

To:	Mandy Hines County Administrator DeSoto County, FL	From:	Stantec Consulting Services Tampa, FL
Project/File:	Law Enforcement MSTU	Date:	October 15, 2025

Reference: DeSoto County Law Enforcement MSTU Calculation

1 Executive Summary

DeSoto County (the County) has a Law Enforcement Municipal Services Taxing Unit (MSTU) that is levied on unincorporated parcels through ad valorem taxes. The revenue generated from the MSTU partially funds the County Sheriff's department. The MSTU is levied through a set millage rate imposed on the taxable of unincorporated parcels. The full cost recovery millage rate was last calculated in 2018 to be 4.8791 mills. DeSoto county adopted an increase from 1.5000 mills to 2.3000 mills in 2019 and then increased it again in 2020 to the current rate of 2.4399. The millage rate has not changed since 2020 (see [Figure 1-1](#)), and it does not currently reflect full cost recovery.

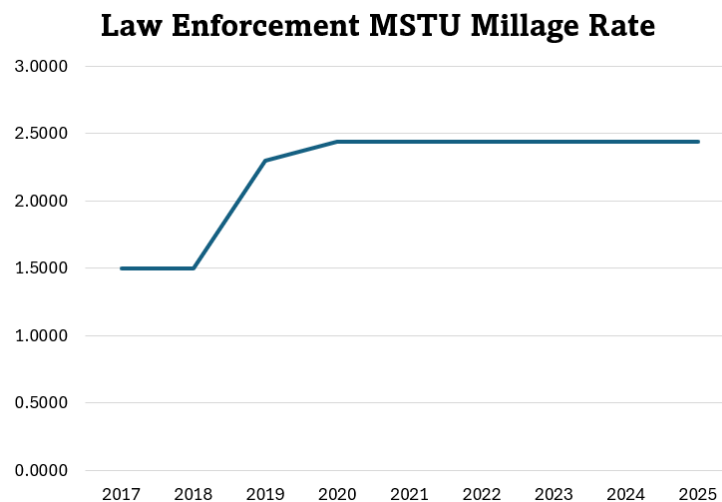


Figure 1-1 Historical Increases to DeSoto County's Law Enforcement MSTU Millage Rate¹

Stantec was retained to calculate an updated millage rate that would result in full cost recovery of the Sheriff's FY 2026 budget (herein referred to as "the Study"). Due to the increases in taxable value within the

¹ Source: DeSoto County Property Appraiser's Website

Reference: DeSoto County MSTU Calculation

County outpacing the increases to the sheriff's budget, as can be seen in **Figure 1-2**, the updated full cost recovery millage rate is expected to be less than the previous 4.8791.

