

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: Community Affairs Committee

BILL: CS/SB 560

INTRODUCER: Community Affairs Committee and Senator Atwater

SUBJECT: Ad Valorem Tax Data

DATE: March 29, 2007

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Molloy	Yeatman	CA	Fav/CS
2.	_____	_____	FT	_____
3.	_____	_____	GA	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The committee substitute provides that ad valorem taxation data collected by the Department of Revenue (DOR) must include the annual percentage increase in non-voted ad valorem taxes levied by each city and county, as well as the distribution of ad valorem taxes levied across various classifications of property. The data also must include the previous year's adopted millage rate, the current millage rate, and the current increase in taxes levied across the rolled-back rate. At a minimum, all data must be published on the DOR website as well as on the websites of all property appraisers, if available.

The committee substitute substantially amends s. 195.052, F.S.

II. Present Situation:

Section 195.052, F.S.

Section 195.052, F.S., requires the DOR to conduct research and maintain accurate tabulations of data and conditions existing as to ad valorem taxation, and to annually publish the data appropriate for use by fiscal policy makers. The DOR is directed to make annual recommendations to the Legislature, if necessary, to ensure that property is valued at just value and is equitably taxed throughout the state. The annual publication must occur not later than 60 days after receipt of the extended tax rolls for all counties. In May 2006, DOR released the "2005 Florida Property Tax Valuations & Tax Data" which contains, among other items, tables for just values of real and personal property, and tables relating to real property exemptions,

personal property exemptions, and taxable values for county and school real, personal, and centrally assessed property.¹

Article VII, Section 9, Florida Constitution

Article VII, Section 9 of the Florida Constitution provides that counties, school districts, and municipalities **must** be authorized, and special districts **may** be authorized, by law, to levy ad valorem taxes on the assessed value of real estate and tangible personal property. With the exception of taxes levied to pay for bonds and taxes levied for periods of not longer than two years by vote of the electors who are owners of property not wholly exempt from being taxed, ad valorem taxes may not be levied in excess of the following rates:

- For all county purposes, ten mills.
- For all municipal purposes, ten mills.
- For all school purposes, ten mills.
- For all special districts, a millage rate authorized by law approved by vote of the electors who are property owners who are not wholly exempt from taxation.

Millage General Provisions

Setting millage is the process by which governments can compute property taxes. A millage rate is the property tax rate in terms of tenths of cents in tax per dollar of property value. A tax rate of ten mills is equal to \$1 per \$1000 of property value. Section 200.001, F.S., provides for the establishment of county, municipal, school, and independent special district millage.

County and municipal millage is composed of four categories of millage rates:

- General millage, which is the non-voted millage rate set by the county or municipal governing board or body.
- Debt service millage, which is the millage rate set by the county or municipal governing board or body after approval by a vote of local electors.
- Voted millage, which is the millage rate set by the county or municipal governing board after approval by a vote of local electors.
- Dependent special district millage, which is the millage rate set by the county or municipal governing board or body, and which is identified as to the area covered, and which meets certain other criteria.

School millage is composed of five categories of millage rates:

- Non-voted required school operating millage set by the county school board.
- Non-voted discretionary school operating millage, which is the non-voted millage rate set by the county school board for operating purposes other than the rate imposed to support the Florida Education Finance Program as required under each fiscal year's General Appropriations Act and taxes which are assessed for school construction, remodeling,

¹ <http://dor.myflorida.com/dor/property/05FLpropdata.pdf>

- maintenance, or renovation of facilities, the purchase or lease of buses, and other expenses identified in s. 1011.71(2), F.S.
- Voted district school operating millage set by the district school board for current school operating programs as approved by local electors.
 - Non-voted district school capital improvement millage.
 - Voted district school debt service millage set by the district school board as approved by local electors.

Independent special district millage is the millage rate set by the governing board of an independent special district as created under an act approved by local electors, or as authorized in s. 15, Art. XII of the Florida Constitution, or as otherwise authorized and levied across the county, across specific areas of the county, or on a multicounty basis.

Truth in Millage (TRIM) Notices

Section 200.069, F.S., provides for notice of proposed property taxes and non-ad valorem assessments to taxpayers, better known as TRIM notices. Each property appraiser is required to prepare and mail to each taxpayer on the assessment roll a notice of proposed property taxes. This notice, the TRIM notice, is required to contain the following information:

- A list of all of the taxing authorities who have the power to levy property taxes.
- The property taxes assessed in the previous year in total and by taxing authority.
- The property taxes assessed in the current year in total and by taxing authority if no budget changes are made, also known as the “rolled-back rate.”
- Property taxes for the current year under the proposed budgets and millage rates set by each taxing authorities, and
- The date, time and location of public hearings on the local government’s proposed budgets and taxes.

The TRIM notice is very specific in what information is required and the form the information is to be presented in. The Department of Revenue is responsible for reviewing TRIM notices to ensure compliance with statutory requirements.

III. Effect of Proposed Changes:

The committee substitute amends s. 195.052, F.S., effective July 1, 2007, to provide that :

- Ad valorem taxation data tabulated by the DOR must include the annual percentage increase in total non-voted ad valorem taxes levied by each city and county.
- The data must include information concerning the distribution of ad valorem taxes levied across various classifications of property including homestead and non-homestead residential property, new construction, commercial, and industrial properties.
- The data must include the previous year’s adopted millage rate, the current year’s millage rate, and the current increase in taxes levied above the roll-back rate.
- The data must, at a minimum, be published on the DOR website and on the websites of all property appraisers, if available.

- The Department of Revenue shall publish the extended rolls for all counties not later than 90 days after receipt.
- The collection of data is applicable to the January 1, 2008 tax roll, and to all tax rolls thereafter.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

The committee substitute does not require cities and counties to expend funds or limit their authority to raise revenues or receive state-shared revenues as specified by s. 18, Art. VII, State Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

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