A bill to be entitled

An act relating to use of school district millage; amending ss. 200.065 and 1011.71, F.S.; expanding authorized school board millage levy funding to include payment of premiums for property and casualty insurance necessary to insure school district educational plants; limiting expenditures of operating revenues; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (a) of subsection (9) of section 200.065, Florida Statutes, is amended to read:

200.065 Method of fixing millage.--

(9)(a) In addition to the notice required in subsection (3), a district school board shall publish a second notice of intent to levy additional taxes under s. 1011.71(2). Such notice shall specify the projects or number of school buses anticipated to be funded by such additional taxes and shall be published in the size, within the time periods, adjacent to, and in substantial conformity with the advertisement required under subsection (3). The projects shall be listed in priority within each category as follows: construction and remodeling; maintenance, renovation, and repair; motor vehicle purchases; new and replacement equipment; payments for educational facilities and sites due under a lease-purchase agreement; payments for renting and leasing educational facilities and sites; payments of loans approved pursuant to ss. 1011.14 and

1011.15; payment of costs of compliance with environmental statutes and regulations; payment of premiums for property and casualty insurance necessary to insure the educational plants of the school district; payment of costs of leasing relocatable educational facilities; and payments to private entities to offset the cost of school buses pursuant to s. 1011.71(2)(i). The additional notice shall be in the following form, except that if the district school board is proposing to levy the same millage under s. 1011.71(2) which it levied in the prior year, the words "continue to" shall be inserted before the word "impose" in the first sentence, and except that the second sentence of the second paragraph shall be deleted if the district is advertising pursuant to paragraph (3)(e):

NOTICE OF TAX FOR SCHOOL CAPITAL OUTLAY

The (name of school district) will soon consider a measure to impose a (number) mill property tax for the capital outlay projects listed herein.

This tax is in addition to the school board's proposed tax of (number) mills for operating expenses and is proposed solely at the discretion of the school board. THE PROPOSED COMBINED SCHOOL BOARD TAX INCREASE FOR BOTH OPERATING EXPENSES AND CAPITAL OUTLAY IS SHOWN IN THE ADJACENT NOTICE.

The capital outlay tax will generate approximately \$ (amount) , to be used for the following projects:

(list of capital outlay projects)

All concerned citizens are invited to a public hearing to be held on (date and time) at (meeting place) .

A DECISION on the proposed CAPITAL OUTLAY TAXES will be made at this hearing.

Section 2. Paragraph (j) is added to subsection (2) of section 1011.71, Florida Statutes, and paragraph (a) of subsection (5) of that section is amended, to read:

1011.71 District school tax.--

- (2) In addition to the maximum millage levy as provided in subsection (1), each school board may levy not more than 2 mills against the taxable value for school purposes for district schools, including charter schools at the discretion of the school board, to fund:
- (j) Payment of premiums for property and casualty insurance necessary to insure the educational plants of the school district.

Violations of these expenditure provisions shall result in an equal dollar reduction in the Florida Education Finance Program (FEFP) funds for the violating district in the fiscal year following the audit citation.

(5)(a) It is the intent of the Legislature that, by July 1, 2003, revenue generated by the millage levy authorized by subsection (2) should be used only for the costs of construction, renovation, remodeling, maintenance, and repair of the educational plant; for the purchase, lease, or lease-

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purchase of equipment, educational plants, and construction materials directly related to the delivery of student instruction; for the rental or lease of existing buildings, or space within existing buildings, originally constructed or used for purposes other than education, for conversion to use as educational facilities; for payment of premiums for property and casualty insurance necessary to insure the educational plants of the school district; for the opening day collection for the library media center of a new school; for the purchase, leasepurchase, or lease of school buses or the payment to a private entity to offset the cost of school buses pursuant to paragraph (2)(i); and for servicing of payments related to certificates of participation issued for any purpose prior to the effective date of this act. Costs associated with the lease-purchase of equipment, educational plants, and school buses may include the issuance of certificates of participation on or after the effective date of this act and the servicing of payments related to certificates so issued. For purposes of this section, "maintenance and repair" is defined in s. 1013.01. Each year operating revenues are made available through the payment of property and casualty insurance premiums from revenues generated under this subsection or subsection (2), such operating revenues may be expended only for nonrecurring operational expenditures of the school district.

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A district that violates these expenditure restrictions shall have an equal dollar reduction in funds appropriated to the district under s. 1011.62 in the fiscal year following the audit

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citation. The expenditure restrictions do not apply to any school district that certifies to the Commissioner of Education that all of the district's instructional space needs for the next 5 years can be met from capital outlay sources that the district reasonably expects to receive during the next 5 years or from alternative scheduling or construction, leasing, rezoning, or technological methodologies that exhibit sound management.

Section 3. This act shall take effect July 1, 2007.