STORAGE NAME: h2179a.ft
DATE: April 19, 2000

HOUSE OF REPRESENTATIVES
COMMITTEE ON
FINANCE & TAXATION
ANALYSIS

BILL #: HB 2179

RELATING TO: School District Revenue/ Impact Fees

SPONSOR(S): Rep. Lacasa

TIED BILL(S): HB 2181 (Trust Fund)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) EDUCATION K-12 (W/D)
(2) FINANCE & TAXATION YEAS 13 NAYS 0
(3) EDUCATION APPROPRIATIONS
(4)
(5)

I. SUMMARY:

Under this bill, 62.3% of the funds generated by “the nonrecurring tax imposed by s. 199.133", which is colloquially known as the part C intangible tax, shall be transferred from the Intangible Tax Trust Fund to the School District Capitol Outlay Trust Fund. These funds will be distributed to school districts which previously collected a school impact fee in an amount equal to what was collected from the school impact fee during the 1999-2000 fiscal year. The remainder of the revenue will be distributed among all school districts as provided in the bill. County school boards which receive funds under this bill would be prohibited from imposing school impact fees.

On April 18, 2000, the Committee on Finance and Taxation adopted a strike-everything amendment to the bill.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1. Less Government	Yes [X]	No []	N/A []
2. Lower Taxes	Yes [X]	No []	N/A []
3. Individual Freedom	Yes []	No []	N/A [X]
4. Personal Responsibility	Yes []	No []	N/A [X]
5. Family Empowerment	Yes []	No []	N/A [X]

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Under the Home Rule Power given to counties in Article VIII, Section 6 of the Florida Constitution, and section 125.01, Florida Statutes, counties may levy impact fees on new construction. The fees are used to pay for the increased demand on infrastructure created by new construction. The fees are levied in proportion to the demand created by the new construction and used to build the new infrastructure needed. Impact fees are used to construct new infrastructure including water and sewer facilities, roads, fire departments, and schools.

Currently, fifteen counties levy school impact fees on new construction to finance the construction of new schools. These levies raised approximately $71.5 million in school impact fees during 1999. In 1999, Chapter 99-239, section 16 imposed a moratorium, until July 1, 2000, on new or increased school impact fees adopted by a county ordinance subsequent to May 1, 1999.

C. EFFECT OF PROPOSED CHANGES:

Under this bill, 62.3% of the funds generated by “the nonrecurring tax imposed by s. 199.133", which is colloquially known as the part C intangible tax, shall be transferred from the Intangible Tax Trust Fund to the School District Capitol Outlay Trust Fund. These funds will be distributed to school districts which previously collected a school impact fee in an amount equal to what was collected from the school impact fee during the 1999-2000 fiscal year. The remainder of the revenue shall be distributed among all school districts as follows:

1) 25% will be distributed on a pro-rata basis based on “each district’s percentage of base capitol outlay full-time equivalent membership”

2) 65% will be distributed on a pro-rata basis based on “each district’s percentage of gross capitol outlay full-time equivalent membership as specified for the allocation of funds from the Public Education Capitol Outlay and Debt Service Trust Fund by s. 235.435(3)”

3) 10% will be distributed among the school boards based on the allocation formula in s. 235.435(1)(a), F.S.

County school boards which receive funds under this bill would be prohibited from imposing school impact fees.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only at the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   The bill will reduce funds sent to the General Revenue by $124.3 million in fiscal year 2000-2001.

2. Expenditures:

   N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   This bill reduces the revenue rasing authority of local school boards by prohibiting them from levying school impact fees.

2. Expenditures:

   N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill eliminates that ability of local school boards to impose school impact fees. These fees generated $71.5 million in 1999. As such, this bill is subject to the Mandates Provision.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 18, 2000, the Committee on Finance and Taxation adopted a strike everything amendment to this bill. The strike everything amendment specifies that counties are prohibited from levying any impact fee for school purposes in an amount in excess of 37.5% of any school impact fee which that county adopted by county ordinance prior to May 1, 1999. However, the county is allowed to increase any existing fee “if the legislature funds an amount less than 62.5% of the total impact fee revenue in the Appropriations Act” to a level that will “make up the difference”. This last provision does raise some questions as to how it will be interpreted. The intent was for this provision to take effect if the appropriation was less than 62.5% of the fees levied and collected in fiscal year 1999-2000, and allow counties to levy sufficient school impact fees to make sure that they do not fall below that level of revenue. However, the language of the amendment may be interpreted in a different manner.

In addition, the bill specifies that funds allocated in the General Appropriation Act for the replacement of school impact fees shall be distribute to county school boards by the Department of Education “on a pro-rata basis based on the amount of school impact fees which were enacted by county ordinance prior to May 1, 1999, and collected during the 1999-2000 fiscal year.**”**

VII. SIGNATURES:

COMMITTEE ON FINANCE & TAXATION:

Prepared by:	Staff Director:
Kama D.S. Monroe	Alan Johansen