

## Board of Education Taxing Authority

By: Rute Pinho, Chief Legislative Analyst  
March 9, 2023 | 2023-R-0094

### Issue

Which states authorize school boards to levy property taxes? **This report has been updated by OLR Report [2024-R-0149](#).**

### School Board Taxing Authority Across States

We identified 40 states in which school boards generally have independent taxing authority and levy property taxes. School districts in these states are generally referred to as “fiscally independent” because they determine their budgets, and the taxes and debt required to support those budgets, independently from another local government. In many of these states, however, there are exceptions for certain types of school districts. Louisiana’s school districts, for example, are generally fiscally independent but its Recovery School District, which was created to take over failing schools, is fiscally dependent on the state. Mississippi has agricultural high schools that are county dependent districts. We note additional exceptions in the table notes.

In the remaining 10 states, including Connecticut, school boards generally do not have independent taxing authority. These school systems are generally referred to as “fiscally dependent” because they are not authorized to raise their own revenue and instead rely on revenue raised by local or

#### *School District Governments*

*The U.S. Census Bureau generally classifies public school systems as either independent school districts or dependent school systems. Independent school districts are counted as separate governments in the Census Bureau’s statistics on governments because they are administratively and fiscally independent of any other government.*

*Dependent public school systems are those that lack sufficient autonomy to be counted as separate governments and are classified as agencies of other governments (i.e., a state, county, or town) (U.S. Census Bureau’s [Annual Survey of School System Finances Technical Documentation](#) (2020)).*

county governments to fund school operations. There are exceptions in these states as well. In Maine, for example, certain types of school districts (e.g., regional school units and community school districts) may impose property taxes.

**Table 1: School Board Taxing Authority**

| School Boards With Independent Taxing Authority |                            |                | School Boards Without Independent Taxing Authority |
|---|----------------------------|----------------|--|
| Alabama   | Louisiana                  | Ohio           | Alaska   |
| Arizona   | Michigan                   | Oklahoma       | Connecticut  |
| Arkansas  | Minnesota                  | Oregon         | Hawaii   |
| California <sup>1</sup>                         | Mississippi                | Pennsylvania   | Maine  |
| Colorado  | Missouri                   | South Carolina | Maryland   |
| Delaware  | Montana                    | South Dakota   | Massachusetts                                      |
| Florida   | Nebraska                   | Texas          | North Carolina                                     |
| Georgia   | Nevada                     | Utah           | Rhode Island                                       |
| Idaho   | New Hampshire <sup>2</sup> | Vermont        | Tennessee  |
| Illinois  | New Jersey                 | Washington     | Virginia   |
| Indiana   | New Mexico                 | West Virginia  |  |
| Iowa  | New York <sup>3</sup>      | Wisconsin      |  |
| Kansas  | North Dakota               | Wyoming        |  |
| Kentucky  |                            |                |  |

Source: OLR analysis of U.S. Census Bureau’s [2017 Census of Governments – Individual State Descriptions: 2017](#) (April 2019) and the Lincoln Institute of Land Policy’s [State-by-State Property Tax at a Glance Narratives](#) (accessed March 9, 2023).

<sup>1</sup> California’s school districts are generally fiscally independent, but Proposition 13 bars them from imposing property taxes; instead, districts generally impose parcel taxes, which are flat rate taxes on property irrespective of its value.

<sup>2</sup> City school systems in New Hampshire (e.g., Manchester and Nashua) are governed by separate school district boards but subject to municipal fiscal control. Independent districts determine their own appropriations, but the actual tax rate is calculated by the state Department of Revenue Administration.

<sup>3</sup> School systems in Buffalo, New York, Rochester, Syracuse, and Yonkers are fiscally dependent on their respective city governments.

RP:co