

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.)

Prepared By: Education Committee

BILL: SB 412

INTRODUCER: Senator Bennett

SUBJECT: District School Taxation/Millage

DATE: February 1, 2006

REVISED: 2/7/06

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Brown	Matthews	ED	Fav/1 Amendment
2.			GE	
3.			EA	
4.			WM	
5.				
6.				

Please see last section for Summary of Amendments

- Technical amendments were recommended
- Amendments were recommended
- Significant amendments were recommended

I. Summary:

This bill creates an additional basis for discretionary millage to be levied by a local district school board. In addition to other projects listed in statute, this bill authorizes the payment of premiums for property and casualty insurance for the purpose of insuring the educational plants of the school district.

If a school district uses the discretionary levy for insurance premium payment, this bill limits the operating revenue that would have been expended on these payments to paying only nonrecurring operational costs of the school district.

The bill takes effect July 1, 2006.

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

II. Present Situation:

Section 9(b) of Article VII of the State Constitution authorizes school districts to levy ad valorem taxes for school purposes. Ad valorem taxes levied for school purposes are capped at 10 mills.

Local school districts are permitted a discretionary levy of up to 2 mills to fund the following:

- New construction and remodeling projects;
- Maintenance, renovation, and repair of existing school plants or of leased facilities to correct non-conformity with the Florida Building Code or the Fire Safety Prevention Code;
- Purchase, lease-purchase, or lease of school buses; drivers' education vehicles; motor vehicles used to maintain or operate plants and equipment; security vehicles; or storage or distribution vehicles;
- Purchase, lease-purchase, or lease of new and replacement equipment;
- Payment for educational facilities and sites per certain lease-purchase agreements;
- Payment of loans incurred for specific school-related purposes;
- Payment of costs needed to comply with state and federal environmental laws, rules, and regulations;
- Payment of costs for renting and leasing educational facilities; and
- Payment of the cost of school buses when a school district contracts with a private entity.¹

Sixty-four school districts opted to levy this tax in 2004-2005. Three districts, Calhoun, Jackson, and Liberty, did not levy the tax.

Section 200.065(9)(a), F.S., requires a district school board to publish a second notice of its intent to levy additional taxes under s. 1011.71(2), F.S. Required to be included in the second notice are the specific projects or number of school buses expected to be funded by the additional taxes.

Insurance premiums are currently paid from a local school district's operating budget revenues.

III. Effect of Proposed Changes:

This bill provides an additional category to the list of permissible discretionary two mill levy for capital outlay and related purposes, to allow a local school district to levy for payment of property and casualty insurance premiums to insure the educational plants of the school district.

This bill also changes the published notice requirement to add the property and casualty insurance premiums category to the list of projects to be included in the district school board's second notice of its intent to levy additional taxes for capital outlay purposes.

Where a local district school board opts to use this discretionary levy for insurance premium payments, the school board is limited to expending operating revenues that would otherwise be used to pay insurance premiums, on nonrecurring operational expenditures.

¹ s. 1011.71(2), F.S.

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:

This bill authorizes a local school district to shift the source of funds usually earmarked to pay property and casualty insurance premiums on the educational plants from revenues in the operating budget to revenues generated from the two mill tax levy. However, a school district that uses its discretionary millage to pay for property and casualty insurance premiums is limited to using the additional operating revenue made available for nonrecurring operational expenditures.

VI. Technical Deficiencies:

There is some “flush left” language in s. 1011.71(5), F.S., appearing at the end of paragraph (d) that is not published in the bill. It is unclear whether the “flush-left” language applies to subsection (5) as a whole or to paragraph (d).

VII. Related Issues:

None.

VIII. Summary of Amendments:

Barcode 712770 by Education:

Corrects drafting error.

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