

**Differences between
HB 7001 and PCS for HB 7001**

The differences between HB 7001 and the Proposed Committee Substitute are:

PCS line 64 -- Changed "may" to "will."

PCS lines 75 and 76 -- Added the underlined language to clarify when the notice is needed.

PCS lines 249-250 – Changed "1967" to "1982-84" to correctly refer to the consumer price index.

PCS line 255 – Changed "2" to "5" to give new taxing authorities more time to ramp up and stabilize prior to the millage limitation applying.

PCS line 266 – Changed "second" to "sixth" to give new taxing authorities more time to stabilize.

PCS lines 276-279 – Added language to properly describe the two revenue sharing programs.

PCS lines 281-285 – Added language to ensure that a taxing authority that chooses to levy a millage rate in excess of the limitation without a 2/3ds vote will have to comply with the millage limitations in the following year using the limited millage rate instead of the rate that was adopted.

PCS line 292 – Added language referring to the state constitution.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7001 PCS/HB 7001 Ad Valorem Tax Millage
SPONSOR(S): Policy & Budget Council
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Policy & Budget Council	10 Y, 5 N	Levin	Cooper
1) Policy & Budget Council		Diez-Arguelles	Hansen <i>MPH</i>
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

The property tax is the largest single tax revenue source for government in Florida. Property taxes levied have increased from \$15.3 billion in 2000 to \$30.5 billion in 2006, an increase of 99%. For the same period, Florida personal income has increased 44% and growth measured by population and inflation has increased by 31%.

HB 7001 creates s. 200.192, F.S., which establishes a millage limitation for ad valorem taxes levied by counties, municipalities, and special districts. Beginning in 2007, these taxing authorities cannot levy a millage rate greater than the "rolled-back rate," adjusted for the change in the Consumer Price Index over the previous year, unless the rate is approved by a supermajority vote of the governing board. This has the effect of limiting annual property tax revenue growth to CPI inflation plus tax revenues associated with net new construction.

In 2007, taxing authorities will be limited to a millage rate calculated as if the millage limitation had been in effect with FY 2000-2001 as the base year and had been continuously applied thereafter, unless a higher millage is adopted by a supermajority vote of the governing board. In effect, this will require governments to reduce their property tax rates so that revenues will be no greater than if FY 2000-01 revenues had grown no faster than CPI inflation plus tax revenues associated with net new construction.

A county or municipality that levies a millage rate exceeding the limitations without complying with the supermajority vote requirement will not be eligible to participate in revenue sharing distributions pursuant to Sections 218.60 – 218.66, F.S. (half-cent sales tax), and pursuant to Section 218.23(3)(e), F.S. (revenue sharing program)

The millage limitations do not apply to ad valorem taxes levied by school districts, levied for the payment of bonds issued pursuant to Section 12, Article VII, Florida Constitution, or levied for periods not longer than 2 years when authorized by a vote of the electors. New taxing authorities that began levying ad valorem taxes after January 1, 1996 and newly created taxing authorities will have five years to establish themselves before the millage limitations apply.

The bill creates new public advertising requirements in s. 200.065(3)(a), F.S., prior to final adoption by a taxing authority of a millage rate that exceeds the limitation. The notice will indicate the total proposed tax levy, and inform the public that the levy exceeds the limitation and that failure of the taxing authority to adopt the tax levy by a supermajority vote will cause the taxing authority to lose state revenue sharing funds.

The bill takes effect July 1, 2007.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.
STORAGE NAME: pcs7001.PBC.doc
DATE: 3/15/2007

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes: The bill limits the millage rates that counties, municipalities and special districts adopt without approval from a 2/3ds vote of the governing board.

EFFECT OF PROPOSED CHANGES:

PRESENT SITUATION

Ad valorem taxation in Florida

The Florida constitution reserves ad valorem taxation to local governments. The state is prohibited from levying ad valorem taxes on real estate and tangible personal property.¹ Local governments may levy ad valorem taxes subject to the following limitations:

Ten mills for county purposes,
Ten mills for municipal purposes,
Ten mills for school purposes,
Millage fixed by law for a county furnishing municipal services, and
Millage authorized by law and approved by voters for special districts.²

Taxes levied for the payment of bonds and taxes levied for periods not longer than two years, when authorized by a vote of the electors, are not subject to the millage limitations.³

The property tax is the largest single tax revenue source for government in Florida, with \$30.5 billion levied in FY 2006 – 07.⁴ Property taxes levied in Florida have grown rapidly in recent years from \$15.3 billion in 2000 to \$30.5 billion in 2006, an increase of 99%. For the same period, Florida personal income has increased 44% and growth measured by population and inflation has increased by 31%.

