

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Lower Taxes – by allowing counties to extend the discount periods this bill could result in some taxpayers paying less in property taxes.

B. EFFECT OF PROPOSED CHANGES:

Under current law, property taxes are due and payable in November and are delinquent on April 1st of the following year. Taxpayers are given an early payment discount on their property tax bills depending upon when the payment is made. Section 197.162, F.S., specifies that the discount is four percent for payments made in November or within 30 days of the mailing of the tax bills, three percent for payments made in December, two percent for payments made in January and one percent for payments made in February. Payments made in March or within 30 days of the date of delinquency receive no discount.

Under this bill, a county which was declared a major disaster area by the President of the United States because of a 2005 named storm may, by affirmative vote of the local governing body, authorize any of the following extended discount periods:

- Four percent for taxes paid by January 31, 2006,
- Three percent for taxes paid by February 28, 2006, and
- Two percent for taxes paid by March 31, 2006.

These discount periods will not apply to payments made on behalf of taxpayers by financial institutions.

C. SECTION DIRECTORY:

Section 1 provides for additional or extended discount periods to be authorized by certain counties.

Section 2 specifies that the bill shall take effect upon becoming law.

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:

Indeterminate. Because the discount periods provided for in this bill are only available if a county chooses to enact them, the fiscal impact of this legislation is impossible to predict. However, if all counties which have already been declared disaster areas and approved for individual assistance were to implement the discount periods to their fullest extent, the revenue estimating conference has estimated the fiscal impact would be \$46.9 million.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

To the extent the some taxpayers may receive a greater discount than they would otherwise have been eligible for, this bill will reduce taxes.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

Because the 2005 hurricane season has now ended, the counties which are eligible for this program can be determined and this bill could be seen as a general bill of local application. Under Article III, Section 11(a)(2), Florida Constitution, there can be no general law of local application concerning the "assessment or collection of taxes for state or county purposes, including extension of time therefore".

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

By changing the description of the class of counties eligible for this program to a class which any county could become a member of, this bill becomes a general bill rather than a general bill of local application, and any potential constitutional problems are avoided.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES