

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 371 w/CS

District School Tax

SPONSOR(S): Jordan

TIED BILLS:

IDEN./SIM. BILLS: SB 1212 w/CS

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|--------------------------------------|----------------|---------|----------------|
| 1) Subcommittee on General Education | 7 Y, 0 N | Porter | Bohannon |
| 2) Education K-20 | 24 Y, 0 N w/CS | Porter | Bohannon |
| 3) Finance and Tax | | | |
| 4) | | | |
| 5) | | | |

SUMMARY ANALYSIS

This bill allows school districts that have outsourced their student transportation services to use funds from their 2-mill levy to pay for school buses acquired under the terms of their contract with the private-sector vendor.

The bill does not have a fiscal impact on state or local government.

The bill provides for an effective date.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0371b.edk.doc

DATE: March 16, 2004

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 bill allows school district’s that have outsourced their student transportation services to use their 2-mill funds to reimburse the vendor for the acquisition of buses under certain circumstances. For the district to be able to reimburse the vendor for the purchase of buses in this manner the following conditions must be present:

- The district’s contract requires the vendor to purchase, own, operate, and maintain one or more school buses.
- Each school bus must be used for the daily transportation of public school students.
- Annual payment for each school bus must not exceed 10 percent of the state pool bid price.
- The expenditure for funds for this purpose must have been included in the district’s notice of proposed tax for school capital outlay as provided in s. 200.065(9), F.S.

School districts are currently permitted to use 2-mill money collected pursuant to s. 1011.71(2) to pay for school buses. The 2003 legislative change was contained in Section 17 of the 2003 Appropriations Implementation Act (2003-399, L.O.F.) and was limited to the 2003-04 fiscal year. The provision will expire July 1, 2004. The bill enacts the provisions from Section 17 of the 2003 Appropriations Implementation Act (2003-399, L.O.F.) into statute with no expiration date. Duval, Miami-Dade, and Santa Rosa are the only three districts that have outsource all or part of their student transportation services.

The bill amends s. 200.065(9), F.S. to add payment to private entities to offset the cost of school buses purchased pursuant to the above changes to the second notice of intent to levy additional taxes under s. 1011.71(2), F.S.

C. SECTION DIRECTORY:

Section 1 – amends s. 1011.71(2), F.S. to allow districts that outsource transportation services to use 2 mill money to pay for school buses as part of the outsource contract.

Section 2 – amends s. 200.065, F.S. to add the purchase of school buses for a private entity to the required notice of intent to levy additional taxes.

Section 3 – Provides an effective date.

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 allows districts to reimburse the vendor using 2-mill money for the purchase of school buses when the district has chosen to outsource the district's student transportation services. This allows the district to free up operating capital for other uses. Districts that have not outsourced their transportation services are currently allowed to purchase school buses using the 2-mill money. This bill allows the three districts that have chosen to outsource their transportation services, as well as those that may choose to do so in the future, to use their 2-mill money for the same purposes as the other districts.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a city or county to spend funds or to take any action requiring the expenditure of funds.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

The Subcommittee on General Education adopted a strike-all amendment presented by the sponsor on March 10, 2004 that incorporated clarifying and grammatical changes. No substantive change was contained in the strike-all amendment.

The Education K-20 Committee adopted the strike-all amendment presented by the sponsor on March 10, 2004 that incorporated clarifying and grammatical changes. No substantive change was contained in the strike-all amendment. The bill was passed with CS.