Unlike most other taxes in the state of Florida, the ad valorem tax does not have a set rate. Instead, the tax rate, or millage rate, is determined by the taxing authority each year. This process begins with the taxing authority considering its budget needs for the coming fiscal year. Then, on July 1, the taxing authority is given an estimate of the taxable value of the property upon which it shall be levying taxes. The taxing authority is also instructed on how to calculate the rolled-back rate for the coming fiscal year.

The rolled-back rate is the millage that would provide the same amount of taxes for the taxing authority that it had during the previous year, and it is computed exclusive of any new construction, major improvements to existing property, or boundary changes. Thus, levying the rolled-back rate typically provides a jurisdiction with higher revenues than it had the year before, even though the tax rate is lower than that of the previous year in most cases.

Under current law, if a taxing authority levies a tax rate in excess of the rolled-back rate, the taxing authority must publish a notice of tax increase. Likewise the Notice of Proposed Property Taxes (TRIM

¹ Art. VII, sec. 1(a), Fla. Const.

² Art. VII, sec. 9, Fla. Const. A mill is equal to \$1 per \$1,000 of value, or .001. A tax rate of 10 mills is equal to 1%.

³ Art. VII, sec. 9(b), Fla. Const.

⁴ Property Tax Reform Committee: Preliminary Report and Recommendations. Presentation to the House Committee on State Affairs, January 24, 2007.

notice) received by each taxpayer shows the difference between the taxes which would be due if the rolled-back rate were levied and the taxes that would be due under the taxing authority's proposed budget. The intent of these measures is to help taxpayers know when the budgets of local taxing authorities are increasing. Because property values in most jurisdictions increase each year, multiplying the increased value by the millage rate from the prior year can result in large property tax revenue increases, even though the tax rate has remained the same. With the tremendous increases in value of real estate in Florida in recent years, property tax receipts have grown greatly while millage rates have remained the same or been slightly reduced.

Current Property Tax Issues

Many assert that the increases in property taxes are not affordable. Extraordinary strength in the Florida real estate market has resulted in the rapid increase of assessed values for real property in Florida. The median house price soared 90% from July 2001 to July 2006.⁵ The fair market value of real property has outstripped taxpayer's growth in income.

The Homestead Exemption is an amendment to the Florida Constitution, originally adopted in 1934 and effective beginning in 1935. The exemption is available to every person having title to Florida real estate and maintaining a permanent residence on the property. The original exemption amount was \$5000. Since 1982, the homestead exemption amount has been \$25,000 for all property tax levies.⁶

The Save Our Homes assessment growth limitation was added to the Constitution in 1992, although its limitations were effective with the 1995 tax roll. It provides that growth in the assessed value of individual homestead parcels may not exceed the lower of 3% or the percentage change in the Consumer Price Index. Save Our Homes has suppressed the taxable value of homestead properties in Florida. In doing so, it has significantly shifted the tax burden away from homestead property and onto non-homestead residential and non-residential property.⁷

The Tax Foundation has devised a "State Business Tax Climate Index," which is based on the principle that "the ideal tax system . . . is neutral to business activity."⁸ But the studies conducted by the Department of Revenue, the Office of Economic and Demographic Research, and the Property Tax Reform Committee all conclude that businesses are bearing an unequal share of the ad valorem tax burden. This tax burden may not be conducive to the growth of business in Florida. Indeed the sharp increases in ad valorem taxation on commercial property may discourage business activity in Florida. Several studies have found that commercial and industrial investment tends to be more responsive to tax rates than residential investment. This means that the increasing shift of the property tax burden to businesses may cause them to reduce or eliminate commercial investment – in some instances, leading them to investments in other states where property taxes are less burdensome.⁹

Residential non-homestead property has also been experiencing sharp increases in ad valorem taxation. Owners of these properties are forced to raise rental rates to pay for property taxes. These increases in residential rent further exacerbate the need for more affordable housing in Florida.

⁵ Property Tax Reform Efforts An Update. Office of Economic and Demographic Research, January 11, 2007

⁶ Florida's Property Tax Structure: An Analysis of Save Our Homes and Truth in Millage Pursuant to Chapter 2006 – 311, L.O.F. Florida Department of Revenue. January 2, 2007.

