

Incorporated in 1838, the City of Biloxi is located in Harrison County, Mississippi and its southern corporate boundary is the Gulf of Mexico. Biloxi is part of the Biloxi-Gulfport-Pascagoula Combined Statistical Area, which enjoys a diverse economic base dominated by tourism, casino gaming, fishing, seafood processing, shipping, shipbuilding, and petroleum and chemical processing. Keesler Air Force Base, Naval Construction Battalion Center-Gulfport and Huntington Ingalls Industries' (formerly Northrop Grumman) Pascagoula shipbuilding facility are located within this statistical area defined by the U.S. Office of Management and Budget.



Visit <http://co.harrison.ms.us> or www.mstax.org for more information about state and local taxes. Information about Biloxi and Harrison County tax rolls also may be accessed at <http://co.harrison.ms.us>.

The City's Financial Health

As shown in the **Revenue Trends Chart**, the City's ad valorem tax revenue and sales tax revenue in FY2010 remained about the same as in FY2009, while gaming tax declined slightly. Since casino gaming was legalized in 1992, gaming tax revenue has become the largest regular revenue source for the City. Local and state gaming tax information is detailed on page 21.

The **Expenditure Trends Chart** shows that in FY2006, expenditures for Public Works increased due to the cost of removing Hurricane Katrina debris. Normally, in keeping with the administration's priorities, public safety and capital projects are the largest expenditure categories of the City's governmental funds.

In response to the national economic recession, the City initiated policies to restrict expenditures in FY2009, including the reduction of City staff through a policy of attrition and a freeze in hiring. Additional steps were taken in FY2010 to reduce costs, including furloughing employees six days, reducing overtime and longevity pay, and increasing employees' share of health insurance costs. Donations to social service agencies and other nonprofits were decreased and the City has decreased General Fund cash funding of capital projects.

The City ended FY2010 with a General Fund balance of \$18 million, which is considered adequate; the City's goal is to equalize General Fund revenue and expenditures in FY2011.

The City's ad valorem tax rate has not changed since FY2001, when the Mayor and City Council decreased the rate by 34.8%.

Biloxi's Credit Rating

In May 2010, Standard & Poor's Rating Services raised its standard long-term rating of Biloxi from BBB+ to AA- with a stable outlook. Its rationale was based on the City of Biloxi's:

- Historically very strong financial reserves that allowed it to absorb the loss of revenues associated with the impact of Hurricane Katrina;
- Stable tax base; and
- Moderate overall debt burden.

The City's credit ratings have not been reviewed or changed since Standards & Poor's May 2010 rating.

State & Local Taxes

Mississippi's general retail **sales tax rate is 7%**. Of the taxes collected by the state each month, 18.5% of the sales tax revenue generated within a municipality is remitted to that City. Information about state and local **gaming taxes** is provided on pages 21.

Income in Mississippi is taxed at a rate of 3% for the first \$5,000 of taxable income, 4% for the next \$5,000 and 5% for taxable income over \$10,000; no state income tax is levied on income from qualifying retirement pensions.

Property taxes are levied by Mississippi municipalities and counties on the assessed value of land, buildings, mobile homes, automobiles, business inventory and equipment and are collected in arrears. Assessed value is a prescribed percentage of the true (appraised) value of each class of property:

Class of Property		Ratio
Class I	Single family, owner-occupied, residential real property	10%
Class II	All other real property, Except Class I or IV	15%
Class III	Personal property, except motor vehicles and Class IV	15%
Class IV	Public Utility property	30%
Class V	Motor vehicles	30%

Property in Biloxi is appraised and taxes are collected by Harrison County. The City of Biloxi levies a tax on real and personal property, based on the assessed value of property as compiled by the Harrison County Tax Assessor. The Base Millage Rate (levy) is set by the Mayor and City Council at the first regular Council meeting each September.

Taxes for the Biloxi Public School District (BPSD) are set annually by the School Board, are billed and collected by the county, and remitted to the school district through the City.

Local Millage Rate FY08-09 through FY10-11

	FY10-11	FY09-10	FY08-09
City of Biloxi	30.10	30.10	30.10
BPSD	41.55	40.08	38.03
Harrison County	35.95	35.95	35.95
Total Levy	107.60	106.13	104.08