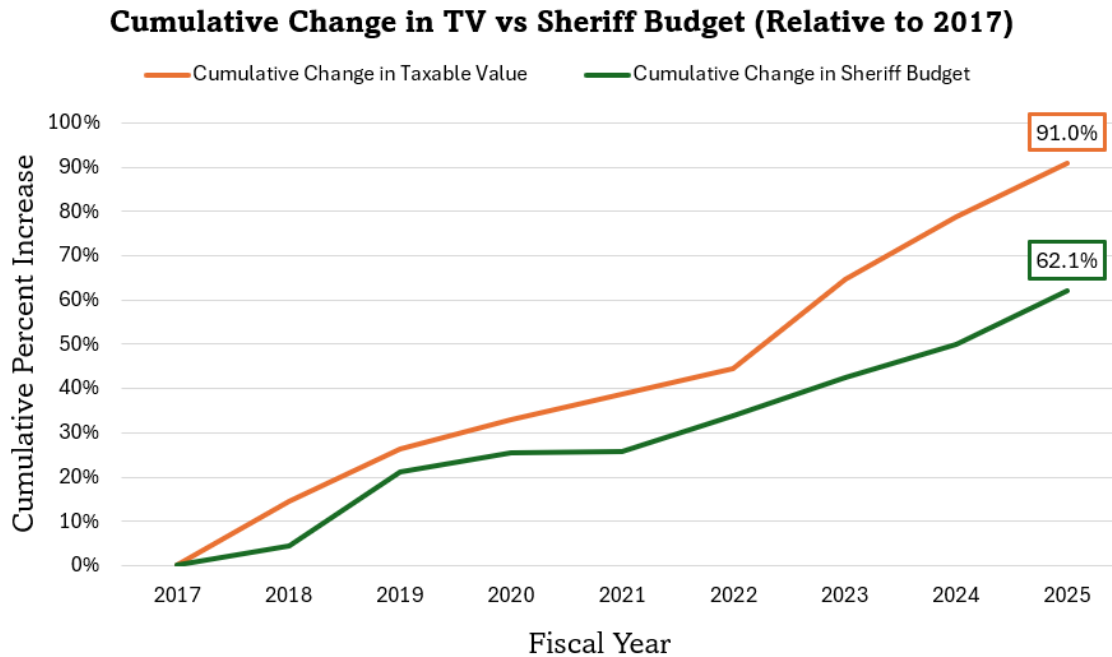


Figure 1-2 Cumulative Change in DeSoto County's Unincorporated Taxable Value and the Cumulative Change in the Sheriff's Budget²

The full cost recovery millage rate for FY 2026 is calculated to be 3.6396. The millage rate is calculated by isolating the eligible costs from the sheriff's FY 2026 budget and dividing by the County's unincorporated taxable value per \$1,000 (**Figure 1-3**).

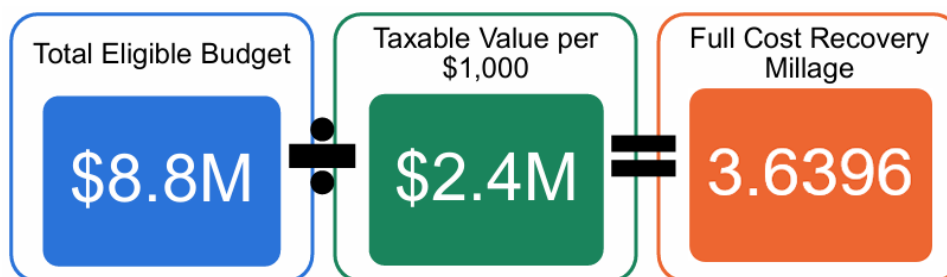


Figure 1-3 Visual Depiction of the Calculation of the Full Cost Recovery MSTU Millage Rate

² Taxable value calculated as a function of the historical law enforcement MSTU millage rate and the revenue collected. MSTU revenue collected and the sheriff's budget are both retrieved from DeSoto County Board of Commissioners Annual Budget Reports.

Reference: DeSoto County MSTU Calculation

2 Law Enforcement MSTU Calculation

The following sections discuss the methodology, calculation, and results of the updated full cost recovery law enforcement MSTU millage rate. To determine the full-cost recovery MSTU millage rate, there are two components to quantify:

1. The total full cost recovery eligible FY 2026 law enforcement budget, and
2. The full cost recovery millage rate.

2.1 Calculate Full Cost Recovery Eligible Law Enforcement Budget

Figure 2-1 depicts the methodology used to calculate the full cost recovery eligible law enforcement budget.

