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DATE: February 7, 2002

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
LOCAL GOVERNMENT & VETERANS AFFAIRS
ANALYSIS**

BILL #: HB 1149

RELATING TO: Intergovernmental Relations Commission

SPONSOR(S): Representative Kilmer

TIED BILL(S): None

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

- (1) LOCAL GOVERNMENT & VETERANS AFFAIRS (SGC) YEAS 9 NAYS 0
 - (2) FISCAL POLICIES & RESOURCES (FRC)
 - (3) COUNCIL FOR SMARTER GOVERNMENT
 - (4)
 - (5)
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I. SUMMARY:

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

This bill requires the Legislative Committee on Intergovernmental Relations to conduct a study to identify ways to equitably share the cost of government services among those who benefit from those services, whether tax paying or tax exempt, and the feasibility of various types of programs and issues.

The bill assigns new duties to the Legislative Committee on Intergovernmental Relations. The bill has no fiscal impact on state agencies or local governments.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" 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 type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

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

Less Government: As discussed in the “Effects of Proposed Changes” section, the bill places new responsibilities on the Joint Legislative Committee on Intergovernmental Relations.

B. PRESENT SITUATION:

Legislative Committee on Intergovernmental Relations

Created in 1977, as the Advisory Council on Intergovernmental Relations and renamed the Legislative Committee on Intergovernmental Relations (LCIR) in 1996, the LCIR is a public entity that facilitates the development of intergovernmental policies and practices. Housed in the legislative branch of state government, the membership of the LCIR is a combination of state and local government officials. Currently, there are 15 members. Eight are state legislators with four members appointed by the House of Representatives and four by the Senate. The remaining 7 members are appointed by the Governor. The terms of the legislative appointments to the Committee are for two years. The gubernatorial members are appointed for 2-year terms.

The LCIR is statutorily authorized to:

- Serve as a forum for the discussion and study of intergovernmental problems;
- Evaluate the interrelationships among local, regional, state, interstate, and federal agencies in the provision of public services and prepare studies and recommendations to improve organizational structure, operational efficiency, allocation of functional responsibility, and the delivery of service;
- Analyze the structure, functions, revenue requirements and fiscal policies of the state and its political subdivisions;
- Examine proposed and existing federal and state programs;
- Review the research and recommendations of national commissions studying local government relationships and problems; and
- Analyze the fiscal impact of new state programs or amendments to existing programs on municipalities and counties.

When a study is completed, the Florida LCIR reports its findings and recommendations to the presiding officers of the Legislature and the Governor. Because the intergovernmental element is key in its purpose and functioning, the ultimate challenge facing the LCIR is improving coordination and cooperation between state agencies, local governments, and the federal government.

In addition to conducting policy research and serving as a forum for addressing intergovernmental policies, the LCIR prepares the following annual publications:

- Local Government Financial Information Handbook (provides a description of the major local government revenue sources and displays the upcoming fiscal year estimates for many state-shared revenues and local option taxes);
- Intergovernmental Impact Report (summarizes the local government mandates, new revenues, and other provisions impacting local governments authorized during the most recent legislative session);
- Salaries of County Constitutional Officers and Elected District School Officials; and
- Review of Federal Expenditures to Florida.

In addition, the LCIR has issued reports on a wide range of issues including: municipal annexation, state revenue-sharing programs, impact fees, special district accountability, regional governance, local occupational license taxes, jail finance and administration, Article V costs, double taxation, local government financial emergencies, local government debt, community based and intermediate criminal sanction programs, local infrastructure costs, constitutional initiatives and referenda, urban infill and infrastructure capacity, administration of local government taxes, local government service delivery, local government reporting requirements, and cost of providing services to the State's newcomers. Most of the LCIR reports are available free of charge.

The LCIR administers a facsimile network (FAXNET) by which the Committee's staff can survey local governments and other governmental entities on topics relating to the impacts of pending legislation or interim projects. Surveys are typically requested by the LCIR members, legislators, legislative committee staff, and organizations representing local governments. The LCIR also maintains a database comprised of fiscal information for municipalities, counties, and special districts in Florida based on information submitted annually by these entities to the Florida Department of Banking and Finance.

C. EFFECT OF PROPOSED CHANGES:

This bill requires the Legislative Committee on Intergovernmental Relations to conduct a study to identify ways to equitably share the cost of government services among those who benefit from those services, whether tax paying or tax exempt, and the feasibility of various types of programs and issues.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. This section directs the LCIR to conduct a study to identify ways to equitably share the cost of government services among those who benefit from those services, whether tax paying or tax exempt. The LCIR is required to examine the feasibility of various types of programs and issues, including, but not limited to, the following:

- Whether the program should exclude developed properties from the policy and include only undeveloped land.

- Whether local governments should have to relieve the state of its obligation to perform certain functions or programs in exchange for some form of reimbursement for tax-exempt properties.
- Whether taxation policies should entail consent on the part of the state to be taxed for certain properties which may include consent to all property taxes, school taxes, special assessments for public improvements, or other types of local taxation.
- Whether a payment for services policy should be adopted which calculates the governmental expenses required by the property, such as fire protection, and reimburses the local government for that amount.
- Whether a services in lieu of taxes program should be adopted which consists of a noncash alternative under which the tax-exempt entity performs a mutually agreed upon service at a free or reduced rate to the taxing authority.
- Whether a payment in lieu of taxes program should be adopted wherein the state compensates local governments for a fair percentage of the property tax that would be paid if the land were not tax exempt.

The LCIR is required to report the results of the study to the President of the Senate and the Speaker of the House of Representatives by March 1, 2003.

Section 2. An effective date of upon becoming a law is provided.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill assigns new duties to the LCIR. The bill has no fiscal impact on state agencies.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill will not reduce the authority of countries and municipalities to raise total aggregate revenues.

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

This bill does not reduce the total aggregate percent of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON LOCAL GOVERNMENT & VETERANS AFFAIRS:

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