STORAGE NAME: h1953.ft
DATE: March 18, 1999

HOUSE OF REPRESENTATIVES
COMMITTEE ON
FINANCE AND TAXATION
ANALYSIS

BILL #: HB 1953 (PCB FT 99-09)

RELATING TO: School Impact Fees

SPONSOR(S): Committee on Finance and Taxation and Representatives Albright, Lacasa & others

COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) FINANCE AND TAXATION YEAS 14 NAYS 2
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I. SUMMARY:

The bill prevents any county not collecting school impact fees on January 1, 1999, from collecting these fees between July 1, 1999, and June 30, 2000. Counties imposing school impact fees on January 1, 1999, will be limited to collecting fees of $500 per dwelling unit between July 1, 1999, and June 30, 2000. The Comptroller will distribute funds appropriated in the General Appropriation Act on a quarterly basis to those counties whose school impact fees were reduced in order to offset any financial losses between July 1, 1999, and June 30, 2000.

The bill creates The Florida School Impact Fee Policy Commission to study school impact fees, recommend alternatives, and report findings to the Speaker of the House, the President of the Senate, and the Governor by February 1, 2000.

The bill appropriates $150,000 to the Legislative Committee on Intergovernmental Relations for staff support of the commission.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Under the Home Rule power given to counties in Article VIII, section 6 of the Florida Constitution, and Section 125.01, Florida Statutes, counties may levy impact fees on new construction. The fees are used to pay for the increased demand on infrastructure created by new construction. The fees are levied in proportion to the demand created by the new construction and used to build the new infrastructure needed. Impact fees are levied to construct new infrastructure including water and sewer facilities, roads, fire departments, and schools.

Currently, fifteen counties levy school impact fees on new construction to finance the construction of new schools. These levies raised approximately $70 million in school impact fees during fiscal year 1997-1998.

B. EFFECT OF PROPOSED CHANGES:

Any county not collecting school impact fees on January 1, 1999, will be prohibited from collecting them between July 1, 1999, and June 30, 2000. Counties imposing school impact fees on January 1, 1999, will be limited to collecting fees of $500 per dwelling unit between July 1, 1999, and June 30, 2000. The Comptroller will distribute funds appropriated in the General Appropriations Act on a quarterly basis to those counties whose school impact fees were reduced to offset any financial losses to those counties between July 1, 1999, and June 30, 2000.

The Florida School Impact Fee Policy Commission is created to study school impact fees, recommend alternatives, and report findings to the Speaker of the House, the President of the Senate, and the Governor by February 1, 2000. The commission is composed of four members appointed by the Speaker of the House, four members appointed by the President of the Senate, six members appointed by the Governor, and the Commissioner of Education or his designee.

The bill appropriates $150,000 to the Legislative Committee on Intergovernmental Relations for staff support of the commission.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

Yes. By limiting the school impact fees charged between July 1, 1999, and June 30, 2000, the bill reduces the tax burden of people purchasing new homes.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

This bill will create a Session Law that may or may not be placed in the Statutes.

E. SECTION-BY-SECTION ANALYSIS:

Section 1 prevents any county not collecting school impact fees on January 1, 1999, from collecting them between July 1, 1999, and June 30, 2000. In addition, counties which imposed school impact fees on January 1, 1999, will be limited to collecting fees of $500 per dwelling unit between July 1, 1999, and June 30, 2000.

Section 2 provides that counties which were levying school impact fees in excess of $500 per dwelling unit may apply to the comptroller for additional funds. The Comptroller will distribute funds appropriated in the General Appropriation Act to those counties to offset any financial losses between July 1, 1999, and June 30, 2000. These funds will be distributed on a quarterly basis. The use of these funds is limited to the types of infrastructure outlay for which impact fees are typically used. This section also provides guidelines for applying for these funds and authorizes the comptroller to adopt rule to implement this section.

Section 3 creates The Florida School Impact Fee Policy Commission, which is established to study school impact fees, recommend alternatives, and report their findings to the Speaker of the House, the President of the Senate, and the Governor by February 1, 2000. The commission is composed of four members appointed by the Speaker of the House, four members appointed by the President of the Senate, six members appointed by the Governor, and the Commissioner of Education or his designee. In addition, this section authorizes the Legislative Committee on Intergovernmental Relations to incur expenses, expend funds, and provide employee technical support in support of the commission's activities.

Section 4 appropriates $150,000 to the Legislative Committee on Intergovernmental Relations for use in supporting The Florida School Impact Fee Policy Commission.

Section 5 specifies that this bill shall take effect upon becoming law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

This bill contains a one time appropriation of $150,000 to the Legislative Committee on Intergovernmental Affairs for the purpose of supporting The Florida School Impact Fee Policy Commission.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

$150,000 plus additional funds which are appropriated in the General Appropriations Act.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

The bill prevents counties not imposing school impact fees on January 1, 1999, from imposing them between July 1, 1999, and June 30, 2000. Additionally, it limits the amount of school impact fees that may be collected from any party to $500 per dwelling unit. The Revenue Estimating Conference has estimated that this bill will reduce local revenues from school impact fees by $44.1 million during the 1999-2000 fiscal year. However, since this reduction in this revenue is being offset with a state appropriation, the reduction should not affect local budgets.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

   None.

2. Direct Private Sector Benefits:

   Members of the private sector building and buying new homes will benefit from this legislation.

3. Effects on Competition, Private Enterprise and Employment Markets:

   This bill may provide a boost to the new home construction business.

D. FISCAL COMMENTS:

The major fiscal impact of this bill will be incorporated in the General Appropriations Act.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

Because the bill temporarily reduces local revenue raising authority, the mandates provisions appears to apply.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON FINANCE AND TAXATION:

Prepared by:	Staff Director:
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