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	<u>Percent of Taxable Value</u>	
	<u>Current</u>	<u>Without Save Our Homes</u>
Homestead Property	32.1%	45.5%
Non-Homestead Property	34.5%	28.4%
Non-Residential Property	32.5%	26.1%

Source: Property Tax Reform Efforts An Update. Office of Economic and Demographic Research, January 11, 2007.

⁸ Tax Foundation, "State Business Tax Climate Index" presentation to the Property Tax Reform Committee, September 20, 2006.

⁹ Florida's Property Tax Study Interim Report. Legislative Office of Economic and Demographic Research.

Revenue Sharing

Florida has three main revenue sharing programs through which the state shares its revenues with local governments. The major source of revenue shared with local governments in all of these programs is the state sales tax.

Under the Local Government Half-cent Sales Tax Program, counties and municipalities receive 8.9% (approx.) of sales tax collections and collections of the state portion of the communications services tax remitted by dealers within each county. For fiscal year 06-07 counties are expected to receive \$1.2 billion and municipalities are expected to receive \$600 million. Distributions to each eligible county and municipality are based on the taxes remitted by dealers in each county and then apportioned between the county and the cities within each county based on population.

Under the County Revenue Sharing Program, counties receive 2.9% of cigarette tax collections and 2.044% (approx.) of statewide sales tax collections. For fiscal year 06-07, counties are expected to receive \$411.7 million (97% from sales tax and 3% from cigarette tax). Distributions to each county are based on a formula that considers county population, unincorporated county population and county sales tax collections.

Under the Municipal Revenue Sharing Program, municipalities receive 100% of collections from the 1-cent municipal fuel tax, 12.5% of the alternative fuel user decal fee collections, and 1.3409% (approx.) of statewide sales tax collections. For fiscal year 06-07 municipalities are expected to receive \$361.4 million (sales tax: 72.66%; fuel tax: 27.33%; and decal fee: 0.01%). Distributions to each city are based on a formula that considers population, municipal sales tax collections, and a municipality's relative ability to raise revenues.

CHANGES PROPOSED BY THE BILL:

Millage Rates

The bill limits growth in property taxes by restricting the millage rates that taxing authorities may set. Specifically, the bill provides that taxing authorities may not levy a millage rate in excess of the "rolled-back rate," adjusted by the percentage change in the Consumer Price Index in the year ending the previous June. This has the effect of limiting annual property tax revenue growth to CPI inflation plus tax revenues associated with net new construction.

In 2007, millage rates are limited to what they would be if the millage limitation had been in place in with the 2000 - 2001 fiscal year as the base year and had been carried forward from that year. In effect, this will require governments to reduce their property tax rates so that revenues will be no greater than if FY 2000-01 revenues had grown no faster than CPI inflation plus tax revenues associated with net new construction.

The "rolled-back" rate is defined as "a millage rate that, exclusive of new construction, additions to structures, deletions, increases in the value of improvement that have undergone a substantial rehabilitation that increased the assessed value of such improvements by at least 100 percent, and property 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."¹⁰ The exclusions contained in the definition of the rolled-back rate are intended to allow a taxing authority to receive additional property tax revenue from growth in the tax base that is not caused by increases in the value of existing properties. For example, new buildings and annexed territory are increases to the tax base that are not caused by increases in value.

¹⁰ Sec. 200.065, F.S.

Taxing authorities may levy a millage rate in excess of the limitation, if the millage rate is adopted by a vote of the greater of at least a majority plus one or two-thirds of the full membership of the governing board.

The millage limitations do not apply to millage rates set by school districts. Also, the millage limitation does not apply to ad valorem taxes levied for the payment of bonds authorized by a vote of the electors pursuant to Section 12, Article VII, of the Florida Constitution, and to ad valorem taxes levied for periods not longer than two years when authorized by a vote of the electors. Finally, the millage rate limitations do not apply to taxing authorities until the sixth fiscal year in which property taxes are levied.

Revenue Sharing

A county or municipality that adopts a millage rate greater than the limitation with less than a supermajority vote, will not participate in the local government half-cent sales tax distributions provided under Section 218.60-218.66 and in the revenue sharing distributions provided under Section 218.23(3)(e) during the following fiscal year.

Notice requirements

If a taxing authority proposes a tax levy in excess of the millage limitations, it must publish a notice prior to adopting the millage rate stating that it is proposing to adopt a millage rate in excess of the limitations and that unless the levy is adopted by a supermajority vote, the taxing authority will lose state revenue sharing.