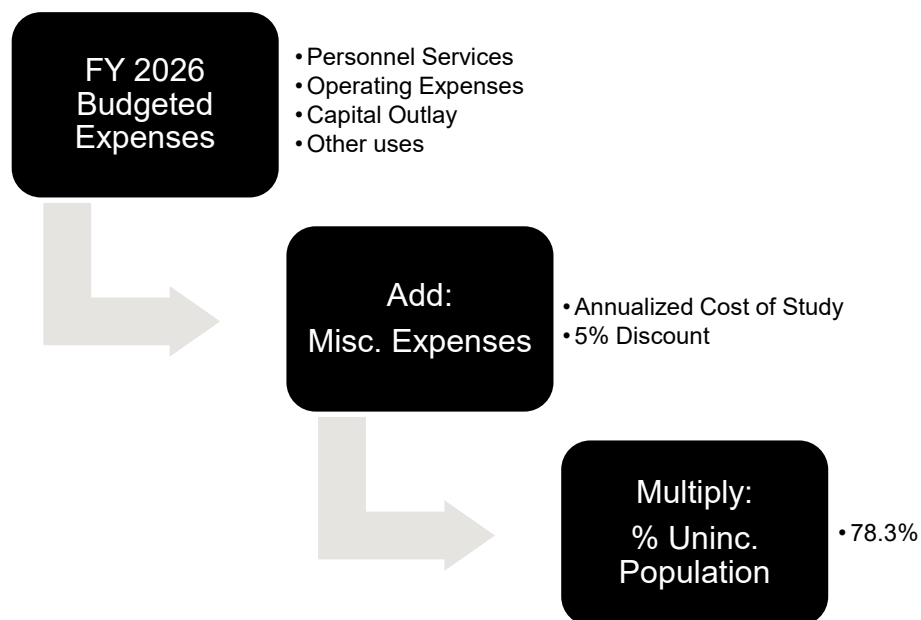


Figure 2-1 Methodology for Calculating the Full Cost Recovery Eligible Law Enforcement Budget

2.1.1 FY 2026 Law Enforcement Budgeted Expenses

The FY 2026 Law Enforcement Budget was provided to Stantec by County Staff. The total budget for the current fiscal year was \$10.7 million. This total budget includes expenditures for personnel services (81%), operating supplies (16%), capital outlay (3%), and other uses (<1%). Table 2-1 presents the breakout of the FY 2026 Law Enforcement Budget by component.

Reference: DeSoto County MSTU Calculation

Table 2-1 FY 2026 Law Enforcement Budget

Line No.	Expenditure Line Item	FY 2026 Budget
1	Personnel Services	\$8,651,742
2	Operating Supplies	\$1,717,171
3	Capital Outlay	\$335,000
4	Other Uses	\$5,000
5	Total³	\$10,708,913

2.1.2 Miscellaneous Expenses

In addition to the FY 2026 Law Enforcement Budget, there are additional expenses eligible to be included in the full cost recovery eligible budget. The cost of the study for the calculation of the MSTU rate and 5 percent allowance for early payments or delinquencies.

The payment made to Stantec for the cost of the analysis was \$37,180. It is assumed that DeSoto county will update the MSTU calculation every five years. Thus, an annualized expenditure of \$7,436 is used.

DeSoto county property owners can receive a 4 percent discount on their property taxes for making early payments and there is the potential of annual delinquencies up to 1 percent. Stantec adds 5 percent of the total eligible costs to ensure a full cost recovery of the cost of providing law enforcement services to incorporated and unincorporated DeSoto County. *Table 2-2* shows the calculation of the total law enforcement MSTU eligible costs.

Table 2-2 Calculation of Total Eligible Law Enforcement Costs

Line No.	Expenditure Line Item	FY 2026 Budget
1	Personnel Services	\$8,651,742
2	Operating Supplies	\$1,717,171
3	Capital Outlay	\$335,000
4	Other Uses	\$5,000
5	Less: Dedicated Revenues	(\$0.00)
6	Annualized Cost of Study	\$7,436
7	Subtotal	\$10,716,349
8	Add 5% Discount ⁴	\$535,817
9	Total⁵	\$11,252,166

³ Equals the sum of lines 1, 2, 3, and 4.

⁴ Equals five percent of line 7.

⁵ Equals the sum of line 7 and 8.

Reference: DeSoto County MSTU Calculation

2.1.3 Share of Unincorporated Population

The MSTU is a taxing unit that is levied only on the unincorporated parcels within DeSoto County. The City of Arcadia has its own police department and does not contribute to the cost of the DeSoto County Law Enforcement. In order to calculate the portion of the total eligible law enforcement costs appropriated to the unincorporated population of DeSoto County, Stantec multiplied the total costs by the share of the population that does not reside within the City of Arcadia. Historically, the share of the County that is unincorporated has been about 78 percent. Stantec used 78.3 percent as the portion of the budget allocable to the unincorporated population. **Figure 2-2** depicts the population of DeSoto County that is in the City of Arcadia and unincorporated.

