

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 1872

SPONSOR: Finance and Taxation Committee and Senator Carlton

SUBJECT: District School Tax

DATE: April 10, 2001

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>O'Farrell</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Fav/2 amendments</u>
2.	<u>Fournier</u>	<u>Johansen</u>	<u>FT</u>	<u>Fav/CS</u>
3.	_____	_____	<u>AED</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

The committee substitute authorizes a local school board to levy, subject to referendum approval by the registered voters in the county, additional millage for operating purposes that, when combined with non-voted millage the board may levy, does not exceed the 10-mill limit established in section 9(b), Article VII of the State Constitution. The levy may be for a period of up to 4 years, and the millage election is to be conducted subject to the procedures for district millage elections contained in ch. 236, F.S. Proceeds from the levy are not to be included in the Florida Education Finance Program (FEFP) calculation of total potential funds, and they are not to be included in any FEFP hold-harmless calculation. The bill provides a mechanism for a school district to call for a millage election, and prescribes how such election shall be held.

The effective date of the bill is July 1, 2001.

This committee substitute amends sections 236.25, 236.31, and 236.32 of the Florida Statutes.

## II. Present Situation:

Section 236.25, F.S., authorizes local school boards to levy taxes on the value of nonexempt property in the school district at a millage rate that meets the required local effort standard necessary for the district to participate in the Florida Education Finance Program. The required local effort millage rate is set in the General Appropriations Act. School boards may also levy nonvoted current operating discretionary millage at a rate also prescribed in the appropriations act. In addition to the nonvoted operating millage, a school board may levy up to 2 mills for capital outlay projects and major equipment purchases. The combined rate of these millage levies may not exceed the 10-mill nonvoted millage limit for school boards established in section 9(b), Article VII of the State Constitution.

Section 236.31, F.S., authorizes a school board to adopt a resolution at a regular meeting directing the county commission to hold an election at which the electors of the school district may approve an ad valorem tax millage as authorized in section 9, Article VII of the State Constitution. Only one such election may be held during any 12-month period, and any millage approved by the voters may be levied for no more than 2 years. The procedures for holding and conducting a school board millage election, plus the recommended ballot form are contained in s. 236.32, F.S. The recommended ballot may contain, at the school board's discretion, a proposed millage for operating purposes and a proposed millage for capital improvements. The proposals must be voted on separately. All the costs of a millage election are the responsibility of the local school board.

### **III. Effect of Proposed Changes:**

The legislation under consideration authorizes school boards to levy additional millage for operating purposes, subject to voter approval via a local referendum which may be part of a general election. The approved millage may be levied for up to 4 years and the rate, when combined with the rate of non-voted millage authorized by law, may not exceed the 10-mill cap established in the State Constitution. The millage election must be conducted according to the procedures in ss. 236.31 and 236.32, F.S. Funds from the additional millage, if approved, are not to be included in any of the calculations for components of the FEFP formula.

The committee substitute amends s. 232.31, F.S., to allow a school board to direct its county commissioners to call an election at which the electors may approve additional ad valorem millage as authorized under s. 236.25(6), F.S. It amends s. 232.32, F.S, prescribing procedures by which a school district millage election shall be held. It provides that a school district may propose a single millage or two millages, with one for operating expenses and another for a local capital improvement reserve fund. When two millages are proposed, each shall be voted on separately. All expenses related to the election shall be paid by the school board.

### **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:**

This committee substitute authorizes the imposition of additional property tax millage for school operating purposes, by approval of the voters.

**B. Private Sector Impact:**

If a referendum were approved by the voters, owners of nonexempt property in a school district levying the millage authorized by the bill would experience a property tax increase for a period of up to 4 years. The amount of the increase would depend on the rate of the millage approved.

**C. Government Sector Impact:**

School boards experiencing a successful millage referendum would realize additional revenue for operating purposes for a period of up to 4 years. The amount of additional funding will vary from district to district depending on the total district value of nonexempt property, and the rate of the additional taxation.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.