

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: Revised: _____

Schools/Funds for Operation

	_____	Staff Director	_____	Action
	O'Farrell		ED	
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

taxable value of the nonexempt property assessment roll that is used to compute school district

This bill substantially amends section 236.081 of the Florida Statutes.

Present Situation:

allocation, if the allocations are not determined in the General Appropriations Act or a substantive of the required local property taxing effort each district must make to participate in the FEFP.

used for computing required local effort, property with a contested assessment that involves more

The effect of this provision is to reduce a school district's required local effort share of the FEFP millage applied against the value of the contested property assessment. Without this adjustment a until the assessment protest is settled. If the protest settlement supports the assessment, the FEFP allocation until the dollars advanced by the state are recouped. The adjustment procedure from discretionary millage levies.

The Department of Education reports that every few years at least one of the state's school districts experiences a significant change in its FEFP required local effort calculation as a result of assessed value of the property being contested does not represent more than 10 percent of the total nonexempt assessment roll; however, the local revenue loss to the district may be large

Currently, the school boards in Gulf County and St. Lucie County are experiencing losses in required local effort revenue as a result of property tax roll litigation. In neither case does the loss in operating revenue is significant in both districts.

In Gulf County the Florida Coast Paper Company has contested the County Property Appraiser's county's total nonexempt assessment roll. The loss in required local effort revenue to the school board is \$369,494 or 4 percent of its FEFP budget.

of the total nonexempt assessment roll. The loss in required local effort revenue to the school board is \$3,150,133 or 3 percent of the FEFP budget. This is the third year in a row that Florida impact on required local effort revenue averaged about \$1.6 million per year.

III.

The bill under consideration would lower the threshold for excluding the assessed value of contested property from the computation of school district required local effort to 6 percent from relative dollar amount of temporary local revenue loss for school districts before the recomputation of required local effort would be triggered.

of funds in the FEFP to compensate for the temporary loss in local revenue experienced by the affected school districts.

Constitutional Issues:

A.

None.

B.

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The proposed change would benefit any school district in which contested property assessments involve more than 6 percent of the total non-exempt tax role. It would specifically benefit the school boards in Gulf County and St. Lucie County in the event their respective contested property assessment issues continue into the next school year. Even though the bill would take effect upon becoming a law, the Department of Education has advised that it is unlikely the effective date would occur before the fourth, and final, FEFP adjustment for the current school fiscal year would be completed. More simply stated, it is doubtful the bill would result in the two school boards realizing any additional state funds to compensate for their local revenue loss for the 1997-98 school year.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.