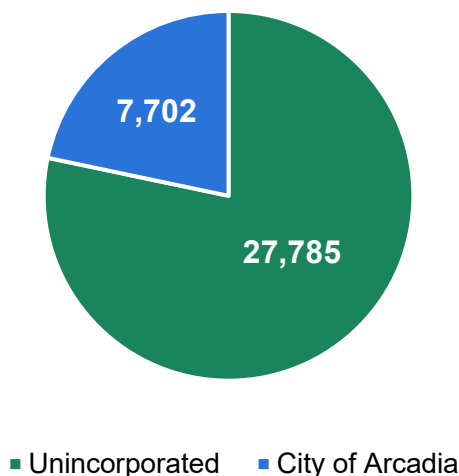


Figure 2-2 Share of DeSoto County Population, 2024 Estimates⁶

Using the portion of the County that is unincorporated, the full cost recovery eligible law enforcement budget used in this analysis is \$8.8 million. **Table 2-3** shows the calculation of the full cost recovery eligible law enforcement budget used in the calculation of the MSTU millage rate.

Table 2-3 Calculation of the Full Cost Recovery Eligible Budget for MSTU Calculation

Line No.	Expenditure Line Item	FY 2026 Budget
1	Total Budget	\$11,252,166
2	Less: Portion Allocated to the City of Arcadia ⁷	(\$2,442,139)
3	Total Full Cost Recovery Eligible Budget⁸	\$8,810,027

⁶ University of Florida, Bureau of Economic and Business Research (BEBR)

⁷ Equals 21.7 percent of line 1.

⁸ Equals the sum of lines 1 and 2.

Reference: DeSoto County MSTU Calculation

2.2 Calculation of Full Cost Recovery MSTU Millage Rate

The law enforcement MSTU millage rate is calculated by taking the total eligible budget divided by the unincorporated taxable value per \$1,000. In 2025, the total taxable value for unincorporated parcels was \$2.4 billion⁹, or \$2.4 million per \$1,000. Dividing the total eligible budget by \$2.4 million per \$1,000 yields a full cost recovery millage rate of 3.6396.

Table 2-4 shows the calculation of the MSTU millage rate.

Table 2-4 Calculation of Full Cost Recovery Law Enforcement MSTU Millage Rate

Line No.	Line Item	FY 2026 Budget
1	Total Full Cost Recovery Eligible Budget	\$8,810,027
2	Total Unincorporated Taxable Value	\$2,420,628,271
3	Taxable Value per \$1,000 ¹⁰	\$2,420,628
4	Full Cost Recovery MSTU Millage Rate¹¹	3.6396
5	Current FY 25 MSTU Millage Rate	2.4399

3 Results and Benchmarking

The current MSTU millage rate of 2.4399 yields a 67 percent cost recovery of the sheriff's eligible budget. As mentioned previously, the County's law enforcement MSTU has never reached full cost recovery. By increasing the millage rate to 3.6396, the County would be able to recover the full costs to provide law enforcement services within the unincorporated areas of DeSoto County (as depicted by the orange line in Figure 3-1).

⁹ Provided by the County

¹⁰ Equals line 2 divided by \$1,000

¹¹ Equals line 1 divided by line 3.

