



Committee on State Affairs

**Wednesday, February 21, 2007
9:00 AM – 12:00 PM
Morris Hall**

**Marco Rubio
Speaker**

**Frank Attkisson
Chairman**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Speaker Marco Rubio

Committee on State Affairs

Start Date and Time: Wednesday, February 21, 2007 09:00 am

End Date and Time: Wednesday, February 21, 2007 12:00 pm

Location: Morris Hall (17 HOB)

Duration: 3.00 hrs

Workshop on the following:

Property Tax Relief

Requiring Supermajority Votes for Tax or Special Assessment Increases

Ad Valorem Tax Relief for Renters

NOTICE FINALIZED on 02/14/2007 16:14 by TUCK.SHIRLEY

LIMIT PROPERTY TAX REVENUES
(EXCEPT SCHOOLS)

1. For 2008 and thereafter, millage rates are limited to the rolled-back rate, plus change in the Consumer Price Index.
2. For property taxes levied in 2007, millage rates are limited to what they would have been had the limitation been in place with 2000-2001 as the base year.
3. Taxes may be levied in excess of the limitation, if approved by the greater of a majority plus one or 2/3 of the governing board adopting the millage rate.
4. A county or municipality that exceeds the limitation without complying with the extraordinary vote requirement will not be entitled to participate in state sales tax revenue sharing.
5. A taxing authority proposing to exceed the millage limitations will have to publish a notice of its intent to do so. The notice has to disclose the amount of revenue sharing the taxing authority will lose if it does not adopt the millage by an extraordinary vote.
6. The limits do not apply to taxes imposed for school districts, for the payment of bonds, or for a 2-year period when authorized by a vote of electors.
7. For taxing authorities that begin levying taxes after January 1, 2001, the limitations apply only after the authority has levied property taxes for 2 years.
8. Effective date is July 1, 2007

1. The rolled-back rate represents the rate that would produce for the current year the same amount in taxes that were generated in the previous year, excluding those taxes that will be produced in the current year from new construction, annexations, etc. When property values increase, the rolled-back rate is lower than the previous year's rate.

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A bill to be entitled
 An act relating to ad valorem tax millage; amending s.
 200.065, F.S.; providing for a notice of proposed tax
 increase in excess of the millage limitation; creating s.
 200.192, F.S.; providing ad valorem tax millage
 limitations; providing exemption for certain taxing
 authorities; providing for exceeding the limitations under
 certain circumstances; prohibiting certain counties or
 municipalities from participating in certain local
 government half-cent sales tax distributions under certain
 circumstances; requiring forms of property appraisers to
 contain certain millage calculation instructions;
 providing for nonapplication to the millage of certain ad
 valorem tax levies; 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
 advertisements appear. The advertisement shall be published in a
 newspaper of general paid circulation in the county or in a
 geographically limited insert of such newspaper. The geographic
 boundaries in which such insert is circulated shall include the

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59 limitation is levied by less than the required supermajority
 60 vote, the (name of taxing authority) may lose state revenue
 61 sharing. Last year, (name of taxing authority) received
 62 \$XX,XXX,XXX from revenue sharing.

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

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

68 (b)-(a) For taxing authorities other than school districts
 69 which have tentatively adopted a millage rate in excess of 100
 70 percent of the rolled-back rate computed pursuant to subsection
 71 (1), the advertisement shall be in the following form:

72
 73 NOTICE OF PROPOSED TAX INCREASE

74
 75 The (name of the taxing authority) has tentatively
 76 adopted a measure to increase its property tax levy.
 77 Last year's property tax levy:

- 78 A. Initially proposed tax levy....\$XX,XXX,XXX
- 79 B. Less tax reductions due to Value Adjustment Board and
- 80 other assessment changes....(\$XX,XXX,XXX)
- 81 C. Actual property tax levy....\$XX,XXX,XXX

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

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

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

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117 | education grants. The required portion has (increased or
 118 | decreased) by (amount B) percent and represents
 119 | approximately (amount C) of the total proposed taxes.

120 | The remainder of the taxes is proposed solely at the
 121 | discretion of the school board.

122 | All concerned citizens are invited to a public hearing on
 123 | the tax increase to be held on (date and time) at (meeting
 124 | place) .

125 | A DECISION on the proposed tax increase and the budget will
 126 | be made at this hearing.

127 |
 128 | 1. AMOUNT A shall be an estimate, provided by the
 129 | Department of Education, of the amount to be received in the
 130 | current fiscal year by the district from state appropriations for
 131 | the Florida Education Finance Program.

132 | 2. AMOUNT B shall be the percent increase over the rolled-
 133 | back rate necessary to levy only the required local effort in the
 134 | current fiscal year, computed as though in the preceding fiscal
 135 | year only the required local effort was levied.

136 | 3. AMOUNT C shall be the quotient of required local-effort
 137 | millage divided by the total proposed nonvoted millage, rounded
 138 | to the nearest tenth and stated in words; however, the stated
 139 | amount shall not exceed nine-tenths.

140 | (e)~~(d)~~ For school districts which have proposed a millage
 141 | rate in excess of 100 percent of the rolled-back rate computed
 142 | pursuant to subsection (1) and which propose to levy as nonvoted
 143 | millage only the minimum amount required pursuant to s.
 144 | 1011.60(6), the advertisement shall be the same as provided in

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145 paragraph (d) ~~(e)~~, except that the second and third paragraphs
 146 shall be replaced with the following paragraph:

147
 148 This increase is required under state law in order for the
 149 school board to receive \$ (amount A) in state education
 150 grants.

151 (f) ~~(e)~~ In all instances in which the provisions of
 152 paragraphs (d) ~~(e)~~ and (e) ~~(d)~~ are inapplicable for school
 153 districts, the advertisement shall be in the following form:

154
 155 NOTICE OF BUDGET HEARING

156
 157 The (name of school district) will soon consider a
 158 budget for (fiscal year) . A public hearing to make a DECISION
 159 on the budget AND TAXES will be held on (date and time) at
 160 (meeting place) .

161 (g) ~~(f)~~ In lieu of publishing the notice set out in this
 162 subsection, the taxing authority may mail a copy of the notice to
 163 each elector residing within the jurisdiction of the taxing
 164 authority.

165 (h) ~~(g)~~ In the event that the mailing of the notice of
 166 proposed property taxes is delayed beyond September 3 in a
 167 county, any multicounty taxing authority which levies ad valorem
 168 taxes within that county shall advertise its intention to adopt a
 169 tentative budget and millage rate in a newspaper of paid general
 170 circulation within that county, as provided in this subsection,
 171 and shall hold the hearing required pursuant to paragraph (2) (c)
 172 not less than 2 days or more than 5 days thereafter, and not
 173 later than September 18. The advertisement shall be in the

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174 following form, unless the proposed millage rate is less than or
 175 equal to the rolled-back rate, computed pursuant to subsection
 176 (1), in which case the advertisement shall be as provided in
 177 paragraph (f) ~~(e)~~:

178
 179 NOTICE OF TAX INCREASE
 180

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

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

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

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

201 (k) ~~(j)~~ The amounts to be published as percentages of
 202 increase over the rolled-back rate pursuant to this subsection

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203 shall be based on aggregate millage rates and shall exclude voted
 204 millage levies unless expressly provided otherwise in this
 205 subsection.

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

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

222 THE PROPOSED OPERATING BUDGET EXPENDITURES OF (name of
 223 taxing authority) ARE (percent rounded to one decimal place)
 224 MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.
 225

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

- 229 1. Were or could be expended during the applicable fiscal
 230 year, or

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

233
 234 Provided, however, those moneys held in or used in trust, agency,
 235 or internal service funds, and expenditures of bond proceeds for
 236 capital outlay or for advanced refunded debt principal, shall be
 237 excluded.

238 Section 2. Section 200.192, Florida Statutes, is created to
 239 read:

240 200.192 Millage limitation; exception; form; application.--

241 (1) (a) Ad valorem taxes may not be levied in excess of a
 242 millage rate equal to the rolled-back rate as defined in s.
 243 200.065, adjusted by the percentage change in the Consumer Price
 244 Index for all urban consumers, U.S. City Average, all items
 245 1967=100, or successor reports for the 12-month period through
 246 June prior to the beginning of the fiscal year as initially
 247 reported by the United States Department of Labor, Bureau of
 248 Labor Statistics.

249 (b) This subsection does not apply to taxing authorities
 250 that have levied ad valorem taxes for less than 2 years.

251 (2) (a) For the fiscal year beginning October 1, 2007, ad
 252 valorem taxes may not be levied in excess of the maximum millage
 253 rate that would have resulted from application of subsection (1)
 254 if subsection (1) had been in effect beginning January 1, 2001,
 255 and had been applied each year up to and including the fiscal
 256 year beginning October 1, 2006.

