

9 - FLA & the Property Tax Issue

What To Do Now That the Bill Has Passed & Amendment Is On the January 29 Ballot

June 14, 2007

To Florida Public Library Directors,

Included here:

- € FLA's Emerging Role: A summary of the where we are and description of FLA's emerging role
- € Request for information about service reductions (\$ & description)
- € Complications for Local Governments Contemplating Closing Libraries Constructed With State or LSTA Grant Dollars
- € "Summary Of Tax Plan as Adopted," from The Florida Association of Counties

FLA's Emerging Role

The Legislature has now passed its tax reduction and reform package and local governments are developing 2007-08 budgets based on the roll-back and reduction provisions. The legislature has acted and for now, the question of still greater cuts is with the voters and those who will be shaping public opinion in the time between now and the January 29 referendum such as bloggers and editorial boards.

Groups that will be adversely affected by the severe constitutional amendment provisions have toned down their rhetoric, have accepted the October rollback and reductions, and are looking at the months leading up to referendum as a campaign to win the voters' hearts and minds so they will vote no on the amendments. They know that if they don't keep their messages positive that they will energize the opposition.

It will be hard for the library community to maintain a positive public face because of all the announcements about library cuts and lay-offs. And we must be sure that the public knows about the cuts, loss of service, and the devastating reductions that will occur if the January 29 amendments are approved.

So for now, here is what FLA will do.

- € Collect and analyze information about the impact of October 1 reductions and inform the media
- € Look for particularly useful information and analysis and share it with the library community
- € Stay in touch with organizations like the Florida Association of Counties and Florida League of Cities
- € Stay on top of day-to-day developments and anticipate what will occur in the months ahead to position libraries as advantageously as possible
- € Periodically communicate with appropriate officials and the media

If you see other ways for FLA to support Florida libraries through these challenging times, please contact Ruth O'Donnell (flaexecutivedirector@comcast.net), FLA President Charlie Parker (cparker@tblc.org), or any member of the FLA Executive Board or Legislative Committee.

Request for Information about Service Reductions

Please let us know about the impacts of the October 1 roll-back and reductions on library service to your community as soon as you are reasonably certain about them. Provide dollar amount reductions and a description of the impact on the services your library provides. Collected information will be available on the FLA Web site and sent to the media and other organizations. Please e-mail Ruth O'Donnell (flaexecutivedirector@comcast.net) or share the information to the FLA e-mail list (fla@lists.fsu.edu).

Complications for Local Governments Contemplating Closing Libraries Constructed with State or LSTA Grant Dollars

Grant agreements for State or LSTA public library construction grants typically have "unconditional use" provisions that require local governments to repay portions of grants received for library facilities when those facilities are not used for library service for the required 20 year period. Local governments contemplating library closures should be sure that those facilities were not constructed with grant funds with those stipulations or that the 20 year obligations have been met. Local governments with questions about this issue should contact the Florida State Library and Archives.

The 2006 State Construction Grant Application includes the following unconditional use provision:

Operation and Use of Facility

(Source: http://dlis.dos.state.fl.us/bld/grants/grants_docs/2006_Construction_Application_Guidelines.doc)

A facility that will be constructed, remodeled or expanded using state grant funds must be maintained as a public library for a period of 20 years. Failure to maintain the facility as a public library for the 20-year period will result in repayment of all or a portion of the grant funds. The 20-year period begins on the date of project closeout.

If the facility is not maintained as a public library for the 20-year period, and release from the unconditional use requirement has not been requested and approved, the repayment schedule is as follows:

For each year that the facility is maintained as a public library, reduce the amount to be repaid by 5% per year, i.e., 1 year – 95% of the grant funds, 5 years – 75% of the grant funds, 10 years – 50% of the grant funds, etc.

Release from the unconditional use requirement may be requested and will be granted if a situation arises which will provide a library facility to serve the same community that will result in a higher level of service. The request shall be submitted in writing to the Director of the Division of Library and Information Services.

Summary Of Tax Plan as Adopted

Provided by the Florida Association of Counties

June 14, 2007

Statutory Cap Bill (HB 1B)

The bill was approved as filed with some amendments as described below. In general, the bill gives statutory tax relief through a tax cut and cap in 2007-08 and caps that annual property tax

growth. In 2007-08, it requires counties, cities and special districts to rollback their tax rate to 2006-2007 levels plus take an additional percentage cut as determined in the legislation based on relative growth in tax revenues on a per capita basis from 2001 to 2006. The cuts for counties range from zero percent, to 9 percent. Fiscally constrained counties, except for Gulf and Franklin, are put in the zero or three percent category. For fiscal year 2007-08, the bill allows counties to adopt a higher millage rate above the cap: (1) by two thirds vote of the governing body to generate the same revenues as 06-07, (2) by a unanimous vote to levy the same millage rate as adopted in 2006-07, and (3) a higher millage as approved by referendum. Counties found to be in non-compliance with the millage limitation will forfeit half cent sales tax revenues for 12 months. The bill also implements the constitutional amendment if it is adopted by the voters in January 2008.

Significant Amendments

- € On or before June 25, 2007, the Department of Revenue will notify each property appraiser and the chair of the governing body of each county the amount of tax levies in 2001 and 2006 that will be used to determine the jurisdictions' annual growth rate for purpose of the tax roll back and cap. On or before July 2, the chair of the governing body of the county shall determine whether the information provided is correct and if incorrect, shall provide the corrected information to the Department of Revenue. The amendment states that the Governor may consider failure to report as required in this subsection as sufficient grounds to constitute a malfeasance or neglect of duty.
- € The override provision that requires unanimous approval of the governing body was amended through-out the bill to require only a three-fourths vote of the governing body for counties with nine or more members (Miami-Dade, Jacksonville-Duval and Broward).
- € The roll back and cap for fire rescue and emergency medical service municipal service tax units was limited to 3 percent.
- € A procedure was adopted to determine local government non-compliance with the millage requirements.

Joint Resolution – Constitutional Amendment (SJR 2B)

The proposed constitutional amendment creates a new super homestead exemption system. The system would exempt from taxation 75% of the first \$200,000 in just value, 15% of the value between \$200,000 and \$500,000 with a minimum exemption of \$50,000. Low income seniors would receive a \$100,000 exemption. The amendment also provides for targeted preferences for affordable housing, working waterfronts, tangible personal property. If approved by at least 60 percent of those voting in the referendum to be held on January 29, 2008 in conjunction with the presidential preference primary, the changes to the property tax structure will apply to the 2008-09 tax roll.

Significant Amendment

Existing homesteaders may keep the Save Our Homes protection as long as they desire and are not required to switch to the new super exemption. For these existing homesteaders, when they buy a new home, the new super exemption will apply to the new homestead.

Special Election (HB 5B)

The Constitutional Amendment on the 2008 January primary ballot as opposed to the 2008 November general election ballot.