



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Ensure Lower Taxes - The bill allows the Pasco County School Board to include a covenant to decrease the capital local school property tax in a resolution providing for the receipt of Local Government Infrastructure Surtax revenues and to maintain the reduction as long as the surtax is in effect.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Current Situation**

Section 1011.71, F.S., authorizes each school board to levy, without a referendum, not more than 2 mills against the taxable value for school purposes to fund a variety of facilities and services for school purposes, including new facility construction, maintenance of facilities, acquisition of equipment, payment of certain student transportation expenses.

School districts may also derive capital funding from the Local Government Infrastructure Surtax (surtax) levied by a county pursuant to s. 212.055(2), F.S. The governing authority in each county may levy a discretionary sales surtax of 0.5 percent or 1 percent. The levy of the surtax must be pursuant to ordinance enacted by a majority of the members of the county governing authority and approved by a majority of the electors of the county voting in a referendum on the surtax. If the governing bodies of the municipalities representing a majority of the county's population adopt uniform resolutions establishing the rate of the surtax and calling for a referendum on the surtax, the levy of the surtax must be placed on the ballot and takes effect if approved by a majority of the electors of the county voting in the referendum on the surtax.

If approved at referendum, revenue from the surtax is distributed as determined in an interlocal agreement that is typically executed before the surtax is levied, and which may provide for distribution of surtax revenues to the school boards or municipalities within the county.

##### **Effect of Proposed Changes**

The resolution of the District School Board of Pasco County providing for the receipt of proceeds of the local government infrastructure surtax authorized under s. 212.055(2), F.S., may include a covenant by the board to decrease the capital local school property tax levied pursuant to s. 1011.71(2), F.S., and to maintain that tax at the reduced millage as long as the surtax is in effect. Finally, if the surtax revenues are pledged to service bonded indebtedness, the board may covenant not to levy the capital property tax under s. 1011.71(2), F.S., at a millage rate in excess of the reduced millage rate promised in the resolution.

This bill also ratifies and confirms the referendum held in Pasco County in March 2004.

#### C. SECTION DIRECTORY:

- Section 1. Authorizes covenants to limit the levy of capital local school property taxes.
- Section 2. Provides an effective date; ratifies and confirms the referendum held in Pasco County in March 2004.

## II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes  No

IF YES, WHEN? December 23, 2005.

WHERE? Pasco Times, Port Richey, Pasco County, Florida

B. REFERENDUM(S) REQUIRED? Yes  No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached  No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached  No

## III. COMMENTS

- A. CONSTITUTIONAL ISSUES: This bill ratifies and confirms the referendum held in March 2004 in Pasco County. Under Florida law, legislative bodies may retroactively enact curative laws to ratify, validate, and confirm any act that they could have authorized in the first place, assuming that no constitutional objection exists at the time of the ratification.<sup>1</sup> The subject of the March 2004 referendum is not specified in the bill, and it is unknown whether any constitutional issues exist with respect to the March 2004 referendum.
- B. RULE-MAKING AUTHORITY: This bill does not address rule-making authority.
- C. DRAFTING ISSUES OR OTHER COMMENTS: The Economic Impact Statement submitted for this bill indicates that the bill will result in a \$14 million increase in revenues; however, this is not an accurate reflection of the actual impact of the bill. The bill will not have a direct fiscal impact on revenues of the school district.

## IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

Not applicable.

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<sup>1</sup> *Davis v. City of Clearwater*, 104 Fla. 42 (Fla. 1932); *Dover Drainage Dist. v. Pancoast*, 102 Fla. 267 (Fla. 1931); *Utley v. City of St. Petersburg*, 106 Fla. 692 (Fla. 1932).