

Property Tax Floors and Ceilings

While state funding formulas generally include an expected local contribution towards education costs, districts are not always required to actually raise the expected amount from local taxes. They may be allowed to raise more or less than the expected amount, within certain limits. In order to limit disparities in district property tax rates, states may set a minimum and/or maximum local property tax rate, or they may set rules for how districts can raise property taxes above a given level. This report describes which states set bounds on permissible local property tax rates.

Alabama

Alabama sets a floor for local property tax rates, as well as a ceiling, above which voter approval is required. Though school districts in Alabama do not directly impose property taxes, local counties or cities, as appropriate, are required to levy at least $10.00 for every $1,000 of assessed local property wealth for school funding, or the equivalent from other local sources (see "Other Local Taxes for Education" for a description of these taxes).

Counties and special school tax districts in Alabama may levy several types of local property taxes, totaling $15.00 for every $1,000 of assessed local property wealth. Each tax is limited by the state constitution and must be approved by voters in a referendum. Counties, municipalities, and other taxing authorities may increase the rate beyond totaling $15.00 for every $1,000 of assessed local property wealth if they adhere to one of several processes. There are three processes for levying increased property taxes through constitutional amendments and one process that does not require a constitutional amendment. The constitutional amendment processes involve (1) a general constitutional amendment approved by three-fifths of both houses of the legislature and the majority of voters in a statewide referendum; (2) a locally applicable constitutional amendment approved by three-fifths of both houses of the legislature and the majority of voters in a statewide referendum; or (3) a locally applicable constitutional amendment approved by three-fifths of both houses of the legislature, by a unanimous vote of the Local Constitutional Amendment Commission, and by the majority of voters in the affected county in a referendum. Local authorities may also increase existing taxes without a constitutional amendment if they approve an increase at a public hearing, the legislature passes a locally applicable law authorizing the increase, and a majority of local voters approve the increase in a referendum.

Counties or cities that fail to levy the required $10.00 per $1,000 of assessed local property wealth for education will see their state education aid reduced commensurately.

Alaska

Alaska sets both a floor and a ceiling for local property tax rates. Local municipalities are generally required to impose at least $2.65 for every $1,000 of assessed local property wealth, and are limited to a rate that may vary depending on the district's formula amount.

City and borough municipalities are required to raise at least $2.65 for every $1,000 of local property wealth, or an amount sufficient to fund 45% of the district's formula amount from the prior year, whichever is less. They may not raise more than this required local contribution plus the $2.00 for every $1,000 of assessed local property wealth or 23% of the formula amount.

Arizona

Arizona sets a ceiling for local property tax rates, as well as a level above which voter approval is required. School districts require voter approval to raise more than the rate sufficient to reach their formula amount and, even with voter approval, are limited to 15% above their formula amount for operating costs.

School districts are restricted in how much money they may raise locally. Districts' budgets are limited to the total amount of funding that the state calculates to be necessary to educate students within a district, including transportation costs. However, school districts may exceed this limit with voter approval. With voter approval, school districts may impose taxes sufficient to add an additional 15% to their operating budgets, funding for specific programs and for capital outlays. Further, districts may raise taxes for certain specific costs outside of the formula, like desegregation costs and expenses associated with small districts.

Additionally, in some districts the expected tax rate (see "Expected Local Share") would yield enough revenue to cover the entire amount of funds calculated by the state to be necessary to educate students within that district. Such districts are subject to a floor for local property tax rates—they must impose a local property tax of at least 50% of the expected rate. If the money generated by this 50% rate exceeds the district's necessary funding, the excess is transferred to the state general fund for redistribution to other school districts.

Arkansas

Arkansas sets a floor for local property tax rates, as well as a level above which voter approval is required. School districts are required to impose at least $25.00 for every $1,000 of assessed local property wealth, and they may impose a higher rate with voter approval.

School districts may levy a tax rate higher than the expected rate for general maintenance and operations, with voter approval. It is possible for an additional tax of up to $3.00 per $1,000 of assessed local property wealth to be designated for particular purposes, and in that case, the school district may use the revenues from that tax only for the specified purposes. Districts may also impose an additional tax for debt service, with voter approval.

California	California sets a level above which property tax rates require voter approval. In order to exceed a rate based on historical assessments, school districts require two-thirds voter approval. Counties in California may impose a property tax of up to 1%, a portion of which is used for school districts. Each school district receives a share of the revenue from this tax based on its proportionate countywide share of property taxes during the mid-1970s, when this limit was put in place. School districts in California may exceed this limit by collecting property taxes set at a fixed amount per parcel of property, called parcel taxes. Parcel taxes may be levied only with the approval of two-thirds of voters. The rate-based property tax is limited to 1% of the county assessment of the value of property on the 1975-76 tax bill or the assessed value of real property if it is newly purchased, it is newly constructed, or its ownership changed after the 1975 assessment. After a property is sold, increases in its assessed value are limited to 2% per year.
Colorado	Colorado sets a floor and a ceiling on local property tax rates, and a level above which voter approval is required. These limitations vary by district. Most school districts may impose up to $27.00 for every $1,000 of assessed local property wealth without voter approval. However, because districts are not permitted to levy a higher property tax than is necessary to fund their statutory school finance obligations without voter approval, this limit is set at a lower level in districts with high property values and may decrease as property values rise. The limit is also set at a lower level in districts whose voters have not approved a tax rate of $27.00 per $1,000 of property wealth at any point since 1994 (see "Expected Local Share" for more information about districts' statutory school finance obligations). With voter approval, a school district may exceed this limit so as to increase revenues up to 25% (30% for small rural districts) above its formula amount, or $200,000, whichever is greater. With voter approval, school districts are also permitted to exceed their tax rate limits to raise funds for specific purposes, including transportation, full-day kindergarten, school construction, debt service, and technology.
Connecticut	Connecticut does not set a floor or a ceiling for local property tax rates, or a level above which voter approval is required. School districts in Connecticut may not directly impose taxes; property taxes for education are imposed by municipalities.