Reference: DeSoto County MSTU Calculation

Sheriff's Eligible Budget vs MSTU Revenue Generated

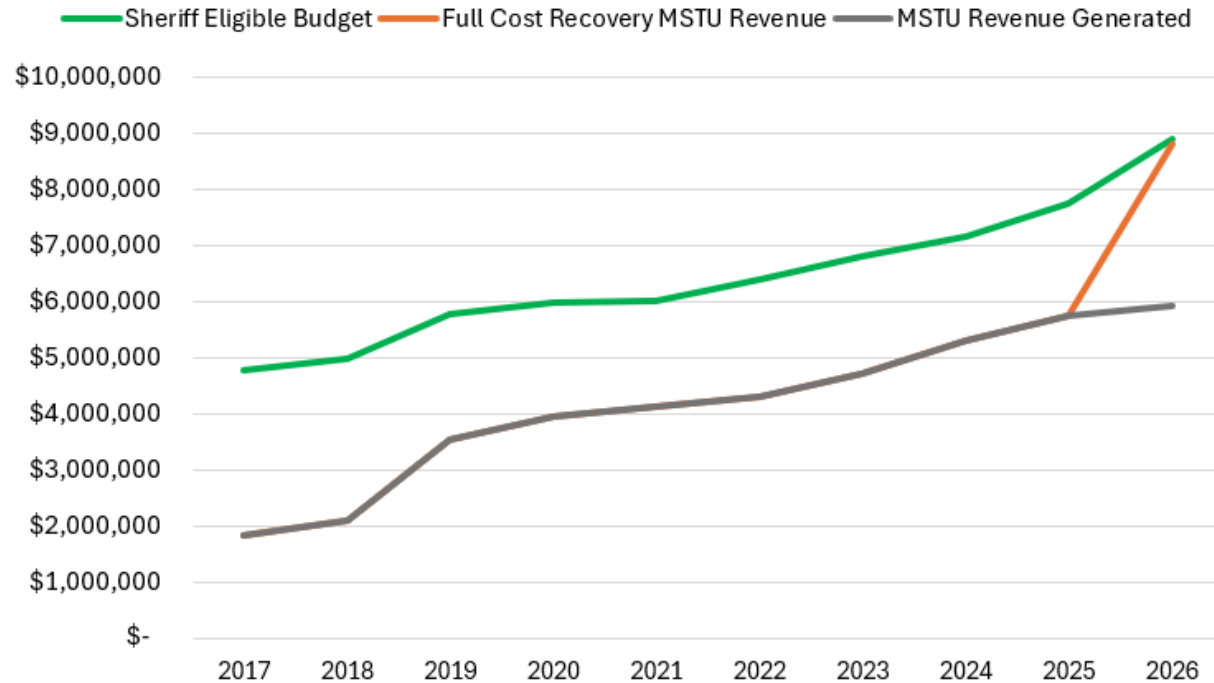


Figure 3-1 Cost Recovery Comparison of the Full Cost Recovery MSTU Millage Rate and the Existing Millage Rate¹²

Increasing the law enforcement MSTU millage rate to 3.6396 would add about \$112 to a typical residential single family household property tax bill, or about \$9.33 per month¹³. See Figure 3-2 for a comparison of the full cost recovery MSTU millage rate and the current MSTU millage rate levy for a range of single family residential taxable values.

¹² Sources: Board of DeSoto County Commissioners Annual Budget Reports

¹³ "Typical" residential single family household is calculated based on the median taxable value for a single family household within the county of \$93.8 thousand. Source: Florida Department of Revenue.

