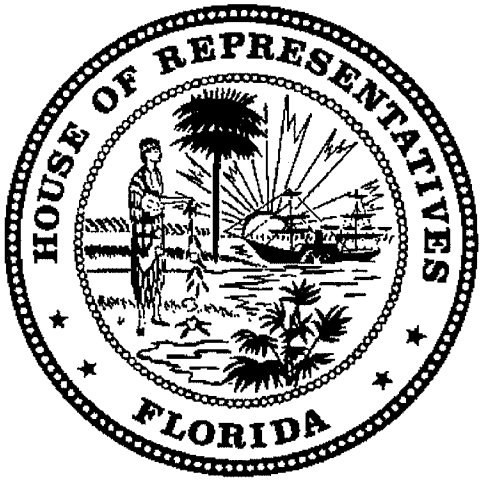

Finance and Tax Committee

Tuesday, January 17, 2012

10:45 a.m.

Morris Hall

MEETING PACKET

Dean Cannon
Speaker

Stephen Precourt
Chair

Finance and Tax Committee

AGENDA

January 17, 2012
10:45 a.m. – 12:15 p.m.
Morris Hall

I. Call to Order/Roll Call

II. Consideration of the following bill(s):

HJR 55 Homestead Assessment Limitation/Senior Citizens by Nuñez, Fresen

HJR 93 Homestead Property Tax Exemption for Surviving Spouse of Military Veteran or First Responder by Harrison

HB 95 Homestead Property Tax Exemptions by Harrison

CS/HB 107 Special Districts by Community & Military Affairs Subcommittee, Caldwell

III. Closing Remarks and Adjournment

HJR 55

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HJR 55 Homestead Assessment Limitation/Senior Citizens
SPONSOR(S): Nuñez and others
TIED BILLS: **IDEN./SIM. BILLS:** SJR 838

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Finance & Tax Committee		Aldridge	Langston
2) Community & Military Affairs Subcommittee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

HJR 55 proposes an amendment to the state constitution that would allow the Legislature by general law to permit counties and municipalities to limit ad valorem tax assessments applicable to their respective levies to the previous year's assessed value for homestead property that is subject to the current local option low-income senior exemption. The limitation could apply if the market value of a homestead property is less than the market value of the property on the preceding January 1 or no more than 150 percent of the average homestead market value in the county.

The general law implementing the constitutional provision must designate a state agency that will calculate the average just value of homestead property within each county and municipality. The designated agency will provide this information to property appraisers. The implementing law must also require that counties and municipalities choosing to provide the assessment limitation do so by ordinance.

To the extent that county and city governments choose the option offered by this constitutional amendment, their property tax bases will be lower than would otherwise be the case. See Section II.B. of this analysis for additional information regarding the potential revenue impact on local governments.

The joint resolution would have a nonrecurring fiscal impact on the state for the cost of advertising the proposed amendment.

To be placed on the ballot, the joint resolution must be approved by three-fifths of the membership of each house.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Property Taxation in Florida

Local governments, including counties, school districts and municipalities have the constitutional ability to levy ad valorem taxes. Special districts may also be given this ability by law.[1] Ad valorem taxes are collected on the fair market value of the property, adjusting for any exclusions, differentials or exemptions.

Ad valorem taxes are capped by the state constitution as follows:[2]

- Ten mills for county purposes.
- Ten mills for municipal purposes.
- Ten mills for school purposes.
- A millage fixed by law for a county furnishing municipal services.
- A millage authorized by law and approved by voters for special districts.

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 millage limitations. Millage rates vary among local governments and are fixed by ordinance or resolution of the taxing authority's governing body.[3]

Regardless of the body imposing the taxes, two county constitutional officers have primary responsibility for the administration and collection of ad valorem taxes. The county property appraiser calculates the fair market value, assessed value and the value of applicable exemptions of the property. The tax collector collects all ad valorem taxes levied by the county, school district, municipalities, and any special taxing districts within the county and distributes the taxes to each taxing authority.[4]

The Department of Revenue (DOR) supervises the assessment and valuation of property so that all property is placed on the tax rolls and valued according to its just valuation.[5] Additionally, the DOR prescribes and furnishes all forms as well as prescribes rules and regulations to be used by property appraisers, tax collectors, clerks of circuit court, and value adjustment boards in administering and collecting ad valorem taxes.[6]

All ad valorem taxation must be at a uniform rate within each taxing unit, subject to certain exceptions with respect to intangible personal property.[7] However, the Florida constitutional provision requiring that taxes be imposed at a uniform rate refers to the application of a common rate to all taxpayers within each taxing unit – not variations in rates between taxing units.[8]

The Florida Constitution grants property tax relief in the form of certain valuation differentials,[9] assessment limitations,[10] and exemptions,[11] including the homestead exemptions.

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[1] Article VII, s. 9, Fla. Const.
[2] A mill is defined as 1/1000 of a dollar, or $1 per $1000 of taxable value.
[3] Section 200.001(7), F.S.
[4] Section 197.383, F.S.
[5] Section 195.002, F.S.
[6] Chapter 195, F.S.
[7] Article VII, s. 2, Fla. Const.
[8] See, for example, *Moore v. Palm Beach County,* 731 So. 2d 754 (Fla. Dist. Ct. App. 4th Dist. 1999) citing *W. J. Howey Co. v. Williams*, 142 Fla. 415, 195 So. 181, 182 (1940).
[9] Article VII, s. 4, Fla. Const., authorizes valuation differentials, which are based on character or use of property.
[10] Article VII, s. 4(c), Fla. Const., authorizes the "Save Our Homes" property assessment limitation, which limits the increase in assessment of homestead property to the lesser of 3 percent or the percentage change in the Consumer Price Index. Section 4(e) authorizes counties to provide for a reduction in the assessed value of homestead property to the extent of any increase in the assessed

Homestead Exemption

The Homestead Exemption provides an exemption from all ad valorem taxes on the first $25,000 of assessed value for owners of homestead property, provided that the tax roll in their county has been approved.[12] An additional $25,000 exemption is provided for assessed values between $50,000 and $75,000; however, this exemption does not apply to school taxes.[13]

Save Our Homes

The "Save Our Homes" provision in s. 4, Art. VII of the State Constitution limits the amount a homestead's assessed value can increase annually to the lesser of three percent or the inflation rate as measured by the Consumer Price Index (CPI).[14] Homestead property owners who establish a new homestead may transfer up to $500,000 of their accrued "Save Our Homes" benefit to that homestead.[15]

Section 193.155, Florida Statutes

In 1994, the Legislature implemented the "Save Our Homes" amendment in s. 193.155, F.S.[16] The legislation required all homestead property to be assessed at just value by January 1, 1994.[17] Starting on January 1, 1995, or the year after the property receives a homestead exemption (whichever is later), property receiving a homestead exemption must be reassessed annually on January 1 of each year. As provided in the constitution, s. 193.155, F.S., requires that any change resulting from the reassessment may not exceed the lesser of three percent or the growth in the CPI. Pursuant to s. 193.155(2), F.S., if the assessed value of the property exceeds its just value, the assessed value must be lowered to the just value of the property.

Rule 12D-8.0062, Florida Administrative Code: "The Recapture Rule"

In October 1995, the Governor and the Cabinet, acting as the head of the Department of Revenue, adopted Rule 12D-8.0062, F.A.C., entitled "Assessments; Homestead; and Limitations."[18] The rule "govern[s] the determination of the assessed value of property subject to the homestead assessment limitation under Article VII, Section 4(c), Florida Constitution and Section 193.155, F.S."[19]

Subsection (5) of the rule is popularly known as the "recapture rule." This subsection requires property appraisers to increase the assessed value of a homestead property by the lower of three percent or the

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value of that property which results from the construction or reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive grandparents or parents of the owner of the property or of the owner's spouse if at least one of the grandparents or parents for whom the living quarters are provided is 62 years of age or older. This provision is known as the "Granny Flats" assessment limitation.

[11] Article VII, s. 3, Fla. Const., provides authority for the various property tax exemptions. The statutes also clarify or provide property tax exemptions for certain licensed child care facilities operating in an enterprise zone, properties used to provide affordable housing, educational facilities, charter schools, property owned and used by any labor organizations, community centers, space laboratories, and not-for-profit sewer and water companies.

[12] Article VII, s. 6, Fla. Const.

[13] *Id. See also* Am. C.S. for S.J.R. 2-D, 2007.

[14] Article VII, s. 4(d), Fla. Const.

[15] Id.

[16] Chapter 94-353, L.O.F.

[17] *See, Fuchs v. Wilkinson*, 630 So. 2d 1044 (Fla. 1994), "the clear language of the amendment establishes January 1, 1994, as the first 'just value' assessment date, and as a result, requires the operative date of the amendment's limitations, which establish the 'tax value'of homestead property, to be January 1, 1995."

[18] While s. 193.155, F.S., did not provide specific rulemaking authority, the Department of Revenue adopted Rule 12D-8.0062, F.A.C., pursuant to its general rulemaking authority under s. 195.027, F.S. Section 195.027, F.S., provides that the Department of Revenue shall prescribe reasonable rules and regulations for the assessing and collecting of taxes, and that the Legislature intends that the department shall formulate such rules and regulations that property will be assessed, taxes will be collected, and that the administration will be uniform, just and otherwise in compliance with the requirements of general law and the constitution.

[19] Rule 12D-8.0062(1), F.A.C.

CPI on all property where the prior year's assessed value is lower than the just value. The specific language in Rule 12D-8.0062(5), F.A.C., provides:

> Where the current year just value of an individual property exceeds the prior year assessed value, the property appraiser is *required* to increase the prior year's assessed value ....[20]

Currently, this requirement applies even if the just value of the homestead property has decreased from the prior year. Therefore, homestead owners entitled to the "Save Our Homes" cap whose property is assessed at less than just value may see an increase in the assessed value of their home in years where the just/market value of their property has decreased.

Subsection (6) of the rule provides that if the change in the CPI is negative, then the assessed value must be equal to the prior year's assessed value decreased by that percentage.

Markham v. Department of Revenue[21]

On March 17, 1995, William Markham, the Broward County Property Appraiser, filed a petition challenging the validity of the Department of Revenue's proposed "recapture rule" within Rule 12D-8.0062, F.A.C. Markham alleged that the proposed rule was "an invalid exercise of delegated legislative authority and is arbitrary and capricious."[22] Markham also claimed that subsection (5) of the rule was at variance with the constitution—specifically that it conflicted with the "intent" of the ballot initiative and that a third limitation relating to market value or movement[23] should be incorporated into the language of the rule to make it compatible with the language in s. 4(c), Art. VII of the State Constitution.

A final order was issued by the Division of Administrative Hearings on June 21, 1995, which upheld the validity of Rule 12D-8.0062, F.A.C., and the Department of Revenue's exercise of delegated legislative authority. The hearing officer determined that subsections (5) and (6) of the administrative rule were consistent with s. 4(c), Art. VII of the State Constitution. The hearing officer also held that the challenged portions of the rule were consistent with the agency's mandate to adopt rules under s. 195.027(1), F.S., since the rule had a factual and logical underpinning, was plain and unambiguous, and did not conflict with the implemented law.[24]

Low-Income Seniors

Counties and cities may allow an additional homestead exemption of up to $50,000 for anyone 65 years or older whose household income does not exceed $20,000, adjusted annually by the percentage change in the average cost-of-living index.[25] The exemption only applies to taxes levied by the county or city enacting the exemption.[26]

Under the Homestead Property Tax Deferral Act, any homesteader 65 years or older who would qualify for the exemption would also qualify to defer all ad valorem taxes.[27] All senior homesteaders may defer the portion of their tax levy exceeding 3-percent of household income, so long as tax deferrals and other liens do not exceed 85-percent of assessed value and the primary mortgage does not exceed 70 percent. Deferred tax and interest up to 7 percent are due when the property is sold, property insurance is not maintained, or the property ceases to qualify for homestead exemption.

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[20] Rule 12D-8.0062(5), F.A.C.
[21] *Markham v. Department of Revenue*, Case No. 95-1339RP (Fla. DOAH 1995).
[22] *Id.*
[23] *Id.* at ¶ 21, stating that "[t]his limitation, grounded on 'market movement,' would mean that in a year in which market value did not increase, the assessed value of a homestead property would not increase."
[24] *Id.* at ¶ 20.
[25] Article VII, s. 6, Fla. Const. *See also* s. 196.075, F.S.
[26] Section 196.075(4), F.S.
[27] Section 197.243, F.S.

Proposed Changes

The joint resolution proposes an amendment to the state constitution that would allow the Legislature by general law to permit counties and municipalities to limit, for homestead property qualifying for the low-income senior exemption, ad valorem tax assessments for their respective levies to the previous year's assessed value.

To be eligible for the limitation on assessment, the following conditions must be met:

- The property qualifies for the low-income senior exemption, which requires that:
  - The county or municipality has granted the exemption by ordinance;
  - The person has title to the property and maintains his or her permanent residence thereon;
  - The owner is 65 or older; and
  - The owner's annual household income is less than $26,203.[28]
- The just value of the property is less than the just value of the property on the preceding January 1 or is no more than 150% of the average just value of homestead property within the county.

The general law implementing of the constitutional provision must designate a state agency that will calculate the average just value of homestead property within each county and municipality based upon the prior year final tax roll of each county. The designated agency will provide this information to property appraisers. The implementing law must also require that counties and municipalities choosing to provide the assessment limitation must do so by ordinance.

B. SECTION DIRECTORY:

Not applicable to joint resolutions.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   The Division of Elections is required to publish the proposed constitutional amendment twice in a newspaper of general circulation in each county.[29] The Division estimates the cost of advertising the proposed constitutional amendment would be $211,855.44.[30]

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   The Revenue Estimating Conference (REC) adopted an indeterminate negative revenue impact of this resolution on local governments. However, the amendment, if passed, would only affect a county or municipality that chose to impose the cap on assessed value for its assessment.

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[28] Pursuant to s. 196.075(3), F.S., the household income limitation is set at $20,000 as of January 1, 2001, and adjusted annually by the percentage change in the average cost-of-living index issued by the United States Department of Labor. For 2011, that indexed household income amount is $26,203. See: http://dor.myflorida.com/dor/property/resources/limitations.html (last visited December 1, 2011)

[29] Article XI, s. 5(d), Fla. Const.

[30] Department of State, *House Joint Resolution 55 (2012) Fiscal Analysis* (September 12, 2011).

