

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 932

INTRODUCER: Senator Jones

SUBJECT: Ad Valorem Tax/Public Education

DATE: January 7, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Brown</u>	<u>Matthews</u>	<u>ED</u>	Favorable
2.	_____	_____	<u>GE</u>	_____
3.	_____	_____	<u>EA</u>	_____
4.	_____	_____	<u>WM</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill extends the time period that a school district can levy additional millage from four years to ten years. For the initial referendum, this bill authorizes a levy for up to four years. After the initial referendum, levies are authorized for up to 10 years.

This bill substantially amends sections 1011.71 and 1011.73 of the Florida Statutes.

II. Present Situation:

Florida Constitution

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.

Chapter 1011, F.S.

Chapter 1011, F.S., addresses planning and budgeting for education entities, including school districts. After receiving the property appraiser's certificate of assessed valuation for the county, district school boards are required to adopt by resolution the amount needed for current operating purposes and the millage necessary to be levied for each fund, including voted millage.¹

Section 1011.71, F.S., identifies four ad valorem taxes that are acceptable within the school districts' constitutional maximum 10 mill authority. These are as follows:

¹ s. 1011.04(1), F.S.

- The required local effort for participation in the Florida Education Finance Program (FEFP) as established each year by the Legislature.
- The nonvoted current operating discretionary levy, for which the Legislature specifies the maximum amount allowed to be assessed each year.
- Local districts are authorized to levy up to two mills for capital outlay and related purposes.²
- For a maximum of four years, additional millage for school operational purposes, which is subject to voter approval.

Together, these levies are not to exceed the constitutional limit of 10 mills.³

For both millage authorized not to exceed two years and millage authorized not to exceed four years, subsequent to resolution adopted at a regular meeting, the district school board is required to direct the county commissioners to call an election for the electors in the school district, to be held at any time, provided that only one election is held within a 12-month period. Any millage time frame is limited to the two or four year period authorized, unless changed by another millage election, whichever is earlier.⁴

General Appropriations Act Funding

Chapter 2005-70, L.O.F., provides the following funding for the 2005 to 2006 Fiscal Year:

- The maximum nonvoted discretionary millage authorized to be levied pursuant to s. 1011.71(1), F.S., by district school boards is 0.51 mills; and
- An additional levy is authorized of up to 0.25 mills, to raise up to \$100 per full-time equivalent student (FTE).⁵

District school boards that levy the entire additional 0.25 mills and raise amounts short of \$100 per K-12 FTE will receive, in combination with Florida Educational Finance Program funding, the \$100 amount authorized per K-12 FTE. To qualify for these state funds, the school district is required to levy both the entire 0.25 mills and the 0.51 mills. Further, if a school board's 0.51 mill levy raises funds per unweighted FTE that are less than \$200, the school district will receive an amount from the Florida Educational Finance Program funding that, when added to the district's 0.51 mill levy, equates to \$200.

All 67 districts levy the 0.51 mills. All 67 districts attempt to generate the additional 0.25 mills.

² s. 1011.71(2)(a) through (i), F.S., authorizes this levy to school boards for the purpose of funding the following: new construction and remodeling projects, and sites and site improvement; maintenance, renovation, and repair of existing school plants; purchase, lease-purchase, or lease of new and replacement equipment; payment for educational facilities and sites due under certain lease-purchase agreements; certain loan payments; payment of costs incurred in compliance with state and federal statutes; payment of costs of renting or leasing relocatable educational facilities; and payment of costs of school buses when a school district contracts with a private entity. Sixty-four counties opted to levy this tax in 2004-05. Three districts, Calhoun, Jackson, and Liberty, did not levy the tax.

³ s. 1011.71(6), F.S.

⁴ s. 1011.73(1) and (2), F.S.

⁵ Chapter 2005-70, GAA (SB 2600), Fiscal Year 2005-2006, General Appropriations Act and Implementing Bill.

III. Effect of Proposed Changes:

This bill extends the maximum time period that a school district can levy additional millage from four years to 10 years.

This bill authorizes the initial referendum to specify up to a four year time frame for the assessment of the levy. After the initial referendum, levies are authorized for up to an additional 10 years.

The levy extension approved under this bill remains subject to the constitutional 10 mill cap.

This bill takes effect upon becoming a law.

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:**

This bill authorizes voters in a school district to approve additional millage for school operational purposes for up to 10 years, rather than the current four year limit.

B. Private Sector Impact:

If voters in a local school district approve levying ad valorem taxes for school operational purposes, local ad valorem taxes will increase for the number of years specified in the referendum.

C. Government Sector Impact:

According to the Florida Department of Education, this bill may result in a reduction in costs for local school districts, to the extent that there will be fewer referendums, as the time frame provided in referendums will be longer.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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