

Mrs. Manty Sabatés Morse, Member

**SUBJECT: REPORT ON ACTIVITIES OF FLORIDA SCHOOL
CONSTRUCTION FINANCE COMMISSION**

The Florida School Construction Finance Commission was established by the 1999 Legislature to identify potential alternatives to impact fees. In addition to Miami-Dade, 14 other districts throughout the state levy an impact fee on new construction. In Miami-Dade alone, during the past fiscal year, over \$20 million in cash plus developer-provided school construction (Primary Learning Centers) or land donations were received from impact fees.

Felix de Varela Senior High School and Hubert O. Sibley Elementary are under construction using this source of funding. Impact fees are bondable in the form of Certificates of Participation. At the present level of funding, the district could incur up to \$200 million in construction funding from this service to be repaid over 20 years.

As a member of the Commission, many issues and alternatives were explored as a replacement for these fees, including redirecting intangible taxes on mortgages, to increases in the documentary tax, to permitting districts to levy one or one-half penny sales tax in lieu of the two-mill levy and impact fees.

The draft of the final Commission Report is as follows:

The Florida School Construction Finance Commission recommends that school impact fees be eliminated and that the Legislature replace them with alternative revenue sources for school construction at both state and local levels. Specifically, the Commission is recommending the following:

- a) The mortgage portion of the Intangibles Tax (Part C) that currently goes to general revenue or such other funding source the Legislature considers sufficient, be dedicated to fully reimburse those 15 counties currently imposing school construction impact fees. Such funding source should be recurring and exhibit maximum flexibility, including bonding capability.

All revenues from the above state source in excess of those needed to reimburse the 15 counties for school construction impact fees be distributed to all counties, in addition to the PECO funds currently received, based on the 1997 Legislature's Special Session formula as follows:

- (1) Twenty-five percent of the appropriation shall be prorated to the districts based on each district's percentage of base capital outlay full-time equivalent membership; and 65 percent shall be based on each district's percentage of growth capital outlay full-time equivalent membership as specified for the allocation of funds from the Public Education Capital Outlay and Debt Service Trust Fund by s. 235.435(3).
- (2) Ten percent of the appropriation must be allocated among district school boards according to the allocation formula in s. 235.435(1)(a) (relating to PECO allocation for remodeling, renovation, maintenance and repairs).

However, when those 15 counties being held harmless exercise the local option in (b) below they will no longer receive state funds for replacing their school construction impact fees, but will be eligible for those state funds based on the above formula contained in (a)(1) and (2). AND

- (b) Local school districts be authorized, by majority vote, to roll back 2 mills of its property tax in exchange for a 1 cent sales tax, or to roll back 1 mill of its property tax in exchange for a ½ cent sales tax in order to locally address their need for school construction and raise revenues.
- (c) Impact fees shall be eliminated upon the implementation of option (a), as long as it remains in law, or option (b), provided that the school district exercises this option.

Board members will receive under separate cover the Commission staff's analysis of additional alternatives considered by the Commission.

ACTION PROPOSED BY:

MRS. MANTY SABATES MORSE: That The School Board of Miami-Dade County, Florida, accept the draft report of the Florida School Construction Finance Commission.