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The resolution could reduce property taxes on certain qualifying seniors. Such a reduction in the property tax base could result in a corresponding shift in property tax burden to other property tax owners.

D. FISCAL COMMENTS:

If the amendment is approved by the voters and the legislature passes implementing/authorizing legislation, and those counties and municipalities that currently grant the additional homestead exemption for low-income seniors pass the necessary ordinances to adopt the assessment limitation cap provided by this joint resolution, the REC estimates a negative revenue impact on local governments of at least $2.3 million in FY 2014-15 and $4.2 million in FY 2015-16.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The mandates provision is not applicable to Joint Resolutions.

2. Other:

Legislative Proposed Amendments

Article XI, s. 1 of the Florida Constitution, provides the Legislature the authority to propose amendments to the constitution by joint resolution approved by three-fifths of the membership of each house. The amendment must be placed before the electorate at the next general election held after the proposal has been filed with the Secretary of State's office or may be placed at a special election held for that purpose.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

House Joint Resolution

A joint resolution proposing an amendment to Section 4 of Article VII of the State Constitution to authorize counties and municipalities to limit the assessed value of the homesteads of certain low-income senior citizens.

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

That the following amendment to Section 4 of Article VII of the State Constitution is agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

SECTION 4. Taxation; assessments.—By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation, provided:

(a) Agricultural land, land producing high water recharge to Florida's aquifers, or land used exclusively for noncommercial recreational purposes may be classified by general law and assessed solely on the basis of character or use.

(b) As provided by general law and subject to conditions, limitations, and reasonable definitions specified therein, land used for conservation purposes shall be classified by general law and assessed solely on the basis of character or use.

(c) Pursuant to general law tangible personal property

held for sale as stock in trade and livestock may be valued for taxation at a specified percentage of its value, may be classified for tax purposes, or may be exempted from taxation.

(d) All persons entitled to a homestead exemption under Section 6 of this Article shall have their homestead assessed at just value as of January 1 of the year following the effective date of this amendment. This assessment shall change only as provided in this subsection.

(1) Except as provided in paragraph (2), assessments subject to this subsection shall be changed annually on January 1 ~~1st~~ of each year; but those changes in assessments shall not exceed the lower of the following:

a. Three percent ~~(3%)~~ of the assessment for the prior year.

b. The percent change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(2) 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 limit assessments on homestead property subject to the additional homestead tax exemption under Section 6(d) to the assessed value of the property in the prior year if the just value of the property is less than the just value of the property on the preceding January 1 or is equal to or less than one hundred fifty percent of the average just value of homestead property

within the respective county or municipality. The general law must allow counties and municipalities to provide this limitation by ordinance adopted in the manner prescribed by general law, specify the state agency designated to calculate the average just value of homestead property within each county and municipality, and provide that such agency annually supply that information to each property appraiser. The calculation shall be based on the prior year's tax roll of each county.

(3) ~~(2)~~ No assessment shall exceed just value.

(4) ~~(3)~~ After any change of ownership, as provided by general law, homestead property shall be assessed at just value as of January 1 of the following year, unless the provisions of paragraph (9) ~~(8)~~ apply. Thereafter, the homestead shall be assessed as provided in this subsection.

(5) ~~(4)~~ New homestead property shall be assessed at just value as of January 1 ~~1st~~ of the year following the establishment of the homestead, unless the provisions of paragraph (9) ~~(8)~~ apply. That assessment shall only change as provided in this subsection.

(6) ~~(5)~~ Changes, additions, reductions, or improvements to homestead property shall be assessed as provided for by general law; provided, however, after the adjustment for any change, addition, reduction, or improvement, the property shall be assessed as provided in this subsection.

(7) ~~(6)~~ In the event of a termination of homestead status, the property shall be assessed as provided by general law.

(8) ~~(7)~~ The provisions of this amendment are severable. If any of the provisions of this amendment shall be held

unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any remaining provisions of this amendment.

(9) ~~(8)~~ a. A person who establishes a new homestead as of January 1, 2009, or January 1 of any subsequent year and who has received a homestead exemption pursuant to Section 6 of this Article as of January 1 of either of the two years immediately preceding the establishment of the new homestead is entitled to have the new homestead assessed at less than just value. If this revision is approved in January of 2008, a person who establishes a new homestead as of January 1, 2008, is entitled to have the new homestead assessed at less than just value only if that person received a homestead exemption on January 1, 2007. The assessed value of the newly established homestead shall be determined as follows:

1. If the just value of the new homestead is greater than or equal to the just value of the prior homestead as of January 1 of the year in which the prior homestead was abandoned, the assessed value of the new homestead shall be the just value of the new homestead minus an amount equal to the lesser of $500,000 or the difference between the just value and the assessed value of the prior homestead as of January 1 of the year in which the prior homestead was abandoned. Thereafter, the homestead shall be assessed as provided in this subsection.

2. If the just value of the new homestead is less than the just value of the prior homestead as of January 1 of the year in which the prior homestead was abandoned, the assessed value of the new homestead shall be equal to the just value of the new

homestead divided by the just value of the prior homestead and multiplied by the assessed value of the prior homestead. However, if the difference between the just value of the new homestead and the assessed value of the new homestead calculated pursuant to this sub-subparagraph is greater than $500,000, the assessed value of the new homestead shall be increased so that the difference between the just value and the assessed value equals $500,000. Thereafter, the homestead shall be assessed as provided in this subsection.

b. By general law and subject to conditions specified therein, the Legislature shall provide for application of this paragraph to property owned by more than one person.

(e) The legislature may, by general law, for assessment purposes and subject to the provisions of this subsection, allow counties and municipalities to authorize by ordinance that historic property may be assessed solely on the basis of character or use. Such character or use assessment shall apply only to the jurisdiction adopting the ordinance. The requirements for eligible properties must be specified by general law.

(f) A county may, in the manner prescribed by general law, provide for a reduction in the assessed value of homestead property to the extent of any increase in the assessed value of that property which results from the construction or reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive grandparents or parents of the owner of the property or of the owner's spouse if at least one of the grandparents or parents for whom the

living quarters are provided is 62 years of age or older. Such a reduction may not exceed the lesser of the following:

(1) The increase in assessed value resulting from construction or reconstruction of the property.

(2) Twenty percent of the total assessed value of the property as improved.

(g) For all levies other than school district levies, assessments of residential real property, as defined by general law, which contains nine units or fewer and which is not subject to the assessment limitations set forth in subsections (a) through (d) shall change only as provided in this subsection.

(1) Assessments subject to this subsection shall be changed annually on the date of assessment provided by law; but those changes in assessments shall not exceed ten percent ~~(10%)~~ of the assessment for the prior year.

(2) No assessment shall exceed just value.

(3) After a change of ownership or control, as defined by general law, including any change of ownership of a legal entity that owns the property, such property shall be assessed at just value as of the next assessment date. Thereafter, such property shall be assessed as provided in this subsection.

(4) Changes, additions, reductions, or improvements to such property shall be assessed as provided for by general law; however, after the adjustment for any change, addition, reduction, or improvement, the property shall be assessed as provided in this subsection.

(h) For all levies other than school district levies, assessments of real property that is not subject to the

assessment limitations set forth in subsections (a) through (d) and (g) shall change only as provided in this subsection.

(1) Assessments subject to this subsection shall be changed annually on the date of assessment provided by law; but those changes in assessments shall not exceed ten percent ~~(10%)~~ of the assessment for the prior year.

(2) No assessment shall exceed just value.

(3) The legislature must provide that such property shall be assessed at just value as of the next assessment date after a qualifying improvement, as defined by general law, is made to such property. Thereafter, such property shall be assessed as provided in this subsection.

(4) The legislature may provide that such property shall be assessed at just value as of the next assessment date after a change of ownership or control, as defined by general law, including any change of ownership of the legal entity that owns the property. Thereafter, such property shall be assessed as provided in this subsection.

(5) Changes, additions, reductions, or improvements to such property shall be assessed as provided for by general law; however, after the adjustment for any change, addition, reduction, or improvement, the property shall be assessed as provided in this subsection.

(i) The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:

(1) Any change or improvement made for the purpose of

improving the property's resistance to wind damage.

(2) The installation of a renewable energy source device.

(j)(1) The assessment of the following working waterfront properties shall be based upon the current use of the property:

a. Land used predominantly for commercial fishing purposes.

b. Land that is accessible to the public and used for vessel launches into waters that are navigable.

c. Marinas and drystacks that are open to the public.

d. Water-dependent marine manufacturing facilities, commercial fishing facilities, and marine vessel construction and repair facilities and their support activities.

(2) The assessment benefit provided by this subsection is subject to conditions and limitations and reasonable definitions as specified by the legislature by general law.

BE IT FURTHER RESOLVED that the following statement be placed on the ballot:

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTION 4

ASSESSMENT OF HOMESTEAD PROPERTY OWNED BY LOW-INCOME SENIOR CITIZENS.—Currently, counties and municipalities may grant an additional homestead exemption to a person who is 65 years of age or older and who has a household income of $20,000 or less. This proposed amendment to the State Constitution authorizes counties and municipalities to limit the assessments of the homesteads of persons receiving such additional exemption to the assessed value of the property in the prior year if the just value of the property is less than the just value of the

property on the preceding January 1 or is equal to or less than 150 percent of the average just value of homestead property in the respective county or municipality. As such, if authorized by a county or municipality, these individuals will not be required to pay more county or municipal ad valorem taxes than they paid in the prior year if the value of their homestead decreases or an increase in value of their homestead property does not result in the value of the property exceeding the average just value of homestead property in the county or municipality by more than 150 percent.

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION	
ADOPTED	__ (Y/N)
ADOPTED AS AMENDED	__ (Y/N)
ADOPTED W/O OBJECTION	__ (Y/N)
FAILED TO ADOPT	__ (Y/N)
WITHDRAWN	__ (Y/N)
OTHER	_____

Committee/Subcommittee hearing bill: Finance & Tax Committee

Representative Nuñez offered the following:

Amendment (with ballot amendment)

Remove lines 54-55 and insert:

property is equal to or less than one hundred

B A L L O T A M E N D M E N T

Remove lines 219-234 and insert:

age or older and who has a low household income as defined by general law. This proposed amendment to the State Constitution authorizes counties and municipalities to limit the assessments of the homesteads of persons receiving such additional exemption to the assessed value of the property in the prior year if the just value of the property is equal to or less than 150 percent of the average just value of homestead property in the

respective county or municipality. As such, if authorized by a county or municipality, these individuals will not be required to pay more county or municipal ad valorem taxes than they paid in the prior year solely due to an increase in value of their homestead property that does not result in the value of the property exceeding the average just value of homestead property in the county or municipality by more than 150 percent.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HJR 93 Homestead Property Tax Exemption for Surviving Spouse of Military Veteran or First Responder
SPONSOR(S): Harrison and others
TIED BILLS: HB 95 **IDEN./SIM. BILLS:** SJR 1056

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Finance & Tax Committee		Aldridge	Langston
2) Community & Military Affairs Subcommittee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

The joint resolution proposes an amendment to the Florida Constitution that would allow the legislature to provide ad valorem tax relief to the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and to the surviving spouse of a first responder who died in the line of duty. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on homestead property.

The proposed amendment defines "first responder" to mean a law enforcement officer, a correctional officer, a firefighter, an emergency medical technician, or a paramedic. "In the line of duty" is defined to mean arising out of and in the actual performance of duty required by employment as a first responder. The legislature is authorized to further define these terms by general law.

The Revenue Estimating Conference has estimated that, if the voters approve this constitutional amendment, and if it is implemented by the legislature effective beginning with the January 2013 tax rolls and **assuming current millage rates,** the estimated statewide impact would be annual reductions in school tax revenues of $0.3 million, beginning in fiscal year 2013-14. Annual reductions in local government non-school tax revenues under those circumstances are estimated to be $0.3 million beginning in fiscal year 2013-14.

The Department of State estimates that the cost of publishing the proposed constitutional amendment, as required by law, is $100,302.

For the proposed amendment to be placed on the ballot at the general election in November 2012, the legislature must approve the joint resolution by a three-fifths vote of the membership of each house of the legislature.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Just Value

Article VII, section 4 of the Florida Constitution, requires that all property be assessed at just value for ad valorem tax purposes. "Just value" is synonymous with "fair market value" and is defined as what a willing buyer would pay a willing seller for the property in an arm's length transaction.[1]

Assessed Value

The Florida Constitution authorizes certain alternatives to the just valuation standard for specific types of property.[2] Agricultural land, land producing high water recharge to Florida's aquifers, and land used exclusively for noncommercial recreational purposes may be assessed solely on the basis of their character or use.[3] Land used for conservation purposes must be assessed solely on the basis of character or use.[4] Livestock and tangible personal property that is held for sale as stock in trade may be assessed at a specified percentage of its value or be totally exempted from taxation.[5] Counties and municipalities may authorize historic properties to be assessed solely on the basis of character or use.[6] Counties may also provide a reduction in the assessed value of property improvements on existing homesteads made to accommodate parents or grandparents that are 62 years of age or older.[7] The Legislature is authorized to prohibit the consideration of improvements to residential real property for purposes of improving the property's wind resistance or the installation of renewable energy source devices in the assessment of the property.[8] Certain working waterfront property is assessed based upon the property's current use.[9]

Assessment Limitations

Save Our Homes

The "Save Our Homes" provision in Article VII, section 4 of the Florida Constitution, limits the amount a homestead's assessed value can increase annually to the lesser of 3 percent or the inflation rate as measured by the consumer price index (CPI).[10] Homestead property owners that establish a new homestead may transfer up to $500,000 of their accrued "Save Our Homes" benefit to a new homestead.[11]

Additional Assessment Limitations

Article VII, sections 4(g) and (h), of the Florida Constitution, provide an assessment limitation for non-homestead residential real property containing nine or fewer units, and for all real property not subject to other specified assessment limitations. For all levies, with the exception of school levies, the assessed value of property in each of these two categories may not be increased annually by more

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[1] *See Walter v. Shuler,* 176 So.2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So.2d 1163 (Fla. 1976); and *Southern Bell Tel. & Tel. Co. v. Dade County,* 275 So.2d 4 (Fla. 1973).
[2] The constitutional provisions in section 4, Art. VII, of the Florida Constitution, are implemented in Part II of ch. 193, F.S.
[3] Art. VII, section 4(a) of the Florida Constitution.
[4] Art. VII, section 4(b) of the Florida Constitution.
[5] Art. VII, section 4(c) of the Florida Constitution.
[6] Art. VII, section 4(e) of the Florida Constitution.
[7] Art. VII, section 4(f) of the Florida Constitution.
[8] Art. VII, section 4(i) of the Florida Constitution.
[9] Art. VII, section 4(j) of the Florida Constitution.
[10] Art. VII, section 4(d) of the Florida Constitution.
[11] Art. VII, section 4(d) of the Florida Constitution.

than 10 percent of the assessment in the prior year. However, residential real property containing nine or fewer units must be assessed at just value whenever there is a change in ownership or control. For the other real property subject to the limitation, the Legislature may provide that such property shall be assessed at just value after a change of ownership or control and must provide for reassessment following a qualifying improvement, as defined by general law.

