

What is the “Rolled-Back Rate”?

- The rate that would generate the same amount of property tax revenues as approved for the prior year
 - Less allowances for new construction, additions, deletions annexations, and improvements increasing value by at least 100% and tangible personal property value in excess of 115% of the previous year’s value.
- Established by the Truth in Millage (TRIM) law in the 1980s
- When the tax base increases, the rolled-back rate is less than the prior year’s rate
- When the tax base decreases, the rolled back rate is more than the prior year’s rate (in effect a “rolled-up” rate)
- A tax rate higher than the rolled-back rate must be advertised with a “NOTICE OF TAX INCREASE” for the Final Budget Public Hearing

Property Tax Revenue Caps

- In 2007, the Legislature enacted new limitations on property tax revenue increases
 - Note that these are caps based on revenue, not on millage rates
- These caps went into effect beginning in FY2009
 - The Base Year for the caps is the FY2008 revenue
- The caps require super-majority (2/3) or unanimous votes of the Board to approve millage rates that produce revenue above certain thresholds

Existing Capacity Under the Cap

- Capacity under the cap has increased as property tax revenues have decreased
- There is a wide spread between the current millage rate of 4.8108 and the cap limit of 7.7372