Delaware	Delaware does not set a floor or a ceiling for local property tax rates, or a level above which voter approval is required. However, property tax rates for some types of school district levies always require voter approval, regardless of the rate being set. School districts in Delaware levy four types of local property taxes: current expenses, debt service, match, and tuition taxes. Rates for current expenses taxes, which fund general operating costs, and for debt service must be approved regularly by voters in referenda. Rates for match taxes, which fund specific programs for which districts receive state matching funds, and tuition taxes, which fund students with special needs, are set by local school boards without voter involvement. Delaware's vocational high school districts can levy countywide property taxes for school purposes, but the amount raised by taxation cannot exceed certain levels that vary depending on the county. For each $1,000 value of real property, taxation cannot exceed $2.65 in Sussex County, $1.40 in Kent County, or $2.00 in New Castle County.
District of Columbia	The District of Columbia comprises a single taxing jurisdiction. District of Columbia Public Schools (DCPS) cannot independently levy any taxes, including property taxes. Education revenue is collected by the District of Columbia and appropriated to school districts including DCPS and public charter school districts for distribution to individual schools.
Florida	Florida sets a floor for local property tax rates, as well as a level above which voter approval is required. School districts are required to impose a rate that is set annually by the state and varies based on the district's property wealth and formula amount. School districts are also limited in the rate they may impose without voter approval. School districts in Florida are required to impose a property tax rate that varies based on the district's property wealth and formula amount. In FY2021, this figure ranged from $1.555 to $3.846 for every $1,000 of assessed local property wealth. School districts may also choose to raise more than this required property tax rate: Without voter approval, districts may impose additional discretionary taxes for operations (limited to $0.748 for every $1,000 of assessed local property wealth) and capital outlay and maintenance (limited to $1.50 for every $1,000 of assessed local property wealth). With voter approval, districts may also impose additional property taxes for operations and/or capital outlay purposes not to exceed $10.00 for every $1,000 of assessed local property wealth in total, including both the required and discretionary taxes. However, this limit may be exceeded by additional property taxes for voter approved capital outlay bond issues and an additional voter-approved millage levy for operations and/or capital outlay purposes for a period not to exceed two years.
Georgia	Georgia sets a floor for local property tax rates, as well as a level above which voter approval is required. School districts are required to raise at least $5.00 for every $1,000 of taxable local property wealth and may not levy more than $20.00 for every $1,000 of taxable local property wealth without voter approval. However, this limitation does not apply to school districts that were authorized to levy more than $20 for every $1,000 of assessed local property wealth in 1983. In addition, school districts are required to levy a certain property tax rate in order to receive state funding intended to compensate for property wealth disparities (see "Expected Local Share" for more information on these grants).

Hawaii	Hawaii operates as a single, statewide school district. The school district cannot directly levy taxes of any kind. Education revenue is collected by the state and distributed to schools.
Idaho	Idaho sets a level above which local property tax rates require voter approval. School districts in Idaho are not required to impose local property taxes for education, but they may impose several supplemental property taxes for operations and facilities costs, which require varying levels of voter approval. School districts in Idaho may levy several supplemental levies, some of which require voter approval. Supplemental maintenance and operations levies must be authorized by a majority of voters in a referendum. For the school plant facilities reserve fund, districts may impose a levy of up to $2.00 for every $1,000 of assessed local property with the approval of 55% of voters, between $2.00 and $3.00 for every $1,000 of assessed local property wealth with the approval of 60% of voters, and up to $4.00 for every $1,000 of assessed local property wealth with the approval of two-thirds of voters. School districts do not require voter approval to impose levies of the following types: those necessary to satisfy bond obligations that have already been approved by voters, emergency levies to account for an increase in the student count, or tort levies to fund a liability plan.
Illinois	Illinois sets ceilings for local property tax rates and a level above which voter approval is required. Limits differ depending on the type of district and the type of tax. For educational purposes, most elementary and secondary districts may levy tax rates of $9.20 for every $1,000 of assessed local property wealth without voter approval and $35.00 with voter approval, while K-12 districts may levy a tax rate of $18.40 for every $1,000 of assessed local property wealth without voter approval and $40.00 with voter approval. For operations and maintenance purposes, elementary and secondary districts may levy rates of $2.50 for every $1,000 of assessed local property wealth without voter approval and $5.50 with voter approval, while K-12 districts may levy a rate of $5.00 for every $1,000 of assessed local property wealth without voter approval and $7.50 with voter approval. School districts are also limited in the tax rates they may impose for specific purposes: For special education, elementary and secondary districts may levy rates of $0.20 for every $1,000 of assessed local property wealth without voter approval and $4.00 with voter approval, while K-12 districts may levy a rate of $0.40 for every $1,000 of assessed local property wealth without voter approval and $8.00 with voter approval. Other levies for specific purposes, including those to fund vocational building programs, capital improvements, transportation, and summer school programs, are subject to their own limits and voter approval requirements. The law also provides for counties to opt into a different set of property tax limitations. School districts in counties that do so are exempt from the limit on the tax rate for educational purposes. They are instead limited to property tax increases of the lesser of 5% or the increase in the national Consumer Price Index for the year preceding the levy year. Tax rate increases exceeding this limit require voter approval. Additionally, property taxes imposed by the board of Chicago Public Schools are bound by different limits on tax rates for educational purposes, capital improvements, and employer contributions to the Public School Teachers' Pension and Retirement Fund of Chicago.

