



An Explanation of the Proposed 2025 Property Tax Rate for the City of Monroe

THE WHAT

The City of Monroe has advertised its intent for a potential millage rate increase in accordance with the law. As such, we would like to explain our use of property taxes in general and explain the necessity of the slight increase for 2025, which will help fund the 2026 General Fund budget. The proposed millage increase is 0.273 mills or 6.12% higher than last year if using the rollback rate. The “rollback rate,” would have been 6.534. The difference of the proposed rate over the rollback on a \$200,000 house is approximately \$32.00 for the tax year.

THE WHY

Property taxes are only used for General Fund services. These services are comprised of Police, Fire, Streets, Parks, Planning & Code, Airport, Mainstreet/Downtown, Economic Development, Municipal Court, support services, etc. Public Safety in total makes up approximately 60% of the General Fund budget. For the FY 2025 budget, property taxes comprise only 30% of the General Fund, meaning we have a very diverse revenue stream (such as sales and use taxes for example) compared to many other jurisdictions.

The city government is a function of society. Just as you have experienced inflationary pressures so has the city. We have tried to mitigate the need for millage rate increases even in the face of rapidly escalating costs of doing business. There have been many cuts and realignments made over the past few years while also recognizing that our need for services has not abated. Rather, the need for services has grown exponentially as Monroe supports not only its citizens but has become a destination for shopping, dining, and general business... all great things. According to our data analytics service, around 2 million visits occurred in just our Downtown Central Business District over the past 12 months. Some level of services apply to everyone who enters Monroe.

THE CHALLENGES

However, the city is also beholden to State and County rules on property appraisals. Our tax digest (the total of all taxable values) is calculated by the County Appraisal Department under an independent, appointed Board of Assessors. This year, the digest came back with a non-inflationary increase of 1.94%, which would generate only about \$100,000 in taxes, far below the cost of maintaining status quo for service delivery.

The City has taken a deeper review of many of the properties on the tax digest. We feel there may be many inconsistencies in the digest, particularly centered around larger commercial properties and multi-family properties, amongst other items. Over the years, many single-family residences and smaller “mom & pop” commercial businesses appear to have endured the brunt of the major property value increases. This appears to have created an inequity between property types, therefore burdening certain classes of property more than others. Over time, this imbalance has grown worse. As local governments need to adjust millage rates to operate, some property classes may absorb the biggest hit year-over-year to help fund local government operations.

For its part, the city has raised these specific concerns to the Walton County government. The City has recommended a full property revaluation to be performed by a third-party entity. Having all properties fairly valued lends to a broadening of the tax digest across all property classes and helps to flatten the effects of the millage rates when set each year. The result is more fairness in paying property taxes for everyone.

All of this to say, the Monroe Mayor, City Council, and City Staff respect your hard-earned tax dollars and in return strive to create maximum value for YOU in our public services while also remaining vigilant for equity and fairness in taxation methods.

Signed,
Mayor John S. Howard
City Administrator Logan Propes

