

House Bill No. 293

An act relating to fiscally constrained counties; amending s. 202.18, F.S.; providing for a distribution of communications services taxes to fiscally constrained counties; amending s. 218.65, F.S.; providing for a transitional emergency distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund to certain fiscally constrained counties; revising criteria for receiving certain funds from the Local Government Half-cent Sales Tax Clearing Trust Fund; creating s. 218.67, F.S.; providing eligibility criteria to qualify as a fiscally constrained county; providing for the distribution of additional funds to certain fiscally constrained counties; providing for a phaseout period; providing for the use of funds; amending s. 985.2155, F.S.; revising the definition of the term “fiscally constrained county” applicable to shared county and state responsibility for juvenile detention; providing an effective date.

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

Section 1. Subsection (2) of section 202.18, Florida Statutes, is amended to read:

202.18 Allocation and disposition of tax proceeds.—The proceeds of the communications services taxes remitted under this chapter shall be treated as follows:

(2) The proceeds of the taxes remitted under s. 202.12(1)(b) shall be divided as follows:

(a) The portion of such proceeds which constitutes gross receipts taxes, imposed at the rate prescribed in chapter 203, shall be deposited as provided by law and in accordance with s. 9, Art. XII of the State Constitution.

(b) Sixty-three percent of the remainder shall be allocated to the state and distributed pursuant to s. 212.20(6), except that the proceeds allocated pursuant to s. 212.20(6)(d)3. shall be prorated to the participating counties in the same proportion as that month’s collection of the taxes and fees imposed pursuant to chapter 212 and paragraph (1)(b).

(c)1. During each calendar year, the remaining portion of such proceeds shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund. Seventy percent of such proceeds ~~and~~ shall be allocated in the same proportion as the allocation of total receipts of the half-cent sales tax under s. 218.61 and the emergency distribution under s. 218.65 in the prior state fiscal year. Thirty percent of such proceeds shall be distributed pursuant to s. 218.67.

2. The proportion of the proceeds allocated based on the emergency distribution under s. 218.65 shall be distributed pursuant to s. 218.65.

3. In each calendar year, the proportion of the proceeds allocated based on the half-cent sales tax under s. 218.61 shall be allocated to each county in the same proportion as the county's percentage of total sales tax allocation for the prior state fiscal year and distributed pursuant to s. 218.62.

4. The department shall distribute the appropriate amount to each municipality and county each month at the same time that local communications services taxes are distributed pursuant to subsection (3).

Section 2. Section 218.65, Florida Statutes, is amended to read:

218.65 Emergency distribution.—

(1) Each county government which meets the provisions of subsection (2) or subsection (8)(7) and which participates in the local government half-cent sales tax shall receive a distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund in addition to its regular monthly distribution as provided in this part.

(2) The Legislature hereby finds and declares that a fiscal emergency exists in any county which meets the following criteria ~~specified in paragraph (a), if applicable, and the criterion specified in paragraph (b):~~

(a) If The county has a population of 65,000 or less; and above:

1. ~~In any year from 1977 to 1981, inclusive, the value of net new construction and additions placed on the tax roll for that year was less than 2 percent of the taxable value for school purposes on the roll for that year, exclusive of such net value; or~~

2. ~~The percentage increase in county taxable value from 1979 to 1980, 1980 to 1981, or 1981 to 1982 was less than 3 percent.~~

(b) The moneys distributed to the county government pursuant to s. 218.62 for the prior fiscal year were less than the current per capita limitation, based on the population of that county.

(3) Qualification under this section shall be determined annually at the start of the fiscal year. Emergency and supplemental moneys shall be distributed monthly with other moneys provided pursuant to this part.

(4) For the fiscal year beginning in 1988, the per capita limitation shall be \$24.60. Thereafter, commencing with the fiscal year which begins in 1989, this limitation shall be adjusted annually for inflation. The annual adjustment to the per capita limitation for each fiscal period shall be the percentage change in the state and local government price deflator for purchases of goods and services, all items, 1983 equals 100, or successor reports for the preceding calendar year as initially reported by the United States Department of Commerce, Bureau of Economic Analysis, as certified by the Florida Consensus Estimating Conference.

(5) At the beginning of each fiscal year, the Department of Revenue shall calculate a base allocation for each eligible county equal to the difference between the current per capita limitation times the county's population,

minus prior year ordinary distributions to the county pursuant to ss. 212.20(6)(d)3., 218.61, and 218.62. If moneys deposited into the Local Government Half-cent Sales Tax Clearing Trust Fund pursuant to s. 212.20(6)(d)4., excluding moneys appropriated for supplemental distributions pursuant to subsection (8)(7), for the current year are less than or equal to the sum of the base allocations, each eligible county shall receive a share of the appropriated amount proportional to its base allocation. If the deposited amount exceeds the sum of the base allocations, each county shall receive its base allocation, and the excess appropriated amount, less any amounts distributed under subsection (6), shall be distributed equally on a per capita basis among the eligible counties.