Exemptions

The Legislature may only grant property tax exemptions that are authorized in the constitution, and any modifications to existing property tax exemptions must be consistent with the constitutional provision authorizing the exemption.[12]

Homestead Exemption

Article VII, section 6 of the Florida Constitution, provides that every person who owns real estate with legal and equitable title and maintains their permanent residence, or the permanent residence of their dependent upon such real estate, is eligible for a $25,000 homestead tax exemption applicable to all ad valorem tax levies including school district levies. An additional $25,000 homestead exemption applies to homesteads that have an assessed value greater than $50,000 and up to $75,000, excluding school district levies.

Other Exemptions

Article VII, section 3 of the Florida Constitution, provides for other specific exemptions from property taxes. Property owned by a municipality and used exclusively for municipal or public purposes is exempt, and portions of property used predominantly for educational, literary, scientific, religious or charitable purposes may be exempted by general law.[13] Additional exemptions are provided for household goods and personal effects, widows and widowers, blind persons and persons who are totally and permanently disabled.[14] A county or municipality is authorized to provide a property tax exemption for new and expanded businesses, but only against its own millage and upon voter approval.[15] A county or municipality may also grant an historic preservation property tax exemption against its own millage to owners of historic property.[16] Tangible personal property is exempt up to $25,000 of its assessed value.[17] There is an exemption for real property dedicated in perpetuity for conservation purposes.[18] There is an exemption for military personnel deployed on active duty outside of the United States in support of military operations designated by the Legislature.[19]

Taxable Value

The taxable value of real and tangible personal property is the assessed value minus any exemptions provided by the Florida Constitution or by Florida Statutes.

Proposed Changes

Additional Homestead Exemption for the Surviving Spouse of a Military Veteran or First Responder

The joint resolution proposes an amendment to the Florida Constitution that would allow the legislature to provide ad valorem tax relief to the surviving spouse of a veteran who died from service-connected

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[12] *See Sebring Airport Authority v. McIntyre*, 783 So. 2d 238 (Fla. 2001). *See also, Archer v. Marshall,* 355 So. 2d 781, 784 (Fla. 1978); *Am Fi Inv. Corp. v. Kinney,* 360 So. 2d 415 (Fla. 1978); *Sparkman v. State,* 58 So. 2d 431, 432 (Fla. 1952).
[13] Art. VII, section 3(a) of the Florida Constitution.
[14] Art. VII, section 3(b) of the Florida Constitution.
[15] Art. VII, section 3(c) of the Florida Constitution.
[16] Art. VII, section 3(d) of the Florida Constitution.
[17] Art. VII, section 3(e) of the Florida Constitution.
[18] Art. VII, section 3(f) of the Florida Constitution.
[19] Art. VII, section 3(g) of the Florida Constitution.

causes while on active duty as a member of the United States Armed Forces and to the surviving spouse of a first responder who died in the line of duty. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on homestead property.

The proposed amendment defines "first responder" to mean a law enforcement officer, a correctional officer, a firefighter, an emergency medical technician, or a paramedic. "In the line of duty" is defined to mean arising out of and in the actual performance of duty required by employment as a first responder. The legislature is authorized to further define these terms by general law.

B. SECTION DIRECTORY:

Not applicable to joint resolutions.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Section 5(d), Art. XI of the State Constitution, requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published once in the 10th week and again in the sixth week immediately preceding the week the election is held. The Division of Elections within the Department of State estimated that the the full publication costs for advertising the proposed amendment to be $100,302.[20]

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference has estimated that, if the voters approve this constitutional amendment, and if it is implemented by the legislature effective beginning with the January 2013 tax rolls and **assuming current millage rates,** the estimated statewide impact would be annual reductions in school tax revenues of $0.3 million, beginning in fiscal year 2013-14. Annual reductions in local government non-school tax revenues under those circumstances are estimated to be $0.3 million beginning in fiscal year 2013-14.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

If the proposed amendment is approved by the electorate and implemented by the legislature, surviving spouses of certain veterans and first responders could receive property tax relief.

D. FISCAL COMMENTS:

None.

[20] Department of State, *House Joint Resolution 93 (2012) Fiscal Analysis* (October 3, 2011).

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable to joint resolutions.

2. Other:

The Legislature may propose amendments to the state constitution by joint resolution approved by three-fifths of the membership of each house.[21] The amendment must be submitted to the electors at the next general election more than 90 days after the proposal has been filed with the Secretary of State's office, unless pursuant to law enacted by the a three-fourths vote of the membership of each house, and limited to a single amendment or revision, it is submitted at an earlier special election held more than ninety days after such filing.[22]

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

[21] Art. XI, section 1 of the Florida Constitution.
[22] Art. XI, section 5 of the Florida Constitution.

House Joint Resolution

A joint resolution proposing an amendment to Section 6 of Article VII of the State Constitution to allow the Legislature by general law to provide ad valorem homestead property tax relief to the surviving spouse of a military veteran who died from service-connected causes while on active duty or a surviving spouse of a first responder who died in the line of duty and provide definitions with respect thereto.

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

That the following amendment to Section 6 of Article VII of the State Constitution is agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

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 twenty-five thousand dollars and, for all levies other than school district levies, on the assessed valuation greater than fifty thousand dollars and up to seventy-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. The exemption 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 exemption is repealed on the effective date of any amendment to this Article which provides for the assessment of homestead property at less than just value.

(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 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.

(d) 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.

(e) 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.

(f) By general law and subject to conditions and limitations specified therein, the Legislature may provide ad valorem tax relief equal to the total amount or a portion of the ad valorem tax otherwise owed on homestead property to the:

(1) Surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces.

(2) Surviving spouse of a first responder who died in the line of duty.

(3) As used in this subsection and as further defined by general law, the term:

a. "First responder" means a law enforcement officer, a correctional officer, a firefighter, an emergency medical technician, or a paramedic.

b. "In the line of duty" means arising out of and in the actual performance of duty required by employment as a first responder.

BE IT FURTHER RESOLVED that the following statement be placed on the ballot:

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTION 6

HOMESTEAD PROPERTY TAX EXEMPTION FOR SURVIVING SPOUSE OF MILITARY VETERAN OR FIRST RESPONDER.—Proposing an amendment to the State Constitution to authorize the Legislature to provide by general law ad valorem homestead property tax relief to the surviving spouse of a military veteran who died from service-connected causes while on active duty or to the surviving spouse of a first responder who died in the line of duty. The amendment authorizes the Legislature to totally exempt or partially exempt such surviving spouse's homestead property from ad valorem taxation. The amendment defines a first responder as a law enforcement officer, a correctional officer, a firefighter, an emergency medical technician, or a paramedic.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION	
ADOPTED	__ (Y/N)
ADOPTED AS AMENDED	__ (Y/N)
ADOPTED W/O OBJECTION	__ (Y/N)
FAILED TO ADOPT	__ (Y/N)
WITHDRAWN	__ (Y/N)
OTHER	_____

Committee/Subcommittee hearing bill: Finance & Tax Committee
Representative Harrison offered the following:

Amendment (with directory, ballot and title amendments)

Between lines 107 and 108, insert:

ARTICLE XII

SCHEDULE

SECTION 32. Ad valorem tax relief for surviving spouses of veterans who died from service-connected causes and first responders who died in the line of duty.—This section and the amendment to Section 6 of Article VII permitting the legislature to provide ad valorem tax relief to surviving spouses of veterans who died from service-connected causes and first responders who died in the line of duty shall take effect January 1, 2013.

Amendment No. 1

D I R E C T O R Y A M E N D M E N T

Remove line 13 and insert:

That the following amendment to Section 6 of Article VII and the creation of Section 32 of Article XII of

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B A L L O T A M E N D M E N T

Between lines 111 and 112, insert:

ARTICLE XII, SECTION 32

T I T L E A M E N D M E N T

Remove line 3 and insert:

of Article VII and the creation of Section 32 of Article XII of the State Constitution to allow the

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 95 Homestead Property Tax Exemptions
SPONSOR(S): Harrison and others
TIED BILLS: HJR 93 **IDEN./SIM. BILLS:** SB 1058

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Finance & Tax Committee		Aldridge	Langston
2) Community & Military Affairs Subcommittee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

The bill implements the proposed constitutional amendment contained in HJR 93.

Section 196.081(4), F.S., currently provides, under specified conditions, a full exemption from ad valorem taxes on property that is owned and used as a homestead by the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and who was a permanent resident of this state on January 1 of the year in which he or she died. The current exemption does not require the surviving spouse to have been a Florida resident on January 1 of the year in which the veteran died.

The bill requires the surviving spouse to have been a Florida resident on January 1 of the year in which the veteran died to qualify for this exemption.

The bill creates a new statutory provision that creates and sets forth the requirements for a complete exemption from ad valorem taxes authorized by the proposed constitutional amendment in HJR 93. The exemption is available under specified conditions to the surviving spouse of a "first responder" who died in the line of duty when the real estate is owned and used by the surviving spouse as a homestead. The bill defines the terms "first responder" and "in the line of duty."

The Revenue Estimating Conference has estimated that, if the amendment proposed by HJR 93 is approved by the voters, **assuming current millage rates,** the estimated statewide impact of the bill would be annual reductions in school tax revenues of $0.3 million beginning in fiscal year 2013-14. Annual reductions in local government non-school tax revenues under those circumstances are estimated to be $0.3 million beginning in fiscal year 2013-14.

The bill takes effect upon the approval of the amendment proposed by HJR 93 by the voters. The bill will operate prospectively to tax rolls submitted to the Department of Revenue by each county tax collector beginning January 2013 and each January thereafter and do not provide a basis for relief from or assessment of taxes not paid or for determining any denial of or a right to a refund of taxes paid before the effective date of this bill. The revisions in the bill to the exemption for surviving spouses of veterans only apply to when the veteran's death occurs after the effective date of the bill and do not affect the homestead exemptions of surviving spouses of veterans whose deaths occurred before the effective date of the bill. The provisions of the bill that relate to the surviving spouses of first responders apply for surviving spouses of first responders whose deaths occur before, on, or after the effective date of the bill.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Just Value

Article VII, section 4 of the Florida Constitution, requires that all property be assessed at just value for ad valorem tax purposes. "Just value" is synonymous with "fair market value" and is defined as what a willing buyer would pay a willing seller for the property in an arm's length transaction.[1]

Assessed Value

The Florida Constitution authorizes certain alternatives to the just valuation standard for specific types of property.[2] Agricultural land, land producing high water recharge to Florida's aquifers, and land used exclusively for noncommercial recreational purposes may be assessed solely on the basis of their character or use.[3] Land used for conservation purposes must be assessed solely on the basis of character or use.[4] Livestock and tangible personal property that is held for sale as stock in trade may be assessed at a specified percentage of its value or be totally exempted from taxation.[5] Counties and municipalities may authorize historic properties to be assessed solely on the basis of character or use.[6] Counties may also provide a reduction in the assessed value of property improvements on existing homesteads made to accommodate parents or grandparents that are 62 years of age or older.[7] The Legislature is authorized to prohibit the consideration of improvements to residential real property for purposes of improving the property's wind resistance or the installation of renewable energy source devices in the assessment of the property.[8] Certain working waterfront property is assessed based upon the property's current use.[9]

Assessment Limitations

Save Our Homes

The "Save Our Homes" provision in Article VII, section 4 of the Florida Constitution, limits the amount a homestead's assessed value can increase annually to the lesser of 3 percent or the inflation rate as measured by the consumer price index (CPI).[10] Homestead property owners that establish a new homestead may transfer up to $500,000 of their accrued "Save Our Homes" benefit to a new homestead.[11]

Additional Assessment Limitations

Article VII, sections 4(g) and (h), of the Florida Constitution, provide an assessment limitation for non-homestead residential real property containing nine or fewer units, and for all real property not subject to other specified assessment limitations. For all levies, with the exception of school levies, the assessed value of property in each of these two categories may not be increased annually by more

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[1] *See Walter v. Shuler,* 176 So.2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So.2d 1163 (Fla. 1976); and *Southern Bell Tel. & Tel. Co. v. Dade County,* 275 So.2d 4 (Fla. 1973).
[2] The constitutional provisions in section 4, Art. VII, of the Florida Constitution, are implemented in Part II of ch. 193, F.S.
[3] Art. VII, section 4(a) of the Florida Constitution.
[4] Art. VII, section 4(b) of the Florida Constitution.
[5] Art. VII, section 4(c) of the Florida Constitution.
[6] Art. VII, section 4(e) of the Florida Constitution.
[7] Art. VII, section 4(f) of the Florida Constitution.
[8] Art. VII, section 4(i) of the Florida Constitution.
[9] Art. VII, section 4(j) of the Florida Constitution.
[10] Art. VII, section 4(d) of the Florida Constitution.
[11] Art. VII, section 4(d) of the Florida Constitution.

than 10 percent of the assessment in the prior year. However, residential real property containing nine or fewer units must be assessed at just value whenever there is a change in ownership or control. For the other real property subject to the limitation, the Legislature may provide that such property shall be assessed at just value after a change of ownership or control and must provide for reassessment following a qualifying improvement, as defined by general law.

Exemptions

The Legislature may only grant property tax exemptions that are authorized in the constitution, and any modifications to existing property tax exemptions must be consistent with the constitutional provision authorizing the exemption.[12]

Homestead Exemption

Article VII, section 6 of the Florida Constitution, provides that every person who owns real estate with legal and equitable title and maintains their permanent residence, or the permanent residence of their dependent upon such real estate, is eligible for a $25,000 homestead tax exemption applicable to all ad valorem tax levies including school district levies. An additional $25,000 homestead exemption applies to homesteads that have an assessed value greater than $50,000 and up to $75,000, excluding school district levies.

