

FLORIDA DEPARTMENT OF REVENUE

**Maximum Millage Calculation  
General Information**

**OVERVIEW**

Chapter 2007-321, Laws of Florida, provides maximum tax levies for counties, municipalities and independent special districts. The law establishes the procedure to calculate these maximum rates. In fiscal year 2007-08, the maximum tax levy allowed by a majority vote of the governing body is based on a percentage applied to the rolled-back rate under s. 200.065, F.S. For counties and municipalities and their related dependent special districts and municipal service taxing units (MSTUs), this percentage is based on the compound annual growth in the per capita property taxes levied from fiscal year 2001-02 to fiscal year 2006-07. For independent special districts, the fiscal year 2007-08 percentage is 97% of the rolled-back rate.

The maximum tax levies may be increased by a supermajority or unanimous vote of the local government governing body (see s. 200.185, F.S., as created by chapter 2007-321, L.O.F.). On July 13, 2007, the Department of Revenue will publish the compound annual growth rates that counties and municipalities must use. Dependent special districts and MSTUs must use the growth rate of their county or municipality. The Department will post these rates on its website at:

[http://dor.myflorida.com/dor/property/spec\\_session.html](http://dor.myflorida.com/dor/property/spec_session.html).

**MAXIMUM LEVY PRELIMINARY DISCLOSURE FORMS**

Chapter 2007-321, L.O.F., requires the Department to prescribe instructions and forms to calculate maximum millages and taxes levied. The Department has adopted three forms:

- DR-420 C-P for counties
- DR-420 M-P for municipalities
- DR-420 I-P for independent special districts

Taxing authorities must complete and return the appropriate form to the property appraiser with their Form DR-420. Typically, proposed millages are certified to the property appraiser on Form DR-420 on or before August 4<sup>th</sup>.

The forms are used to calculate the maximum millage based on the **anticipated** vote of the governing body. Forms reflecting the **actual** vote must be submitted to the Department after the final hearing, typically between September 20<sup>th</sup> and October 8<sup>th</sup>. Chapter 2007-321, L.O.F., provides that counties and municipalities adopting levies more than the maximum will lose their half-cent sales tax distribution for 12 months. The Department will publish the final forms for reporting when they are adopted.

**TRUTH IN MILLAGE (TRIM) AND MAXIMUM TAXES LEVIED**

The existing TRIM process under s. s. 200.065, F.S., was not changed by chapter 2007-321, L.O.F., with two exceptions. These exceptions are:

- the inclusion in net new taxable value of certain increases in tangible personal property taxable value; and
- the adjustments for tax increment finance payments when calculating the rolled-back rate.

The **MILLAGE RATE YOU ADOPT AT THE FINAL HEARING** cannot be higher than the proposed millage rate submitted on Form DR-420.

**NONE** of the exclusions or exceptions that the Legislature established for calculating and applying the maximum tax levy **APPLY** to the calculation on Form DR-420 of the rolled-back rate and the total proposed and rolled-back taxes.

## MAXIMUM MILLAGE RATES AND MAXIMUM TAXES LEVIED

(See s. 200.185, F.S., as created by chapter 2007-321, L.O.F.)

### **Counties with dependent special districts or MSTUs and municipalities with dependent special districts:**

The maximum millage rates for individual levies may be exceeded under a certain circumstance. If the total taxes levied by a county or municipality and all of its dependent special districts and MSTUs are equal to or less than the taxes that could be levied at the maximum millage rate of each member of the group, the county or municipality is in compliance with the law. (s. 200.185(8), F.S., as created by chapter 2007-321, L.O.F.) This provision does not apply to independent special districts.

**Forms DR-420C-P and DR-420M-P:** The top part of the form is used to calculate the maximum millage rate. The bottom part of the form is used to calculate taxes that could be levied at the maximum millage rate for the county or municipality and all of its dependent special districts or MSTUs and to calculate maximum taxes levied.

**Counties or municipalities with no dependent special districts or MSTUs:** The maximum millage rate calculation will be the same as the maximum taxes levied calculation.

**Counties or municipalities with dependent special districts or MSTUs:** Comparing the proposed taxes levied to the maximum taxes levied as calculated in the bottom part of the form will disclose whether the proposed taxes are in compliance with law. A millage rate adopted by the county or municipality or its dependent special districts or MSTUs may be more than its individual maximum millage if the adopted millage of at least one other group member is sufficiently below that member's maximum. The total proposed taxes levied by all members of the group must not be more than the total maximum taxes allowed for the group. (See s. 200.185(8), F.S.)

## TAXING AUTHORITIES SUBJECT TO SPECIAL PROVISIONS

**Emergency Medical or Fire Rescue Services:** MSTUs and special districts dependent to a county or municipality whose predominant function is emergency medical or fire rescue services are considered independent special districts for calculating maximum millages. These districts and MSTUs should complete Form DR-420I-P to calculate their maximum millage. They should not complete a DR-420C-P or DR-420M-P or be included when the county or municipality calculates its total maximum taxes on the bottom of its form. Like independent special districts, if emergency medical or fire rescue service districts have levied taxes for 5 years or less they are not subject to a limitation on millage in fiscal year 2007-08 (see Rule 12DER07-06, F.A.C.).

**Municipalities and Independent Special Districts That Have Levied Taxes for Less Than Five Years:** Municipalities and independent special districts that began levying taxes in fiscal year 2003-04 or later are not subject to the limitation on millage rates for fiscal year 2007-08. This does not include MSTUs, other than those described in the preceding paragraph.

**Municipalities That First Levied Taxes in Fiscal Year 2002-03:** These municipalities are subject to the same provisions as municipalities whose compound annual growth rate in per capita taxes levied is no more than 6%. Their millage rate as adopted by a majority vote cannot exceed 100% of the rolled-back rate.

### **Counties and Municipalities of Special Financial Concern:**

- Counties defined as fiscally constrained under s. 218.67, F.S., and for which 1 mill of property tax levy will raise less than \$100 per capita: If their compound annual growth rate is no more than 5%, the maximum millage rate by majority vote is 100% of the rolled-back rate. Otherwise, it is 97% of the rolled-back rate. (s. 200.185(1), F.S., as created by chapter 2007-321, L.O.F.) A list of these counties is available on the Department's website at: <http://dor.myflorida.com/dor/property/CoConcern.pdf>.
- Municipalities in a county of special financial concern or that have been in a state of financial emergency under s. 218.503, F.S., at any time since 2001: The maximum millage rate by majority vote is 100% of the rolled-back rate. A list of these municipalities is available on the Department's website at: <http://dor.myflorida.com/dor/property/MunConcern.pdf>.