School Finance Mill Levy, Municipal Budgeting, and Board of Tax Appeals Filing Fees; Senate Sub. for HB 2125

Senate Sub. for HB 2125 reauthorizes the statewide school finance mill levy, modifies certain dates related to municipal budgeting, modifies the form required for revenue neutral rate notices and continues the state reimbursement of printing and postage costs associated with such notices, and prohibits filing fees at the State Board of Tax Appeals when prior appeals remain pending.

Statewide School Finance Mill Levy

The bill reauthorizes the statewide school finance property tax levy at a rate of 20 mills for school years 2025-2026 and 2026-2027.

Municipal Budgeting Date Changes

The bill makes October 1 the deadline for taxing entities to annually certify to the county clerk the amount of property tax to be levied. [*Note:* Under prior law, the deadline was October 1 for taxing entities exceeding the revenue neutral rate and August 25 otherwise.]

The bill requires county clerks to use the previous year's budget information and amount of property tax to be levied for any taxing entity that does not file its budget information by 5:00 p.m. on October 1.

The bill moves from December 15 to December 1 the date by which county treasurers are required to mail property tax statements and tax information forms.

Revenue Neutral Rate Notice Reimbursement and Form Revisions

The bill extends, through calendar year 2026, state reimbursement of printing and postage costs incurred when county clerks are required to mail notices of proposed tax increases beyond the revenue neutral rate. The bill also extends the corresponding transfer from the State General Fund to the Taxpayer Notification Costs Fund to reimburse such costs.

The bill also makes changes to the form required to be used for such notices. The bill requires the form to:

- Include a column indicating the mill levy utilized in the calculation of:
  - The tax for the preceding year;
  - The tax for the current year based on the revenue neutral rate; and
  - The amount of tax proposed for the current year;
- Eliminate a column specifying the amount by which the proposed tax amount exceeds the tax at the revenue neutral rate;

- Include information for the aggregate amount of tax levied by each taxing subdivision for the current and prior year and the difference between such amounts in both dollars and percentages; and

- Refer to amounts of tax to be levied by a taxing subdivision in the current year as “Proposed Tax,” changed from “Maximum Tax.”

State Board of Tax Appeals Filing Fees Prohibition

The bill prohibits the State Board of Tax Appeals (BOTA) from charging a filing fee to a taxpayer whose appeal from a previous year remains pending before BOTA in regard to the same parcel of property.

[*Note:* The bill replaces a provision prohibiting a filing fee when a taxpayer has a pending appeal that is beyond the statutory time period for service of a decision by BOTA.]