City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 26-777 | City Council | 7/16/2026

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

TENTATIVE MILLAGE RATE - FISCAL YEAR 2027

RECOMMENDATION:

That City Council set the tentative Fiscal Year 2027 millage rate for the City of Pensacola at 4.2895 mils and for the Downtown Improvement District at 2.0000 mils with at least a two-thirds vote and authorize the Mayor to set final levies in compliance with all property tax reform regulations. Further, that the Mayor may administratively adjust the final adopted millage rate upon receipt of the final valuation if the City's final current year gross taxable value is reduced by more than 1%. Finally, that the first public hearing on the Fiscal Year 2027 millage rates be held on September 9, 2026, at 5:30 p.m. in Council Chambers.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action does not directly advance a goal of the City of Pensacola Strategic Plan but is a necessary function of municipal government.

Annually, each taxing authority in Florida must submit a tentative ad valorem tax millage rate to the Property Appraiser and Tax Collector. Tentative millage must also be publicly advertised as required by the Truth in Millage Law (TRIM). The legal deadline for submission of the Fiscal Year 2027 advertised ad valorem tax rate is August 4, 2026. The millage advertisement must include the date, time, and place for the first Public Hearing. By law, a taxing authority cannot exceed its advertised millage rate without extraordinary effort. Therefore, the advertised rate determines the maximum millage rate that a taxing authority can adopt.

The City's preliminary taxable value for Real and Personal Property is $7,163,114,549, which represents an increase of 5.32% over the final adjusted FY 2026 taxable value.

The rolled-back rate is a calculated millage rate that would generate the same amount of property tax revenue for a taxing authority as the prior year—excluding new construction, additions, deletions, and other changes to the tax base. The rolled-back rate for the coming year for the City would be 4.1260 and for DIB would be 1.9842. Effective June 24, 2026, Senate Bill 4-F amended Section 200.065(5), Florida Statutes, revising the method for calculating the maximum millage rate. Under the revised law, the maximum millage rate that may be levied with a simple majority of the Council is the rolled-back rate calculated pursuant to Section 200.065(1), Florida Statutes. A taxing authority may adopt a millage rate up to 110 percent of the rolled-back rate by a two-thirds vote of the membership of the governing body. A millage rate exceeding 110 percent of the rolled-back rate may be adopted only by a unanimous vote of the membership of the governing body, or by a three-fourths vote of the membership of a governing body with nine or more members. The Mayor is recommending maintaining the FY 2026 millage rate of 4.2895 mills which requires a two-thirds affirmative vote of the City Council.

The Mayor is responsible for submitting a tentative millage rate for the City of Pensacola and the Downtown Improvement District. City Council will formally adopt a millage rate for each entity during the Public Hearings on the budget. The first hearing is tentatively scheduled for September 9, 2026, at 5:30 p.m. in Council Chambers. The second hearing is tentatively set for September 16, 2026, at 5:30 p.m. and will also be held in Council Chambers.

PRIOR ACTION:

None

FUNDING:

N/A

FINANCIAL IMPACT:

Approval of the Fiscal Year 2027 millage rates for the City of Pensacola and the Downtown Improvement District at 4.2895 mils and 2.0000 mils, respectively, will provide funding for a balanced budget. The total certification value for Real and Personal Property is $7,163,114,549, an increase of 5.32%. This valuation will result in an increase of property tax revenue of $1,148,300 (net of TIF $6,519,874) from the Fiscal Year 2026 beginning budget.

REVIEWED AS TO FORM BY CITY ATTORNEY'S OFFICE: Yes

STAFF CONTACT:

David Stafford, City Administrator
Amy Lovoy, Finance Director

ATTACHMENTS:

1. TRIM Council Memorandum FY 27 Taxable Value Estimates
2. REVISED -- TRIM Council Memorandum FY 27 Taxable Value Estimates -July updated
3. REVISED --TRIM Estimates From Property Appraiser - FY 27- July 1st Update

PRESENTATION: No