

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Community Affairs Committee

BILL: SB 822

INTRODUCER: Senator Atwater

SUBJECT: Ad Valorem Tax Data/Department of Revenue

DATE: April 17, 2008

REVISED: 04/22/08

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

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input checked="" type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill specifies the minimum ad valorem tax data which must be collected and published by the Department of Revenue (department) each year. The data must be published on the department's website and on the website of each property appraiser.

This bill substantially amends section 195.02, Florida Statutes.

II. Present Situation:

Section 195.052, F.S.

Section 195.052, F.S., requires the department 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 department 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 June 2007, the department released the "2006 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

¹ <http://dor.myflorida.com/dor/property/06FLpropdata.pdf>

the Florida Education Finance Program as required under each fiscal year's General Appropriations Act and taxes which are assessed for school construction, remodeling, 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 is responsible for reviewing TRIM notices to ensure compliance with statutory requirements.

III. Effect of Proposed Changes:

Section 1 amends s. 195.052, F.S., to provide that at a minimum, the ad valorem tax data collected by the Department of Revenue must include the following:

- The annual percentage increase in total nonvoted ad valorem taxes levied by each city, county, and local taxing authority,
- Information concerning the distribution of ad valorem taxes levied across various classifications of property including homestead, nonhomestead residential, new construction, commercial, and industrial properties,
- The previous year's adopted millage rate,

- The current year's millage rate, and
- The current percentage increase in taxes levied above the rolled-back rate.

The data must be published on the department's website and on the website of all property appraisers of the state within 60 days after receipt of the extended tax rolls for all counties.

Section 2 provides that the act shall take effect July 1, 2008.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

In the agency bill analysis, the Department of Revenue reports that it is unable to meet the 60-day requirement to have available the data required under the bill because not all local tax rolls are final within the 60-day time period. A 90-day timeframe would help the department meet the additional data requirements.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

Barcode #408482 by Community Affairs Committee on April 22, 2008:

The "delete-everything" amendment provides that the ad valorem tax data collected and published by the Department of Revenue each year must include the following:

- The annual percentage increase in total nonvoted ad valorem taxes levied by each municipality and county;
- Information on the distribution of ad valorem taxes levied across various classifications of property including homestead, nonhomestead residential, new construction, commercial, and industrial properties,
- The previous year's adopted millage rate,
- The current year's millage rate, and
- The current percentage increase in taxes levied above the rolled-back rate.

The data must be published on the department's website and on the website of all property appraisers of the state, if a website is available, within 90 days after receipt of the extended tax rolls for all counties. The act shall take effect July 1, 2008. (WITH TITLE AMENDMENT)