

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 157 District School Taxation
SPONSOR(S): Poppell and others
TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 546

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Education Appropriations (Sub)</u>	<u>15 Y, 0 N</u>	<u>Mizereck</u>	<u>Mizereck</u>
2) <u>Appropriations</u>			
3) _____			
4) _____			
5) _____			

SUMMARY ANALYSIS

Local school boards are permitted to levy not more than two mills against the taxable value of property in the county for specified non-operating purposes. The bill would expand the list of approved purposes identified in section 1011.71(5)(a), Florida Statutes, to add the payment of property and casualty insurance premiums on the educational facilities of the school district. If the use of the two mill funds frees up general operating funds, the bill requires the district to spend the operating funds only for nonrecurring operational expenses.

The bill also requires the Legislature to review these provisions on or before June 30, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

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

B. EFFECT OF PROPOSED CHANGES:

The list of approved expenditures from the proceeds of a district's discretionary two mill tax levy authorized by subsection (5)(a) of section 1011.71, Florida Statutes, would be expanded to include the payment of property and casualty insurance premiums to insure the educational facilities of the school district. Any operating revenues which might become available as a result of the payment of insurance premiums from the two mill levy may only be used for nonrecurring operational expenditures.

The bill requires the Legislature to review the language in subsection (5)(a) of section 1011.71, Florida Statutes, by June 30, 2006.

C. SECTION DIRECTORY:

Section 1: Amends the list of authorized uses for funds generated from the two mill levy; restricts the use of any resultant general operating revenues; requires Legislative review.

Section 2: Establishes effective date of July 1, 2004

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS: The bill increases school districts' flexibility by providing an additional source of funds to use for payment of casualty and property insurance premiums, and ensures fiscal responsibility by restricting the use of any resulting available operating revenues to nonrecurring uses.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

No rule-making authority is provided in the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|------------------------------|
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| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

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

B. EFFECT OF PROPOSED CHANGES:

C. SECTION DIRECTORY:

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

E. FISCAL IMPACT ON STATE GOVERNMENT:

3. Revenues:

4. Expenditures:

F. FISCAL IMPACT ON LOCAL GOVERNMENTS:

3. Revenues:

4. Expenditures:

G. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

H. FISCAL COMMENTS:

III. COMMENTS

D. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

2. Other:

E. RULE-MAKING AUTHORITY:

F. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On April 14, 2004, the Subcommittee on Education Appropriations favorably recommended HB157 with a strike-all amendment and one amendment to the amendment. The strike-all amendment, as amended, differs from the original bill as follows.

- Amends subsection (2) of section 1011.71, Florida Statutes, to add the payment of property and casualty insurance premiums on the educational plant of the school district to the list of approved purposes for the two mill capital improvement funds. This section was not included in the bill as filed.
- Amends section 200.065(9), Florida Statutes, to include the property and casualty insurance expenditure for educational facilities as part of the required public notice a district must advertise before it may levy the discretionary ad valorem tax. This section was not included in the bill as filed.
- Repeals these provisions on July 1, 2006. The bill as filed required a Legislative review by June 30, 2006.