Other Exemptions

Article VII, section 3 of the Florida Constitution, provides for other specific exemptions from property taxes. Property owned by a municipality and used exclusively for municipal or public purposes is exempt, and portions of property used predominantly for educational, literary, scientific, religious or charitable purposes may be exempted by general law.[13] Additional exemptions are provided for household goods and personal effects, widows and widowers, blind persons and persons who are totally and permanently disabled.[14] A county or municipality is authorized to provide a property tax exemption for new and expanded businesses, but only against its own millage and upon voter approval.[15] A county or municipality may also grant an historic preservation property tax exemption against its own millage to owners of historic property.[16] Tangible personal property is exempt up to $25,000 of its assessed value.[17] There is an exemption for real property dedicated in perpetuity for conservation purposes.[18] There is an exemption for military personnel deployed on active duty outside of the United States in support of military operations designated by the Legislature.[19]

Exemption for Surviving Spouses of Certain Veterans

Section 196.081(4), F.S., currently provides, under specified conditions, a full exemption from ad valorem taxes on property that is owned and used as a homestead by the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and for whom a letter from the United States Government or United States Department of Veterans Affairs or its predecessor has been issued certifying that the veteran died from service-connected causes while on active duty. Additionally, the veteran must have been a permanent resident of this state on January 1 of the year in which he or she died. The current exemption does not require the surviving spouse to have been a Florida resident on January 1 of the year in which the veteran died.

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[12] *See Sebring Airport Authority v. McIntyre*, 783 So. 2d 238 (Fla. 2001). *See also, Archer v. Marshall,* 355 So. 2d 781, 784 (Fla. 1978); *Am Fi Inv. Corp. v. Kinney,* 360 So. 2d 415 (Fla. 1978); *Sparkman v. State*, 58 So. 2d 431, 432 (Fla. 1952).

[13] Art. VII, section 3(a) of the Florida Constitution.

[14] Art. VII, section 3(b) of the Florida Constitution.

[15] Art. VII, section 3(c) of the Florida Constitution.

[16] Art. VII, section 3(d) of the Florida Constitution.

[17] Art. VII, section 3(e) of the Florida Constitution.

[18] Art. VII, section 3(f) of the Florida Constitution.

[19] Art. VII, section 3(g) of the Florida Constitution.

Taxable Value

The taxable value of real and tangible personal property is the assessed value minus any exemptions provided by the Florida Constitution or by Florida Statutes.

Proposed Changes

The bill implements the proposed constitutional amendment contained in HJR 93.

Exemptions

Exemption for Surviving Spouses of Certain Veterans

The bill changes the current exemption under s. 196.081(4), F.S., described above, to require the surviving spouse to have been a Florida resident on January 1 of the year in which the veteran died to qualify for this exemption.

Exemption for Surviving Spouses of First Responders

The bill creates a new statutory provision that creates and sets forth the requirements for a complete exemption from ad valorem taxes authorized by the proposed constitutional amendment in HJR 93. The exemption is available under specified conditions to the surviving spouse of a "first responder" who died in the line of duty when the real estate is owned and used by the surviving spouse as a homestead.

The bill defines the terms "first responder" to mean a law enforcement officer or correctional officer as defined in s. 943.10, F.S., a firefighter as defined in s. 633.30, F.S., or an emergency medical technician or paramedic as defined in s. 401.23, F.S., who is a full-time paid employee, part-time paid employee, or unpaid volunteer.

The bill defines "in the line of duty" to mean:

- While engaging in law enforcement;
- While performing an activity relating to fire suppression and prevention;
- While responding to a hazardous material emergency;
- While performing rescue activity;
- While providing emergency medical services;
- While performing disaster relief activity;
- While otherwise engaging in emergency response activity; or
- While engaging in a training exercise related to any of the events or activities enumerated in this subparagraph if the training has been authorized by the employing entity.

The bill provides that a heart attack or stroke that causes death or causes an injury resulting in death must occur within 24 hours after an event or activity enumerated above and must be directly and proximately caused by the event or activity in order to be considered as having occurred in the line of duty.

The bill specifies the documentation required to qualify for the exemption to be a letter from the state or appropriate political subdivision of the state or other authority or special district that has been issued legally recognizing and certifying that the individual died in the line of duty while employed as a first responder. The bill provides that presentation by the surviving spouse of this letter that attests the

individual's death was in the line of duty is prima facie evidence that the surviving spouse is entitled to this exemption.

The bill provides that the exemption may apply as long as the spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry.

Applicability of Changes

The bill takes effect upon the approval of the amendment proposed by HJR 93 by the voters. The bill will operate prospectively to tax rolls submitted to the Department of Revenue by each county tax collector beginning January 2013 and each January thereafter and do not provide a basis for relief from or assessment of taxes not paid or for determining any denial of or a right to a refund of taxes paid before the effective date of this bill. The revisions in the bill to the exemption for surviving spouses of veterans only apply to when the veteran's death occurs after the effective date of the bill and do not affect the homestead exemptions of surviving spouses of veterans whose deaths occurred before the effective date of the bill. The provisions of the bill that relate to the surviving spouses of first responders apply for surviving spouses of first responders whose deaths occur before, on, or after the effective date of the bill.

B. SECTION DIRECTORY:

Section 1: Provides that the act may be cited as the "Fallen Heroes Family Tax Relief Act."

Section 2: Amends s. 196.081(4)(a), F.S., modifying the qualifications for an ad valorem exemption for surviving spouses of veterans and creates s. 196.081(5), F.S., implementing an ad valorem exemption for surviving spouses of first responders.

Section 3: Provides rules of construction.

Section 4: Provides an effective date.

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:

   The Revenue Estimating Conference has estimated that, if the amendment proposed by HJR 93 is approved by the voters, **assuming current millage rates,** the estimated statewide impact of the bill would be annual reductions in school tax revenues of $0.3 million beginning in fiscal year 2013-14. Annual reductions in local government non-school tax revenues under those circumstances are estimated to be $0.3 million beginning in fiscal year 2013-14.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

If the amendment proposed by HJR 93 is approved by the voters, the bill would provide property tax relief to surviving spouses of certain first responders.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill implements a constitutional amendment to which the mandates provision of s. 18, Art. VII of the State Constitution, does not apply.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to homestead property tax exemptions; providing a short title; amending s. 196.081, F.S.; requiring the surviving spouse of a military veteran who dies from service-connected causes while on active duty to be a permanent resident of this state on a specified date in order for the surviving spouse's homestead to be exempt from taxation; providing definitions; exempting from taxation the homestead property of a surviving spouse of a first responder who dies in the line of duty under certain circumstances; providing construction, including application with respect to certain deaths preceding the effective date of the act; providing a contingent effective date.

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

Section 1. This act may be cited as the "Fallen Heroes Family Tax Relief Act."

Section 2. Section 196.081, Florida Statutes, is amended to read:

196.081 Exemption for certain permanently and totally disabled veterans and for surviving spouses of veterans; exemption for surviving spouses of first responders who die in the line of duty.—

(1) Any real estate that is owned and used as a homestead by a veteran who was honorably discharged with a service-

connected total and permanent disability and for whom a letter from the United States Government or United States Department of Veterans Affairs or its predecessor has been issued certifying that the veteran is totally and permanently disabled is exempt from taxation, if the veteran is a permanent resident of this state on January 1 of the tax year for which exemption is being claimed or was a permanent resident of this state on January 1 of the year the veteran died.

(2) The production by a veteran or the spouse or surviving spouse of a letter of total and permanent disability from the United States Government or United States Department of Veterans Affairs or its predecessor before the property appraiser of the county in which property of the veteran lies is prima facie evidence of the fact that the veteran or the surviving spouse is entitled to the exemption.

(3) If the totally and permanently disabled veteran predeceases his or her spouse and if, upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides thereon as specified in s. 196.031, the exemption from taxation carries over to the benefit of the veteran's spouse until such time as he or she remarries or sells or otherwise disposes of the property. If the spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence, as long as it is used as his or her primary residence and he or she does not remarry.

(4)(a) Any real estate that is owned and used as a homestead by the surviving spouse of a veteran who died from

service-connected causes while on active duty as a member of the United States Armed Forces and for whom a letter from the United States Government or United States Department of Veterans Affairs or its predecessor has been issued certifying that the veteran who died from service-connected causes while on active duty is exempt from taxation if the veteran and his or her surviving spouse were ~~was a~~ permanent residents ~~resident~~ of this state on January 1 of the year in which the veteran died.

(b) The production by the surviving spouse of a letter that was issued as required under paragraph (a) and that attests the veteran's death while on active duty is prima facie evidence of the fact that the surviving spouse is entitled to an exemption under paragraph (a).

(c) The tax exemption that applies under paragraph (a) to the surviving spouse carries over to the benefit of the veteran's surviving spouse as long as the spouse holds the legal or beneficial title to the homestead, permanently resides thereon as specified in s. 196.031, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry.

(5)(a) As used in this subsection, the term:

1. "First responder" means a law enforcement officer or correctional officer as defined in s. 943.10, a firefighter as defined in s. 633.30, or an emergency medical technician or paramedic as defined in s. 401.23 who is a full-time paid employee, part-time paid employee, or unpaid volunteer.

2. "In the line of duty" means:

a. While engaging in law enforcement;

b. While performing an activity relating to fire suppression and prevention;

c. While responding to a hazardous material emergency;

d. While performing rescue activity;

e. While providing emergency medical services;

f. While performing disaster relief activity;

g. While otherwise engaging in emergency response activity; or

h. While engaging in a training exercise related to any of the events or activities enumerated in this subparagraph if the training has been authorized by the employing entity.

A heart attack or stroke that causes death or causes an injury resulting in death must occur within 24 hours after an event or activity enumerated in this subparagraph and must be directly and proximately caused by the event or activity in order to be considered as having occurred in the line of duty.

(b) Any real estate that is owned and used as a homestead by the surviving spouse of a first responder who died in the line of duty while employed by the state or any political subdivision of the state, including authorities and special districts, and for whom a letter from the state or appropriate political subdivision of the state or other authority or special district has been issued legally recognizing and certifying that the individual died in the line of duty while employed as a first responder is exempt from taxation if the individual and

his or her surviving spouse were permanent residents of this state on January 1 of the year in which the individual died.

(c) The production by the surviving spouse of a letter that was issued as required under paragraph (b) and that attests the individual's death in the line of duty is prima facie evidence of the fact that the surviving spouse is entitled to an exemption under paragraph (b).

(d) The tax exemption that applies under paragraph (b) to the surviving spouse carries over to the benefit of the individual's surviving spouse as long as the spouse holds the legal or beneficial title to the homestead, permanently resides thereon as specified in s. 196.031, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry.

Section 3. Construction.—

(1) The revisions to section 196.081, Florida Statutes, under this act operate prospectively to tax rolls submitted to the Department of Revenue by each county tax collector beginning January 2013 and each January thereafter and do not provide a basis for relief from or assessment of taxes not paid or for determining any denial of or a right to a refund of taxes paid before the effective date of this act.

(2) The revisions to paragraph (a) of subsection (4) of section 196.081, Florida Statutes, under this act apply to the homestead exemptions of surviving spouses of veterans whose deaths occur after the effective date of this act and do not

affect the homestead exemptions of surviving spouses of veterans whose deaths occurred before the effective date of this act.

(3) The provisions of subsection (5) of section 196.081, Florida Statutes, created under this act apply to the homestead exemptions of surviving spouses of first responders whose deaths occur before, on, or after the effective date of this act.

Section 4. This act shall take effect upon the approval of House Joint Resolution 93, or a similar joint resolution having substantially the same specific intent and purpose, at the general election to be held in November 2012 or at an earlier special election specifically authorized by law for that purpose.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION	
ADOPTED	__ (Y/N)
ADOPTED AS AMENDED	__ (Y/N)
ADOPTED W/O OBJECTION	__ (Y/N)
FAILED TO ADOPT	__ (Y/N)
WITHDRAWN	__ (Y/N)
OTHER	_____

Committee/Subcommittee hearing bill: Finance & Tax Committee
Representative Harrison offered the following:

Amendment (with title amendment)

Remove lines 62-152 and insert:

duty is exempt from taxation if the veteran was a permanent resident of this state on January 1 of the year in which the veteran died.

(b) The production by the surviving spouse of a letter that was issued as required under paragraph (a) and that attests the veteran's death while on active duty is prima facie evidence of the fact that the surviving spouse is entitled to an exemption under paragraph (a).

(c) The tax exemption that applies under paragraph (a) to the surviving spouse carries over to the benefit of the veteran's surviving spouse as long as the spouse holds the legal or beneficial title to the homestead, permanently resides thereon as specified in s. 196.031, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed

the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry.

(5)(a) The following terms are defined for the purposes of this subsection only and do not apply to the payment of benefits under s. 112.19 or s. 112.191:

1. "First responder" means a law enforcement officer or correctional officer as defined in s. 943.10, a firefighter as defined in s. 633.30, or an emergency medical technician or paramedic as defined in s. 401.23 who is a full-time paid employee, part-time paid employee, or unpaid volunteer.

2. "In the line of duty" means:

a. While engaging in law enforcement;

b. While performing an activity relating to fire suppression and prevention;

c. While responding to a hazardous material emergency;

d. While performing rescue activity;

e. While providing emergency medical services;

f. While performing disaster relief activity;

g. While otherwise engaging in emergency response activity; or

h. While engaging in a training exercise related to any of the events or activities enumerated in this subparagraph if the training has been authorized by the employing entity.

A heart attack or stroke that causes death or causes an injury resulting in death must occur within 24 hours after an event or activity enumerated in this subparagraph and must be directly

and proximately caused by the event or activity in order to be considered as having occurred in the line of duty.

(b) Any real estate that is owned and used as a homestead by the surviving spouse of a first responder who died in the line of duty while employed by the state or any political subdivision of the state, including authorities and special districts, and for whom a letter from the state or appropriate political subdivision of the state or other authority or special district has been issued legally recognizing and certifying that the individual died in the line of duty while employed as a first responder is exempt from taxation if the individual and his or her surviving spouse were permanent residents of this state on January 1 of the year in which the individual died.

(c) The production by the surviving spouse of a letter that was issued as required under paragraph (b) and that attests the individual's death in the line of duty is prima facie evidence of the fact that the surviving spouse is entitled to an exemption under paragraph (b).

(d) The tax exemption that applies under paragraph (b) to the surviving spouse carries over to the benefit of the individual's surviving spouse as long as the spouse holds the legal or beneficial title to the homestead, permanently resides thereon as specified in s. 196.031, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry.

Section 3. Construction.—

(1) The revisions to s. 196.081 under this act operate prospectively to the 2013 tax roll and do not provide a basis for relief from an assessment of taxes not paid or create a right to a refund of taxes paid before January 1, 2013.

(2) The provisions of s. 196.081(5) created under this act apply to the homestead exemptions of surviving spouses of first responders whose deaths occur before, on, or after the effective date of this act.

Section 3. Effective July 1, 2012, the sum of $100,302 in nonrecurring funds is appropriated from the General Revenue Fund to the Department of State for purposes of publishing, as required under Section 5(d), Art. XI of the State Constitution, the proposed constitutional amendment contained in House Joint Resolution 93, or a similar joint resolution having substantially the same specific intent and purpose.

Section 4. Except as otherwise expressly provided in this act, this act shall take effect upon the approval by a vote of the electors of House Joint Resolution 93, or a similar joint resolution having substantially the same specific intent and purpose, at the general election to be held in November 2012 or at an earlier special election specifically authorized by law for that purpose and shall apply to the 2013 tax roll.

T I T L E A M E N D M E N T

Remove lines 4-8 and insert:

Amendment No. 1

providing an appropriation; providing

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 107 Special Districts
SPONSOR(S): Community & Military Affairs Subcommittee; Caldwell and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 192

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	14 Y, 0 N, As CS	Duncan	Hoagland
2) Finance & Tax Committee		Wilson	Langston
3) Economic Affairs Committee			

SUMMARY ANALYSIS

The Uniform Special District Accountability Act of 1989 (Act) sets forth the general provisions for the definition, creation, and operation of all special districts. Special districts are local units of special purpose government within a limited boundary, created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.

The Act also establishes the method for the merger and dissolution of dependent and independent special districts. Any dependent or independent district created and operating by special act may only be merged or dissolved by the Legislature unless otherwise provided by general law. An inactive independent special district created by a county or municipality through a referendum or any other procedure, may be merged or dissolved pursuant to the same procedure by which the district was created.

CS/HB 107 allows two or more contiguous independent special districts with similar functions and governing bodies that were created by the Legislature to voluntarily merge under specified circumstances. The bill allows merger proceedings to be initiated either by joint resolution of the governing bodies of each district or by 40 percent or more of the qualified electors in each district. The bill also requires independent special districts to adopt a merger plan that outlines the specific components for the proposed merger, which shall be subject to a public hearing and voter referendum. The effective date of the proposed voluntary merger is not contingent upon the future act of the Legislature; however, the merged district's powers are limited until the Legislature approves the unified charter by special act.

The voluntary merger provisions of this bill do not apply to independent special districts whose governing bodies are elected by district landowners voting the acreage owned within the district and shall preempt any special act to the contrary.

The bill repeals current statutory provisions addressing the merger of independent special fire control districts. The merger of independent special fire control districts will be governed pursuant to the provisions established under this act.

The bill requires an involuntary dissolution or merger of an independent special district to be subject to a special act of the Legislature and approved by voter referendum. The bill also provides for the payment of associated referendum expenses and the distribution of assets and indebtedness.

The bill allows a special district that meets the criteria for being declared inactive or that has already been declared inactive to be dissolved or merged without a referendum. The bill further allows the governing body of a special district to unanimously adopt a resolution to declare a special district inactive.

The bill provides an effective date of July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Overview

The Uniform Special District Accountability Act of 1989[1] (Act) sets forth the general provisions for the definition, creation, and operation of all special districts.[2] Special districts are local units of special purpose government within a limited boundary, created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.[3] The term does not include:[4]

- A school district;
- A community college district;
- A Seminole and Miccosukee Tribe special improvement district;[5]
- A municipal service taxing or benefit unit; or
- A board which provides electrical service and which is a political subdivision of a municipality or is part of a municipality.

As of October 20, 2011, there were approximately 1,618 active special districts.[6]

The Act establishes criteria for determining whether a special district is a "dependent special district" or an "independent special district." A "dependent special district" is a special district that meets at least one of the following criteria:[7]

- The membership of its governing body is identical to that of the governing body of a single county or single municipality.
- All members of its governing body are appointed by the governing body of a single county or single municipality.
- During their unexpired terms, members of the special district's governing body are subject to removal at will by the governing body of a single county or single municipality.
- The district has a budget that requires approval through an affirmative vote or can be vetoed by the governing body of a single county or single municipality.

As of October 20, 2011, there were 625 active dependent special districts.[8]

An "independent special district" is a special district that is not a dependent special district as defined in state law. A district that includes more than one county is an independent special district unless the district lies wholly within the boundaries of a single municipality.[9] As of October 20, 2011, there were 993 active independent special districts.[10]

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[1] Chapter 89-169, L.O.F.
[2] Section 189.402(1), F.S.
[3] Section 189.403(1), F.S.
[4] *Id.*
[5] Florida law establishes a special improvement district for each of the areas contained within the reservation set aside for the Seminole and Miccosukee Tribes, respectively. Section 285.17, F.S.
[6] Florida Department of Economic Opportunity, Division of Community Planning and Development, Special District Information Program, Official List of Special Districts Online, *Special District Statewide Totals*, http://www.floridajobs.org/community-planning-and-development (last visited January 12, 2012).
[7] Section 189.403(2), F.S.
[8] *See supra* note 6.
[9] Section 189.403(3), F.S.
[10] *See supra* note 6.

Merger and Dissolution Procedures for Special Districts

Article VIII, section 4 of the Florida Constitution governs the transfer of powers between governing bodies and states:

> "by law or by resolution of the governing bodies of each of the governments affected, any function or power of a county, municipality or special district may be transferred to or contracted to be performed by another county, municipality or special district, after approval by vote of the electors of the transferee, or as otherwise provided by law."

The Act also establishes the method for the merger and dissolution of dependent and independent special districts.[11]

- Any dependent or independent district created and operating by special act may only be **merged or dissolved** by the Legislature unless otherwise provided by general law.
- If an inactive **independ**ent district was created by a county or municipality by referendum, the county or municipality that created the district may **dissolve** the district after public notice as required by law.
- If an independent district was created by a county or municipality by referendum or any other procedure, then the county or municipality that created the district has the authority to **merge or dissolve** the district using the same procedure used to create the independent district. However, "for any independent district that has ad valorem taxation powers, the same procedure required to grant such independent district ad valorem taxation powers shall also be required to **dissolve or merge** the district."

Under certain circumstances, the Department of Economic Opportunity (DEO) may declare a special district inactive by documenting that:[12]

- The special district meets one of the following criteria:[13]
  - The registered agent or chair of the governing body of the district; or the governing body of the appropriate local government notifies DEO in writing that the district has taken no action for two or more years.
  - Following an inquiry from DEO, the registered agent or chair of the governing body of the district; or the governing body of the appropriate local government notifies DEO in writing that the district has not had a governing board or a sufficient number of governing board members to constitute a quorum for two or more years; or the registered agent or chair of the governing body of the district; or the governing body of the local government fails to respond to DEO's inquiry within 21 days.
  - DEO determines that the district has failed to file the appropriate reports, such as:
    - Retirement related reports with the Department of Management Services.
    - Annual Financial Report with the Department of Financial Services.
    - Annual Financial Audit Report with the Auditor General.
    - Bond related reports with the State Board of Administration, Division of Bond Finance.
  - The district has not had a registered office and agent on file with DEO for 1 year or more.

- DEO, special district, or local government published a notice of proposed declaration of inactive status in a newspaper of general circulation in the county or municipality in which the special district

[11] Section 189.4042(2), F.S.
[12] Section 189.4044, F.S.
[13] Section 189.4044(1)(a), F.S.

is located and a copy of the notice is sent to the registered agent or chair of the special district's governing board, if any.[14]

- Twenty-one days have elapsed from the date the notice was published and no administrative appeals are filed.[15]

A special district declared inactive must be **dissolved** by the entity that created the special district by repealing its enabling laws or other appropriate means.[16]

Oversight Review Process

Although current law does not provide statutory guidelines to facilitate the merger of independent special districts prior to a legislative act, the Uniform Special District Accountability Act does offer an oversight review process[17] that allows counties and municipalities to evaluate the degree of special district services and determine the need for adjustments, transitions or dissolution.[18] The oversight review process is performed in conjunction with the special district's public facilities report[19] and the local governmental evaluation and appraisal report.[20] Depending upon whether the independent special district is a single- or multi-county district, the oversight review may be conducted by the county or municipality where the special district is located, or by the government that created the special district.[21]

During the oversight review process, the reviewing authority must consider certain criteria, including, but not limited to: [22]

- The degree to which current services are essential or contribute to the well-being of the community;
- The extent of continuing need for current services;
- Current or possible municipal annexation or incorporation and its impact on the delivery of district services;
- Whether there is a less costly alternative method of delivering the services that would adequately provide district services to district residents; and
- Whether the transfer of services would jeopardize the districts' existing contracts.

The reviewing authority's final oversight report must be filed with the government that created the district, and shall serve as a basis for any modification, **dissolution or merger** of the district.[23] If a legislative **dissolution or merger** is proposed in the final report, the law requires the reviewing government to also propose a plan for the merger or dissolution. The plan must address the following factors in evaluating the proposed merger or dissolution: [24]

- Whether, in light of independent fiscal analysis, level-of-service implications, and other public policy considerations, the proposed merger or dissolution is the best alternative for delivering services and facilities to the affected area.
- Whether the services and facilities to be provided pursuant to the merger or dissolution will be compatible with the capacity and uses of existing local services and facilities.

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[14] Section 189.4044(1)(b), F.S.
[15] Section 189.4044(1)(c), F.S.
[16] Section 189.4044(4), F.S.
[17] Section 189.428(2), F.S.
[18] *See* s. 189.428, F.S.
[19] *See* s. 189.415(2), F.S.
[20] *See* s. 163.3191, F.S.
[21] Section 189.428(3), F.S. Note: dependent special districts are reviewed by the local government entity that they are dependent upon, *see* s. 189.428(3) (a), F.S.
[22] *See* s. 189.428(5) (a)-(i), F.S., for a full list of the statutory criteria that is evaluated during the oversight review process.
[23] Section 189.428(7), F.S.
[24] Section 189.428(8), F.S.

- Whether the merger or dissolution is consistent with applicable provisions of the state comprehensive plan, the strategic regional policy plan, and the local government comprehensive plans of the affected area.
- Whether the proposed merger adequately provides for the assumption of all indebtedness.

The final report must also be considered at a public hearing in the affected jurisdiction and adopted by the governing board. Thereafter, the adopted plan for merger or dissolution can be filed as an attachment to the economic impact statement regarding the proposed special act or general act of local application dissolving a district.[25] These oversight review provisions do not apply to deepwater ports, airport authorities, or healthcare districts operating in compliance with other master plan requirements.[26]

Financial Allocations of Merged or Dissolved Special Districts

The Act requires the government formed by the **merger** of existing special districts to assume all indebtedness of, and receive title to all property owned by, the preexisting special districts. The proposed charter must provide for the determination of the proper allocation of the indebtedness assumed and the manner in which the debt must be retired.[27]

Unless otherwise provided by law or ordinance, a **dissolved** special district must transfer the title to all property owned by the preexisting special district to the local general-purpose government, which must also assume all indebtedness of the preexisting special district.[28] These provisions do not apply to community development districts or water management districts.[29]

Senate Committee on Community Affairs Interim Project, Interim Report 2010-2011

In 2010, the Senate Committee on Community Affairs conducted an interim report on the merger of independent special districts.[30] The purpose of this interim report was to explore potential statutory guidelines for voluntary independent special district mergers and consolidations. The report reviewed current merger and consolidation laws in Florida and three other states. The report further discussed previous merger attempts that have failed in Florida.

Staff determined that mergers and consolidations provide a mechanism for independent special districts to increase government efficiency while saving taxpayers money. The report further states that independent special district mergers and consolidations can generate cost-savings through volume purchasing, standardized operating procedures, pooled investments, joint training, efficient personnel allocation, and cost avoidance.

Based on this information, staff provided criteria for the Legislature to consider, should it choose to adopt statutory guidelines that would allow independent special districts formed under special law to voluntarily merge prior to a legislative act. The recommended statutory criteria, included:[31]

- The fiscal, legal, and administrative components that should be evaluated in pre-merger or consolidation feasibility studies.
- How mergers and consolidation proceedings can be initiated, i.e. by resolution, voters, etc.
- The necessary statutory thresholds to approve or petition an independent special district merger or consolidation.

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[25] *Id.*

[26] Section 189.428(9), F.S. (Discussing deepwater ports operating in compliance with a port master plan under s. 163.3178(2)(k), airport authorities operating in compliance with the Federal Aviation Administration approved master plan, and special districts organized to provide health systems and facilities licensed under chapters 395, 400, and 429, F.S.).

[27] Section 189.4045(1), F.S.

[28] Section 189.4045(2), F.S.

[29] Section 189.4045(3), F.S.

[30] The Florida Senate, Committee on Community Affairs, *Merger of Independent Special Districts*, Interim Report 2011-110, Oct. 2010, *available at* http://www.flsenate.gov/Committees/InterimReports/2011/2011-110ca.pdf.

[31] *Id* at 15-16.

- Requiring special districts to adopt a merger plan that evaluates how personnel and governing board changes will be made, how assets and liabilities will be apportioned, and how to standardize varying pay levels and benefits.
- Only applying to voluntary special district mergers.
- Precluding special districts from exceeding the powers granted to them in their existing special acts until a unified charter is adopted by the Legislature.

