

Types of Levies

Additional Levy

- Increase taxes and generate additional revenue.
- Generally are for a fixed number of years. (5 years most common.)

Renewal Levy

- Voter approval to extend the term of a limited levy when it expires
- The renewal levy must state the same purpose as the original levy.
- The effective rate of the renewal begins from the point where the original levy ends.
- Do not increase taxes, but generate approximately the same amount of revenue as the year before.

Replacement Levy

- To extend the term of a levy when it expires
- Replacement levies differ from renewal levies because the replacement begins with an effective rate equal to the original effective rate of the levy which it replaces.
- Do increase taxes, however, not as much as additional levies. For example: A 1.0 mill current Expense levy first passed in 2000 is currently being collected at 0.76 Mills as a result of increased values. The replacement of this levy would restore the rate to 1.0 mills or an increase of 0.24 mills.
- Can be passed with an increase or a decrease of the original millage. For example, a two mill levy originally voted on five years ago, may be put on the ballot now as replacement with a decrease, if only one mill is currently needed for the same purpose as the original levy.

Emergency levy

- Limited levy proposed up to five years for a specific dollar amount. The millage rate required to produce the dollar amount changes on all types of property if property values change.

Bond levy

- Property tax levies used to provide the local revenue for construction purposes. Proceeds from the levy are used to pay the principal and interest on construction bonds. Offered for a specified dollar amount and a specified period of time.

Continuing Levy

- Are the same as additional levies, however, are imposed for a continuing period of time with no expiration dates.
- May be replaced in order to generate additional revenue at any election in any year, however, may only be submitted to the voters once per year.
- Levy proposing millage rate or school district income tax that is assessed indefinitely.

Millage

- Factor applied to the assessed valuation of real and personal tangible property to produce tax revenue. A mill is defined as one-tenth of a percent or one-tenth of a cent (0.1¢) in cash terms.

Effective mills

- The actual rate of taxation realized when the tax reduction factor reduces the taxes charged by a voted levy. It equals the taxes charged divided by the taxable value of the class of property against which they apply.

Reduction factor

- Maintains the existing level of taxes paid on voted millage.
- The taxing district collects the same amount of revenue that was voted regardless of increased property values, except for added value from new construction.