

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 1322

INTRODUCER: Senator Ingoglia

SUBJECT: Millage Rates

DATE: January 19, 2024

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|------------------|
| 1. | Hackett | Ryon | CA | Favorable |
| 2. | | | FT | |
| 3. | | | AP | |

I. Summary:

SB 1322 provides that a county, municipality, or independent special district may not increase a previous millage rate unless approved by a two-thirds vote of the membership of the governing body of the county, municipality, or independent special district.

The bill takes effect July 1, 2024.

II. Present Situation:

County, Municipal, and School District Voted Millage

Local governments, including counties, school districts, and municipalities, have the constitutional authority to levy ad valorem taxes. Special districts may also be given this authority by law.¹

Governing bodies of counties, municipalities, and other taxing authorities are responsible for determining the millage (tax) rate for the real property for which they are levying the tax.² The millage rate is the amount of property tax charged per \$1,000 of taxable property value.³ County and municipal millages are set forth in four categories:

- General county and municipal nonvoted millage set by the respective governing body;
- County and municipal debt service millage;
- County and municipal voted millage set by the respective governing body as authorized by a vote of the electors; and

¹ FLA. CONST. art VII, s. 9.

² Section 200.065, F.S.

³ Sumter County Florida, *County Millage Rate Information*, available at <https://www.sumtercountyfl.gov/865/County-Millage-Rate-Information> (last visited Jan. 21, 2022)

- County and municipal dependent special district millage.⁴

County and municipality ad valorem millage is limited to 10 mills, except as approved by voters.⁵ County and municipal millage may be increased beyond 10 mills for periods not exceeding 2 years, provided such levy has been approved by majority vote of the qualified electors in the county or municipality voting in an election called by the governing body for that purpose.⁶ The referendum to levy voted millage above 10 mills must specify the amount of millage sought to be levied and the purpose for which the proceeds will be expended.⁷

Method of Fixing Millage

After the property appraiser assesses all property in a jurisdiction, the property appraiser certifies to the governing board of the jurisdiction the taxable value of the property within the jurisdiction of the taxing authority. The property appraiser computes a millage rate which would provide the same ad valorem tax revenue for each taxing authority, referred to as the “rolled-back rate.”

The taxing authority must prepare a tentative budget and compute the millage rate necessary to fund the tentative budget. The taxing authority gives public notice and holds hearings regarding a proposed millage rate, and ultimately adopts a proposed millage rate.⁸ If the proposed millage exceeds the rolled-back rate, additional notices related to proposed tax increases are required.⁹

Maximum Millage Rate

In 2007, the Legislature restricted counties’ and municipalities’ ad valorem tax levies, and set a maximum rate which could be levied based on then-current revenues.¹⁰ This maximum millage rate increases each year through a formula based on the growth of per capita Florida personal income.¹¹ A millage rate up to this maximum rate, or the previous year’s adopted millage rate if higher, may be enacted by simple majority. By super-majority, a taxing authority may levy millage not exceeding 110 percent of this rate; and a higher rate may be authorized either by unanimous vote, three quarters’ vote if the governing body has nine or more members, or if approved by referendum.¹²

III. Effect of Proposed Changes:

The bill amends s. 200.065, F.S., to provide that in each fiscal year the previous millage rate may only be increased if approved by a two-thirds vote of the membership of the governing body of the county, municipality, or independent special district. When increasing millage rate beyond the rolled-back rate, a taxing authority must work through the procedures for a proposed millage

⁴ Section 200.001(1) and (2), F.S.

⁵ Sections 200.071 and 200.081, F.S.

⁶ Sections 200.091 and 200.101, F.S.

⁷ *Id.*

⁸ For precise notice, hearing, and advertisement requirements, *see* s. 200.065(2), F.S.

⁹ Section 200.065(3), F.S.

¹⁰ Chapter 2007-321, Laws of Fla.

¹¹ Section 200.065(5), F.S.

¹² *Id.*

rate provided in statute, and ultimately levy millage by resolution or ordinance. This vote would require a two-thirds vote of the membership of the governing body under the bill.

The bill takes effect July 1, 2024.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill may create certain scenarios where a local government must revise its budget downward due to inability to raise millage rates.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 200.065 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