Reference: DeSoto County MSTU Calculation

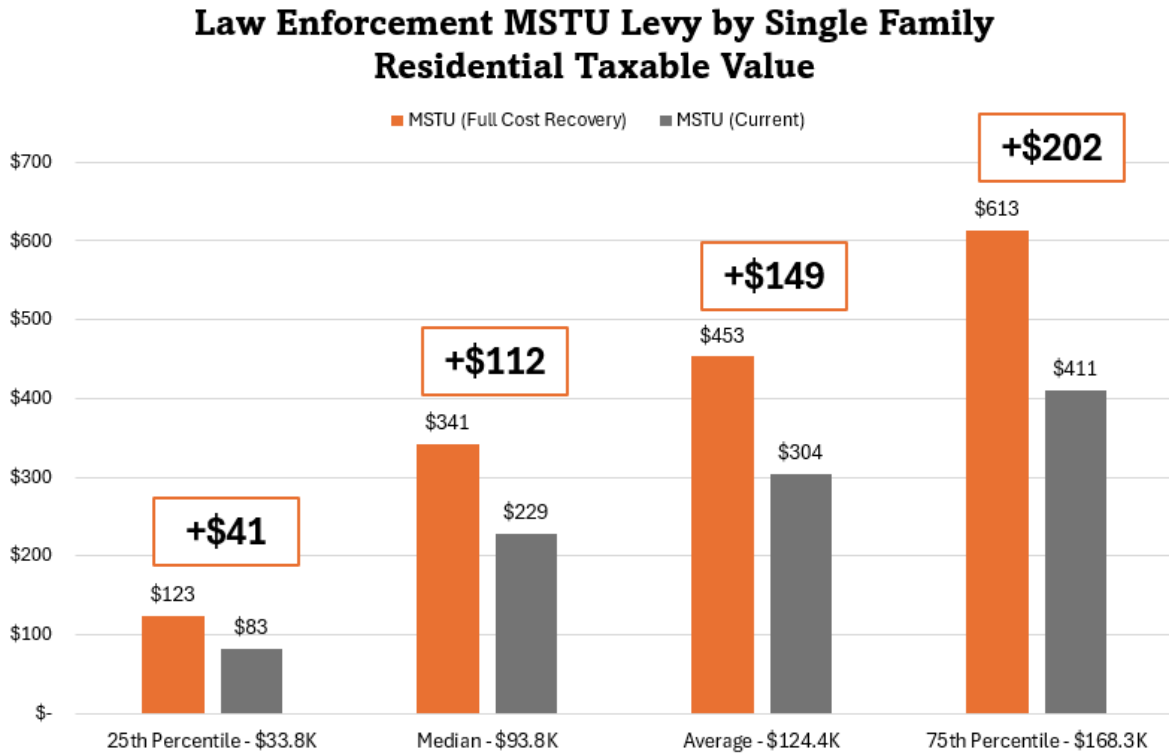


Figure 3-2 Bill Impacts on Single Family Residential Law Enforcement MSTU Levy

Table 3-1 compares Law Enforcement MSTU revenues per mil per person for various counties in Florida. The full cost recovery MSTU millage rate for DeSoto County would increase the revenue per mil per person by about two dollars compared to the current millage rate.

Table 3-1 Law Enforcement MSTU Benchmarking

County	Adopted Mils ¹⁴	MSTU Taxes Levied ¹⁵	Revenue per Mil ¹⁶	Population ¹⁷	Revenue per Mil per Person ¹⁸
Charlotte ¹⁹	2.4232	\$48,010,662	\$19,812,918	210,645	\$94.06
Clay	2.1014	\$40,703,391	\$19,369,654	236,365	\$81.95
Glades ²⁰	3.1000	\$3,005,421	\$969,491	12,815	\$75.65
DeSoto County (Maximum)	3.6396	\$8,810,027	\$2,420,628	35,487	\$68.21
Escambia	0.6850	\$15,321,842	\$22,367,653	336,358	\$66.50

¹⁴ From the Florida Department of Revenue

¹⁵ From the Florida Department of Revenue

¹⁶ Item 15 divided by item 14.

¹⁷ University of Florida, Bureau of Economic and Business Research (BEBR)

¹⁸ Item 16 divided by item 17.

¹⁹ Fiscal Year 2023

²⁰ Fiscal Year 2024

Reference: DeSoto County MSTU Calculation

County	Adopted Mils ¹⁴	MSTU Taxes Levied ¹⁵	Revenue per Mil ¹⁶	Population ¹⁷	Revenue per Mil per Person ¹⁸
DeSoto County (Current)	2.4399	\$5,739,465	\$2,352,336	35,487	\$66.29
Marion	3.7200	\$94,905,015	\$25,512,101	419,510	\$60.81
Brevard	0.8699	\$25,972,150	\$29,856,478	653,703	\$45.67
St. Lucie	0.8403	\$10,746,835	\$12,789,272	385,746	\$33.15
Alachua	3.5678	\$32,698,170	\$9,164,799	296,313	\$30.93

The following **Figure 3-3** depicts the revenue per mil per person for law enforcement MSTU's across nine counties in Florida.

