

# CHAPTER 98-264

## House Bill No. 3599

An act relating to educational facilities; amending s. 235.056, F.S.; authorizing boards to rent or lease certain buildings or space within buildings for conversion to use as educational facilities; providing for funding; requiring school board adoption of a resolution certifying that specified conditions have been met; amending s. 201.24, F.S., relating to exemption from excise tax on documents; conforming provisions; amending s. 236.25, F.S., relating to school district tax for capital outlay; conforming provisions; providing an effective date.

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

Section 1. Subsection (3) is added to section 235.056, Florida Statutes, as amended by House Bill 17-A, 1997 Special Session, to read:

235.056 Lease, rental, and lease-purchase of educational facilities and sites.—

(3)(a) A board may rent or lease existing buildings, or space within existing buildings, originally constructed or used for purposes other than education, for conversion to use as educational facilities. Such buildings rented or leased for 1 year or less shall be funded through the operations budget or funds derived from millage pursuant to s. 236.25(2). A rental agreement or lease contract for 1 year or less, when extended or renewed beyond a year, becomes a multiple-year rental or lease. Operational funds or funds derived from millage proceeds pursuant to s. 236.25(2) may be authorized to be expended for multiple-year rentals or leases. Notwithstanding any other provisions of this section, if a building was constructed in conformance with all applicable building and life safety codes, it shall be deemed to meet the requirements for use and occupancy as an educational facility subject only to the provisions of this subsection.

(b) Prior to occupying a rented or a leased existing building, or space within an existing building, pursuant to this subsection, a school board shall, in a public meeting, adopt a resolution certifying that the following circumstances apply to the building proposed for occupancy:

1. Growth among the school-age population in the school district has created a need for new educational facilities in a neighborhood where there is little or no vacant land.

2. There exists a supply of vacant space in existing buildings that meet state minimum building and life safety codes.

3. Acquisition and conversion to use as educational facilities of an existing building or buildings is a cost-saving means of providing the needed classroom space as determined by the difference between the cost of new construction, including land acquisition and preparation and, if applicable,

demolition of existing structures, and the cost of acquisition through rental or lease and conversion of an existing building or buildings.

4. The building has been examined for suitability, safety, and conformance with state minimum building and life safety codes. The building examination shall consist, at a minimum, of a review of existing documents, building site reconnaissance, and analysis of the building conducted by, or under the responsible charge of, a licensed structural engineer.

5. A certificate of evaluation has been issued by the structural engineer which states that, based on available documents, building site reconnaissance, current knowledge, and engineering judgment in the engineer's professional opinion, the building meets the requirements of state minimum building and life safety codes, provides safe egress of occupants from the building, provides adequate fire safety, and does not pose a substantial threat to life to persons who would occupy the building for classroom use.

6. The plans for conversion of the building were prepared by an architect or structural engineer licensed in this state, and the work of conversion was performed by contractors licensed in this state.

7. The conversion of the building was observed by an architect or structural engineer licensed in this state.

8. The building has been reviewed, inspected, and granted a certificate of occupancy by the local building department.

9. All ceilings, light fixtures, ducts, and registers within the area to be occupied for classroom purposes were constructed or have been reconstructed to meet state minimum requirements.

Section 2. Subsection (2) of section 201.24, Florida Statutes, is amended to read:

201.24 Obligations of municipalities, political subdivisions, and agencies of the state.—There shall be exempt from all taxes imposed by this chapter:

(2) Any assignment, transfer, or other disposition, or any document, which arises out of a rental, lease, or lease-purchase for real property agreement entered pursuant to s. 235.056(2) or (3).

Section 3. Paragraph (h) of subsection (2) and subsection (5) of section 236.25, Florida Statutes, as amended by House Bill 17-A, 1997 Special Session, are amended to read:

236.25 District school tax.—

(2) In addition to the maximum millage levy as provided in subsection (1), each school board may levy not more than 2 mills against the taxable value for school purposes to fund:

(h) Payment of costs of leasing relocatable educational facilities, ~~and~~ of renting or leasing educational facilities and sites pursuant to s. 235.056(2),

or of renting or leasing buildings or space within existing buildings pursuant to s. 235.056(3).

Violations of these expenditure provisions shall result in an equal dollar reduction in the Florida Education Finance Program (FEFP) funds for the violating district in the fiscal year following the audit citation.

(5)(a) It is the intent of the Legislature that, by July 1, 2003, revenue generated by the millage levy authorized by subsection (2) should be used only for the costs of construction, renovation, remodeling, maintenance, and repair of the educational plant; for the purchase, lease, or lease-purchase of equipment, educational plants, and construction materials directly related to the delivery of student instruction; for the rental or lease of existing buildings, or space within existing buildings, originally constructed or used for purposes other than education, for conversion to use as educational facilities; for the opening day collection for the library media center of a new school; for the purchase, lease-purchase, or lease of school buses; and for servicing of payments related to certificates of participation issued for any purpose prior to the effective date of this act. Costs associated with the lease-purchase of equipment, educational plants, and school buses may include the issuance of certificates of participation on or after the effective date of this act and the servicing of payments related to certificates so issued. For purposes of this section, "maintenance and repair" is defined in s. 235.011.

(b) For purposes not delineated in paragraph (a) for which proceeds received from millage levied under subsection (2) may be legally expended, a district school board may spend no more than the following percentages of the amount the district spent for these purposes in fiscal year 1995-1996:

1. In fiscal year 1997-1998, 85 percent.
2. In fiscal year 1998-1999, 70 percent.
3. In fiscal year 1999-2000, 55 percent.
4. In fiscal year 2000-2001, 40 percent.
5. In fiscal year 2001-2002, 25 percent.
6. In fiscal year 2002-2003, 10 percent.

(c) Beginning July 1, 2003, revenue generated by the millage levy authorized by subsection (2) must be used only for the purposes delineated in paragraph (a).

(d) Notwithstanding any other provision of this subsection, if through its adopted facilities work program a district has clearly identified the need for an ancillary plant, has provided opportunity for public input as to the relative value of the ancillary plant versus an educational plant, and has obtained public approval, the district may use revenue generated by the millage levy authorized by subsection (2) for the construction, renovation, remodeling, maintenance, or repair of an ancillary plant.

A district that violates these expenditure restrictions shall have an equal dollar reduction in funds appropriated to the district under s. 236.081 in the fiscal year following the audit citation. The expenditure restrictions do not apply to any school district that certifies to the Commissioner of Education that all of the district's instructional space needs for the next 5 years can be met from capital outlay sources that the district reasonably expects to receive during the next 5 years or from alternative scheduling or construction, leasing, rezoning, or technological methodologies that exhibit sound management.

Section 4. This act shall take effect July 1 of the year in which enacted.

Became a law without the Governor's approval May 28, 1998.

Filed in Office Secretary of State May 27, 1998.