C. SECTION DIRECTORY:

- Section 1. Amends s. 200.065, F.S., to include an additional public notice requirement.
- Section 2. Creates s. 200.192, F.S., which provides millage limitations for property tax levies.
- Section 3. Amends s. 373.536, F.S., to conform a cross-reference.
- Section 4. Provides an effective date of July 1, 2007.

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:

Taxing authorities that levy millage rates that do not exceed the limitations set forth in this bill will experience a decline in property tax revenues. If all taxing authorities do not exceed the limitations, the estimated statewide decline in property tax revenues in FY 2007-08 is as follows:

Counties	\$3.3 billion (29%)
Municipalities	\$1.5 billion (38%)

Independent Special Districts	\$1.0 billion (40%)
<u>School Districts</u>	<u>not affected</u>
Total	\$5.8 billion (19%)

A county or municipality that levies a millage rate in excess of the limitation without a supermajority vote will not be able to participate in two state revenue sharing programs.

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Due to the provisions of this bill, taxpayers should see a decrease in their property tax liability.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require a county or municipality to spend funds and does not reduce the percentage of a state tax shared with counties and municipalities. Therefore, the provisions of Subsections 18 (a) and (c), Article VII, Florida Constitution, do not apply.

Subsection 18(b), Article VII, Florida Constitution, provides that the legislature, except upon approval by a two-thirds vote, may not enact a general law if the anticipated effect of doing so would be to reduce the authority that municipalities and counties have to raise revenues in the aggregate. This bill limits the millage rates that municipalities and counties can levy by a majority vote of the governing board. However, with a supermajority vote of the governing board, cities and counties can exceed the limitations set forth in the bill.

It is unclear whether the requirement for a supermajority vote to exceed the millage limitations represents a reduction of revenue-raising authority as contemplated by subsection 18(b). If the purpose of subsection 18(b) was to determine whether the amount of potential revenue available to cities and counties was reduced, then this bill does not reduce that potential and the requirement for a two-thirds vote is not applicable. However, if the purpose of subsection 18(b) was to look at the method for adopting a millage rate, then the provisions of this bill requiring a supermajority vote to adopt a millage rate that could currently be adopted by a majority vote may be considered a mandate requiring a two-thirds vote of the legislature. There is no legal authority to guide the legislature in making a determination regarding this issue.

2. Other:

A class action lawsuit was filed in February 2007 in the Leon County Circuit Court¹¹ which alleges that the taxes paid by non-resident owners of residential real property in Florida constitute a disproportionate share of the assessed ad valorem taxes. The lawsuit alleges that the tax burden has a chilling effect on decisions by citizens of the United States to own second homes in Florida and impedes their right to engage in interstate travel and commerce, all in violation of the "dormant commerce clause" of Article I, Section 8 of the United States Constitution and the equal protection clause of the 14th Amendment to the Constitution.

¹¹ Case No. 37 2007 CA 000582 filed in the Circuit Court for the Second Judicial Circuit in and for Leon County, Florida.

Similar issues were raised in *Reinish v. Clark*, 765 So. 2d 197 (Fla. 1st DCA 2000). Nonresident taxpayers brought an action challenging the constitutionality of the Florida homestead exemption (and also the Save Our Homes assessment limitation). The District Court of Appeal for the First District of Florida affirmed the ruling of the Leon County circuit court. The court held that the exemption did not violate either the privileges and immunities clause of the Federal Constitution or the "dormant" commerce clause.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

No statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 7, 2007, the Government Efficiency & Accountability Council adopted a strike-all amendment which included the text of the Notice of Proposed Tax Increase in Excess of the Millage Limitation included in s. 200.065, F.S. This analysis reflects the changes made by the strike-all.

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A bill to be entitled
An act relating to ad valorem tax millage; amending s.
200.065, F.S.; specifying a form for advertisements of
proposed tax increases in excess of a millage limitation;
creating s. 200.192, F.S.; providing ad valorem tax
millage limitations; providing exemptions for certain
taxing authorities; providing for exceeding the
limitations under certain circumstances; prohibiting
certain counties or municipalities from participating in
certain revenue sharing and local government half-cent
sales tax distributions under certain circumstances;
specifying a methodology for calculating a rolled-back
rate for certain counties or municipalities; requiring
forms of property appraisers to contain certain millage
calculation instructions; providing for nonapplication to
the millage of certain ad valorem tax levies; amending s.
373.536, F.S.; correcting cross-references; providing an
effective date.

