds of a governmental unit, which are not repayable and are not considered charges for goods or services. These represent a "double counting" of expenditures, and are deducted from the total county operating budget to determine "net" budget.	
Debt Service	\$127.6
The expense of retiring debts such as loans and bond issues.	
Reserves	\$1,271.1
An account used to indicate that a portion of a fund's balance is legally restricted or designated for a specific purpose, and is therefore, not available for general appropriation.	
Internal Services	\$239.7
Risk Management, Employee Medical Benefit, and Fleet Management.	
NET TOTAL	\$4,883.9

FY 2020-21 Expense Budget



**Tax (Millage) Rate Comparison FY 2007 vs. FY 2021
Countywide, County Fire & EMS, Unincorporated/Sheriff**

	FY 2007 Tax Rate (Millage)	FY 2021 Tax Rate (Millage)	% Change
Countywide	5.1639	4.4347	(14.1%)
County Fire & EMS	2.5862	2.2437	(13.2%)
Unincorporated/Sheriff	2.1234	1.8043	(15.0%)

The three (3) primary Orange County tax rates are lower in fiscal year 2021 than they were in fiscal year 2007.

1. The Countywide tax rate of 4.4347 is the backbone of the Orange County's financial structure and consists of three (3) components:
 - General Fund 4.0441
 - Capital Projects Fund 0.2250
 - Parks Fund 0.1656
2. The County Fire & EMS tax rate of 2.2437 is used to provide fire protection and emergency medical services in unincorporated areas and for cities that contract with Orange County.
3. The Unincorporated/Sheriff tax rate of 1.8043 is used to provide a portion of funding for law enforcement services in unincorporated areas of Orange County.

Example: Taxable Value of \$200,000

FY 2007	FY 2021
$\frac{200,000}{1,000} = 200 \times 9.8735 \text{ mills} = \underline{\$1,975}$	$\frac{200,000}{1,000} = 200 \times 8.4827 \text{ mills} = \underline{\$1,697}$

Comparing the Countywide, Fire & EMS, and Sheriff tax rates in FY 2007 to those in FY 2021, property with a taxable value of \$200,000 will pay approximately **\$278** less in property taxes for fiscal year 2021.

Orange County Property Tax Revenue

Orange County Property Tax Revenue (in millions)	
FY 2014	\$563
FY 2015	\$604
FY 2016	\$670
FY 2017	\$731
FY 2018	\$797
FY 2019	\$870
FY 2020	\$955
Estimated FY 2021	\$1,038

Fiscal year 2021 property tax revenue is projected to increase by 8.95% over fiscal year 2020 proceeds.

TRIM Notice

Questions and Answers

The following are some common questions taxpayers ask upon receiving their TRIM (Truth in Millage) Notice from the Property Appraiser.



1. Are any of the tax rates (millages) changing?

All millages under the control of the BCC are proposed to remain unchanged, except for two Lake District millage: Lake Jean and South Lake Fairview.

2. Why is my property value assessment so high?

The Property Appraiser is responsible for the assessment of property values. Properties are assessed by site visits, aerial photography, and/or information received from the Building and Zoning Divisions. The Board of County Commissioners has no input into the property appraisal process.

Reasons for a large increase in assessments and/or taxable value:

- a) Neglected to file for homestead exemption with Property Appraiser. Filing dates are between January 1 and March 1 of each year.

*Some people are not aware that exemptions are non-transferable. When an individual purchases a new or existing home, they must file for the exemption.
- b) New development in area/neighborhood has increased property values.
- c) Additions to home such as a pool, new room, etc.
- d) Completion of structure on previously vacant property. The first year a home is completed and placed on the tax roll will cause a significant increase in value over the value of the vacant lot.

3. What if I do not agree with the Property Appraiser's assessment of my property value?

Property owners who are dissatisfied with the assessment of their property (after contacting the Property Appraiser's Office) may petition for adjustment to the Value Adjustment Board (VAB). Petitions for the VAB may be obtained from the Clerk of the VAB located at 201 S. Rosaline Avenue, 4th Floor, Orlando, FL 32801. You can also file online at <https://vab.occompt.com/2020/>. The filing deadline for property valuation petitions and homestead exemption appeals is September 18, 2020. This means the original petition document must be filed with the Clerk of the VAB, 407-836-5447, by 5:00 p.m. on that day. Hearings before the VAB will begin in October 2020.

Property Appraiser's telephone listing:

Customer Service..... 407-836-5044

4. Who controls or levies millages on the lakes and other taxing areas?

The Board of County Commissioners has control over, or levies millages for:

County-wide	Bass Lake	Lake Pickett
Unincorporated Area (Sheriff)	Big Sand Lake	Lake Price
County Fire & EMS	Lake Holden	Lake Rose
OBT Corridor	Lake Horseshoe	Lake Sue
OBT Neighborhood	Lake Irma	Lake Waumpi
Orlando Central Park	Lake Jean	Lake Whippoorwill
I-Drive Master Transit	Lake Jessamine	Little Lake Fairview
I-Drive Bus Service	Lake Killarney	South Lake Fairview
North I-Drive Improvement	Lake Lawne	Asbury Park Canal
Apopka-Vineland Improvement	Lake Mary	Lake Conway Water/Nav.
	Lake Ola	Windermere Water/Nav.

Special Assessments: For more information regarding special assessments such as street-lighting, retention ponds, common area maintenance, and/or road improvements, please direct the call to the Orange County Comptroller’s Finance Department, Special Assessments Section at 407-836-5770.

Lake Districts: For information about such topics as how lake district boundaries are established, the rationale for lake district millage, and what lake district funds pay for, please direct calls to the Environmental Protection Division at 407-836-1400.

5. What do the last few places in the millage code mean? (e.g., 75 ORG HX)

This is the exemption code. This code indicates the property owner has one or more exemptions in effect. Although there are numerous exemption codes, a few common ones are listed below for quick reference. For questions about these and other exemptions, please call the Property Appraiser at 407-836-5044.

- DX – Disability Exemption
- HX – Homestead Exemption
- LIS – Limited Income Senior Exemption
- WR – Widower Exemption
- WX – Widow Exemption



6. What does non-ad valorem assessment mean and what does it include?

Charges appearing in this section of the TRIM notice are compulsory levies imposed on certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit the properties. Such improvements or services include things like street-lighting, common area maintenance, paving, retention pond maintenance, etc. Charges are set by the Board of County Commissioners and are based on a set amount per lot or per foot rather than property value.

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