

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Community Affairs Committee

BILL: SB 752

INTRODUCER: Senators Richter and Fasano

SUBJECT: Proposed Property Tax Notice

DATE: March 12, 2009      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wolfgang	Yeatman	CA	<b>Favorable</b>
2.			FT	
3.			GA	
4.				
5.				
6.				

**I. Summary:**

This bill revises the Truth in Millage (TRIM) notice to include millage rates by adding three additional columns.

This bill substantially amends sections 200.069 and 200.065 of the Florida Statutes.

**II. Present Situation:**

Section 200.069, F.S., requires property appraisers to prepare and deliver a notice of proposed property taxes and non-ad valorem assessments to each taxpayer listed on the current year's assessment roll.<sup>1</sup> This notice is commonly referred to as the Truth in Millage (TRIM) notice, which is generally the only acceptable means of providing notice to taxpayers, and is sent on behalf of all taxing authorities and local governing boards levying both ad valorem taxes and non-ad valorem assessments.

In addition, s. 200.069, F.S., provides the specific elements and required content and format of the TRIM notice, which includes five columns. The Department of Revenue (DOR) prescribes the forms. However, a county officer may use a different form provided that: (1) it is substantively similar to the one prescribed by DOR; (2) his or her office pays the related expenses; and (3) he or she obtains prior written permission from DOR's executive director.

<sup>1</sup> Section 200.065(2)(b), F.S.

For counties with populations of 100,000 or fewer, DOR provides the forms. However, for counties with a population greater than 100,000, the responsible county officer reproduces the forms for distribution at the office’s expense.<sup>2</sup>

Section 200.069, F.S., specifies that the following information must appear in columnar form on the TRIM notice:

Taxing Authority	Your Property Taxes Last Year	Your Taxes This Year IF PROPOSED Budget Change is Made	A Public Hearing on the Proposed Taxes and Budget Will be Held	Your Taxes This Year IF NO Budget Change is Made
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Also, the following information must be listed underneath each of the headings:

- Taxing Authority – A brief, commonly used name for the taxing authority or its governing body;
- Your Property Taxes Last Year – The gross amount of ad valorem taxes levied against the parcel in the previous year. If the parcel did not exist in the previous year, this column is blank;
- Your Taxes This Year IF PROPOSED Budget Change is Made – The gross amount of ad valorem taxes proposed to be levied in the current year, which amount must be based on the proposed millage rates provided to the property appraiser or, in the case of voted levies for debt service, the millage rate previously authorized by referendum, and the taxable value of the parcel as shown on the current year’s assessment roll;
- A Public Hearing on the Proposed Taxes and Budget Will be Held: – The date, the time, and a brief description of the location of the required public hearing; and
- Your Taxes This Year IF NO Budget Change is Made – The gross amount of ad valorem taxes which would apply to the parcel in the current year if each taxing authority were to levy the rolled-back rate<sup>3</sup> or, in the case of voted levies for debt service, the amount previously authorized by referendum.

Current law does not require that the TRIM notice include millage rate information.

The Department of Revenue recently published a Report on the Effect of Recent Changes in Law on the Notice of Proposed Property Taxes. The report noted that,

[t]he complexity of Florida’s property tax structure has increased considerably since the Truth in Millage process was first enacted in 1980. A number of local option exemptions have been created, such as the low-income senior exemption and the economic development exemptions, resulting in different taxable values for different local governments. The Save Our Homes assessment increase limitation took effect in 1995. Additional provisions were added by Amendment 1

<sup>2</sup> Section 195.022, F.S.

<sup>3</sup> Section 200.065(1), F.S., describes the “rolled-back rate” as the millage rate which, exclusive of new construction, additions to structures, deletions, increase in the value of improvements that have undergone substantial rehabilitation which increased the assessed value by at least 100 percent, and property added due to geographic boundary changes, will yield the same ad valorem tax revenue for each taxing authority as was levied during the prior year.

in 2008 which affect taxing authorities differently. These provisions are the additional \$25,000 homestead exemption and the 10 percent assessment increase limitation on non-homestead property, both applicable only to non-school tax levies.<sup>4</sup>

The Department recommended that the notice contain more information on valuation, exemptions, appeals, and how to find more information. The Report also advocated a greater degree of flexibility in designing the notice to allow the Department to accommodate future changes in the law.

The Department of Revenue's survey of local government officials, county property appraisers, and other interested parties shows that the inclusion of millage rates alone would be desirable. However, the Department of Revenue recommended against including the previous year's millage on the form.

While millage rates may assist in comparing the proposed levy to the levy if no budget change is made, it is important that the previous year's millage not be included on the form. In order to accurately display the impact of the local government's budget decisions, it is the comparison between the proposed levy and the no budget increase levy that is significant.

Since the previous year's millage rate was levied on a different value, any comparison to that rate will also be affected by the property appraiser's valuation determination. In times of rising property values, the millage rate may remain unchanged from the previous year, but it would still reflect the taxing authority's decision to increase tax revenue. As values rise, millage must be reduced to avoid this tax increase. The intent of Truth in Millage is to require that any decision by a local government to increase or decrease taxes be clearly identified and given proper public notice.<sup>5</sup>

### III. Effect of Proposed Changes:

This bill amends s. 200.069, F.S., to include three additional columns on the TRIM notice, bringing the total to eight. The new columns to be included are as follows:

- Millage Rate Last Year – The millage rate for ad valorem taxes levied against the parcel in the previous year. If the parcel did not exist in the previous year, this column must be blank (new Column 3);
- Millage Rate This Year IF PROPOSED Budget Change is Made – The proposed millage rate for ad valorem taxes to be levied against the parcel in the current year (new Column 5); and
- Millage Rate IF NO Budget Change is Made – The millage rate for ad valorem taxes to be levied against the parcel if no budget change is made (new Column 8).

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<sup>4</sup> Department of Revenue, Report on the Effect of Recent Changes in Law on the Notice of Proposed Property Taxes, January 30, 2009 available at <http://dor.myflorida.com/dor/property/noticofpptreport.pdf> (last visited March 16, 2009).

<sup>5</sup> Department of Revenue, Report on the Effect of Recent Changes in Law on the Notice of Proposed Property Taxes, January 30, 2009 available at <http://dor.myflorida.com/dor/property/noticofpptreport.pdf> (last visited March 16, 2009).

These changes would result in the following format, which would provide taxpayers additional information on the TRIM notice that is used in property tax calculations:

Taxing Authority	Your Property Taxes Last Year	Millage Rate Last Year	Your Taxes This Year IF PROPOSED Budget Change is Made	Millage Rate This Year IF PROPOSED Budget Change is Made	A Public Hearing on the Proposed Taxes and Budget Will be Held	Your Taxes This Year IF NO Budget Change is Made	Millage Rate IF NO Budget Change is Made
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As noted in the Department of Revenue’s 2009 report, including the millage rate from the previous year may be confusing for taxpayers because the previous year’s millage rate was levied on a different value and will be affected by the property appraiser’s valuation determination. When property values increase, the millage rate may remain unchanged but tax revenues would increase.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill helps taxpayers understand what their millage is and what it will be if there are proposed changes.

C. Government Sector Impact:

County officers who use a form other than the form prescribed by DOR may incur additional expenses to redesign the form. In addition, counties with a population of 100,000 or more are required to print their own TRIM notices. As such, these counties may incur additional expenditures in changing from one form to another.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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

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