

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB GOA 09-03 Department of Revenue

SPONSOR(S): Government Operations Appropriations Committee

TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Government Operations Appropriations Committee		Perkins	Topp
1)				
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

The Department of Revenue (DOR) is statutorily required to provide property tax forms to counties with a population of 100,000 or less and aerial photographs to counties with a population of 25,000 or less at the department's expense. Counties which exceed the population threshold for tax forms and aerial photographs provide these items at their own expense.

The bill amends section 195.022, F.S., to eliminate the provision requiring the department to provide at the department's expense tax forms to counties with a population of 100,000 or less and aerial photographs to counties with a population of less than 25,000. In the event a county would like to obtain property tax forms or aerial photographs from the department, the department may charge a fee to the respective property appraiser or county officer. Tax forms may also be downloaded from the DOR's website.

The fiscal impact of the bill will reduce \$555,000 in recurring expenditures from the General Revenue Fund (\$105,000 for tax forms and \$450,000 for aerial photographs). All counties will now be responsible to reproduce forms for distribution and aerial photographs at their own expense.

The reduction of \$555,000 in General Revenue is included in the House of Representatives proposed FY 2009-10 General Appropriations Act. This language conforms the law to this recurring reduction.

The bill will take effect on July 1, 2009.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Property tax in Florida is a local tax. It is administered, levied, and collected by local officials. Statutorily, the DOR has been assigned to:

- Determine if local officials are complying with the law;
- Resolve any compliance issues that may arise; and
- Aid and assist local governments in their duties.

While department resources are primarily focused on oversight of property valuation by property appraisers, the department oversees and assists with almost all aspects of local property tax revenue.

Property Tax Forms: The DOR is required under section 195.022, F.S., to prescribe all forms to be used by property appraisers, tax collectors, clerks of the circuit court, and value adjustment boards in administering and collecting ad valorem taxes. For those counties with a population of 100,000 or less, the DOR is required to furnish the forms at DOR's expense and for those counties with a population greater than 100,000, counties shall reproduce forms at their own expense. For FY 2008-09, \$105,000 is appropriated from the General Revenue Fund to provide forms to 34 counties which contain a population of 100,000 or less.

Aerial Photographs: The DOR is required under section 195.022, F.S., to provide aerial photographs every three years to all 67 county property appraisers to ensure that all properties are listed on the Tax Roll(s). The counties rely heavily on the use of aerial photography for discovery, location and identification of real property. Currently, counties with a population greater than 25,000 pay for the cost of obtaining aerial photographs to the department at the property appraiser's expense. For those counties with a population less than 25,000, the department is required to pay for the cost of the aerial photographs. For FY 2008-09, \$450,000 is appropriated from the General Revenue Fund to provide aerial photographs to 17 counties which contain a population of 25,000 or less.

Effect of Proposed Change

Property Tax Forms: The bill amends section 195.022, F.S., to delete the statutory provision for the department to provide forms to counties with a population of 100,000 or less. All counties will now be

responsible to reproduce forms for distribution at their own expense. The tax forms are available on the DOR's website.

Aerial Photographs: The bill amends section 195.022, F.S., to delete the statutory provision for the department to provide aerial photographs to counties with a population of 25,000 or less. All counties will now be responsible for providing aerial photographs at their own expense.

B. SECTION DIRECTORY:

Section 1. Amends s. 195.022, F.S., relating to property tax forms and aerial photographs.

Section 2. Provides the bill take effect on July 1, 2009.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill will allow for the reduction of \$555,000 in recurring expenditures from the General Revenue Fund in the House of Representatives proposed FY 2009-10 General Appropriations Act (\$105,000 for tax forms and \$450,000 for aerial photographs).

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The elimination of \$105,000 tax form subsidy will effect 34 counties and may have an annual impact of less than one-half percent of their annual budget, with only Lafayette and Liberty counties possibly having an impact of greater than one percent.

The elimination of the \$450,000 aerial photography subsidy will impact 17 counties and may have an annual impact ranging from 6 to 13 percent of their annual budget. The DOR reports that many of these counties will pay less than this estimate and some may pay nothing at all because the Florida Department of Transportation has a history of providing aerial photographs to these counties at no cost.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The mandates provision does not apply because this bill does not: require counties or municipalities to spend funds or to take an action requiring the expenditure of funds; reduce the authority that municipalities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES