APS Response to High Property Values

For FY2019, APS has proposed to reduce the millage rate by 1.0 mill from 21.740 to 20.740. This will return approximately $33.41 million per year to taxpayers and reduce the resources available to APS by approximately $25 million per year. In FY2020, with the approval of SB 485, an additional nearly $25 million will be returned to tax payers through an increase in the homestead exemption from $30,000 to $50,000. For the district, this is the equivalent of an additional mill, but targeted directly to homeowners.

Through these two initiatives, the district will return more than $200 million to taxpayers over the next four years.

	1.0 Mill Roll-back		SB485		Total	
2018	$	(33.41)	$	-	$	(33.41)
2019	$	(33.41)	$	(24.31)	$	(57.72)
2020	$	(33.41)	$	(24.31)	$	(57.72)
2021	$	(33.41)	$	(24.31)	$	(57.72)
Total	$	(133.65)	$	(72.92)	$	(206.56)

Senior Exemption

The following analysis was done by Georgia State University's Center for State and Local Finance (CSLF) at the request for Atlanta Public Schools in January 2018 as the district analyzed various legislative responses to increasing property values. The section below is a summary of the analysis of the impact of various age-based exemptions on the revenue for APS.

For owners of homestead properties age 65 and older, Georgia State identified affected parcels first with exemption codes that indicate the parcel is currently eligible for the state exemption for seniors and then supplemented those with any parcels owned by registered voters over age 65. They then estimated, based on existing exemption codes for the parcel what other exemptions the owner receives, leading to an estimate of the net taxable value of the parcel as of the year of the data, 2016. The sum of the net taxable value for all such parcels, approximately $1.29 billion, represented the 2016 value of the exemption as if it had been in effect then. For exemptions with age thresholds other than 65, they adjusted the age 65+ exemption estimates for the relative size of the eligible population over the alternate age thresholds.

In short, the minimum loss in revenue for APS would be $23.8 million (based on the FY2020 figures at 70+ and assuming 2016 values) which is equal to approximately 1.0 mill. With an exemption at age 62+ and at 2016 values, the district loses approximately 1.75 mills in revenue every year.

Table 1. Estimated APS Revenue Effects of Senior Exemptions

(*$ millions*)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Change in Levy by Proposal in Isolation:					
62+ Senior Exemption Only	($41.1)	($43.6)	($46.3)	($49.2)	($52.3)
65+ Senior Exemption Only	($33.5)	($35.6)	($37.8)	($40.1)	($42.6)
67+ Senior Exemption Only	($29.0)	($30.8)	($32.7)	($34.7)	($36.9)
68+ Senior Exemption Only	($26.7)	($28.4)	($30.2)	($32.0)	($34.0)
70+ Senior Exemption Only	($22.4)	($23.8)	($25.3)	($26.8)	($28.5)

Based on the district's current long-term revenue and expenditure forecasts, the district cannot afford to reduce the equivalent of an additional one to two mills (for a total of up to four mills) in revenue while continuing to meet mandatory cost increases (including pensions and healthcare costs), remaining competitive in salaries, and providing the supports necessary to turnaround the district and prepare all students for college and career.