

**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.)

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

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BILL: SB 1322

INTRODUCER: Senator Ingoglia

SUBJECT: Millage Rates

DATE: January 19, 2024

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>FT</u>	_____
3.	_____	_____	<u>AP</u>	_____

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**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.<sup>1</sup>

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.<sup>2</sup> The millage rate is the amount of property tax charged per \$1,000 of taxable property value.<sup>3</sup> 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

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<sup>1</sup> FLA. CONST. art VII, s. 9.

<sup>2</sup> Section 200.065, F.S.

<sup>3</sup> 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.<sup>4</sup>

County and municipality ad valorem millage is limited to 10 mills, except as approved by voters.<sup>5</sup> 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.<sup>6</sup> 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.<sup>7</sup>

### **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.<sup>8</sup> If the proposed millage exceeds the rolled-back rate, additional notices related to proposed tax increases are required.<sup>9</sup>

### ***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.<sup>10</sup> This maximum millage rate increases each year through a formula based on the growth of per capita Florida personal income.<sup>11</sup> 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.<sup>12</sup>

### **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

<sup>4</sup> Section 200.001(1) and (2), F.S.

<sup>5</sup> Sections 200.071 and 200.081, F.S.

<sup>6</sup> Sections 200.091 and 200.101, F.S.

<sup>7</sup> *Id.*

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

<sup>9</sup> Section 200.065(3), F.S.

<sup>10</sup> Chapter 2007-321, Laws of Fla.

<sup>11</sup> Section 200.065(5), F.S.

<sup>12</sup> *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.

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

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