

WHIP'S HIGH POINTS

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The House Plan for Immediate Tax Relief

HB 7001 by Government Efficiency Council & Rep. Attkisson
As Passed by the House of Representatives on April 18, 2007

- **Requires an immediate reduction in millage rates** for all local taxing authorities **except** school districts, fiscally constrained counties and cities therein, hospital districts, and Children's Services Councils. Revenues used for hospital and children's services programs by counties that provide those services from their general fund are exempt from the cap. Millage rates will be limited to what they would have been if revenues had only grown in proportion to inflation plus community growth since FY 2000-01. This will apply to FY 2007-08.
- **Links future growth of local revenues to community growth and inflation.** Beginning in FY 2008-09, growth in property tax revenues is limited to the "rolled-back-rate" plus changes in the Consumer Price Index. This cap applies to all taxes except those levied for school districts, for the payment of bonds, or for a 2-year period when authorized by a vote of electors.
- **Requires a supermajority vote** of the governing authority to exceed the revenue cap. Approval by the greater of 2/3 of the governing board or a majority plus one can exceed the cap for the current fiscal year. Failure to comply with this vote requirement will forfeit state revenue sharing.
- Requires a taxing authority proposing to exceed the millage limitations to publish a **notice** of its intent to do so. The notice has to disclose the amount of revenue sharing the taxing authority will lose if it does not adopt the millage by an extraordinary vote.
- For taxing authorities that began levying taxes after January 1, 1996, the limitations apply only after the authority has levied property taxes for 5 years.
- **Taxpayers will see relief on their next tax bill (in November 2007).**
- **Provides immediate tax relief averaging 19% savings on the total tax bill.**
- The average affected county's total budget will be reduced by about 9%, and the average city's total budget will be reduced by about 7%.

April 18, 2007