(6) If moneys deposited in the Local Government Half-cent Sales Tax Clearing Trust Fund pursuant to s. 212.20(6)(d)4. exceed the amount necessary to provide the base allocation to each eligible county, the moneys in the trust fund may be used to provide a transitional distribution, as specified in this subsection, to certain counties whose population has increased. The transitional distribution shall be made available to each county that qualified for a distribution under subsection (2) in the prior year but does not, because of the requirements of paragraph (2)(a), qualify for a distribution in the current year. Beginning on July 1 of the year following the year in which the county no longer qualifies for a distribution under subsection (2), the county shall receive two-thirds of the amount received in the prior year, and beginning July 1 of the second year following the year in which the county no longer qualifies for a distribution under subsection (2), the county shall receive one-third of the amount it received in the last year it qualified for the distribution under subsection (2). If insufficient moneys are available in the Local Government Half-cent Sales Tax Clearing Trust Fund to fully provide such a transitional distribution to each county that meets the eligibility criteria in this section, each eligible county shall receive a share of the available moneys proportional to the amount it would have received had moneys been sufficient to fully provide such a transitional distribution to each eligible county.

~~(7)(6)~~ There is hereby annually appropriated from the Local Government Half-cent Sales Tax Clearing Trust Fund the distribution provided in s. 212.20(6)(d)4. to be used for emergency and supplemental distributions pursuant to this section.

~~(8)(7)(a)~~ Any county the inmate population of which in any year is greater than 7 percent of the total population of the county is eligible for a supplemental distribution for that year from funds expressly appropriated therefor. At the beginning of each fiscal year, the Department of Revenue shall calculate a supplemental allocation for each eligible county equal to the current per capita limitation pursuant to subsection (4) times the inmate population of the county. If moneys appropriated for distribution pursuant to this section for the current year are less than the sum of supplemental allocations, each eligible county shall receive a share of the appropriated amount proportional to its supplemental allocation. Otherwise, each shall receive an amount equal to its supplemental allocation.

(b) For the purposes of this subsection, the term:

1. "Inmate population" means the latest official state estimate of the number of inmates and patients residing in institutions operated by the Federal Government, the Department of Corrections, or the Department of Children and Family Services.

2. "Total population" includes inmate population and noninmate population.

Section 3. Section 218.67, Florida Statutes, is created to read:

218.67 Distribution for fiscally constrained counties.—

(1) Each county that is entirely within a rural area of critical economic concern as designated by the Governor pursuant to s. 288.0656 or each county for which the value of a mill will raise no more than \$5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1, shall be considered a fiscally constrained county.

(2) Each fiscally constrained county government that participates in the local government half-cent sales tax shall be eligible to receive an additional distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund, as provided in s. 202.18(2)(c)1., in addition to its regular monthly distribution provided under this part and any emergency or supplemental distribution under s. 218.65.

(3) The amount to be distributed to each fiscally constrained county shall be determined by the Department of Revenue at the beginning of the fiscal year, using the prior fiscal year's July 1 taxable value certified pursuant to s. 1011.62(4)(a)1.a., tax data, population as defined in s. 218.21, and millage rate levied for the prior fiscal year. The amount distributed shall be allocated based upon the following factors:

(a) The relative revenue-raising-capacity factor shall be the ability of the eligible county to generate ad valorem revenues from 1 mill of taxation on a per capita basis. A county that raises no more than \$25 per capita from 1 mill shall be assigned a value of 1; a county that raises more than \$25 but no more than \$30 per capita from 1 mill shall be assigned a value of 0.75; and a county that raises more than \$30 but no more than \$50 per capita from 1 mill shall be assigned a value of 0.5. No value shall be assigned to counties that raise more than \$50 per capita from 1 mill of ad valorem taxation.

(b) The local-effort factor shall be a measure of the relative level of local effort of the eligible county as indicated by the millage rate levied for the prior fiscal year. The local-effort factor shall be the most recently adopted countywide operating millage rate for each eligible county multiplied by 0.1.

(c) Each eligible county's proportional allocation of the total amount available to be distributed to all of the eligible counties shall be in the same proportion as the sum of the county's two factors is to the sum of the two factors for all eligible counties. The counties that are eligible to receive an allocation under this subsection and the amount available to be distributed to such counties shall not include counties participating in the phaseout

period under subsection (4) or the amounts they remain eligible to receive during the phaseout.

(4) For those counties that no longer qualify under the requirements of subsection (1) after the effective date of this act, there shall be a 2-year phaseout period. Beginning on July 1 of the year following the year in which the value of a mill for that county exceeds \$5 million in revenue, the county shall receive two-thirds of the amount received in the prior year, and beginning on July 1 of the second year following the year in which the value of a mill for that county exceeds \$5 million in revenue, the county shall receive one-third of the amount received in the last year that the county qualified as a fiscally constrained county. Following the 2-year phaseout period, the county shall no longer be eligible to receive any distributions under this section unless the county can be considered a fiscally constrained county as provided in subsection (1).

(5) The revenues received under this section may be used by a county for any public purpose, except that such revenues may not be used to pay debt service on bonds, notes, certificates of participation, or any other forms of indebtedness.

Section 4. Paragraph (b) of subsection (2) of section 985.2155, Florida Statutes, is amended to read:

985.2155 Shared county and state responsibility for juvenile detention.—

(2) As used in this section, the term:

(b) “Fiscally constrained county” means a county that is entirely within designated as a rural area of critical economic concern as designated by the Governor pursuant to ~~under~~ s. 288.0656 or each county for which the value of a mill ~~will raise in the county~~ is no more than ~~\$5~~ \$3 million ~~in revenue~~, based on the ~~taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1 property valuations and tax data annually published by the Department of Revenue under s. 195.052.~~

Section 5. This act shall take effect July 1, 2006.

Approved by the Governor June 16, 2006.

Filed in Office Secretary of State June 16, 2006.