257 (b) A taxing authority that began levying ad valorem taxes
 258 after January 1, 2001, may not levy ad valorem taxes in excess of
 259 the maximum millage rate that would have resulted from

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260 application of subsection (1) if subsection (1) had been in
 261 effect in the second full fiscal year in which the authority
 262 levied ad valorem taxes and had been applied up to and including
 263 the fiscal year beginning October 1, 2006.

264 (3) Ad valorem taxes may be levied in excess of the
 265 limitations provided in this section upon approval by a unanimous
 266 vote of the full membership of the governing body adopting the
 267 millage rate.

268 (4) A county or municipality that levies a millage rate in
 269 excess of the maximum millage provided in this section without
 270 complying with subsection (3) may not participate in the local
 271 government half-cent sales tax distributions provided for in ss.
 272 218.23(3)(e) and 218.60-218.66 during the fiscal year immediately
 273 following the adoption of the excess millage rate.

274 (5) The form provided to taxing authorities by the property
 275 appraiser pursuant to s. 200.065(1) must include instructions to
 276 each taxing authority describing the proper method of computing
 277 the maximum millage described in subsections (1) and (2).

278 (6) This section does not apply to ad valorem taxes levied
 279 by school districts, for the payment of bonds, or for periods not
 280 longer than 2 years when authorized by a vote of the electors.

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

STATE WIDE IMPACTS

Relief Package

Cut tax rates to Rolled Back Rate + CPI Inflation carried forward from FY 2000-01.

<u>Government Type</u>	<u>Tax Rates</u>		
	<u>Current</u>	<u>Proposed</u>	<u>% Diff</u>
County Government (Non-debt)	6.864	4.856	-29%
Cities	4.643	2.889	-38%
Independent Special Districts	1.551	0.924	-40%
Schools (Non-debt)	7.358	7.358	0%
<u>Aggregate Average Tax Rate</u>	18.472	14.971	-19%

Total Tax Relief (Bil \$)

5.77

Representative Taxpayer Impacts:

	<u>Non-</u>		
	<u>Homestead</u>	<u>Homestead Residential</u>	<u>Commercial /Industrial</u>
Taxable Value:			
Average	\$ 123,596	\$ 219,105	\$ 957,778
Median	\$ 82,153	\$ 152,000	\$ 300,000
Average State Taxpayer:			
Tax Savings:			
Average	\$ 433	\$ 767	\$ 3,353
Median	\$ 288	\$ 532	\$ 1,050
Savings %	19%		19%

**Broward County
Relief Package**

Government Type	Tax Rates		
	Current	Proposed	% Diff
County Government (Non-debt)	5.690	4.440	-22%
Cities	5.000	3.540	-29%
Independent Special Districts	2.876	1.999	-30%
<u>Schools (Non-debt)</u>	<u>7.679</u>	<u>7.679</u>	<u>0%</u>
Total	21.245	17.658	-17%
Fort Lauderdale	4.807	2.975	-38%
Representative Taxpayer Impacts:			
	Homestead	Non-Homestead Residential	Commercial /Industrial
Representative Taxpayer:			
Taxable Value:			
Average	\$ 136,199	na	\$ 1,678,861
Median	\$ 96,500	na	\$ 537,670
Non-City Taxpayer:			
Tax Savings:			
Average	\$ 290		\$ 3,571
Median	\$ 205		\$ 1,144
Savings %	13%		13%
Fort Lauderdale Taxpayer:			
Tax Savings:			
Average	\$ 539		\$ 6,646
Median	\$ 382		\$ 2,129
Savings %	19%		19%

Supermajority Vote

Legislative Supermajority to Raise Taxes--2007

State	Year Adopted	Initiative or Referendum	Legislative Supermajority Vote Required	Applies To...
Arizona	1992	I	2/3	All taxes
Arkansas	1934	R	3/4	All taxes except sales and alcohol
California	1979	I	2/3	All taxes
Colorado	1992	I	2/3	All taxes ¹
Delaware	1980	R	3/5	All taxes
Florida	1971	R	3/5	Corporate income tax ²
Kentucky	2000	R	3/5	All taxes ³
Louisiana	1966	R	2/3	All taxes
Michigan	1994	R	3/4	State property tax
Mississippi	1970	R	3/5	All taxes
Missouri	1996	R	2/3	All taxes ⁴
Nevada	1996	I	2/3	All taxes
Oklahoma	1992	I	3/4	All taxes
Oregon	1996	R	3/5	All taxes
South Dakota	1996	R	2/3	All taxes
Washington	1993	I	2/3	All taxes ⁵

