

STORAGE NAME: h1563.ft

DATE: April 3, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
FINANCE & TAXATION
ANALYSIS - LOCAL LEGISLATION**

BILL #: HB 1563

RELATING TO: Children's Services Council

SPONSOR(S): Representative Jacobs

TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY AFFAIRS (PRC) YEAS 10 NAYS 0
 - (2) FINANCE & TAXATION (FRC)
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill expressly grants the Palm Beach County Children's Services Council authority to increase the millage rate levied on ad valorem property.

This bill requires a referendum, with majority approval, before the increase can be levied. If the referendum fails, this issue cannot be placed on the ballot again.

According to the Economic Impact Statement, this bill contains both an expenditure and a revenue fiscal impact.

Please see Part V. "AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES" for the effect of an amendment adopted by the Committee on Community Affairs which is traveling with the bill. This amendment provides that the ad valorem tax levied is subject to Chapter 200, Florida Statutes, which addresses millage rates. This amendment also contains language that will require the certified millage to be assessed, collected and enforced consistent with the procedure provided by law that applies to other Palm Beach County ad valorem taxes.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

This bill increases millage rates for Palm Beach County residents who own taxable property.

B. PRESENT SITUATION:

Palm Beach County local ordinance 86-32, passed in 1986, creating an independent special district for the county and titled the governing body the Children's Services Council. This local ordinance provides for ad valorem taxation and limits it to one-half mill.

The local ordinance cites section 125.901, Florida Statutes, as enabling authority. This statute grants counties power to provide children's services through the creation of an independent special district. Section 125.901(4)(b), Florida Statutes, further provides:

In no circumstances, however, shall any district levy millage to exceed a maximum of 0.5 mills of assessed valuation of all properties within the county which are subject to ad valorem county taxes.

This bill seeks an exception/exemption to that general law limitation.

House Rule 44(b) provides that "If a committee determines that a local bill provides only an exemption from general law, it shall be reintroduced as a general bill."

Note: There are two special acts that specifically address the Palm Beach County Children's Services Council. Neither act pertains to the Council seeking an increase in millage rates, however.

C. EFFECT OF PROPOSED CHANGES:

This bill increases ad valorem taxes in an amount not to exceed 1 mill. The increase is subject to a one-time voter approval under this Act.

According to the Economic Impact Statement, this bill enhances residents' quality of living through a greater ability to meet children's needs. Additionally, it may create a more attractive community, thus attracting new business to the area.

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D. SECTION-BY-SECTION ANALYSIS:

Section 1 -- Clarifies that Children's Services Council has authority to levy ad valorem taxes of up to 1.0 mill on taxable property, subject to s.125.901, F.S.; provides that the Board of County Commissioners imposes levy of the millage rate certified by the Council.

Section 2 -- Requires majority approval by referendum before implementing the increased levy, pursuant to S. 9, Art. VII, Florida Constitution; authorizes the Council to specify which regular primary or general election should include referendum; specifies that the election must comply with current law governing Palm Beach County elections; stipulates that if the referendum fails, it cannot be repeated.

Section 3 -- Provides for effective date upon becoming a law.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 20, 1999

WHERE? The Palm Beach Post

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN? The referendum is required before the millage increase applies.

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

The Economic Impact Statement estimates that fee expenditures will increase slightly, from \$1,071,056 in the current year to \$1,113,899 in Fiscal Year 01-02. These fees are paid to the County Property Appraiser and Tax Collector. Because of the increased millage rates, revenues will rise from \$35,116,621 in the current year to \$36,521,825 in Fiscal Year 01-02.

The revenue estimates are based on county property valuation, adjusted by 3 percent annual inflation. Fees are determined by the historical percentage costs applied to these revenue estimates.

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General Counsel for the Children's Services Council, offers the following statement supporting the bill:

The current millage cap is rapidly being approached and the estimated number of children in Palm Beach County will have almost doubled in the 25 years ending in 2005. Additionally in just five years, from 1990 to 1995, the number of children living in poverty rose five percent. Finally, the . . . Council . . . has been a local fundraiser of several state-initiated programs for children including foster care privatization and school readiness, programs that did not exist in 1986.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Community Affairs considered this bill on March 23, 2000, and adopted an amendment which provides that the ad valorem tax levied is subject to Chapter 200, Florida Statutes, which addresses millage rates. This amendment also contains language that will require the certified millage to be assessed, collected and enforced consistent with the procedure provided by law that applies to other Palm Beach County ad valorem taxes.

VI. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Cindy M. Brown, J.D.

Staff Director:

Joan Highsmith-Smith

AS REVISED BY THE COMMITTEE ON FINANCE & TAXATION:

Prepared by:

Kama D.S. Monroe

Staff Director:

Alan Johansen