

STORAGE NAME: h2179z.ft
DATE: September 12, 2000

****AS PASSED BY THE LEGISLATURE****
CHAPTER #: Vetoed by Governor

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
FINANCE & TAXATION
FINAL ANALYSIS**

BILL #: HB 2179, Second Engrossed
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 YEAS 10 NAYS 1
 - (4)
 - (5)
-

I. SUMMARY:

Under this bill 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 appropriates an amount less than 62.5% of the total impact-fee-for-school-purposes revenue collected in fiscal year 1999-2000" to a level that will "make up the difference".

The bill specifies that funds allocated in the General Appropriation Act for the replacement of school impact fees (\$50 million in Specific Appropriation 87A) shall be distributed 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."

In addition, this bill amends s. 129.06, F.S., to allow a school board to amend the budget of a fiscal year during the first 60 days of the following fiscal year.

On May 30, 2000, the Governor vetoed HB 2179 as well as Specific Appropriation 87A in the amount of \$50 million which was intended to replace school impact fee revenues.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

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 s. 125.01, F. S., 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.

In addition, while the statutes currently allow a school board to make changes to a budget during a fiscal year, there are no provisions to allow a school board to make changes in the budget after the school year ends. This limits the ability of a school board to adjust to changed circumstances which occur in the final weeks of a fiscal year.

C. EFFECT OF PROPOSED CHANGES:

Under this bill 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 appropriates an amount less than 62.5% of the total impact-fee-for-school-purposes revenue collected in fiscal year 1999-2000" to a level that will "make up the difference".

The bill specifies that funds allocated in the General Appropriation Act for the replacement of school impact fees shall be distributed 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."

In addition, this bill amends s. 129.06, F.S., to allow a school board to amend the budget of a fiscal year during the first 60 days of the following fiscal year.

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:

None

2. Expenditures:

Specific Appropriation 87A in the 2000 General Appropriations Act appropriates \$50 million for the replacement of school impact fees reduced by this bill.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

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

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill may reduce the cost of home ownership by reducing or eliminating school impact fees levied on new construction.

D. FISCAL COMMENTS:

None

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.

STORAGE NAME: h2179z.ft

DATE: September 11, 2000

PAGE 4

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill reduces the ability of counties to impose school impact fees. These fees generated \$71.5 million in 1999. As such, this bill is subject to the provisions of Article VII, section 18 of the Florida Constitution, and requires a two-thirds vote of the membership of each House of the Legislature.

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:

None

B. RULE-MAKING AUTHORITY:

None

C. OTHER COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON FINANCE & TAXATION:

Prepared by:

Kama D.S. Monroe

Staff Director:

Alan Johansen

FINAL ANALYSIS PREPARED BY THE COMMITTEE ON FINANCE & TAXATION:

Prepared by:

Kama D.S. Monroe

Staff Director:

Alan Johansen