1. Tax increases automatically sunset unless approved by the voters at the next election.
2. Constitution limits corporate income tax rate to 5%. A 3/5 vote in legislature is needed to surpass 5%. If voters are asked to approve a tax hike, it must be approved by 60% of those voting to pass.
3. Tax and fee increases voted on by legislature in odd-numbered years.
4. If the governor declares an emergency, legislature can raise taxes by 2/3 legislative vote; otherwise, tax increases over approximately \$70 million must be approved by a vote of the people.
5. Tax increases producing revenue that do not exceed the spending limit must be approved by 2/3 legislative vote; tax increases that produce revenue over the limit must receive 2/3 approval by legislature and voters. *The 2/3 tax increase supermajority was suspended for two years and reduced to simple majority through June 30, 2007 by legislation enacted in April 2005.

Source: National Conference of State Legislatures, 2007.

Tax Relief for Renters

**ARTICLE VII
FINANCE AND TAXATION**

SECTION 6. HOMESTEAD EXEMPTIONS.—

(a) Every person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, or another legally or naturally dependent upon the owner, shall be exempt from taxation thereon, except assessments for special benefits, up to the assessed valuation of five thousand dollars, upon establishment of right thereto in the manner prescribed by law. The real estate may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years.

(b) Not more than one exemption shall be allowed any individual or family unit or with respect to any residential unit. No exemption shall exceed the value of the real estate assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which the interest in the corporation bears to the assessed value of the property.

(c) By general law and subject to conditions specified therein, the exemption shall be increased to a total of twenty-five thousand dollars of the assessed value of the real estate for each school district levy. By general law and subject to conditions specified therein, the exemption for all other levies may be increased up to an amount not exceeding ten thousand dollars of the assessed value of the real estate if the owner has attained age sixty-five or is totally and permanently disabled and if the owner is not entitled to the exemption provided in subsection (d).

(d) By general law and subject to conditions specified therein, the exemption shall be increased to a total of the following amounts of assessed value of real estate for each levy other than those of school districts: fifteen thousand dollars with respect to 1980 assessments; twenty thousand dollars with respect to 1981 assessments; twenty-five thousand dollars with respect to assessments for 1982 and each year thereafter. However, such increase shall not apply with respect to any assessment roll until such roll is first determined to be in compliance with the provisions of section 4 by a state agency designated by general law. This subsection shall stand repealed on the effective date of any amendment to section 4 which provides for the assessment of homestead property at a specified percentage of its just value.

(e) By general law and subject to conditions specified therein, the Legislature may provide to renters, who are permanent residents, ad valorem tax relief on all ad valorem tax levies. Such ad valorem tax relief shall be in the form and amount established by general law.

(f) The legislature may, by general law, allow counties or municipalities, for the purpose of their respective tax levies and subject to the provisions of general law, to grant an additional homestead tax exemption not exceeding fifty thousand dollars to any person

who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner and who has attained age sixty-five and whose household income, as defined by general law, does not exceed twenty thousand dollars. The general law must allow counties and municipalities to grant this additional exemption, within the limits prescribed in this subsection, by ordinance adopted in the manner prescribed by general law, and must provide for the periodic adjustment of the income limitation prescribed in this subsection for changes in the cost of living.

(g) Each veteran who is age 65 or older who is partially or totally permanently disabled shall receive a discount from the amount of the ad valorem tax otherwise owed on homestead property the veteran owns and resides in if the disability was combat related, the veteran was a resident of this state at the time of entering the military service of the United States, and the veteran was honorably discharged upon separation from military service. The discount shall be in a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veterans Affairs. To qualify for the discount granted by this subsection, an applicant must submit to the county property appraiser, by March 1, proof of residency at the time of entering military service, an official letter from the United States Department of Veterans Affairs stating the percentage of the veteran's service-connected disability and such evidence that reasonably identifies the disability as combat related, and a copy of the veteran's honorable discharge. If the property appraiser denies the request for a discount, the appraiser must notify the applicant in writing of the reasons for the denial, and the veteran may reapply. The Legislature may, by general law, waive the annual application requirement in subsequent years. This subsection shall take effect December 7, 2006, is self-executing, and does not require implementing legislation.

History.—Am. S.J.R. 1-B, 1979; adopted 1980; Am. S.J.R. 4-E, 1980; adopted 1980; Am. H.J.R. 3151, 1998; adopted 1998; Am. proposed by Constitution Revision Commission, Revision No. 13, 1998, filed with the Secretary of State May 5, 1998; adopted 1998; Am. H.J.R. 353, 2006; adopted 2006; Am. H.J.R. 631, 2006; adopted 2006.