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 General Government Appropriations Committee

BILL:	PCS/SB 1592
INTRODUCER:	General Government Appropriations Committee and Senator Baker
SUBJECT:	Fiscally Constrained Counties
DATE:	March 16, 2010 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Blizzard	DeLoach	GA	**Pre-meeting**
2.			WPSC	
3.			RC	
4.				
5.				
6.				

I. Summary:

This bill simplifies the calculation process for determining the impact of portability for purposes of receiving distributions to offset the impacts to fiscally constrained counties from the implementation of amendments to Article VII, sections 3, 4, and 6 of the State Constitution, adopted in January 2008. This provision was included in chapter 2009-82, Laws of Florida, implementing the 2009-2010 General Appropriations Act, which made it effective for the 2009-2010 fiscal year only. This bill continues this provision on a permanent basis.

This bill substantially amends section 218.12, Florida Statutes.

II. Present Situation:

On January 29, 2008, Florida voters approved an amendment to Article VII, sections 3, 4, and 6 of the State Constitution, which contained four provisions aimed at reducing and improving the equity of Florida's property tax. These provisions were: Save Our Homes portability, the $25,000 increase to the homestead exemption, the $25,000 tangible personal property exemption, and the ten-percent limitation on assessment increases for non-homestead property. The 2008 Legislature enacted s. 218.12, F.S., to provide a state revenue distribution to offset the impact of these amendments for fiscally constrained counties as defined in s. 218.67(1), F.S. There are currently 29 such counties.

Offset amounts distributed to fiscally constrained counties must be appropriated annually. If insufficient funds are appropriated to fully offset the loss of county government revenue, the distribution amount is pro-rated among the qualifying counties. County governments must apply annually for the funding by November 15. Estimates of reduced taxable value due to the amendments are provided by the county property appraiser. Distributions are made annually in January. For Fiscal Year 2008-2009, $10 million was appropriated to the fiscally constrained counties and $23.2 million was appropriated for Fiscal Year 2009-2010.

In estimating taxable value reductions due to the amendments, estimates for the additional homestead exemption, the tangible personal property exemption, and the ten-percent limitation on assessment increases are easily calculated from the current tax roll. The impact of Save Our Homes portability, however, is cumulative and difficult to estimate. An accurate estimate requires tracking the difference between the actual Save Our Homes differential and what it would have been in the absence of portability in every subsequent year for each ported differential. This is true even if the differential were further ported to another homestead in the county. Property appraisers do not currently have this data, which would be difficult to maintain.

The 2009 Legislature addressed this issue in the 2009-2010 appropriations implementing bill (ch. 2009-82, L.O.F.) by limiting the offset distribution for the ported Save Our Homes differentials to the impact of those differentials ported for homesteads first established on January 1, 2009. As part of the appropriations implementing legislation, the provision was effective only for the 2009-2010 fiscal year.

III. Effect of Proposed Changes:

Section 1 amends s. 218.12(3), F.S., to clarify and simplify the calculation of the impact of portablility in the Save Our Homes benefit. The portion of the distribution to fiscally constrained counties based on the Save Our Homes portability amendment would be based on the tax loss occurring due to Save Our Homes differentials ported to homesteads in the year for which distributions are made.

Section 2 provides that the bill shall take effect on July 1, 2010.

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:

None.

C. Government Sector Impact:

This bill simplifies the calculation process for determining the impact of portability for purposes of receiving distributions to offset impacts to fiscally constrained counties from the implementation of the amendment to Art. VII, ss. 3, 4, and 6 of the State Constitution, adopted in January 2008.

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.