

Rudolph F. Crew, Ed.,D., Superintendent of Schools

**SUBJECT: ADOPT A LEGISLATIVE POSITION ON PROPERTY TAXES FOR  
THE SPECIAL SESSION – JUNE 12-22, 2007**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

**LINK TO DISTRICT**

**STRATEGIC PLAN: ESTABLISH GREATER ALLIANCE WITH LEGISLATIVE  
BODIES**

Unable to resolve major differences between the Senate and House proposals on property tax relief, Senate President Ken Pruitt and House Speaker Marco Rubio decided to have a Special Session on property tax relief. Although there is agreement that Floridians need tax relief, the two bodies and the Governor were not able to agree on how to structure the new tax system and how much tax relief would be provided during the regular session. The Special Session is scheduled for June 12-22, 2007.

School districts in Florida rely on property taxes to fund operating and capital needs. Since fifty-one percent of Miami-Dade County Public Schools' operation is reliant on local property taxes, the impact to the quality of education in our community would be catastrophic if overall funding is drastically reduced. Further, the Five-Year Capital Plan is dependent on the local funds generated from the 2-mill property tax levy.

The Florida House of Representatives' proposal would have eliminated the property tax altogether and replaced it with a 2.5 cent increase in sales tax, while the Florida Senate proposed property tax rollback of rates for cities and counties to the 2005-2006 levels. The two chambers differed on how deep the tax cuts should be and how to replace the lost revenues to local governments. In the last days of session, the Governor weighed in with his proposal doubling the homestead exemption for homesteaded property. The parties generally agree on providing a tax reduction for tangible personal property. The proposals for renters and portability remained substantially different. Based on an analysis prepared by County staff, currently one-cent sales tax generates \$360 million in Miami-Dade. In order to replace the district's current property tax revenues for operating, capital, and debt service, it is estimated that sales tax would need to be increased by 4.7 cents.

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The School District of Miami-Dade County supports a diversified tax base that ensures a strong economic foundation for the community to support public education at or above the national average of per pupil funding. The State has the mandate to provide equitable public education for all Florida school children and as such any differentials related to economic conditions such as the cost of living should be supplemented directly by the State. Any tax reform that provides tax relief to homeowners should protect school districts from current or future revenue reductions that impact operations, capital outlay or servicing outstanding debt.

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Therefore, it is imperative that educational funding not be negatively impacted regardless of the tax structure ultimately passed by the Florida Legislature ensuring that funding is stable, recurring, and long-term. The Florida Legislature should establish a goal of meeting or exceeding the national average in per pupil appropriations through the Florida Education Funding Program over the next six fiscal years. Minimally, educational funding to school districts should increase to fund actual student enrollment, cost of living, equalizing features in the FEFP formula, inflation, increasing utility and insurance costs, and the actual cost of delivering programs to special populations.

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**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, advocate that school district funding should not be negatively impacted regardless of the tax structure ultimately passed by the Florida Legislature ensuring public education funding is stable, recurring, and long-term.

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