



**STATE BOND COMMISSION
TAX CLASSIFICATION
AD VALOREM PROPOSITIONS**

The first time the millage rate is levied, it is always classified as “New”.

If millage has been previously levied, tax classification is determined by use of the following guidelines.

Purpose	Millage Amount	Election Date	Classification
Unchanged OR More limited	Same or Lower than existing millage rate authorized in previous election. <i>Roll ups / Roll downs are allowed.</i>	Occurs <u>after</u> Existing Tax Expires. BUT there will be <u>no interruption</u> in levy and collection.	Continuation
Unchanged OR More limited	Same or Lower than existing millage rate authorized in previous election.	Occurs <u>before</u> Existing Tax Expires.	Renewal
Unchanged OR Different than initial levy	Same, Lower or Higher than existing millage rate authorized in previous election. Replaces an existing millage.	Occurs at any time in period existing millage is being levied. Proposed millage must take effect prior to existing millage expiring.	In Lieu
Broader than initial levy	Same or Lower than existing millage rate authorized in previous election. Rededicates an existing millage.	Occurs at any time in period existing millage is being levied. Proposed millage must take effect prior to existing millage expiring.	Rededication
Broader than initial levy	Same or Greater than millage rate authorized in previous election	Occurs <u>before</u> or <u>after</u> Existing Tax Expires.	New

Taxing districts can levy a millage rate equal to or less than the millage rate authorized in an election.

Taxing districts can decrease (roll down) or increase (roll up) existing millage rate to reflect reassessments of property values and number of taxpayers.

After reassessments (every 4 years), millage rate can be rolled down to take into account the higher valuation or reassessment of property.

Roll down Example

A taxing district with a maximum authorized millage rate of 30 mills, may roll down to 25 mills to collect the same amount of revenue (at the lower millage rate) as it collected before reassessment increased property values.

Under the Constitution, all taxing bodies (even nonelected ones) can roll up their mills back up to the maximum authorized rate in previous election without another vote of the people.

Rollup Example

A taxing district with a maximum authorized millage rate of 25 mills, which was levying 20 mills, can roll up to 21.5 mills, so that it can collect the same amount of revenue (at the higher millage rate) as it collected in prior periods. This may be necessary to accommodate a decrease in assessed property values that could be caused by reduction in tax basis or devaluation of properties.

Article 7, Section 23 of Constitution allows roll up to exceed existing millage rate authorized in previous election to collect same amount of tax revenue.



**STATE BOND COMMISSION
TAX CLASSIFICATION
SALES TAX PROPOSITIONS**

The first time the sales tax is levied, it is always classified as "New".

If sales tax has been previously levied, tax classification is determined by use of the following guidelines.

Purpose	Sales Tax Amount	Election Date	Classification
Unchanged OR More limited	Same or lower than existing sales tax authorized in previous election.	Occurs <u>before</u> Existing Tax Expires.	Renewal
Unchanged OR Different than initial levy	Same, Lower or Greater than sales tax authorized in previous election Replaces an existing sales tax.	Occurs at any time in period existing sales tax is being levied. Proposed sales tax must take effect prior to existing sales tax expiring.	In Lieu
Broader than initial levy	Same or Lower than sales tax authorized in previous election. Rededicates an existing sales tax.	Occurs at any time in period existing sales tax is being levied. Proposed sales tax must take effect prior to existing sales tax expiring.	Rededication
Broader than initial levy	Same or Greater than sales tax authorized in previous election	Occurs <u>before</u> or <u>after</u> Existing Tax Expires.	New



STATE BOND COMMISSION
TAX CLASSIFICATION - SPECIAL ASSESSMENT / SPECIAL TAX PROPOSITIONS

The first time the special assessment is levied, it is always classified as “New”.

If special assessment has been previously levied, tax classification is determined by use of the following guidelines.

Purpose	Assessment / Fee Amount	Election Date	Classification
Unchanged OR More limited	Same or Lower than existing amount authorized in previous election.	Occurs <u>after</u> Existing Tax Expires. BUT there will be <u>no interruption</u> in levy and collection.	Continuation
Unchanged OR More limited	Same or lower than existing amount authorized in previous election.	Occurs <u>before</u> Existing Tax Expires.	Renewal
Unchanged OR Different than initial levy	Same, Lower or Greater than existing amount authorized in previous election Replaces an existing assessment/tax.	Occurs at any time in period existing assessment/tax is being levied. Proposed assessment/tax must take effect prior to existing assessment/tax expiring.	In Lieu
Broader than initial levy	Same or Lower than existing amount authorized in previous election Rededicates an existing assessment/tax.	Occurs at any time in period existing assessment/tax is being levied. Proposed assessment/tax must take effect prior to existing assessment/tax expiring.	Rededication
Broader than initial levy	Same or Greater than existing amount authorized in previous election.	Occurs <u>before</u> or <u>after</u> Existing Tax Expires.	New

If all conditions (purpose, amount, existing tax expiration and election) are not met for each classification, then the assessment/tax must be considered as “new” even if an assessment/tax had been previously levied and collected.

For example, an assessment/tax would be considered “new” if:

1. The purpose is unchanged or more limited than previously authorized, but assessment / fee amount of fee to be levied is greater than existing fee authorized by prior election.
2. Amount of assessment/tax is the same or lower than existing amount authorized, but the purpose(s) of proposition is broader than existing purposes of proposition of previous election.
3. The purpose and assessment/tax amount are unchanged or more limited than previously authorized, but the beginning period of levy and collection resulted in a year or more gap between prior authorized levy period and the new levy period as set forth in the proposition to be presented to the voters.