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

Section 1. Subsection (3) of section 200.065, Florida
Statutes, is amended to read:

200.065 Method of fixing millage.--

(3) The advertisement shall be no less than one-quarter
page in size of a standard size or a tabloid size newspaper, and
the headline in the advertisement shall be in a type no smaller
than 18 point. The advertisement shall not be placed in that
portion of the newspaper where legal notices and classified

30 advertisements appear. The advertisement shall be published in a
 31 newspaper of general paid circulation in the county or in a
 32 geographically limited insert of such newspaper. The geographic
 33 boundaries in which such insert is circulated shall include the
 34 geographic boundaries of the taxing authority. It is the
 35 legislative intent that, whenever possible, the advertisement
 36 appear in a newspaper that is published at least 5 days a week
 37 unless the only newspaper in the county is published less than 5
 38 days a week, or that the advertisement appear in a geographically
 39 limited insert of such newspaper which insert is published
 40 throughout the taxing authority's jurisdiction at least twice
 41 each week. It is further the legislative intent that the
 42 newspaper selected be one of general interest and readership in
 43 the community and not one of limited subject matter, pursuant to
 44 chapter 50.

45 (a) For taxing authorities other than school districts
 46 which have tentatively adopted a millage rate in excess of the
 47 millage rate limitation contained in s. 200.192, the
 48 advertisement shall be in the following form:

49
 50 NOTICE OF PROPOSED TAX INCREASE IN EXCESS OF THE MILLAGE
 51 LIMITATION

52
 53 The (name of the taxing authority) has tentatively
 54 adopted a measure to increase its property tax levy in excess of
 55 the millage limitation imposed by statute.

56 Last year's property tax levy:

- 57 A. Initially proposed tax levy \$XX,XXX,XXX
- 58 B. Less tax reductions due to Value Adjustment Board and

59 other assessment changes (\$XX,XXX,XXX)

60 C. Actual property tax levy \$XX,XXX,XXX

61 This year's proposed tax levy \$XX,XXX,XXX

62 If this proposed tax increase in excess of the millage
63 limitation is levied by less than the required supermajority
64 vote, the (name of taxing authority) will lose state revenue
65 sharing. Last year, the (name of taxing authority) received
66 \$XX,XXX,XXX from revenue sharing.

67 All concerned citizens are invited to attend a public
68 hearing on the tax increase to be held on (date and time) at
69 (meeting place) .

70 A FINAL DECISION on the proposed tax increase and the budget
71 will be made at this hearing.

72 (b)-(a) For taxing authorities other than school districts
73 which have tentatively adopted a millage rate in excess of 100
74 percent of the rolled-back rate computed pursuant to subsection
75 (1), but not in excess of the millage limitation contained in s.
76 200.192, the advertisement shall be in the following form:

77
78 NOTICE OF PROPOSED TAX INCREASE

79
80 The (name of the taxing authority) has tentatively
81 adopted a measure to increase its property tax levy.

82 Last year's property tax levy:

83 A. Initially proposed tax levy \$XX,XXX,XXX

84 B. Less tax reductions due to Value Adjustment Board and
85 other assessment changes (\$XX,XXX,XXX)

86 C. Actual property tax levy \$XX,XXX,XXX

87 This year's proposed tax levy \$XX,XXX,XXX

88 All concerned citizens are invited to attend a public
89 hearing on the tax increase to be held on (date and time) at
90 (meeting place) .

91 A FINAL DECISION on the proposed tax increase and the budget
92 will be made at this hearing.

93 ~~(c)-(b)~~ In all instances in which the provisions of
94 ~~paragraphs paragraph~~ (a) and (b) are inapplicable for taxing
95 authorities other than school districts, the advertisement shall
96 be in the following form:

97

98 NOTICE OF BUDGET HEARING

99

100 The (name of taxing authority) has tentatively adopted a
101 budget for (fiscal year) . A public hearing to make a FINAL
102 DECISION on the budget AND TAXES will be held on (date and
103 time) at (meeting place) .

104 ~~(d)-(e)~~ For school districts which have proposed a millage
105 rate in excess of 100 percent of the rolled-back rate computed
106 pursuant to subsection (1) and which propose to levy nonvoted
107 millage in excess of the minimum amount required pursuant to s.
108 1011.60(6), the advertisement shall be in the following form:

109

110 NOTICE OF PROPOSED TAX INCREASE

111

112 The (name of school district) will soon consider a
113 measure to increase its property tax levy.

114 Last year's property tax levy:

115 A. Initially proposed tax levy....\$XX,XXX,XXX

116 B. Less tax reductions due to Value Adjustment Board and
117 other assessment changes.... (\$XX,XXX,XXX)

118 C. Actual property tax levy...\$XX,XXX,XXX
119 This year's proposed tax levy...\$XX,XXX,XXX

120 A portion of the tax levy is required under state law in
121 order for the school board to receive \$ (amount A) in state
122 education grants. The required portion has (increased or
123 decreased) by (amount B) percent and represents
124 approximately (amount C) of the total proposed taxes.

125 The remainder of the taxes is proposed solely at the
126 discretion of the school board.

127 All concerned citizens are invited to a public hearing on
128 the tax increase to be held on (date and time) at (meeting
129 place) .

130 A DECISION on the proposed tax increase and the budget will
131 be made at this hearing.

132

133 1. AMOUNT A shall be an estimate, provided by the
134 Department of Education, of the amount to be received in the
135 current fiscal year by the district from state appropriations for
136 the Florida Education Finance Program.

137 2. AMOUNT B shall be the percent increase over the rolled-
138 back rate necessary to levy only the required local effort in the
139 current fiscal year, computed as though in the preceding fiscal
140 year only the required local effort was levied.

141 3. AMOUNT C shall be the quotient of required local-effort
142 millage divided by the total proposed nonvoted millage, rounded
143 to the nearest tenth and stated in words; however, the stated
144 amount shall not exceed nine-tenths.

174 tentative budget and millage rate in a newspaper of paid general
 175 circulation within that county, as provided in this subsection,
 176 and shall hold the hearing required pursuant to paragraph (2)(c)
 177 not less than 2 days or more than 5 days thereafter, and not
 178 later than September 18. The advertisement shall be in the
 179 following form, unless the proposed millage rate is less than or
 180 equal to the rolled-back rate, computed pursuant to subsection
 181 (1), in which case the advertisement shall be as provided in
 182 paragraph (f) ~~(e)~~:

183
 184 NOTICE OF TAX INCREASE
 185

186 The (name of the taxing authority) proposes to increase
 187 its property tax levy by (percentage of increase over rolled-
 188 back rate) percent.

189 All concerned citizens are invited to attend a public
 190 hearing on the proposed tax increase to be held on (date and
 191 time) at (meeting place) .

192 (i) ~~(h)~~ In no event shall any taxing authority add to or
 193 delete from the language of the advertisements as specified
 194 herein unless expressly authorized by law, except that, if an
 195 increase in ad valorem tax rates will affect only a portion of
 196 the jurisdiction of a taxing authority, advertisements may
 197 include a map or geographical description of the area to be
 198 affected and the proposed use of the tax revenues under
 199 consideration. The advertisements required herein shall not be
 200 accompanied, preceded, or followed by other advertising or
 201 notices which conflict with or modify the substantive content
 202 prescribed herein.

203 ~~(j)(i)~~ The advertisements required pursuant to paragraphs
204 (c) ~~(b)~~ and (f) ~~(e)~~ need not be one-quarter page in size or have
205 a headline in type no smaller than 18 point.

206 ~~(k)(j)~~ The amounts to be published as percentages of
207 increase over the rolled-back rate pursuant to this subsection
208 shall be based on aggregate millage rates and shall exclude voted
209 millage levies unless expressly provided otherwise in this
210 subsection.

211 ~~(l)(k)~~ Any taxing authority which will levy an ad valorem
212 tax for an upcoming budget year but does not levy an ad valorem
213 tax currently shall, in the advertisement specified in paragraph
214 (a), paragraph (b) ~~(a)~~, paragraph (d) ~~(e)~~, paragraph (e) ~~(d)~~, or
215 paragraph (h) ~~(g)~~, replace the phrase "increase its property tax
216 levy by (percentage of increase over rolled-back rate)
217 percent" with the phrase "impose a new property tax levy of \$
218 (amount) per \$1,000 value."

219 ~~(m)(l)~~ Any advertisement required pursuant to this section
220 shall be accompanied by an adjacent notice meeting the budget
221 summary requirements of s. 129.03(3)(b). Except for those taxing
222 authorities proposing to levy ad valorem taxes for the first
223 time, the following statement shall appear in the budget summary
224 in boldfaced type immediately following the heading, if the
225 applicable percentage is greater than zero:

226

227 THE PROPOSED OPERATING BUDGET EXPENDITURES OF (name of
228 taxing authority) ARE (percent rounded to one decimal place)
229 MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.