Indiana	Indiana sets a level above which property tax rates require voter approval. Without voter approval, local property taxes are limited in two main ways: one that is adjusted based on statewide income growth, and one that varies depending on the type of property. Indiana does not require school districts to impose a minimum property tax rate. School districts may impose supplemental levies for specific purposes such as instruction, non-classroom expenses broadly, school safety, and rainy-day funds. Additionally, school districts are required to impose taxes at rates sufficient to pay their debt service obligations. Any property tax imposed by a school district is limited to the levy from the previous year times a statewide six-year income growth average. Regardless of the tax rate imposed, taxpayers are liable to pay only 1% of assessed property value for homesteads, 2% for non-homestead residential property and agricultural land, and 3% for nonresidential properties. However, with voter approval, school districts may impose property taxes that are exempt from these controls.
Iowa	Iowa sets a floor for local property tax rates. School districts are required to impose at least $5.40 for every $1,000 of assessed local property wealth. Iowa sets no limit on how much school districts may raise, but it does limit how much school districts may spend. The state funding formula sets a maximum authorized budget that is the sum of the district's formula amount and funding generated by supplemental taxes and revenue from sources outside of the funding formula. Districts may not levy taxes to fund spending in excess of this budget amount. However, school boards may still levy taxes to increase their cash reserves, which are not included in the maximum authorized budget. Though these levies are not limited, they are reviewed annually by the School Budget Review Committee, a state entity that may require a district to reduce its levy. School districts in Iowa may impose supplemental levies for a number of purposes, including instructional support, education improvement, facilities and equipment (limited to $0.33 for every $1,000 of assessed local property wealth without voter approval and $1.34 for every $1,000 of assessed local property wealth with voter approval), playground and recreational spaces (limited to $0.135 for every $1,000 of assessed local property wealth), certain liability costs, school district reorganization, and disaster recovery (limited at $0.27 for every $1,000 of assessed local property wealth). These costs are included in the maximum authorized budget. Debt service levies are limited to $4.05 for every $1,000 of assessed local property wealth, with voter approval.

Kansas	Kansas sets a floor and a ceiling for local property tax rates. Each school district must impose a tax rate of $20.00 for every $1,000 of assessed local property wealth. School districts are limited to a tax rate that differs based on their formula amounts, and taxes above a certain level may require voter approval. School districts in Kansas must impose a tax of $20.00 for every $1,000 of assessed local property wealth; the proceeds of this tax are remitted to the state and used to fund all districts' formula amounts. Separately, districts are required to adopt budgets exceeding their formula amounts by at least 15%. A combination of local and state dollars fund these increased budgets, and districts are expected, though not required, to levy local property taxes sufficient to fund the local portion. Districts may adopt budgets exceeding the formula amount by up to 33%, or by a lower percentage announced annually by the state board of education. Because districts may only impose taxes sufficient to fund the local portion of the adopted budget, this ceiling on the local budget amount functions as a cap on local property taxes for school operations as well. If the district adopts a budget exceeding the formula amount by more than 27.5%, it must publicize its intention to do so, and taxpayers may petition to prevent the increase. If 10% of district voters sign a petition, a referendum is held to adopt or reject the budget. School districts in Kansas may impose supplemental levies for many purposes, including to address expenses related to high local costs of living (limited to qualifying districts and to levels calculated based on home values in the district and in the state as a whole); to fund the opening of new school facilities in districts experiencing rapid enrollment growth (limited to levels that vary based on the district's enrollment); or to support capital expenditures such as acquiring, repairing, or equipping school buildings (limited to $8.00 for every $1,000 of assessed local property wealth).
Kentucky	Kentucky sets both a floor and a ceiling for local property tax rates. School districts are required to impose at least $3.50 for every $1,000 of assessed local property wealth and are limited to a maximum levy of $15 for every $1,000 of assessed local property wealth. However, if a local taxing district, including a school district, increases the property tax rate by more than 4% over the previous year, taxpayers may petition to prevent the tax increase. If 10% of taxpayers who voted in the past presidential election sign a petition, a referendum will be held to adopt or reject the tax rate.
Louisiana	Louisiana sets a ceiling on local property tax rates, as well as a level above which voter approval is required. School districts may impose up to $5.00 for every $1,000 of assessed local property wealth, without voter approval, except for Orleans Parish, which may impose $13.00 for every $1,000 of assessed local property wealth. In addition, if voters approve, school districts may impose a further tax of up to $70.00 for every $1,000 of assessed local property wealth.

