

# PERSONAL PROPERTY TAX RELIEF PROGRAM

## STAFF PROPOSAL TO FINANCE COMMITTEE

### PLAN

- Eliminate the vehicle license fee of \$25 - **YES**
- Reduce vehicle property tax rate from \$4.15 to between \$3.75-\$3.95 - **YES**
- “non-vehicle tax rate” (read mostly data centers) to between \$3.96-\$4.00 – strong staff recommendation to control DC dependence - **HMMMM**

IMPACT - Provides about \$3 of data center ‘relief’ for every \$1 of vehicle relief. Total Cost: \$60 million

### PAYING FOR IT

- Vague notion from increases in annual data center taxes – NOT
- Reduce the avg 9% annual increase in County spending – NOT
- A **3-4 cents** homeowner’s real property tax hike (like in FY24) – **PROBABLY**

# MEANWHILE, MORE DATA CENTER APPROVALS

PIPELINE IN SEPTEMBER 2024

## WHILE WE GIVE TAX MONEY BACK TO DATA CENTERS -

- 67 applications in the pipeline totaling about 47 million square (ft<sup>2</sup>) feet of space
- Which would **more than double** the existing capacity of about 41 million ft<sup>2</sup>.
- This **plus** all the expansions of existing data centers and flex space conversions

## REVENUE SUNAMI

- Total FY25 DC revenues \$900 million – 37% of General Fund annual revenues
- New approvals will raise this by over \$1 billion
- FY24 year-end balance – surplus of about \$200 million – up from \$56 million in FY20
- Estimated end-FY25 already ‘over-recovery of revenue’ now at \$130 million

# IMPLICATIONS FOR SINGLE INDUSTRY DEPENDENCE FROM 2011 TO 2025 AND BEYOND