230

231 For purposes of this paragraph, "proposed operating budget
 232 expenditures" or "operating expenditures" means all moneys of the
 233 local government, including dependent special districts, that:

234 1. Were or could be expended during the applicable fiscal
 235 year, or

236 2. Were or could be retained as a balance for future
 237 spending in the fiscal year.

238
 239 Provided, however, those moneys held in or used in trust, agency,
 240 or internal service funds, and expenditures of bond proceeds for
 241 capital outlay or for advanced refunded debt principal, shall be
 242 excluded.

243 Section 2. Section 200.192, Florida Statutes, is created to
 244 read:

245 200.192 Millage limitation; exception; form; application.--

246 (1) (a) Ad valorem taxes may not be levied in excess of a
 247 millage rate equal to the rolled-back rate as defined in s.
 248 200.065, adjusted by the percentage change in the Consumer Price
 249 Index for all urban consumers, U.S. City Average, all items 1982-
 250 1984=100, or successor reports for the 12-month period through
 251 June prior to the beginning of the fiscal year as initially
 252 reported by the United States Department of Labor, Bureau of
 253 Labor Statistics.

254 (b) This subsection does not apply to taxing authorities
 255 that have levied ad valorem taxes for 5 years or less.

256 (2) (a) For the fiscal year beginning October 1, 2007, ad
 257 valorem taxes may not be levied in excess of the maximum millage
 258 rate that would have resulted from application of subsection (1)
 259 if subsection (1) had been in effect beginning January 1, 2001,

260 and had been applied each year up to and including the fiscal
 261 year beginning October 1, 2006.

262 (b) A taxing authority that began levying ad valorem taxes
 263 after January 1, 1996, may not levy ad valorem taxes in excess of
 264 the maximum millage rate that would have resulted from
 265 application of subsection (1) if subsection (1) had been in
 266 effect in the sixth fiscal year in which the authority levied ad
 267 valorem taxes and had been applied up to and including the fiscal
 268 year beginning October 1, 2006.

269 (3) Ad valorem taxes may be levied in excess of the
 270 limitations provided in this section upon approval by the
 271 affirmative vote of the greater of at least a majority plus one
 272 or two-thirds of the full membership of the governing body
 273 adopting the millage rate.

274 (4) (a) A county or municipality that levies a millage rate
 275 in excess of the maximum millage provided in this section without
 276 complying with subsection (3) may not participate in the revenue
 277 sharing distributions provided for in s. 218.23(3)(e) and the
 278 local government half-cent sales tax distributions provided for
 279 in ss. 218.60-218.66 during the fiscal year immediately following
 280 the adoption of the excess millage rate.

281 (b) A county or municipality subject to the provisions of
 282 paragraph (a) shall calculate, for the following year, the
 283 rolled-back rate to be used for purposes of subsection (1) using
 284 the taxes that would have been levied if the maximum millage
 285 allowed under subsection (1) had been adopted in the prior year.

286 (5) The form provided to taxing authorities by the property
 287 appraiser pursuant to s. 200.065(1) must include instructions to
 288 each taxing authority describing the proper method of computing

289 the maximum millage described in subsections (1) and (2).

290 (6) This section does not apply to ad valorem taxes levied
 291 by school districts, levied for the payment of bonds issued
 292 pursuant to s. 12, Art. VII of the State Constitution, or levied
 293 for periods not longer than 2 years when authorized by a vote of
 294 the electors.

295 Section 3. Paragraphs (c) and (d) of subsection (3) of
 296 section 373.536, Florida Statutes, are amended to read:

297 373.536 District budget and hearing thereon.--

298 (3) BUDGET HEARINGS AND WORKSHOPS; NOTICE.--

299 (c) The tentative budget shall be adopted in accordance
 300 with the provisions of s. 200.065; however, if the mailing of the
 301 notice of proposed property taxes is delayed beyond September 3
 302 in any county in which the district lies, the district shall
 303 advertise its intention to adopt a tentative budget and millage
 304 rate, pursuant to s. 200.065(3) (h)~~(g)~~, in a newspaper of general
 305 paid circulation in that county.

