

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.)

BILL: SJR 138

SPONSOR: Senator Geller

SUBJECT: Ad Valorem Tax/Disaster Preparedness

DATE: April 10, 2000 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fournier</u>	<u>Wood</u>	<u>FR</u>	<u>Favorable</u>
2.	_____	_____	<u>CA</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This Senate Joint Resolution provides that value attributable to improvements made for purposes of disaster preparedness may be granted an ad valorem tax exemption by general law.

This Senate Joint Resolution substantially amends section 3, Art. VII of the Florida Constitution.

II. Present Situation:

Section 1 of Art. VII of the Florida Constitution preempts to the state all forms of taxation other than ad valorem taxes levied upon real estate and tangible personal property, except as provided by general law. Section 9 of Art. VII provides that counties, school districts, and municipalities shall, and special districts may, be authorized by law to levy ad valorem taxes, and limits these taxes to 10 mills for all county purposes, 10 mills for all municipal purposes, and 10 mills for all school purposes. Additional millage may be levied for the payment of bonds and taxes levied for a period not longer than two years when authorized by vote of the electors. Section 2 of Art. VII requires that all ad valorem taxation shall be at a uniform rate within each taxing district. Section 3 of Art. VII provides or allows for exemptions from ad valorem taxation. These include:

- property owned by a municipality and used exclusively by it for municipal purposes shall be exempt, and portions of property used predominantly for educational, literary, scientific, religious, or charitable purposes may be exempted by general law;
- household goods, to every head of a family, in an amount fixed by general law, and property, to every widow or widower or blind or totally and permanently disabled person, in an amount fixed by general law, shall be exempt;
- any county or municipality may grant community and economic development ad valorem tax exemptions, for the purpose of its respective tax levy, and subject to general law;
- by general law, an exemption is granted to a renewable energy source device and to the real property on which such device is installed; and

- any county or municipality may grant historic preservation tax exemptions for the purpose of its respective tax levy, subject to the limits of general law.

III. Effect of Proposed Changes:

This Senate Joint Resolution submits to the voters an amendment to the Florida Constitution in the next general election or at an earlier special election specifically authorized for that purpose. This amendment would allow the legislature to authorize, by general law, an ad valorem tax exemption for value attributable to improvements made for purposes of disaster preparedness.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

In 1999 the revenue estimating conference determined that the impact of this Senate Joint Resolution is indeterminately negative, since it is dependent upon approval of the voters and enactment by the Legislature. If the amendment were approved and enacted to exempt all improvements attributable to disaster preparedness, its expected impact would have been a loss of \$108.4 million in local tax revenue. This loss would be concentrated in coastal areas of the state.

The revenue estimating conference has not determined the impact of this resolution for the current year.

B. Private Sector Impact:

If this resolution were approved by the voters and enacted by the legislature it would reduce the ad valorem tax burden on property in areas at high risk for natural disasters, and could encourage additional development in these areas.

C. Government Sector Impact:

If this resolution were approved by the voters and enacted by the legislature it would reduce local tax revenue for counties, cities, school districts, and special districts. To the extent that school district revenue is equalized through the FEFP formula, districts with less value attributable to improvements made for disaster preparedness purposes would get a smaller share of General Revenue appropriated to public school funding.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