Effect of Proposed Changes

The bill makes the following changes to The Uniform Special District Accountability Act of 1989 (Act):

- Provides definitions for the following terms:
  - "Component independent special district" means an independent special district that proposes to be merged into a merged independent district, or an independent special district as it existed before its merger into the merged independent district of which it is now a part.
  - "Elector-initiated merger plan" means the merger plan of two or more independent special districts, a majority of whose qualified electors have elected to merge, which outlines the terms and agreements for the official merger of the districts, and is finalized and approved by the governing bodies of the districts.
  - "Joint merger plan" means the merger plan that is adopted by resolution of the governing bodies of two or more independent special districts, that outlines the terms and agreements for the official merger of the districts, and that is finalized and approved by the governing bodies.
  - "Merged independent district" means a single independent special district that results from a successful merger of two or more independent special districts.
  - "Merger" means the combination of two or more contiguous independent special districts that combine to become a newly created merged independent district that assumes jurisdiction over all of the component independent special districts.
  - "Merger plan" means a written document that contains the terms, agreements, and information regarding the merger of two or more independent special districts.
  - "Proposed elector-initiated merger plan" means a written document that contains the terms and information regarding the merger of two or more independent special districts and that accompanies the petition initiated by the qualified electors of the districts, but that is not yet finalized and approved by the governing bodies of each component independent special district.
  - "Proposed joint merger plan" means a written document that contains the terms and information regarding the merger of two or more independent special districts and that has been prepared pursuant to a resolution of the governing bodies of the districts, but that is not yet finalized and approved by the governing bodies of each component independent special district.
  - "Qualified elector" means an individual at least 18 years of age who is a citizen of the United States, a permanent resident of this state, and a resident of the district who registers with the supervisor of elections of a county within which the district lands are located when the registration books are open.
- Clarifies the provisions for the merger or dissolution of dependent special districts.
- Establishes provisions for the voluntary dissolution of an independent special district.
- Provides procedures for the involuntary dissolution or merger of an independent special district.
- Establishes a process to allow two or more contiguous independent special districts with similar functions and governing bodies that were created by the Legislature to voluntarily merge prior to special act.

Merger or Dissolution of Dependent Special Districts

The bill clarifies that the merger or dissolution of a dependent special district created and operating pursuant to a special act may be effectuated only by further act of the Legislature unless otherwise provided by general law.

The bill provides that any dependent special districts that meet the criteria for being declared inactive or that have already been declared inactive pursuant to the Act[32] may be dissolved by a special act without a referendum.

Dissolution of Independent Special Districts

Voluntary Dissolution

The voluntary dissolution of an independent special district created and operating pursuant to a special act may only occur by an act of the Legislature, unless otherwise provided by general law.

Involuntary Dissolution

If the Legislature or a local general-purpose government seeks to dissolve an active independent special district created and operating pursuant to a special act, whose board objects to the dissolution by resolution or the dissolution is supported by less than a supermajority vote of the board, then the dissolution is not effective until a special act of the Legislature is approved by a majority of the resident electors of the district or landowners voting in the same manner the governing board is elected.

This provision also applies if an independent special district's governing body elects to dissolve the district by less than a supermajority vote of the governing body. The political subdivisions proposing the involuntary dissolution are responsible for the payment of any expenses associated with the referendum.

If an independent special district was created by a county or municipality by referendum or any other procedure, the county or municipality that created the independent special district may dissolve the district pursuant to a referendum or any other procedure by which the independent special district was created. If the independent special district has ad valorem taxation powers, then the same procedure required to grant such powers is required to dissolve the district.

Inactive Independent Special Districts

The bill provides that any independent special districts that meet the criteria for being declared inactive or that have already been declared inactive pursuant to the Act[33] may be dissolved by a special act without a referendum.

Merger of Independent Special Districts

Voluntary Merger

The bill authorizes two or more contiguous independent special districts with similar functions and governing bodies that were created by the Legislature to voluntarily merge prior to a special act.

The merger may be initiated by either a joint resolution of the governing bodies of each district, which endorses a proposed joint merger plan; or by qualified elector initiative. A qualified elector-initiated merger plan requires each independent special district to file a petition with the governing bodies of each district proposing to be merged. The petition must contain the signatures of at least 40 percent of the qualified electors of each component independent special district.

The bill lists the components of the proposed joint merger plan and the proposed qualified elector-initiated merger plan, which must include, but are not limited to:

- The territorial boundaries of the proposed merged independent district.

[32] Section 189.4044, F.S.
[33] *Id.*

- The governmental organization of the proposed merged independent district as it relates to elected and appointed officials and public employees as well as a transitional plan and schedule for elections and appointments of officials.
- A fiscal estimate of the potential cost or savings as a result of the merger.
- Each component independent special district's assets, liabilities and indebtedness.
- The effective date of the proposed merger.

The voluntary merger provisions also:

- Require the proposed merger plan to be subject to a public hearing and voter referendum, consistent with certain notice requirements under Florida Statutes.
- Provide election procedures and require a proposed merger to be approved by the majority of votes cast in each independent special district in order for merger to take effect. If the referendum fails, then the merger process may not be initiated for the same purpose within two years after the date of the referendum.
- Treat each component independent special district of the merger as a subunit of the merged independent special district until such time as the Legislature formally approves the unified charter of the new merged district pursuant to special act. The unified charter must make the powers of the district consistent within the merged independent district and repeal the special acts of the districts which existed before the merger.
- Provide that during the transition period, the individual subunits are limited to the powers and financing capabilities of each subunit as previously existed prior to merger.
- Provide for the transfer of assets, debts and liabilities of each component independent special district to the merged independent special district.
- Provide that in any action or proceeding pending on the effective date of merger to which a component independent special district is a party, the merged independent special district shall be substituted in its place.
- Provide that the Municipal Annexation or Contraction Act continues to apply to all annexations by a city within the component independent special districts' boundaries after merger occurs.
- Outline the effect of merger on current employees and governing bodies of each component independent special district participating in the merger proposal.

Effective Date of a Voluntary Merger. The effective date of the proposed voluntary merger is not contingent upon the future act of the Legislature; however, the merged district's powers are limited until the Legislature approves the unified charter by special act. The merged independent district must at its own expense, submit a unified charter for the merged district to the Legislature for approval.

During the transition period, and until the Legislature formally approves the unified charter by special act:

- The individual subunits are limited to the powers and financing capabilities of each subunit as previously existed prior to merger.
- The merged independent district must exercise only the legislative authority to levy and collect revenues within the boundaries of each subunit which was previously granted to the component independent special district by its existing charter before the merger, including the authority to levy ad valorem taxes, non-ad valorem taxes, impact fees, and charges.
- The merged independent district may not, solely by reason of the merger or the legislatively approved unified charter, increase ad valorem taxes on property within the original limits of a subunit beyond the maximum millage rate previously approved by the electors of the component independent special district, unless an increase in the millage rate is approved at a subsequent referendum of the subunit's electors. Each subunit may be considered a separate taxing unit.

- Each component independent special district must continue to file all information and reports required under chapter 189, F.S., as subunits until the Legislature formally approves the unified charter pursuant to a special act.

The bill includes an exemption clause stating that the voluntary merger provisions do not apply to independent special districts whose governing bodies are elected by district landowners voting based upon acreage owned within the district, such as water control or drainage districts governed by chapter 298, F.S.

The provisions addressing voluntary independent special district mergers will preempt any special act to the contrary.

Involuntary Merger

If the Legislature or a local general-purpose government seeks to merge an active independent special district or districts created and operating pursuant to a special act, whose governing board or boards objects to the merger by resolution, then the merger is not effective until a special act of the Legislature is approved by a majority of the resident electors of the district or landowners voting in the same manner the governing board is elected at a separate referenda.

The bill requires the special act to include a merger plan that addresses transition issues such as the effective date of the merger, governance, administration, powers, pensions, and assumption of all assets and liabilities.

If an independent special district was created by a county or municipality by referendum or any other procedure, the county or municipality that created the independent special district may merge the district pursuant to a referendum or any other procedure by which the independent special district was created. If the independent special district has ad valorem taxation powers, then the same procedure required to grant such powers is required to dissolve the special district.

The political subdivisions proposing the involuntary merger are responsible for the payment of any expenses associated with the referendum.

Inactive Independent Special Districts

The bill provides that any independent special districts that meet the criteria for being declared inactive or that have already been declared inactive pursuant to the Act[34] may be merged by a special act without a referendum.

Other Provisions Related to the Dissolution or Merger of Special Districts

The bill states that the financial allocations[35] of the assets and indebtedness of a dissolved independent special district is pursuant to the Act.

The specific merger procedures for independent special fire control districts[36] set forth in the Independent Special Fire Control District Act are deleted. The merger of independent special fire control districts will be governed pursuant to the provisions established under this act.

The bill amends the provisions relating to the special procedures for inactive special districts[37] to allow DEO to declare a special district inactive if the governing body of a special district provides documentation that it has unanimously adopted a resolution declaring the district (itself) to be inactive. The bill provides that any special district so declared to be inactive under this provision, may be dissolved without a referendum. This section also provides that the special district shall be responsible for payment of any expenses associated with its dissolution.

The bill takes effect on July 1, 2012.

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[34] *Id.*

[35] *See* s. 189.4045, F.S.

[36] *See* s. 191.014(3), F.S.

[37] *See* s. 189.4044, F.S.

B. SECTION DIRECTORY:

Section 1: Amends s. 189.4042, F.S., relating to the merger and dissolution procedures for special districts.

Section 2: Amends s. 191.014, F.S., relating to the creation, expansion, and merger of independent fire control districts.

Section 3: Amends ss. 189.4044(1) and (4), F.S., authorizing the merger or dissolution of inactive special districts by special law without a referendum under certain circumstances.

Section 4: Provides an effective date of July 1, 2012.

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:

See FISCAL COMMENTS

2. Expenditures:

See FISCAL COMMENTS

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The merger and consolidation provisions within this bill may result in increased government efficiency through volume purchasing, standardized operating procedures, pooled investments, joint training, efficient personnel allocation, and cost avoidance. Improved efficiencies may result in lower taxes levied by merged districts.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities 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.

Comments by the Department of Revenue:

The bill provides for the creation of a new independent special district when separate independent districts merge together. It further states that the districts when merged may be considered separate taxing units that can levy a different millage in a subunit. For the purposes of s. 200.065, F.S., independent special districts levy a single millage rate. It is unclear how to administer the TRIM process with regards to the following items:

- Notice of Proposed Property Taxes, budgeting process, TRIM hearings and the maximum millage limitation.
- A taxing district advertises either a Notice of Proposed Tax Increase or a Notice of Budget Hearing depending on the millage rate to be levied. Allowing the newly created district to levy more than one millage at different rates may cause confusion to the taxpayer.
- Pursuant to [s.] 200.065(5)(b), [F.S.,] an independent special district that has levied ad valorem taxes for less than 5 years is not subject to the maximum millage limitation. When the districts merge into a newly created independent special district, it is unclear whether the new taxing district is subject to the maximum millage limitations.

The provisions of chapter 200, F.S., do not currently accommodate an independent district, which levies different millage rates in separate units.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On November 16, 2011, the House Community & Military Affairs Subcommittee adopted three amendments. Amendment #1 was adopted to clarify the provisions relating to the involuntary dissolution of independent special districts and the dissolution of inactive independent special districts.

Amendment #2 was adopted to clarify that the merged independent district may not increase the ad valorem taxes on the property within the original limits of a subunit beyond the maximum millage rate approved by the electors, unless the electors approve an increase at a subsequent referendum.

Amendment #3 was adopted to clarify the provisions relating to the involuntary merger of independent special districts and the merger of inactive independent special districts

The analysis has been updated to reflect these amendments.

A bill to be entitled

An act relating to special districts; amending s. 189.4042, F.S.; revising provisions relating to merger and dissolution procedures for special districts; providing definitions; requiring the merger or dissolution of dependent special districts created by a special act to be effectuated by the Legislature; providing for the merger or dissolution of inactive special districts by special act without referenda; requiring involuntary dissolution procedures for independent special districts to include referenda; providing for the dissolution of inactive independent special districts by special act; providing for local governments to assume indebtedness of, and receive title to property owned by, special districts under certain circumstances; providing for the merger of certain independent special districts by the Legislature; providing procedures and requirements for the voluntary merger of contiguous independent special districts; limiting the authority of the merged district to levy and collect revenue until a unified charter is approved by the Legislature; providing for the effect of the merger on employees, legal liabilities, obligations, proceedings, and annexation; providing for the determination of certain rights by the governing body of the merged district; providing that such provisions preempt certain special acts; providing procedures and requirements for the

involuntary merger of independent special districts; providing exemptions from merger and dissolution procedures; amending s. 191.014, F.S.; deleting a provision relating to the conditions under which the merger of independent special districts or dependent fire control districts with other special districts is effective and the conditions under which a merged district is authorized to increase ad valorem taxes; amending s. 189.4044, F.S.; revising criteria by which special districts are declared inactive by a governing body; authorizing such districts to be dissolved without a referendum; providing an effective date.

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

Section 1. Section 189.4042, Florida Statutes, is amended to read:

189.4042 Merger and dissolution procedures.—

(1) DEFINITIONS.—As used in this section, the term:

(a) "Component independent special district" means an independent special district that proposes to be merged into a merged independent district, or an independent special district as it existed before its merger into the merged independent district of which it is now a part.

(b) "Elector-initiated merger plan" means the merger plan of two or more independent special districts, a majority of whose qualified electors have elected to merge, which outlines the terms and agreements for the official merger of the

districts and is finalized and approved by the governing bodies of the districts pursuant to this section.

(c) "Governing body" means the governing body of the independent special district in which the general legislative, governmental, or public powers of the district are vested and by authority of which the official business of the district is conducted.

(d) "Initiative" means the filing of a petition containing a proposal for a referendum to be placed on the ballot for election.

(e) "Joint merger plan" means the merger plan that is adopted by resolution of the governing bodies of two or more independent special districts that outlines the terms and agreements for the official merger of the districts and that is finalized and approved by the governing bodies pursuant to this section.

(f) "Merged independent district" means a single independent special district that results from a successful merger of two or more independent special districts pursuant to this section.

(g) "Merger" means the combination of two or more contiguous independent special districts resulting in a newly created merged independent district that assumes jurisdiction over all of the component independent special districts.

(h) "Merger plan" means a written document that contains the terms, agreements, and information regarding the merger of two or more independent special districts.

(i) "Proposed elector-initiated merger plan" means a

written document that contains the terms and information regarding the merger of two or more independent special districts and that accompanies the petition initiated by the qualified electors of the districts but that is not yet finalized and approved by the governing bodies of each component independent special district pursuant to this section.

(j) "Proposed joint merger plan" means a written document that contains the terms and information regarding the merger of two or more independent special districts and that has been prepared pursuant to a resolution of the governing bodies of the districts but that is not yet finalized and approved by the governing bodies of each component independent special district pursuant to this section.

