Tampa Bay Times: Pinellas County keeps 2021 property tax rates the same and prepares for COVID-19 impacts

County officials decreased expenditures and increased reserves in the general fund to prepare.

There will likely be significant budget impacts from the coronavirus pandemic, but Pinellas County will not know the full extent of its losses until next year.

The property appraiser values real estate each January, meaning any declines related to this year's pandemic will not be confirmed before local governments finalize their 2021 budgets in September.

With many unknowns ahead, the Pinellas County Commission and staff are taking a two-year approach to the fiscal year 2021 budget, beefing up reserves in the general fund and limiting expenditures. While the $2.6 billion overall budget will be finalized in September, the commission on Thursday cleared consensus to not raise tax rates.

"We have revenue already in place to keep us afloat at the same level until we're expecting and hoping we see a recovery and can come back," said Bill Berger, director of the office of management and budget, in a later interview.

Unless the commission votes to decrease tax rates before Oct. 1, property owners will pay $6.27 per $1,000 of assessed, taxable value between the general fund, EMS and Health Department taxes, according to data presented by Berger. The municipal services taxing unit rate, levied only on certain parts of the county, was also unchanged at 2.08 per $1,000 of assessed, taxable value.

Tax rates for six of the 12 unincorporated fire districts will decrease because of sufficient reserve funds, Berger said. Those districts include Clearwater, Dunedin, Gandy, Largo, Safety Harbor and South Pasadena.

Property countywide reached $91.67 billion in taxable value in 2020, a 7.7 percent increase over last year, bringing an increase in property tax revenue to this year's general fund. Property Appraiser Mike Twitty told the Commission last month that the hit from COVID-19 will likely be felt in 2022.

He said last month that his forecast projects a 6 percent decrease in 2022 with slow recovery. In an interview with the Tampa Bay Times Thursday, Twitty said those projections are fluid, as the depth of the pandemic and its impact on the economy evolves.

"Take St. Pete Beach, which has lots of hotels and is heavy on hospitality and retail. Those are sectors that are going to be hit more than residential," Twitty said. "Versus, say, North Redington Beach, they don't really have any hospitality to speak of, they are likely still going to see values grow."

To prepare for unknown impacts, the county's general fund will include $52 million more in reserves, up nearly 50 percent from last year. Berger said the additional reserves came from relief related to Hurricane Irma, as well as funds left over from 2019 that were not spent.

"What we learned from the Great Recession was cutting services to balance a budget on a one-year basis makes it extremely difficult for both operations to be in a sustainable mode. And also it's difficult for citizens and businesses receiving those services to understand what they can expect and rely on," Berger said." The better approach is find a sustainable level of service and do what we can to fund that level of service."

Although the impact on property tax revenue is unknown, the county can quantify the hit taken from the loss in other areas. The county expects to collect $23.9 million less than the $64.6 million originally projected this year in tourism tax, a 6 percent tax charge on overnight stays at hotels, short-term rentals or rental apps like Airbnb.

Two public hearings on the budget are scheduled for Sept. 10 and Sept. 22 before final adoption. The new fiscal year begins Oct. 1.

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