306 (d) As provided in s. 200.065(2)(d), the board shall
 307 publish one or more notices of its intention to adopt a final
 308 budget for the district for the ensuing fiscal year. The notice
 309 shall appear adjacent to an advertisement that sets forth the
 310 tentative budget in a format meeting the budget summary
 311 requirements of s. 129.03(3)(b). The district shall not include
 312 expenditures of federal special revenues and state special
 313 revenues when preparing the statement required by s.
 314 200.065(3) (m)~~(l)~~. The notice and advertisement shall be published
 315 in one or more newspapers having a combined general paid
 316 circulation in each county in which the district lies. Districts
 317 may include explanatory phrases and examples in budget

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318 advertisements published under s. 200.065 to clarify or
319 illustrate the effect that the district budget may have on ad
320 valorem taxes.

321 Section 4. This act shall take effect July 1, 2007.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Policy & Budget Council

2 Representative(s) Galvano offered the following:

3
4 **Amendment**

5 Between lines 268 and 269 insert:

6 (c) This subsection does not apply to ad valorem taxes
7 levied by:

8 (1) Children' Services independent special districts
9 created pursuant to s. 125.901.

10 (2) A county that is considered a fiscally constrained
11 county pursuant to s. 218.67 for the 2007-08 fiscal year.

12 (3) A hospital district or health care district created
13 pursuant to ch. 155 or by special act of the legislature which
14 prior to the effective date of this act contributed
15 intergovernmental transfers to the Agency for Health Care
16 Administration for the purpose of securing federal Title 19
17 matching funds for the following programs: low income pool,
18 disproportionate share program, hospital exemptions or global
19 liver fee.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill:

2 Representative(s) Seiler offered the following:

3
4 **Amendment (with title amendment)**

5 Between lines 320 and 321, insert:

6 Section 4. Notwithstanding the provisions of any general
7 or special law, if any provision of general or special law
8 conflicts with the provisions of this act, the provisions of
9 this act shall preempt, control, and supercede such provision of
10 general or special law to the extent of the conflict.

11
12 ===== T I T L E A M E N D M E N T =====

13 Remove line(s) 15 and insert:

14 373.536, F.S.; correcting cross-references; providing for
15 preemption, control, and supercession of provisions of general
16 or special law in conflict with provisions of the act; providing
17 an effective

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Policy & Budget Council
 2 Representative(s) Cusack and Vana offered the following:

Amendment

Remove line(s) 253 and insert:

6 Labor Statistics, except that the rollback rate computation
 7 shall exclude the average annual increase in expenditures during
 8 the rollback period for homeland security.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Policy & Budget Council
 2 Representative(s) Seiler and Richardson offered the following:

Amendment

Remove line(s) 253 and insert:

6 Labor Statistics, except that the rollback rate computation
 7 shall exclude the average annual increase in expenditures during
 8 the rollback period for law enforcement ,including pensions.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Policy & Budget Council
 2 Representative(s) Vana, Gibbons, and Ausley offered the
 3 following:

Amendment

6 Remove line(s) 253 and insert:

7 Labor Statistics, except that the rollback rate computation
 8 shall be exclude the average annual increase in expenditures
 9 during the rollback period for firefighting and emergency
 10 medical response, including pensions.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Policy & Budget Council
 2 Representative(s) Meadows and Cusack offered the following:

Amendment

Remove line(s) 253 and insert:

6 Labor Statistics, except that the rollback rate computation
 7 shall exclude the average annual increase in expenditures during
 8 the rollback period for health care for seniors.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Policy & Budget Council
 2 Representative(s) Taylor offered the following:

Amendment

Remove line(s) 253 and insert:

6 Labor Statistics, except that the rollback rate computation
 7 shall exclude the average annual increase in expenditures during
 8 the rollback period for hurricane or other disaster response and
 9 hurricane.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Policy & Budget Council

2 Representative(s) Seiler offered the following:

3
4 **Amendment**

5 Remove line(s) 253 and insert:

6 Labor Statistics, except that the rollback rate computation
7 shall exclude the average annual increase in expenditures during
8 the rollback period for state mandates, including concurrency
9 requirements.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Policy & Budget Council
 2 Representative(s) Ausley and Gibbons offered the following:

Amendment

Remove line(s) 253 and insert:

6 Labor Statistics, except that the rollback rate computation
 7 shall exclude the average annual increase in expenditures during
 8 the rollback period for capital outlay expenditures not paid for
 9 by debt.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.

Bill No. PCS/HB 7001

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Policy & Budget Council
 2 Representative(s) Richardson, Vana, and Schwartz offered the
 3 following:

Amendment

Remove line(s) 321 and insert:

7 Section 4. This act shall take effect July 1, 2007,
 8 contingent upon the state reducing its budget by the percentage
 9 equal to the average percent reduction of the affected taxing
 10 entities total budgets in the aggregate.

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