Maine	Maine sets a level above which property tax rates require voter approval. School districts in Maine do not directly impose property taxes; property taxes for education are imposed by municipalities in accordance with budgets set by their district school boards. School boards require voter approval to set a budget that exceeds the amount calculated by the state to be necessary for their school districts. In Maine, municipalities impose property taxes for education in accordance with the school budgets approved by voters. If a school district seeks to set a budget that exceeds the amount calculated by the state to be necessary to educate its students, the school board is required to draft and approve an article that explains the purpose of the additional funds, and the budget must be approved by voters at a public meeting. If voters approve the budget, the school board can call on its associated municipality or municipalities to levy the property tax rate(s) necessary to fund the approved budget. Maine does have a limit on municipal property taxes, but this limit does not apply to property taxes raised for schools. Additionally, while there is no minimum level of property taxation for education, there is a penalty for school districts that raise less than the local share expected by the state. When a school district's actual local contribution falls below the expected local contribution (see "Expected Local Share"), state aid is reduced by the same percentage by which the district is underfunding its local share.
Maryland	Maryland sets a floor for local property tax rates. Local jurisdictions must impose taxes sufficient to provide the greatest of their local share or the same amount of revenue they provided in the previous year. Additionally, districts are expected to contribute a specified share of their local revenue toward education. School districts in Maryland do not directly impose property taxes; they rely on local jurisdictions, including counties and the city of Baltimore, for local funding. Each local jurisdiction is required to provide at least the greater of its local share or the same amount of revenue in the current year as it provided in the prior year, and therefore must set tax rates sufficient to raise this amount. Local jurisdictions must provide a share of local appropriations based on the full-time-equivalent enrollment of the past school year, or the three-year average, whichever is greater. School districts are also expected to maintain a local share that is equal to or more than the five-year average of the state's share of education spending. In FY2022 and FY2023, if school districts fail to meet this level of funding, they must increase spending by the lesser of a district's increase in local wealth per pupil, the statewide average increase in local wealth per pupil, or 2.5%. This provision ensures that increases in the local share amount are associated with increases in county wealth. Local governments may apply to the Maryland State Board of Education for temporary waivers to this requirement.

Massachusetts

Massachusetts sets both a floor and a ceiling for local property tax rates. School districts in Massachusetts may not directly impose taxes; property taxes for education are imposed by municipalities.

Municipalities must raise a local contribution that varies based on the district's property and income wealth and its contribution in the previous year. Massachusetts also sets limits on municipalities' overall tax rate: A municipality may not impose a property tax rate of more than $25.00 for every $1,000 of taxable property wealth. However, in order to pay for certain capital projects or to meet specified debt service costs, municipalities may temporarily exceed this limitation, with voter approval.

Municipalities also may not increase taxes to raise over 2.5% more revenue than was permissible the previous year, adjusted for growth in the value of the local tax base. However, municipalities may increase taxes beyond this limitation with voter approval, up to the property tax rate ceiling of $25.00 for every $1,000 of taxable property wealth.

Michigan

Michigan sets a ceiling for local property tax rates. School district property tax rates are limited to $18.00 for every $1,000 of local property wealth (excluding the value of principal residences and agricultural properties), or to a rate that varies depending on the district's school funding history.

Certain districts are permitted to impose further taxes on both homestead and non-homestead property if necessary to raise as much revenue as they received in FY 1994. Moreover, certain school districts whose property values have risen faster than the rate of inflation may be required to reduce their tax rates to offset this increase, and may increase them only with voter approval, up to $18.00 per $1,000 of assessed local property value. In addition to these taxes, school districts may impose additional taxes to pay for capital projects or to purchase land for future building projects, with voter approval. Intermediate school districts may impose a further $3.00 for every $1,000 of local property wealth for operations.

Though districts are expected to raise $18.00 for every $1,000 of assessed local property wealth for the purpose of funding its schools, this tax requires voter approval.

Minnesota	Minnesota sets a floor and a ceiling for local property tax rates, as well as a level above which voter approval is required. These limitations vary by the purpose of the specific tax and by district. School districts are expected to impose property taxes for facilities expenses. School districts may also impose about 50 types of other property taxes, including those for various costs, like declining enrollment, English-language learners, and pensions. These taxes are limited to different levels, depending on the purpose of the tax. For many of these taxes, the state determines a maximum levy amount and a defined state contribution, based on a district's property values. If a district does not levy the maximum amount, the state will reduce its contribution to the district by the same percentage by which the district's levy falls short of that maximum. Separately, and with voter approval, school districts may impose additional property taxes for general education costs. This revenue was capped at $1,780 per pupil unit for FY2021 and is adjusted annually for inflation; however, districts that are eligible for increased funding for sparse school districts are not subject to this cap. In addition, voters may approve a bond issue for facilities needs that is not subject to these limitations.
Mississippi	Mississippi sets a floor and a ceiling for local property tax rates. School districts must impose a tax rate of at least $28.00 for every $1,000 of taxable property wealth, or 27% of the total amount of funding calculated by the state to be necessary to educate its students, whichever is less. School districts may not raise more than $55.00 for every $1,000 of assessed local property wealth; however, levies to fund debt service may be imposed in excess of $55.00 for every $1,000 of assessed local property wealth.
Missouri	Missouri sets a floor for local property tax rates. School districts must impose a tax rate of at least $27.50 for every $1,000 of taxable property wealth. Missouri does not set a threshold above which voter approval is required, but setting property tax rates always requires voter approval, regardless of the rate being set. Each year, the state school board is required to prepare an estimate of the tax rate required for operating costs and for capital projects and submit the question to voters. School districts must impose at least $27.50 for every $1,000 of taxable property wealth for districts to receive state funding. If the school board believes it necessary, or if a petition is submitted with signatures from 10% of the number of voters who voted for the school board member receiving the greatest number of votes, the board may ask for voter approval to increase the property tax rate.