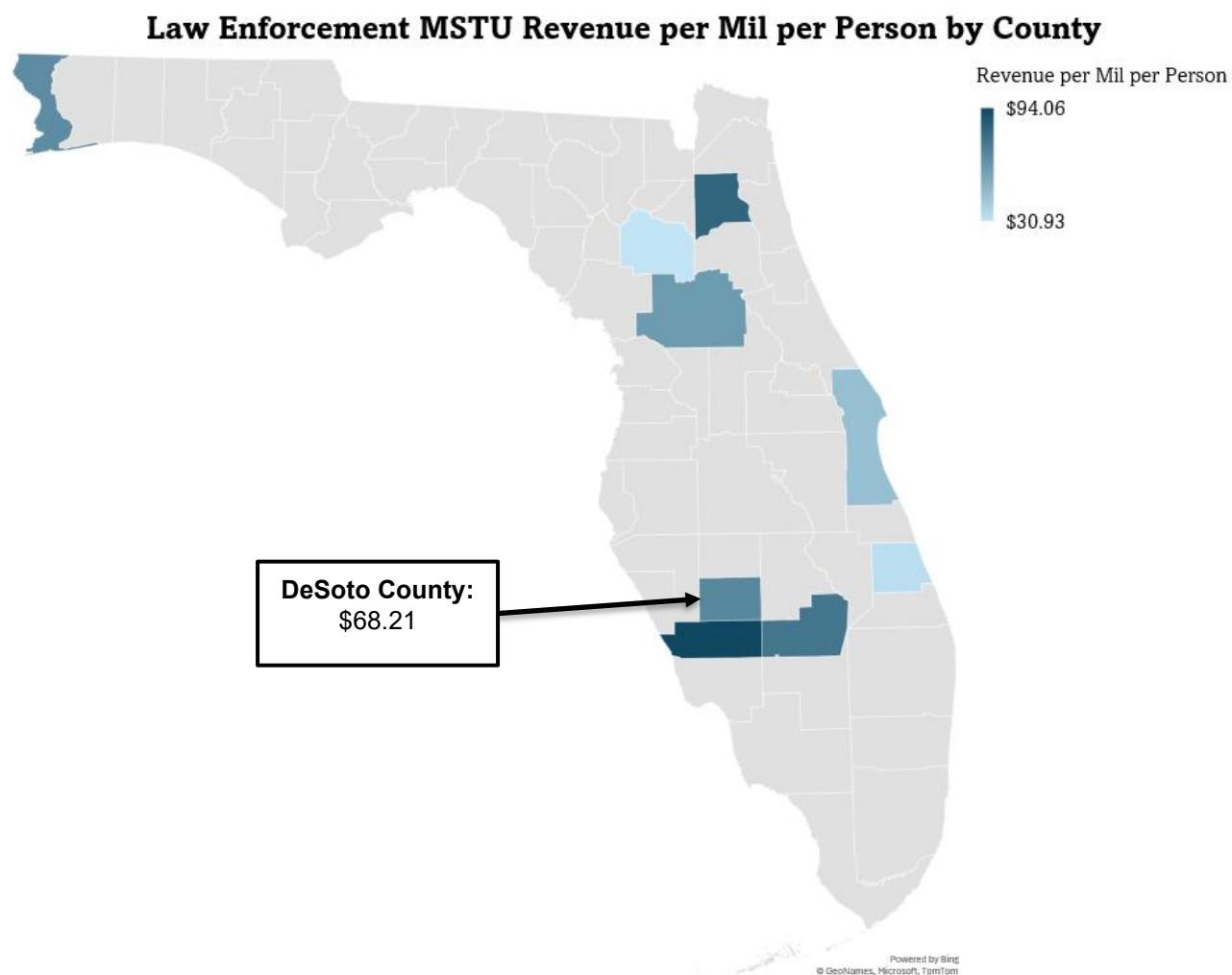


Figure 3-3 Heat Map of the Law Enforcement MSTU Revenue per Mil per Person by County

Stantec recommends the County Commission consider a rate up to the full cost recovery millage rate of 3.6396 and reevaluate the Study every five years.

Reference: DeSoto County MSTU Calculation

Regards,

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Stantec Consulting Services Inc.