
Glossary

Ad Valorem Tax

A tax levied on the assessed value of real property. This tax is also known as property tax.

Annexation

The process by which an unincorporated area is brought into a city. Rules governing annexation are established by State statute.

Appropriation

A specific amount of money authorized by City Council for the purpose of providing goods and services.

Assessed Property Value

The value set upon real estate or other property by the County Assessor and the State as a basis for levying taxes.

Balanced Budget

A budget in which planned funds available equal planned expenditures as required by Florida State Statute 166.241.

Board of Adjustment

An appointed board that is empowered to adjust tax rolls, hear complaints about appraisals, and hear disputed or appealed applications for exemptions from ad valorem taxes.

Bond

A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

Bond Covenants

Agreements made to assure bond holders that sufficient money will be available to pay bonds.

Bond Refinancing

The payoff and reissuance of bonds to obtain better interest rates and/or bond conditions.

Budget

An annual financial plan that identifies revenues, specifies the type and level of services to be provided and establishes the amount of money which can be spent.

Capital Improvement Project Budget

A financial plan for construction of physical assets such as buildings, streets, sewers and recreation facilities.

Capital Equipment

Equipment, costing more than \$1,000, with an expected life of more than one year such as automobiles, computers and furniture.

Communication Services Tax

A tax levied by the State on telecommunication and cable services. This replaces telecommunication and cable franchise fees and utility taxes previously collected by local governments.

Consumer Price Index (CPI)

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of cost of living and economic inflation.

Contingency

An appropriation of funds to cover unforeseen events that occur during the fiscal year.

Cost Allocation

A method used to charge Enterprise, Internal Service and Federal Funds for their share of central administration costs.

Debt Service

The payment of principal and interest on borrowed funds such as bonds.

Depreciation

The decrease in value of physical assets due to use and the passage of time.

Encumbrance

An amount of money committed for the payment of goods and services not yet received or paid for.

Enterprise Fund

A self supporting fund designed to account for activities supported by user charges: Examples are Wastewater, Water, Solid Waste, and Parking funds.

Entitlement

Payments guaranteed by Congress and/or State legislatures to eligible recipients for a certain period of time. These payments are provided outside of the discretionary part of the State or Federal budget.

Fiscal Year

Any period of 12 consecutive months designated as the budget year. The City's budget year begins October 1 and ends September 30, the same as Hillsborough County and the Federal Government. The State of Florida's fiscal year is from July 1 through June 30.

Franchise Fees

A fee assessed on a business, usually a public utility, in return for the right to operate inside the City limits. The City of Tampa has granted franchises for electric and gas service.

Fund

A set of interrelated accounts to record revenues and expenditures associated with a specific purpose.

General Fund

A fund supported by revenues, such as property taxes, not designated by law for a special purpose. Some of the departments that are part of the General Fund include Fire Rescue, Police, Administration, Public Works and Parks and Recreation.

Growth Management Act of 1985

State of Florida legislation that amended the 1975 Local Government Comprehensive Planning Act. The Amendment required changes in local government planning procedures and gave the State more authority over the process.

Homestead Exemption

A deduction from the total taxable assessed value of property occupied by the owner in the State of Florida. The exemption is now \$25,000 for all property owners who qualify. Senior citizens may qualify for an additional \$25,000 exemption.

Interfund Transactions

Payments from one fund to another fund, primarily for work or services provided.

Local Option Gas Tax

The Local Option Gas Tax is a 30 year tax, begun in 1983, to fund transportation related improvements.

Millage

The tax rate on real property, based on 1 mill, equals \$1 per \$1,000 of assessed property value.

Operating Budget

A budget for general expenditures such as salaries, utilities, and supplies.

Personnel Expenses

Salaries, wages and fringe benefits such as pensions and insurance.

Property Tax

A tax levied on the assessed value of real property. This tax is also known as ad valorem tax.

Recurring/Non-Recurring Expense

Expenses which continue from year to year, where a similar amount can be expected annually. Examples include personnel expenses, and charges for utilities.

Non-recurring expenses comprise those that exist only for a limited period, or whose amounts vary considerably from one year to the next. Examples of non-recurring expenses include grants to private organizations or other governments, and one-time expenses for special projects.

Recurring/Non-Recurring Revenue

These are revenue sources which continue from year to year, where a similar amount can be expected annually. Examples include property taxes, utility taxes, and license fees. Non-recurring revenues comprise sources that exist only for a limited period of time, or are amounts which vary considerably from one year to the next. Examples of non-recurring revenue include proceeds from grants and the sale of land.

Reserve for Vacancies

Anticipated savings resulting from authorized positions being temporarily vacant. Estimated vacancies are subtracted from the amount budgeted for salaries.

Sales Tax

A 6% tax levied by the State on most goods and services. The City of Tampa currently receives a percentage of the State sales tax collected in Hillsborough County. Hillsborough County also has a 1/2 cent local option sales tax for indigent health care and a 1/2 cent Community Investment Tax.

Self-Insurance

The underwriting of one's own insurance rather than purchasing coverage from a private provider.

Target Budget

A budget system requiring departments to prepare their budgets within specified given amounts. Factors determining these amounts include available revenues, historical costs, budget objectives and known changes in service level.

Tax Increment Financing (TIF)

TIF is a mechanism for using property taxes to stimulate investment in economically depressed areas. Property taxes generated as a result of new construction are reinvested in projects designed to further enhance the area's economic vitality.

Tax Year

The calendar year in which tax bills are sent to property owners. The 2003 tax bills are reflected as revenue receipts to the City in FY04.

Taxing Authority

A government body, such as a city, county, or school board, with authority to levy property taxes.

TRIM (Truth in Millage) Notice

A notice sent annually to property taxpayers which explains any changes in the millage rate of each taxing authority from the prior year. The notice also shows changes in a property's value and includes the time and place of public hearings on proposed millage rates.

User Charges

The payment of a fee for direct receipt of a public service by the party benefiting from the service. Examples are wastewater and water services.

Utility Tax

A tax levied by cities on the consumers of various utilities such as electricity, telephones, or gas.