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Supplemental Proposed City of Brookhaven Property Tax Analysis

At the request of State Representative Mike Jacobs, this supplemental analysis was undertaken to determine the potential property tax revenue that would be derived under two hypothetical municipal millage rate scenarios. Utilizing the same data used to prepare the primary report, *Revenue and Expenditure Estimates for a Proposed City of Brookhaven*, the amount of property tax revenue that would be generated by a hypothetical municipal millage rate of 3.35 mills and 3.221 mills with a homestead exemption of \$20,000 was calculated. Because residential homestead property owners in DeKalb County enjoy the benefit of a property tax rollback on county taxes by virtue of the operation of the Homestead Option Sales Tax, identical millage rates imposed by the county and cities within the county have a different impact in the dollar amount due the applicable government from residential homestead property owners.

The primary study estimated expenditures at \$25,083,242 and revenues of \$28,528,983 based on the 2011 preliminary tax digest and current county special district millage rate of 6.39 mills. This revenue estimate is based upon an estimation of \$9,927,881 in property tax revenue and \$43,207 in property tax penalties currently being collected in the DeKalb County special district. The estimated revenues other than the property tax related revenues are \$18,557,895, meaning that for estimated revenues to match estimated expenditures, \$6,525,347 would need to be generated by property taxes. As demonstrated in the table below, the millage rate necessary to generate that amount of property tax revenue is 3.221. A municipal millage rate of 3.35 mills would generate \$6,786,928, which exceeds estimated expenditures in the primary study by \$261,348.

Table 1: Revenue Generated by Hypothetical City Millage Rates and DeKalb Special District Millage Rate		
City Millage Rate of 3.221 mills with \$20,000 homestead exemption	City Millage Rate of 3.35 mills with \$20,000 homestead exemption	DeKalb County Millage Rate of 6.39 mills with existing homestead exemptions and HOST factor of 47.3%
\$6,525,580	\$6,786,928	\$9,927,881