Montana	Montana sets a floor and a ceiling on local property tax rates, and a level above which voter approval is required. These limitations vary by district. School districts are required to impose a levy sufficient to meet their expected local contribution amount (see "Expected Local Share" for a description of how this amount is calculated). Districts may impose further taxes, up to the prior year's spending plus the highest optional levy imposed in the past five years, without voter approval. With voter approval, school districts may impose additional taxes to meet a maximum, equal to 100% of the district's per-district amount, per-student amount, and other program-specific allocations. In limited cases, with voter approval, school districts may also exceed the maximum. In addition, school districts may impose levies for transportation, bus depreciation, tuition, and adult education without voter approval. If districts levy less for these purposes than authorized, they may instead use that limited authority to levy a local property tax for flexible purposes without voter approval.
Nebraska	Nebraska sets a level above which local property tax rates require voter approval. School district tax rates are limited to $10.50 for every $1,000 of taxable property wealth, but districts may exceed this limit with voter approval. If two-thirds of school board members approve a resolution, or if at least 5% of registered voters submit a petition, the school district will hold a referendum on imposing a property tax rate that exceeds the limitation. Moreover, taxes levied to pay for voluntary termination incentives for certified teachers and bond principal and interest are excluded from the limitation.
Nevada	Nevada sets both a floor and a ceiling for local property tax rates, as well as a level above which voter approval is required. School districts in Nevada may not directly impose property taxes; property taxes for education are imposed by counties on behalf of county school districts. County governments must levy and collect a property tax of $7.50 for every $1,000 of assessed property wealth for the purposes of funding the schools within their school districts. All proceeds of this tax are transferred to the State Education Fund. Counties must also levy property taxes sufficient to pay the interest and redemption costs of school district bonds. In addition, with the approval of a majority of voters in a county referendum, county governments may levy one supplemental tax to fund general capital improvements in schools and a second to fund the construction of new school buildings as required by a rise in enrollment. If a county school district has fewer than 25,000 pupils, these taxes are each limited to $7.50 for every $1,000 of assessed local property wealth. If a district has 25,000 pupils or more, these taxes are limited to a combined $5.00 for every $1,000 of assessed local property wealth.

New Hampshire	New Hampshire sets a floor for local property tax rates. School districts in New Hampshire do not directly impose property taxes. Municipalities impose a statewide education property tax at a rate that is set by the state and may also impose local education property taxes. The Department of Revenue Administration determines the property tax base in each municipality and sets tax rates that raise a total of $363 million in local revenue when applied to the tax base in all municipalities. In FY2022, this tax rate was $1.825 for every $1,000 of assessed local property wealth. In practice, however, the rate for the statewide education property tax has varied somewhat from municipality to municipality. In addition, municipalities may raise additional local property taxes for school purposes, which are not limited.
New Jersey	New Jersey does not set a floor or a ceiling for local property tax rates, or a level above which voter approval is required. However, school districts may not increase property taxes by more than 2% per year unless a majority of voters approve, or in certain exceptional cases. The governing body of a school district may submit a property tax increase that exceeds 2% for voter approval in a referendum. In addition, the 2% cap is adjusted upward in certain cases, including when districts see increases in required pension contributions or health care costs exceeding 2%, when they face extraordinary costs related to an emergency, and for debt service.
New Mexico	New Mexico sets a floor and a ceiling for local property tax rates as well as a level above which voter approval is required. Districts are required to impose $0.50 for every $1,000 of assessed local property wealth for operations. They may impose some additional taxes, which require voter approval, but may not impose more than $15.00 for every $1,000 of assessed property wealth for debt service, school buildings, and capital improvement combined. Within this limitation, districts may impose, with voter approval, up to $10.00 for every $1,000 of assessed local property wealth to build or improve school buildings, and separately up to an additional $2.00 for every $1,000 of assessed local property wealth for capital improvements. School districts may also issue general obligation bonds to build, remodel, or furnish school buildings, with the approval of local voters. The value of these bonds is limited to 6% of a district's assessed local property wealth.

