



# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The bill creates additional requirements for the Truth in Millage notice.

Ensure lower taxes – The bill increases the information given to taxpayers in the Truth in Millage notice, which will help them in evaluating the fees and taxes local governments propose for the next fiscal year.

### B. EFFECT OF PROPOSED CHANGES:

#### Present Situation

The property appraiser is responsible for preparing a notice of proposed property taxes and non-ad valorem assessments, in the name of all the taxing authorities and local governing boards levying both ad valorem taxation and non-ad valorem assessments. The property appraiser must prepare and deliver notice of proposed property taxes to each taxpayer listed on the current year's assessment roll.<sup>1</sup> This notice is called the Truth in Millage notice (TRIM).

Section 200.069, F.S., provides the elements and format of the TRIM notice, which is generally the only acceptable means of providing notice to taxpayers. A county officer may use a form other than that provided by the Department of Revenue for notice purposes only if the substantive content is the same, his or her office pays the related expenses, and he or she obtains prior written permission from the executive director of the department.<sup>2</sup>

The information in the TRIM notice is in columnar form:

TAXING AUTHORITY	Your Property Taxes Last Year	Your Taxes This Year IF PROPOSED Budget Change is Made	A Public Hearing on the Proposed Taxes and Budget Will be Held:	Your Taxes This Year IF NO Budget Change is Made
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The following information must be listed underneath each of the five headings:

- **Taxing Authority** – A brief commonly used name for the taxing authority or local governing body.
- **Your Property Taxes Last Year** – The gross amount of ad valorem taxes levied against the parcel in the previous year. If the parcel did not exist in the previous year, this column shall be blank.
- **Your Taxes This Year IF PROPOSED Budget Change is Made** – The gross amount of ad valorem taxes proposed to be levied in the current year, which amount shall be based on the proposed millage rates.
- **A Public Hearing on the Proposed Taxes and Budget Will be Held** – The date, time, and a brief description of the location of the required public hearing.
- **Your Taxes This Year IF NO Budget Change is Made** – The gross amount of ad valorem taxes which would apply to the parcel in the current year if each taxing authority were to levy the rolled-back rate.<sup>3</sup>

<sup>1</sup> “Non-ad valorem assessment roll” means a roll prepared by a local government and certified to the tax collector for collection. Fla. Stat. §197.102 (2006).

<sup>2</sup> Section 195.022, F.S.

<sup>3</sup> “Rolled-back rate” is a millage rate which, exclusive of new construction, additions to structures, deletions, increase in the value of improvements that have undergone substantial rehabilitation which increased the assessed value by at least 100 percent, and property

## Effect of Proposed Changes

This bill amends section 200.069, F.S., to include three additional columns in the TRIM notice, bringing the total to eight. The new factors included on the notice are as follows:

- **Millage Rate Last Year** – The millage rate for ad valorem taxes levied against the parcel in the previous year. If the parcel did not exist in the previous year, this column shall be blank.
- **Millage Rate This Year IF PROPOSED Budget Change is Made** – The proposed millage rate for ad valorem taxes to be levied against the parcel in the current year.
- **Millage Rate IF NO Budget Change is Made** – The millage rate for ad valorem taxes to be levied against the parcel if no budget change is made.

The changes would result in the following format:

Taxing Authority	Your Property Taxes Last Year	Millage Rate Last Year	Your Taxes This Year IF PROPOSED Budget Change is Made	Millage Rate This Year IF PROPOSED Budget Change is Made	A Public Hearing on the Proposed Taxes and Budget will be Held:	Your Taxes This Year IF NO Budget Change is Made	Millage Rate IF NO Budget Change is Made
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The inclusion of the millage rates would provide the taxpayers with not only the historical and proposed property taxes but the millage rate used to determine the taxes.

### C. SECTION DIRECTORY:

Section 1 amends s. 200.069, F.S., to include historic and proposed millage rates in the TRIM notice.

Section 2 amends s. 200.065, F.S., to conform a cross-reference.

Section 3 provides an effective date of January 1, 2008.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

None.

#### 2. Expenditures:

None.

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added due to geographic boundary changes, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year. Fla. Stat. § 200.065(1) (2006).

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C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Line 67 of this bill references the second column of the TRIM notice when it should reference the third column.

D. STATEMENT OF THE SPONSOR

HB 389 amends the current requirements of 200.065 F.S. This statute requires the property appraisers, pursuant to s. 206.065 (2) (b) to prepare and deliver each taxpayer a notice of proposed taxes. This notice is commonly called the Truth in Millage Notice (TRIM). Presently the TRIM notice does not include the millage each taxing authority and local governing boards levy within their jurisdiction. This bill requires the Truth in Millage Notice to disclose the actual millage used to determine the actual tax.

**IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES**

On March 14, 2007 the Committee on State Affairs adopted a technical amendment to correct a bill drafting error discussed in the analysis. The committee reported the bill favorably with amendment.