

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: February 26, 1998 Revised: _____

Subject: Determination of Millage

| | <u>Analyst</u> | <u>Staff Director</u> | <u>Reference</u> | <u>Action</u> |
|----|----------------|-----------------------|------------------|------------------|
| 1. | <u>Cooper</u> | <u>Yeatman</u> | <u>CA</u> | <u>Favorable</u> |
| 2. | _____ | _____ | <u>WM</u> | _____ |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |

I. Summary:

This bill authorizes taxing authorities to adopt the tax levies and budgets of their dependent special taxing districts by single votes, unless a member of the public request a separate discussion and vote for the tax levy or budget of any such district.

This bill would amend the following section of the Florida Statutes: s. 200.065.

II. Present Situation:

Chapter 200, F.S., governs the method of fixing millage by local taxing authorities. Sections 200.065, 200.068, and 200.069, F.S., commonly referred to as the "Truth in Millage" (TRIM) law, were originally enacted in 1980 and have changed little since. The TRIM provisions were part of a comprehensive property tax administration package aimed at bringing property assessments to the constitutionally mandated level of "just valuation." The law was designed to inform property owners experiencing increases in assessed values about the millage adoption and rollback process.

By statute, taxing authorities must comply with all aspects of TRIM or be required to correctly re-advertise notices and rehold their budget hearings. Noncompliance may subject a taxing authority to forfeiture of state funds.

TRIM provisions of the law contain measures which were specifically drawn to

- inform taxpayers that increases in assessments did not necessarily result in higher taxes;

- focus on the local government budgetary process rather than on the assessment and review process performed by the property appraisers and value adjustment board;
- increase awareness of the importance of the budget process in the development of millage rates; and
- encourage taxpayer involvement in the local budgetary process.

To accomplish these objectives, the statute requires each taxing authority to hold two **public hearings** when establishing operating expenditure requirements and millage rates necessary to fund the proposed budget. Pursuant to s. 200.065(2)(e), F.S., the first substantive issue discussed at the public hearing is the percentage increase in millage over the “rolled-back” rate necessary to fund the budget, if any, and the specific purposes for which ad valorem tax revenues are being increased. The “rolled-back” millage rate is the millage rate, exclusive of new construction, additions to structures, deletions, and property added due to geographic boundary changes, that will provide the same ad valorem tax revenue for a taxing authority as was levied during the prior year. The general public is to be allowed to speak and ask questions prior to the adoption of the tentative or final millage rate or tentative or final budget. This section further specifies the time and day these hearings are to be held.

Paragraph (e) of s. 200.065(2), F.S. requires that tax levies and budgets for dependent special districts be separately discussed and adopted at the two public hearings, after the discussion and adoption of the tax levies and budgets for the superior taxing authority.

III. Effect of Proposed Changes:

This bill would amend s. 200.065(2)(e)2., F.S., to authorize taxing authorities to adopt the tax levies and budgets of their dependent special taxing districts by a single unanimous vote, unless a member of the public request a separate discussion and vote for the tax levy or budget of any such district.

This bill would take 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:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Taxing authorities may be able to reduce the time of the public meeting if no one requests a separate discussion and vote for the tax levy or budget of any district.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.