

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 546
 SPONSOR: Education Committee and Senator Bennett
 SUBJECT: District School Taxation
 DATE: February 18, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Woodruff	O'Farrell	ED	Favorable/CS
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

In addition to the required local effort millage and nonvoted current operating discretionary millage allowed to be assessed for operating purposes each year, local school boards are permitted to levy not more than two mills against the taxable value of property in the county for non-operating purposes. The bill would expand the list of approved expenditures identified in subsections (2) and (5) (a) of section 1011.71, Florida Statutes, to allow the payment of property and casualty insurance premiums on the educational facilities of the school district. The bill also requires the Legislature to review both subsections before June 30, 2006.

Should general operating funds become available to a district as a result of the payment of insurance premiums from the two mill fund source, the bill would require the expenditure of such funds only for nonrecurring operational expenditures.

The bill amends section 200.065 (9), Florida Statutes, to include language for the required public notice a district must advertise before it may levy the discretionary ad valorem tax.

This bill substantially amends sections 1011.71 and 200.065 of the Florida Statutes.

II. Present Situation:

Subsections (2) and (5) (a) of section 1011.71, Florida Statutes, identify the specific purposes for which a school district may expend funds collected through the levy of the non-operating discretionary two mill levy. The payment of insurance premiums on the district's educational facilities is not included. Currently premiums are paid from a district's operating budget revenues.

A list of statutorily approved expenditures from the two mill levy appears in both subsections (2) and (5) (a) of section 1011.71, Florida Statutes. If a district school board chooses to levy a discretionary capital outlay millage, section 200.065, Florida Statutes, requires a public notice be published identifying within general categories how the funds will be expended. The required language and general categories reflect the current statutorily approved expenditures. The language does not include a category for payment for insurance premiums.

There currently is no requirement for the Legislature to review the list of approved expenditures in either subsection (2) or (5) (a) of section 1011.71, Florida Statutes.

III. Effect of Proposed Changes:

The list of approved expenditures from the proceeds of a district's discretionary two mill tax levy authorized by subsections (2) and (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.

The bill places a restriction on operating revenues which might become available to a district as a result of the payment of insurance premiums from the two mill levy. Such operating revenues must be expended only for nonrecurring operational expenditures of the school district.

The bill requires the legislature to review the language in subsections (2) and (5) (a) of section 1011.71, Florida Statutes, by June 30, 2006.

Section 200.065 (9), Florida Statutes, identifies the general categories of language for the public notice advertisement a district must provide before it may levy the discretionary ad valorem tax. The bill amends the section to include a new general category for payment of property and casualty insurance premiums.

The bill's effective date is July 1, 2004.

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:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill would allow a school district to shift the source of funds used to pay property and casualty insurance premiums on its educational facilities from revenues in the operating budget to revenues generated from the two mill tax levy.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
