

PROPERTY TAX REFORM

FACT SHEET

HB186:

- Caps growth of 20 mil floor districts to inflation. This is determined by the deflator (i.e., capping at the inflation average) over the 3 preceding tax years. For 2026, the deflator is 9.13%.
- This applies to counties undergoing reappraisal or the triennial update for tax year 2025 and beyond. There is a look-back provision to apply this law to tax years 2023 and 2024 as well.
- For Green: our reappraisal was in 2023; an update will happen this year.
- A one-time guarantee was built into this legislation. Taxpayers in Green will receive a one-time credit on their summer 2026 bills for the amount by which their bills increased above the deflator. Green Schools will receive a payment equal to the amount of all the credits in 2027.
- School districts that were at the 20 mil floor historically received growth when the triennial updates took place, but this will be capped to that deflator (inflation) percentage.

HB335

- This goes along with HB186. It caps revenue growth from inside millage that was realized due to new construction. As a reminder, the majority of our inside millage is from the permanent improvement levy fund, which is used for capital expenses and repairs lasting 5 years or more.

HB 129

- This bill takes all emergency levies (now called fixed sum beginning in 2026) and includes them in the calculation of the floor. This, in essence, throws all districts off the floor (if they had emergency levies) and significantly limits their ability to grow as property tax rates increase.
- HB129 also eliminates any new fixed sum levies unless a district is in one of the fiscal distress categories. If a district places a fixed sum levy on the ballot due to its fiscal caution status after May 2026, it is not permitted to be renewed.

HB96

- Eliminates all replacement levies and changes the wording of emergency levies to fixed-sum levies.
- Any emergency levies approved before January 2026 can be renewed as fixed-sum levies, but the renewal is capped at 5 years at a time, costing districts additional fees for being on the ballot more.
- Prohibits a school district from placing any type of new levy on the ballot if the general fund carry-over balance exceeds 100% of the district's general fund expenses for the preceding fiscal year

HB309

- Allows county budget commissions (comprised of the county auditor, county treasurer, and county prosecuting attorney) to reduce levy collections to bring taxes levied "to the level the commission finds reasonable". This reasonable level is not defined; it's just the sitting commission's opinion.