(k) "Qualified elector" means an individual at least 18 years of age who is a citizen of the United States, a permanent resident of this state, and a resident of the district who registers with the supervisor of elections of a county within which the district lands are located when the registration books are open.

(2)~~(1)~~ MERGER OR DISSOLUTION OF A DEPENDENT SPECIAL DISTRICT.—

(a) The merger or dissolution of a dependent special district ~~districts~~ may be effectuated by an ordinance of the general-purpose local governmental entity wherein the geographical area of the district or districts is located. However, a county may not dissolve a special district that is dependent to a municipality or vice versa, or a dependent district created by special act.

(b) The merger or dissolution of a dependent special district created and operating pursuant to a special act may be effectuated only by further act of the Legislature unless otherwise provided by general law.

(c) A dependent special district that meets any criteria for being declared inactive, or that has already been declared inactive, pursuant to s. 189.4044 may be dissolved or merged by special act without a referendum.

(d) ~~(b)~~ A copy of any ordinance and of any changes to a charter affecting the status or boundaries of one or more special districts shall be filed with the Special District Information Program within 30 days after ~~of~~ such activity.

(3) ~~(2)~~ DISSOLUTION OF AN INDEPENDENT SPECIAL DISTRICT.—

(a) Voluntary dissolution.—The voluntary ~~merger or~~ dissolution of an independent special district ~~or a dependent district~~ created and operating pursuant to a special act may ~~only~~ be effectuated only by the Legislature unless otherwise provided by general law.

(b) Involuntary dissolution.—

1. If the Legislature or a local general-purpose government seeks to dissolve an active independent special district created and operating pursuant to a special act whose governing body objects by resolution to the dissolution, the dissolution of the active independent special district is not effective until a special act of the Legislature is approved by a majority of the resident electors of the district or landowners voting in the same manner by which the independent special district's governing body is elected. This subparagraph

also applies if an independent special district's governing body elects to dissolve the district by less than a supermajority vote of the governing body. The political subdivisions proposing the involuntary dissolution of an active independent special district shall be responsible for payment of any expenses associated with the referendum required under this subparagraph.

2. If an independent special district was created by a county or municipality by referendum or any other procedure, the county or municipality that created the district may dissolve the district pursuant to a referendum or any other procedure by which the independent special district was created. However, if the independent special district has ad valorem taxation powers, the same procedure required to grant the independent special district ad valorem taxation powers is required to dissolve the district.

(c) Inactive independent special districts.—An independent special district that meets any criteria for being declared inactive, or that has already been declared inactive, pursuant to s. 189.4044 may be dissolved by special act without a referendum. If an inactive independent special district was created by a county or municipality through a referendum, the county or municipality that created the district may dissolve the district after publishing notice as described in s. 189.4044. ~~If an independent district was created by a county or municipality by referendum or any other procedure, the county or municipality that created the district may merge or dissolve the district pursuant to the same procedure by which the independent district was created. However, for any independent district that~~

~~has ad valorem taxation powers, the same procedure required to grant such independent district ad valorem taxation powers shall also be required to dissolve or merge the district.~~

(d) Debts and assets.—Financial allocations of the assets and indebtedness of a dissolved independent special district shall be pursuant to s. 189.4045.

(4) LEGISLATIVE MERGER OF INDEPENDENT SPECIAL DISTRICTS.—The Legislature may merge independent special districts created and operating pursuant to special act.

(5) VOLUNTARY MERGER OF INDEPENDENT SPECIAL DISTRICTS.—Two or more contiguous independent special districts created by special act which have similar functions and elected governing bodies may elect to merge into a single independent district through the act of merging the component independent special districts.

(a) Initiation.—Merger proceedings may commence by:

1. A joint resolution of the governing bodies of each independent special district which endorses a proposed joint merger plan; or

2. A qualified elector initiative.

(b) Joint merger plan by resolution.—The governing bodies of two or more contiguous independent special districts may, by joint resolution, endorse a proposed joint merger plan to commence proceedings to merge the districts pursuant to this subsection.

1. The proposed joint merger plan must specify:

a. The name of each component independent special district to be merged;

b. The name of the proposed merged independent district;

c. The rights, duties, and obligations of the proposed merged independent district;

d. The territorial boundaries of the proposed merged independent district;

e. The governmental organization of the proposed merged independent district insofar as it concerns elected and appointed officials and public employees, along with a transitional plan and schedule for elections and appointments of officials;

f. A fiscal estimate of the potential cost or savings as a result of the merger;

g. Each component independent special district's assets, including, but not limited to, real and personal property, and the current value thereof;

h. Each component independent special district's liabilities and indebtedness, bonded and otherwise, and the current value thereof;

i. Terms for the assumption and disposition of existing assets, liabilities, and indebtedness of each component independent special district jointly, separately, or in defined proportions;

j. Terms for the common administration and uniform enforcement of existing laws within the proposed merged independent district;

k. The times and places for public hearings on the proposed joint merger plan;

l. The times and places for a referendum in each component

independent special district on the proposed joint merger plan, along with the referendum language to be presented for approval; and

m. The effective date of the proposed merger.

2. The resolution endorsing the proposed joint merger plan must be approved by a majority vote of the governing bodies of each component independent special district and adopted at least 60 business days before any general or special election on the proposed joint merger plan.

3. Within 5 business days after the governing bodies approve the resolution endorsing the proposed joint merger plan, the governing bodies must:

a. Cause a copy of the proposed joint merger plan, along with a descriptive summary of the plan, to be displayed and be readily accessible to the public for inspection in at least three public places within the territorial limits of each component independent special district, unless a component independent special district has fewer than three public places, in which case the plan must be accessible for inspection in all public places within the component independent special district;

b. If applicable, cause the proposed joint merger plan, along with a descriptive summary of the plan and a reference to the public places within each component independent special district where a copy of the merger plan may be examined, to be displayed on a website maintained by each district or on a website maintained by the county or municipality in which the districts are located; and

c. Arrange for a descriptive summary of the proposed joint

merger plan, and a reference to the public places within the district where a copy may be examined, to be published in a newspaper of general circulation within the component independent special districts at least once each week for 4 successive weeks.

4. The governing body of each component independent special district shall set a time and place for one or more public hearings on the proposed joint merger plan. Each public hearing shall be held on a weekday at least 7 business days after the day the first advertisement is published on the proposed joint merger plan. The hearing or hearings may be held jointly or separately by the governing bodies of the component independent special districts. Any interested person residing in the respective district shall be given a reasonable opportunity to be heard on any aspect of the proposed merger at the public hearing.

a. Notice of the public hearing addressing the resolution for the proposed joint merger plan must be published pursuant to the notice requirements in s. 189.417 and must provide a descriptive summary of the proposed joint merger plan and a reference to the public places within the component independent special districts where a copy of the plan may be examined.

b. After the final public hearing, the governing bodies of each component independent special district may amend the proposed joint merger plan if the amended version complies with the notice and public hearing requirements provided in this subsection. Thereafter, the governing bodies may approve a final version of the joint merger plan or decline to proceed further

with the merger. Approval by the governing bodies of the final version of the joint merger plan must occur within 60 business days after the final hearing.

5. After the final public hearing, the governing bodies shall notify the supervisors of elections of the applicable counties in which district lands are located of the adoption of the resolution by each governing body. The supervisors of elections shall schedule a separate referendum for each component independent special district. The referenda may be held in each district on the same day, or on different days, but no more than 20 days apart.

a. Notice of a referendum on the merger of independent special districts must be provided pursuant to the notice requirements in s. 100.342. At a minimum, the notice must include:

(I) A brief summary of the resolution and joint merger plan;

(II) A statement as to where a copy of the resolution and joint merger plan may be examined;

(III) The names of the component independent special districts to be merged and a description of their territory;

(IV) The times and places at which the referendum will be held; and

(V) Such other matters as may be necessary to call, provide for, and give notice of the referendum and to provide for the conduct thereof and the canvass of the returns.

b. The referenda must be held in accordance with the Florida Election Code and may be held pursuant to ss. 101.6101-

101.6107. All costs associated with the referenda shall be borne by the respective component independent special district.

c. The ballot question in such referendum placed before the qualified electors of each component independent special district to be merged must be in substantially the following form:

"Shall (...name of component independent special district...) and (...name of component independent special district or districts...) be merged into (...name of newly merged independent district...)?

YES

NO"

d. If the component independent special districts proposing to merge have disparate millage rates, the ballot question in the referendum placed before the qualified electors of each component independent special district must be in substantially the following form:

"Shall (...name of component independent special district...) and (...name of component independent special district or districts...) be merged into (...name of newly merged independent district...) if the voter-approved maximum millage rate within each independent special district will not increase absent a subsequent referendum?

YES

NO"

e. In any referendum held pursuant to this subsection, the ballots shall be counted, returns made and canvassed, and results certified in the same manner as other elections or referenda for the component independent special districts.

f. The merger may not take effect unless a majority of the votes cast in each component independent special district are in favor of the merger. If one of the component districts does not obtain a majority vote, the referendum fails, and merger does not take effect.

g. If the merger is approved by a majority of the votes cast in each component independent special district, the merged independent district is created. Upon approval, the merged independent district shall notify the Special District Information Program pursuant to s. 189.418(2) and the local general-purpose governments in which any part of the component independent special districts is situated pursuant to s. 189.418(7).

h. If the referendum fails, the merger process under this paragraph may not be initiated for the same purpose within 2 years after the date of the referendum.

6. Component independent special districts merged pursuant to a joint merger plan by resolution shall continue to be governed as before the merger until the effective date specified in the adopted joint merger plan.

(c) Qualified elector-initiated merger plan.—The qualified electors of two or more contiguous independent special districts may commence a merger proceeding by each filing a petition with

the governing body of their respective independent special district proposing to be merged. The petition must contain the signatures of at least 40 percent of the qualified electors of each component independent special district and must be submitted to the appropriate component independent special district governing body no later than 1 year after the start of the qualified elector-initiated merger process.

1. The petition must comply with, and be circulated in, the following form:

PETITION FOR INDEPENDENT SPECIAL DISTRICT MERGER

We, the undersigned electors and legal voters of (...name of independent special district...), qualified to vote at the next general or special election, respectfully petition that there be submitted to the electors and legal voters of (...name of independent special district or districts proposed to be merged...), for their approval or rejection at a referendum held for that purpose, a proposal to merge (...name of component independent special district...) and (...name of component independent special district or districts...).

In witness thereof, we have signed our names on the date indicated next to our signatures.

Date Name (print under signature) Home Address

2. The petition must be validated by a signed statement by a witness who is a duly qualified elector of one of the component independent special districts, a notary public, or another person authorized to take acknowledgements.

a. A statement that is signed by a witness who is a duly qualified elector of the respective district shall be accepted for all purposes as the equivalent of an affidavit. Such statement must be in substantially the following form:

"I, (...name of witness...), state that I am a duly qualified voter of (...name of independent special district...). Each of the (...insert number...) persons who have signed this petition sheet has signed his or her name in my presence on the dates indicated above and identified himself or herself to be the same person who signed the sheet. I understand that this statement will be accepted for all purposes as the equivalent of an affidavit and, if it contains a materially false statement, shall subject me to the penalties of perjury."

Date Signature of Witness

b. A statement that is signed by a notary public or another person authorized to take acknowledgements must be in substantially the following form:

"On the date indicated above before me personally came each of the (...insert number...) electors and legal voters whose

signatures appear on this petition sheet, who signed the petition in my presence and who, being by me duly sworn, each for himself or herself, identified himself or herself as the same person who signed the petition, and I declare that the foregoing information they provided was true."

Date Signature of Witness

c. An alteration or correction of information appearing on a petition's signature line, other than an uninitialed signature and date, does not invalidate such signature. In matters of form, this paragraph shall be liberally construed, not inconsistent with substantial compliance thereto and the prevention of fraud.

d. The appropriately signed petition must be filed with the governing body of each component independent special district. The petition must be submitted to the supervisors of elections of the counties in which the district lands are located. The supervisors shall, within 30 business days after receipt of the petitions, certify to the governing bodies the number of signatures of qualified electors contained on the petitions.

3. Upon verification by the supervisors of elections of the counties within which component independent special district lands are located that 40 percent of the qualified electors have petitioned for merger and that all such petitions have been executed within 1 year after the date of the initiation of the qualified-elector merger process, the governing bodies of each

component independent special district shall meet within 30 business days to prepare and approve by resolution a proposed elector-initiated merger plan. The proposed plan must include:

a. The name of each component independent special district to be merged;

b. The name of the proposed merged independent district;

c. The rights, duties, and obligations of the merged independent district;

d. The territorial boundaries of the proposed merged independent district;

e. The governmental organization of the proposed merged independent district insofar as it concerns elected and appointed officials and public employees, along with a transitional plan and schedule for elections and appointments of officials;

f. A fiscal estimate of the potential cost or savings as a result of the merger;

g. Each component independent special district's assets, including, but not limited to, real and personal property, and the current value thereof;

h. Each component independent special district's liabilities and indebtedness, bonded and otherwise, and the current value thereof;

i. Terms for the assumption and disposition of existing assets, liabilities, and indebtedness of each component independent special district, jointly, separately, or in defined proportions;

j. Terms for the common administration and uniform

enforcement of existing laws within the proposed merged independent district;

k. The times and places for public hearings on the proposed joint merger plan; and

l. The effective date of the proposed merger.

4. The resolution endorsing the proposed elector-initiated merger plan must be approved by a majority vote of the governing bodies of each component independent special district and must be adopted at least 60 business days before any general or special election on the proposed elector-initiated plan.

5. Within 5 business days after the governing bodies of each component independent special district approve the proposed elector-initiated merger plan, the governing bodies shall:

a. Cause a copy of the proposed elector-initiated merger plan, along with a descriptive summary of the plan, to be displayed and be readily accessible to the public for inspection in at least three public places within the territorial limits of each component independent special district, unless a component independent special district has fewer than three public places, in which case the plan must be accessible for inspection in all public places within the component independent special district;

b. If applicable, cause the proposed elector-initiated merger plan, along with a descriptive summary of the plan and a reference to the public places within each component independent special district where a copy of the merger plan may be examined, to be displayed on a website maintained by each district or otherwise on a website maintained by the county or municipality in which the districts are located; and

c. Arrange for a descriptive summary of the proposed elector-initiated merger plan, and a reference to the public places within the district where a copy may be examined, to be published in a newspaper of general circulation within the component independent special districts at least once each week for 4 successive weeks.