New York	New York does not set a floor or a ceiling for local property tax rates in most school districts, or a level above which voter approval is required. However, school districts in New York are subject to limits on year-over-year tax increases that are the lesser of 2% or the increase in the consumer price index, unless districts gain the approval of 60% of voters. The school districts serving the state's five largest cities, which are wholly dependent on their local municipality for funding, are limited to a share of assessed local property wealth for their total municipal budget, including education. New York City may levy only up to $25.00 for every $1,000 of assessed property wealth in total, with the property wealth determined by a five-year average; the other four large cities may levy only $20.00 for every $1,000 of assessed property wealth. Additionally, these municipalities must levy an amount sufficient to appropriate at least as much funding as they did the previous year or the same percentage of the overall city budget.
North Carolina	North Carolina does not set a floor or a ceiling for local property tax rates, or a level above which voter approval is required. However, school districts do require voter approval to trigger the imposition of a particular type of supplemental property tax. School districts in North Carolina do not directly impose taxes, with a few exceptions. Rather, school districts are funded through county appropriations, and counties may impose property taxes for school purposes without any restrictions. However, with voter approval, school districts may also direct counties to impose an additional property tax beyond what the county has imposed under its own authority. School districts may petition the county to hold a voter referendum on imposing a supplemental property tax, dedicated to schools, of up to $5.00 for every $1,000 of assessed local property wealth.
North Dakota	North Dakota sets a level above which local property tax rates require voter approval. School districts may not impose more than $70.00 for every $1,000 in assessed local property wealth for general purposes without voter approval. School districts are also limited in imposing local property taxes for other purposes. School districts may impose up to $70.00 for every $1,000 in local taxable property wealth for general purposes without voter approval. Districts are also limited to a 12% increase from the previous year, which limits some districts below $70.00 for every $1,000 in assessed local property wealth. School districts may also impose additional property taxes beyond $70.00 for every $1,000 in assessed local property wealth for specific purposes, most of which are limited. Purposes include taxes for the building fund (up to $20.00 for every $1,000 in assessed local property wealth, or $35.00 for Fargo, with voter approval); the special reserve fund (up to $3.00 for every $1,000 in assessed local property wealth); the miscellaneous fund (up to $12.00 for every $1,000 in assessed local property wealth); and the safety plan fund (up to $5.00 for every $1,000 in assessed local property wealth with voter approval). School districts are not limited in the rate they impose for tuition, judgments, bond sinking and interest, or in special assessment districts for certain capital projects.

Ohio

Ohio sets a level above which local property tax rates require voter approval. Localities, including school districts, counties, and cities and townships, may impose, in total, $10.00 for every $1,000 of assessed local property wealth without voter approval. School districts may impose further property taxes with voter approval.

Of the $10.00 for every $1,000 of assessed local property wealth that localities may levy without voter approval, school districts impose, on average, $4.40 for every $1,000 of assessed local property wealth. In addition, school districts may impose several other levies for operating costs, permanent improvement, and debt service with voter approval.

Some of these additional levies are increased or reduced to compensate for increasing or decreasing property values. However, the impact of this policy on school district tax rates is limited: A school district's combined tax rate from the nonvoted levy and one of the voted operating levies may not drop below $20.00 for every $1,000 of assessed local property wealth as a result of this limitation.

Oklahoma

Oklahoma sets a floor and a ceiling for local property tax rates, as well as a level above which voter approval is required. Counties are required to impose two levies for schools, of which at least $9.00 for every $1,000 in assessed local property wealth must be directed to schools. School districts and counties may also impose several other levies, some of which require voter approval and all of which are limited to a maximum level.

Counties and school districts in Oklahoma may impose up to seven different levies for education, including five for operations and a further two for maintenance and construction. Some of these may be imposed without voter approval: School boards may impose up to $15.00 for every $1,000 in assessed local property wealth for operations. In addition, counties are required to impose a levy of $4.00 for every $1,000 in assessed local property wealth for schools and a levy $15.00 for every $1,000 in assessed local property wealth, $5.00 of which must be directed to schools. Career and technical education districts may also impose four additional taxes to fund their programming.

With the approval of a majority of voters in a referendum, school districts may impose two other levies for operations, one limited at $10.00 for every $1,000 of assessed local property wealth and another limited at $5.00 for every $1,000 of assessed local property wealth. They may also impose a further levy for school maintenance construction limited at $5.00 for every $1,000 of assessed local property wealth. With the support of 60% of voters in a referendum, school districts may also impose a levy to pay principle and interest on a bond issue, which has no limit.

Oregon	Oregon sets a ceiling for local property tax rates and a level above which voter approval is required. School districts are limited to a tax rate that differs from district to district. However, school districts may exceed this limit with voter approval to impose a rate of up to $5.00 for every $1,000 of real market value. School districts in Oregon face two restrictions in property tax rates they may impose: a maximum rate that is related to districts' past tax rates and property assessment history, and a constitutional limitation of $5.00 for every $1,000 of real market value for the purpose of funding the districts' schools. If a school district's limit based on assessed local property wealth is lower than $5.00 for every $1,000 of real market value, school districts may exceed this limit with voter approval to impose a rate up to $5.00 for every $1,000 of real market value. If the proceeds from this tax exceed the lesser of two thresholds—25% of the amount equal to the sum of the district's base funding and its state grants for transportation, facilities, and high-cost services for students with disabilities; or a set amount per student in the district's adjusted student count, which was set at $2,000 in FY2019 and is adjusted upward by 3% per year—then the revenues exceeding this threshold are counted as part of the district's local share (see "Expected Local Share" for a description of this policy). School districts may exceed the constitutional limit of $5.00 for every $1,000 of real market value to issue general obligation bonds and impose an additional tax on newly constructed or improved properties to fund capital improvements. The tax on new construction is limited to a certain percentage per square foot on both residential and nonresidential property and a dollar maximum per nonresidential property. In FY2021, this tax was limited to $1.39 per square foot for new residential properties, $0.69 per square foot for nonresidential properties, and $34,600 in total per nonresidential property.
Pennsylvania	Pennsylvania does not set a floor or a ceiling for local property tax rates, or a level above which voter approval is required. However, Pennsylvania does limit the size of permissible property tax increases to an extent that varies by district. Property tax increases are limited based on an inflation index calculated annually by the state. In order to exceed this limit, school districts must seek secure voter approval in a referendum, or apply to the Pennsylvania Department of Education for an exception. Exceptions to this limit are given in certain cases, like rising special education costs, rising employee benefit and retirement payment costs, and significant construction costs. The calculation for the inflation index takes into account average increases in income in the state over the previous year and the federal cost index for elementary and secondary schools. The index is adjusted upward for some districts whose property wealth or income levels per weighted student count are lower than the state median.

Rhode Island	Rhode Island does not set a floor or a ceiling for local property tax rates, or a level above which voter approval is required. However, property tax rate increases, for all purposes, are limited to 4% per year, with some exceptions. Local property tax rates are limited to 4% higher than the rates imposed the previous year, unless the city or town experiences one of four conditions: unexpected losses in non-property tax revenue, emergency situations, debt services payment obligations that grow more quickly than the tax rate, or growth that requires significant school building expenses. Cities and towns may exceed this limit with the approval of four-fifths of the governing body or the majority of voters present at a town meeting.
South Carolina	South Carolina does not set a floor or a ceiling for local property tax rates, or a level above which voter approval is required. However, annual tax rate increases for local jurisdictions, including school districts, are limited based on the the increase in the average of the 12 monthly consumer price indices from January through December of the preceding calendar year plus the percentage population increase in the previous year.
South Dakota	South Dakota does not set a floor or a ceiling for local property tax rates, or a level above which voter approval is generally required. However, South Dakota does set a level above which local property tax rates require the approval of two-thirds of school board members and under limited circumstances may require approval in a voter referendum. This level varies depending on the class of property. Property taxes for operations are limited depending on the class of property. School districts may levy a tax rate of no more than $1.409 for every $1,000 on agricultural property, $3.153 for every $1,000 on owner-occupied property, and $6.525 for every $1,000 on all other types of property for taxes payable in FY2022. School boards may exceed these limits with the approval of two-thirds of board members. If 5% of voters in the district petition in response to such a board decision, the tax increase will be referred to a referendum. Districts may levy a tax rate of no more than $1.67 for every $1,000 of assessed local property value for special education and no more than $3.00 for every $1,000 of assessed local property value for capital expenses.
Tennessee	Tennessee sets a floor for local property tax rates. All counties must raise revenues sufficient to fund school districts' expected local share of the formula amount. Additionally, property tax rates in certain school districts require legislative approval. In Tennessee, very few school districts directly impose local property taxes; counties and municipalities impose property taxes. Revenue from county property taxes is distributed to school districts in proportion with the student count of each district. Counties must raise revenues sufficient to fund their local school districts' local shares of the formula amount (see "Expected Local Share" for more information). Separately, certain school districts may levy their own local property taxes, but the rate must be approved by the state general assembly.

Texas

Texas sets a ceiling on local property tax rates as well as a level above which voter approval is required. The level above which districts require voter approval depends on that district's expected local tax rate.

Texas school districts require voter approval to impose a tax rate that exceeds its expected rate by more than $0.50 for every $1,000 of assessed local property wealth. Even with voter approval, no district may levy a rate that exceeds its expected rate by more than $1.70 per $1,000 of local property wealth. A district's expected rate will be reduced if the state as a whole sees a sufficient year-to-year increase in property values or for specific districts seeing year-to-year increases in their local property values (see "Expected Local Share" for a more detailed account of how the expected rate is set for each district). As a result, the maximum levy a district can impose varies based on estimates of statewide property growth each tax year.

School districts do not necessarily retain all of the revenue they raise from these taxes. When a district's expected rate generates more funding than the amount calculated to be necessary to educate students within that district, the excess is recaptured by the state and used to support other districts. For the taxes levied over and above the expected rate, districts retain all the proceeds from the first $0.17 per $1,000 of local property wealth levied. Additionally, the state guarantees that this portion of the district's tax rate will have a specific per-pupil yield, and; if the local property tax base is not sufficient to produce this amount, the state will provide the balance. For any taxes levied in excess of $0.80 per $1,000 of local property wealth over and above the expected rate, the state guarantees a different, lower per-pupil yield; if the district does not raise this amount locally, the state will provide the balance. However, if the district's taxes yield more than this guaranteed amount, the excess is recaptured by the state and used to support other districts.

Utah

Utah sets a floor and a ceiling for local property tax rates, as well as a level above which voter approval is required. All school districts must levy at least $1.661 for every $1,000 in assessed local property wealth in FY2022 in order to receive state funding. School districts may levy additional, limited taxes with voter approval.

Districts must levy a minimum tax rate in order to receive state funding. This rate is the sum of two component rates that totaled $1.661 in FY2022 (see "Expected Local Share" for more information). Without voter approval, school districts may impose property taxes for general purposes, but this tax is limited to a rate that varies by school district. The state imposes a property tax levy for the support of charter schools, the rate of which varies by school district. Without voter approval, school districts may impose further taxes for general purposes, but the rate may not exceed $2.50 for every $1,000, less the district's charter school levy rate.

With voter approval, school districts may further impose $2.00 for every $1,000 of assessed local property wealth for general purposes and $2.00 for every $1,000 of assessed local property wealth to buy school sites, build and furnish schools, or improve school property. School districts are not limited in the rate they may levy to discharge a judgment or order.

