

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Government Efficiency Appropriations Committee

BILL: SB 932

INTRODUCER: Senator Jones

SUBJECT: Ad Valorem Tax/Public Education

DATE: January 19, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Brown	Matthews	ED	Favorable
2.	Fournier	Johansen	GE	Favorable
3.			EA	
4.			WM	
5.				
6.				

I. Summary:

This bill extends the time period that a school district can levy additional millage from four years to ten years, after an initial four-year levy has been approved by the voters.

This bill substantially amends sections 1011.71 and 1011.73 of the Florida Statutes.

II. Present Situation:

Florida Constitution

Section 9(b) of Article VII of the state constitution authorizes school districts to levy ad valorem taxes for school purposes. Ad valorem taxes levied for school purposes are capped at 10 mills, exclusive of taxes levied for the payment of bonds and taxes levied for periods not longer than 2 years when authorized by referendum.

Chapter 1011, F.S.

Chapter 1011, F.S., addresses planning and budgeting for education entities, including school districts. After receiving the property appraiser's certificate of assessed valuation for the county, district school boards are required to adopt by resolution the amount needed for current operating purposes and the millage necessary to be levied for each fund, including voted millage.¹

Section 1011.71, F.S., identifies four ad valorem taxes that are acceptable within the school districts' constitutional maximum 10 mill authority. These are as follows:

¹ s. 1011.04(1), F.S.

- The required local effort for participation in the Florida Education Finance Program (FEFP) as established each year by the Legislature.
- The nonvoted current operating discretionary levy, for which the Legislature specifies the maximum amount allowed to be assessed each year.
- Local districts are authorized to levy up to two mills for capital outlay and related purposes.²
- For a maximum of four years, additional millage for school operational purposes, which is subject to voter approval.

Together, these levies are not to exceed the constitutional limit of 10 mills.³

For the millage authorized by the Constitution not to exceed two years and millage authorized by s. 1011.71(6), F.S., not to exceed four years, after adopting a resolution at a regular meeting, the district school board is required to direct the county commissioners to call an election for the electors in the school district, to be held at any time, provided that only one election is held within a 12-month period. Any millage time frame is limited to the two or four year period authorized, unless changed by another millage election, whichever is earlier.⁴

As of October 2005, the millage authorized under s. 1011.71(6), F.S., was levied by Monroe, Pinellas, and Walton School Districts at .5 mill, and by Sarasota School District at 1 mill.

General Appropriations Act Funding

Chapter 2005-70, L.O.F., provides the following funding for the 2005 to 2006 Fiscal Year:

- The maximum nonvoted discretionary millage authorized to be levied pursuant to s. 1011.71(1), F.S., by district school boards is 0.51 mills; and
- An additional levy is authorized of up to 0.25 mills, to raise up to \$100 per full-time equivalent student (FTE).⁵

District school boards that levy the entire additional 0.25 mills and raise amounts short of \$100 per K-12 FTE will receive, in combination with Florida Educational Finance Program funding, the \$100 amount authorized per K-12 FTE. To qualify for these state funds, the school district is required to levy both the entire 0.25 mills and the 0.51 mills. Further, if a school board's 0.51 mill levy raises funds per unweighted FTE that are less than \$200, the school district will receive

² s. 1011.71(2)(a) through (i), F.S., authorizes this levy to school boards for the purpose of funding the following: new construction and remodeling projects, and sites and site improvement; maintenance, renovation, and repair of existing school plants; purchase, lease-purchase, or lease of new and replacement equipment; payment for educational facilities and sites due under certain lease-purchase agreements; certain loan payments; payment of costs incurred in compliance with state and federal statutes; payment of costs of renting or leasing relocatable educational facilities; and payment of costs of school buses when a school district contracts with a private entity. Sixty-four counties opted to levy this tax in 2004-05. Three districts, Calhoun, Jackson, and Liberty, did not levy the tax.

³ s. 1011.71(6), F.S.

⁴ s. 1011.73(1) and (2), F.S.

⁵ Chapter 2005-70, GAA (SB 2600), Fiscal Year 2005-2006, General Appropriations Act and Implementing Bill.

an amount from the Florida Educational Finance Program funding that, when added to the district's 0.51 mill levy, equates to \$200.

All 67 districts levy the 0.51 mills. All 67 districts attempt to generate the additional 0.25 mills.

III. Effect of Proposed Changes:

This bill extends the maximum time period that a school district can levy additional millage, if approved by a referendum, from four years to 10 years.

This bill authorizes the initial referendum to specify up to a four year time frame for the assessment of the levy. After the initial referendum, levies approved by subsequent referenda are authorized for up to an additional 10 years.

The levy extension approved under this bill remains subject to the constitutional 10 mill cap.

This bill takes 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:

This bill authorizes voters in a school district to approve additional millage for school operational purposes for up to 10 years, rather than the current four year limit, if they have already approved additional millage for 4 years.

B. Private Sector Impact:

If voters in a local school district approve levying ad valorem taxes for school operational purposes, local ad valorem taxes will increase for the number of years specified in the referendum.

C. Government Sector Impact:

According to the Florida Department of Education, this bill may result in a reduction in costs for local school districts, to the extent that there will be fewer referendums, as the time frame provided in referendums will be longer. In the near future this bill would affect only Monroe, Pinellas, Sarasota, and Walton School Districts, since only they have already levied millage under this provision.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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