6. The governing body of each component independent special district shall set a time and place for one or more public hearings on the proposed elector-initiated merger plan. Each public hearing shall be held on a weekday at least 7 business days after the day the first advertisement is published on the proposed elector-initiated merger plan. The hearing or hearings may be held jointly or separately by the governing bodies of the component independent special districts. Any interested person residing in the respective district shall be given a reasonable opportunity to be heard on any aspect of the proposed merger at the public hearing.

a. Notice of the public hearing on the proposed elector-initiated merger plan must be published pursuant to the notice requirements in s. 189.417 and must provide a descriptive summary of the elector-initiated merger plan and a reference to the public places within the component independent special districts where a copy of the plan may be examined.

b. After the final public hearing, the governing bodies of each component independent special district may amend the proposed elector-initiated merger plan if the amended version complies with the notice and public hearing requirements provided in this subsection. The governing bodies must approve a

final version of the merger plan within 60 business days after the final hearing.

7. After the final public hearing, the governing bodies shall notify the supervisors of elections of the applicable counties in which district lands are located of the adoption of the resolution by each governing body. The supervisors of elections shall schedule a date for the separate referenda for each district. The referenda may be held in each district on the same day, or on different days, but no more than 20 days apart.

a. Notice of a referendum on the merger of the component independent special districts must be provided pursuant to the notice requirements in s. 100.342. At a minimum, the notice must include:

(I) A brief summary of the resolution and elector-initiated merger plan;

(II) A statement as to where a copy of the resolution and petition for merger may be examined;

(III) The names of the component independent special districts to be merged and a description of their territory;

(IV) The times and places at which the referendum will be held; and

(V) Such other matters as may be necessary to call, provide for, and give notice of the referendum and to provide for the conduct thereof and the canvass of the returns.

b. The referenda must be held in accordance with the Florida Election Code and may be held pursuant to ss. 101.6101-101.6107. All costs associated with the referenda shall be borne by the respective component independent special district.

c. The ballot question in such referendum placed before the qualified electors of each component independent special district to be merged must be in substantially the following form:

"Shall (...name of component independent special district...) and (...name of component independent special district or districts...) be merged into (...name of newly merged independent district...)?

YES

NO"

d. If the component independent special districts proposing to merge have disparate millage rates, the ballot question in the referendum placed before the qualified electors of each component independent special district must be in substantially the following form:

"Shall (...name of component independent special district...) and (...name of component independent special district or districts...) be merged into (...name of newly merged independent district...) if the voter-approved maximum millage rate within each independent special district will not increase absent a subsequent referendum?

YES

NO"

e. In any referendum held pursuant to this subsection, the

ballots shall be counted, returns made and canvassed, and results certified in the same manner as other elections or referenda for the component independent special districts.

f. The merger may not take effect unless a majority of the votes cast in each component independent special district are in favor of the merger. If one of the component independent special districts does not obtain a majority vote, the referendum fails, and merger does not take effect.

g. If the merger is approved by a majority of the votes cast in each component independent special district, the merged district shall notify the Special District Information Program pursuant to s. 189.418(2) and the local general-purpose governments in which any part of the component independent special districts is situated pursuant to s. 189.418(7).

h. If the referendum fails, the merger process under this paragraph may not be initiated for the same purpose within 2 years after the date of the referendum.

8. Component independent special districts merged pursuant to an elector-initiated merger plan shall continue to be governed as before the merger until the effective date specified in the adopted elector-initiated merger plan.

(d) Effective date.—The effective date of the merger shall be as provided in the joint merger plan or elector-initiated merger plan, as appropriate, and is not contingent upon the future act of the Legislature.

1. However, as soon as practicable, the merged independent district shall, at its own expense, submit a unified charter for the merged district to the Legislature for approval. The unified

charter must make the powers of the district consistent within the merged independent district and repeal the special acts of the districts which existed before the merger.

2. Within 30 business days after the effective date of the merger, the merged independent district's governing body, as indicated in this subsection, shall hold an organizational meeting to implement the provisions of the joint merger plan or elector-initiated merger plan, as appropriate.

(e) Restrictions during transition period.—Until the Legislature formally approves the unified charter pursuant to a special act, each component independent special district is considered a subunit of the merged independent district subject to the following restrictions:

1. During the transition period, the merged independent district is limited in its powers and financing capabilities within each subunit to those powers that existed within the boundaries of each subunit which were previously granted to the component independent special district in its existing charter before the merger. The merged independent district may not, solely by reason of the merger, increase its powers or financing capability.

2. During the transition period, the merged independent district shall exercise only the legislative authority to levy and collect revenues within the boundaries of each subunit which was previously granted to the component independent special district by its existing charter before the merger, including the authority to levy ad valorem taxes, non-ad valorem assessments, impact fees, and charges.

a. The merged independent district may not, solely by reason of the merger or the legislatively approved unified charter, increase ad valorem taxes on property within the original limits of a subunit beyond the maximum millage rate approved by the electors of the component independent special district unless the electors of such subunit approve an increase at a subsequent referendum of the subunit's electors. Each subunit may be considered a separate taxing unit.

b. The merged independent district may not, solely by reason of the merger, charge non-ad valorem assessments, impact fees, or other new fees within a subunit which were not otherwise previously authorized to be charged.

3. During the transition period, each component independent special district of the merged independent district must continue to file all information and reports required under this chapter as subunits until the Legislature formally approves the unified charter pursuant to a special act.

4. The intent of this section is to preserve and transfer to the merged independent district all authority that exists within each subunit and was previously granted by the Legislature and, if applicable, by referendum.

(f) Effect of merger, generally.—On and after the effective date of the merger, the merged independent district shall be treated and considered for all purposes as one entity under the name and on the terms and conditions set forth in the joint merger plan or elector-initiated merger plan, as appropriate.

1. All rights, privileges, and franchises of each

component independent special district and all assets, real and personal property, books, records, papers, seals, and equipment, as well as other things in action, belonging to each component independent special district before the merger shall be deemed as transferred to and vested in the merged independent district without further act or deed.

2. All property, rights-of-way, and other interests are as effectually the property of the merged independent district as they were of the component independent special district before the merger. The title to real estate, by deed or otherwise, under the laws of this state vested in any component independent special district before the merger may not be deemed to revert or be in any way impaired by reason of the merger.

3. The merged independent district is in all respects subject to all obligations and liabilities imposed and possesses all the rights, powers, and privileges vested by law in other similar entities.

4. Upon the effective date of the merger, the joint merger plan or elector-initiated merger plan, as appropriate, is subordinate in all respects to the contract rights of all holders of any securities or obligations of the component independent special districts outstanding at the effective date of the merger.

5. The new registration of electors is not necessary as a result of the merger, but all elector registrations of the component independent special districts shall be transferred to the proper registration books of the merged independent district, and new registrations shall be made as provided by law

as if no merger had taken place.

(g) Governing body of merged independent district.—

1. From the effective date of the merger until the next general election, the governing body of the merged independent district shall be comprised of the governing body members of each component independent special district, with such members serving until the governing body members elected at the next general election take office.

2. Beginning with the next general election following the effective date of merger, the governing body of the merged independent district shall be comprised of five members. The office of each governing body member shall be designated by seat, which shall be distinguished from other body member seats by an assigned numeral: 1, 2, 3, 4, or 5. The governing body members that are elected in this initial election following the merger shall serve unequal terms of 2 and 4 years in order to create staggered membership of the governing body, with:

a. Member seats 1, 3, and 5 being designated for 4-year terms; and

b. Member seats 2 and 4 being designated for 2-year terms.

3. In general elections thereafter, all governing body members shall serve 4-year terms.

(h) Effect on employees.—Except as otherwise provided by law and except for those officials and employees protected by tenure of office, civil service provisions, or a collective bargaining agreement, upon the effective date of merger, all appointive offices and positions existing in all component independent special districts involved in the merger are subject

to the terms of the joint merger plan or elector-initiated merger plan, as appropriate. Such plan may provide for instances in which there are duplications of positions and for other matters such as varying lengths of employee contracts, varying pay levels or benefits, different civil service regulations in the constituent entities, and differing ranks and position classifications for similar positions. For those employees who are members of a bargaining unit certified by the Public Employees Relations Commission, the requirements of chapter 447 apply.

(i) Effect on debts, liabilities, and obligations.—

1. All valid and lawful debts and liabilities existing against a merged independent district, or which may arise or accrue against the merged independent district, which but for merger would be valid and lawful debts or liabilities against one or more of the component independent special districts, are debts against or liabilities of the merged independent district and accordingly shall be defrayed and answered to by the merged independent district to the same extent, and no further than, the component independent special districts would have been bound if a merger had not taken place.

2. The rights of creditors and all liens upon the property of any of the component independent special districts shall be preserved unimpaired. The respective component districts shall be deemed to continue in existence to preserve such rights and liens, and all debts, liabilities, and duties of any of the component districts attach to the merged independent district.

3. All bonds, contracts, and obligations of the component

independent special districts which exist as legal obligations are obligations of the merged independent district, and all such obligations shall be issued or entered into by and in the name of the merged independent district.

(j) Effect on actions and proceedings.—In any action or proceeding pending on the effective date of merger to which a component independent special district is a party, the merged independent district may be substituted in its place, and the action or proceeding may be prosecuted to judgment as if merger had not taken place. Suits may be brought and maintained against a merged independent district in any state court in the same manner as against any other independent special district.

(k) Effect on annexation.—Chapter 171 continues to apply to all annexations by a city within the component independent special districts' boundaries after merger occurs. Any moneys owed to a component independent special district pursuant to s. 171.093, or any interlocal service boundary agreement as a result of annexation predating the merger, shall be paid to the merged independent district after merger.

(l) Determination of rights.—If any right, title, interest, or claim arises out of a merger or by reason thereof which is not determinable by reference to this subsection, the joint merger plan or elector-initiated merger plan, as appropriate, or otherwise under the laws of this state, the governing body of the merged independent district may provide therefor in a manner conforming to law.

(m) Exemption.—This subsection does not apply to independent special districts whose governing bodies are elected

by district landowners voting the acreage owned within the district.

(n) Preemption.—This subsection preempts any special act to the contrary.

(6) INVOLUNTARY MERGER OF INDEPENDENT SPECIAL DISTRICTS.—

(a) Independent special districts created by special act.—If the Legislature or a local general-purpose government seeks to merge an active independent special district or districts created and operating pursuant to a special act whose governing body or governing bodies object by resolution to the merger, the merger of the active independent special district or districts is not effective until the special act of the Legislature is approved at separate referenda of the impacted local governments by a majority of the resident electors or landowners voting in the same manner by which each independent special district's governing body is elected. The special act shall include a plan of merger that addresses transition issues such as the effective date of the merger, governance, administration, powers, pensions, and assumption of all assets and liabilities.

(b) Independent special districts created by a county or municipality.—A county or municipality may merge an independent special district created by the county or municipality pursuant to a referendum or any other procedure by which the independent special district was created. However, if the independent special district has ad valorem taxation powers, the same procedure required to grant the independent special district ad valorem taxation powers is required to merge the district.

(c) Referendum expenses.—The political subdivisions

proposing the involuntary merger of an active independent special district shall be responsible for payment of any expenses associated with the referendum required under this subsection.

(d) Inactive independent special districts.—An independent special district that meets any criteria for being declared inactive, or that has already been declared inactive, pursuant to s. 189.4044 may by merged by special act without a referendum.

(7)~~(3)~~ EXEMPTIONS.—~~The provisions of~~ This section does ~~shall~~ not apply to community development districts implemented pursuant to chapter 190 or to water management districts created and operated pursuant to chapter 373.

Section 2. Section 191.014, Florida Statutes, is amended to read:

191.014 District creation and~~,~~ expansion~~, and merger~~.—

(1) New districts may be created only by the Legislature under s. 189.404.

(2) The boundaries of a district may be modified, extended, or enlarged upon approval or ratification by the Legislature.

~~(3) The merger of a district with all or portions of other independent special districts or dependent fire control districts is effective only upon ratification by the Legislature. A district may not, solely by reason of a merger with another governmental entity, increase ad valorem taxes on property within the original limits of the district beyond the maximum established by the district's enabling legislation,~~

~~unless approved by the electors of the district by referendum.~~

Section 3. Paragraph (a) of subsection (1) and subsection (4) of section 189.4044, Florida Statutes, are amended to read:

189.4044 Special procedures for inactive districts.—

(1) The department shall declare inactive any special district in this state by documenting that:

(a) The special district meets one of the following criteria:

1. The registered agent of the district, the chair of the governing body of the district, or the governing body of the appropriate local general-purpose government notifies the department in writing that the district has taken no action for 2 or more years;

2. Following an inquiry from the department, the registered agent of the district, the chair of the governing body of the district, or the governing body of the appropriate local general-purpose government notifies the department in writing that the district has not had a governing board or a sufficient number of governing board members to constitute a quorum for 2 or more years or the registered agent of the district, the chair of the governing body of the district, or the governing body of the appropriate local general-purpose government fails to respond to the department's inquiry within 21 days;

3. The department determines, pursuant to s. 189.421, that the district has failed to file any of the reports listed in s. 189.419; ~~or~~

4. The district has not had a registered office and agent

on file with the department for 1 or more years; or

5. The governing body of a special district provides documentation to the department that it has unanimously adopted a resolution declaring the special district inactive. The special district shall be responsible for payment of any expenses associated with its dissolution.

(4) The entity that created a special district declared inactive under this section must dissolve the special district by repealing its enabling laws or by other appropriate means. Any special district declared inactive pursuant to subparagraph (1)(a)5. may be dissolved without a referendum.

Section 4. This act shall take effect July 1, 2012.

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION	
ADOPTED	__ (Y/N)
ADOPTED AS AMENDED	__ (Y/N)
ADOPTED W/O OBJECTION	__ (Y/N)
FAILED TO ADOPT	__ (Y/N)
WITHDRAWN	__ (Y/N)
OTHER	_____

Committee/Subcommittee hearing bill: Finance & Tax Committee

Representative Caldwell offered the following:

Amendment

Between lines 788 and 789, insert:

(o) Effect on millage calculations pursuant to chapter 200.-

1. The merged independent special district is authorized to continue or conclude chapter 200 procedures on behalf of the component independent special districts.

2. The merged independent special district shall make the calculations required by chapter 200 for each component individual special district separately.