Vermont	Vermont sets a floor for property tax rates. Property owners in all towns pay a uniform property tax rate on non-homestead properties ($16.12 for every $1,000 of assessed local property wealth in FY2022), and a rate of at least $10.00 for every $1,000 of assessed state property wealth on homestead properties. The state imposes these property taxes, but voters have some control over the tax rates they pay on homestead property. Each town approves a per-pupil spending level for its school district. If voters approve per-pupil spending levels that exceed a state-calculated number ($11,317 in FY2022), then the residents of that town must pay a homestead property tax rate that is commensurately higher than the minimum rate of $10.00 per $1,000 of assessed property wealth. Households making less than $90,000 per year pay the state education tax in the form of an income tax rather than a property tax. (See "Expected Local Share" for more information about the computation of these tax rates.) The state does not set a ceiling for property tax rates for education or for education spending levels. Until FY2022, residents of towns that approved per-pupil spending levels that exceeded the state average by a certain percentage had their tax rate increased as a result. However, a moratorium was placed on this policy for FY2022 and FY2023.
Virginia	Virginia sets a floor on local property tax rates but no ceiling or level above which voter approval is required. School districts in Virginia may not impose local property taxes. However, local government agencies are required to impose local property taxes that are sufficient to raise the expected local share of revenue (see "Expected Local Share" for a description of how this share is calculated). Counties and cities may also choose to raise more local revenue than the expected local share through higher tax rates, without limit.
Washington	Washington sets a ceiling for local property tax rates as well as a level above which voter approval is required. School districts in Washington may impose supplemental property taxes up to a ceiling with voter approval and with approval from the Office of Superintendent of Public Instruction. Supplemental levies may be used for transportation, for the construction and maintenance of school facilities, or for other purposes approved by the Office of Superintendent of Public Instruction. These levies are capped at the lesser of $2.50 for every $1,000 of assessed local property wealth or $2,500 per student adjusted for inflation for districts with less than 40,000 full-time-equivalent students. Districts with 40,000 or more full-time students can levy the lesser of $2.50 for every $1,000 of assessed local property wealth or $3,000 per student adjusted for inflation. Washington also imposes a fixed state property tax of $2.70 for every $1,000 of assessed local property wealth. Beginning with taxes due in 2022, the state property maximum tax rate is $3.60 per $1,000 of assessed local property wealth with a cap at the lesser of the 1% growth factor or inflation, plus additional amounts for new construction and increases in the value of state assessed property.

West Virginia	West Virginia sets a floor and a ceiling for local property tax rates as well as a level above which voter approval is required. School districts are required to levy specific tax rates (which vary depending on the type of property), and they may levy higher rates with voter approval, up to a maximum. School districts are required to levy $1.94 for every $1,000 of tangible agricultural property, $3.88 for every $1,000 of owner-occupied property and farms, and $7.76 for every $1,000 of other real and personal property. These rates are established annually by the state legislature. With the approval of a majority of voters in a referendum, school districts may levy up to a total of $2.295 for every $1,000 of tangible agricultural property, $4.590 for every $1,000 of owner-occupied property and farms, and $9.180 for every $1,000 of other real and personal property. These higher rates must be reapproved every five years. West Virginia provides county boards of education the opportunity to place a portion of the regular tax levy into a permanent improvement fund. With voter approval, districts may also impose additional property taxes for specific purposes, including to pay the cost of maturing bonds and bond interest and to pay for capital improvements. School districts may issue bonds worth up to 5% of the taxable value of real and personal property within the district and may levy taxes sufficient to pay the principal and interest.
Wisconsin	Wisconsin sets a level above which local property tax rates require voter approval. School districts are limited in what they may raise, including both certain state aid and local revenue, without voter approval. For each district, the state imposes a revenue limit, which varies depending on the district and is calculated primarily based on the number of pupils residing in the district and the district's prior-year revenue. However, school districts may exceed their revenue limit with voter approval in a referendum. School districts may be allowed an increased revenue limit in light of major changes, like loss of property to another district, new service responsibilities, and declining enrollment. School districts may also issue bonds to fund capital improvements, with voter approval.

Wyoming

Wyoming sets a floor and a ceiling for local property tax rates, as well as a level above which voter approval is required. School districts and counties are required to levy a combined $31.00 for every $1,000 of assessed local property wealth, and school boards may levy further taxes for specific purposes, some of which require voter approval.

School districts in Wyoming are required to levy $25.00 for every $1,000 of assessed local property wealth for education, and counties are required to levy $6.00 for every $1,000. School districts may also levy additional property taxes for specific purposes. Without voter approval, school districts may levy up to $2.00 for every $1,000 of assessed local property wealth for postsecondary education services, $1.00 for every $1,000 for recreational facilities, $0.50 for every $1,000 for cooperative education services, and a tax rate sufficient to pay down debt. School districts may carry debt only up to 10% of total assessed local property wealth. With voter approval, school districts may levy up to $2.50 for every $1,000 of assessed local property wealth for vocational and adult education, and an amount determined by voters to buy land or to erect, expand, or equip school buildings.

When a school district's revenue from the required local taxes exceeds the amount calculated by the state to be necessary for that district, the excess revenue is rebated to the Wyoming Department of Education and redirected to aid other districts.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org

