

To: Chair of Governing Body

From: James McAdams, Program Director, Property Tax Administration

Date: June 20, 2007

Re: Preparation for the Implementation of House Bill 1B

The Florida Legislature passed House Bill 1B on Thursday, June 14th. This legislation includes substantial requirements affecting the 2007-08 millage and budget adoption process over which the Department of Revenue has or is given oversight responsibilities. We understand that local governments are anxious to determine the exact impacts of this legislation on the coming budget year. This communication outlines some of the Department's responsibilities and some of the steps the Department is taking in preparation for the implementation of the legislation.

Specific requirements and authority of the Department under the legislation:

- Calculate and publish compound annual growth rates of ad valorem taxes levied per capita from FY 2001-02 to FY 2006-07 for cities and counties.
- Authority to extend dates in the millage and budget adoption process
- Authority to adopt emergency rules to implement the legislation
- Requirement to withhold local government half cent revenues should a local government violate the provisions of the legislation

Key dates in the legislation:

June 25 - The Department of Revenue will notify the chair of the governing body of each city and county and each property appraiser of the amount of the tax levies for 2001 and 2006 that will be used in the calculation of the compound annual growth rate. In preparation for sending this notification to cities and counties, we have requested that property appraisers review and verify the data (previously submitted to the Department) that will be used by the Department as the basis for the calculation of the compound annual growth rates. Any changes in the data will be included in what we distribute (and publish on the website) on June 25th.

July 2 – Each city and county, and each property appraiser, must report to the Department of Revenue whether the information provided on June 25th is correct, and if incorrect, to provide corrected information along with the basis for any correction.

July 13 – After consultation with the Revenue Estimating Conference, the Department will publish the official compound annual growth rates for cities and counties on its website. These compound annual growth rates will be used by local governments to determine the maximum millage rates and maximum tax levies allowed for the 2007-08 millage and budget adoption process, as provided in HB 1B.

Additionally, the Department is working, under the emergency rule provisions of the bill, to develop the necessary forms and instructions for local governments to use in the 2007-08 millage and budget adoption process.

We will establish a page on the Department website for the public to view the actions the Department is taking in preparation for the implementation of House Bill 1B. You will find the link in the Current Topics box at <http://dor.myflorida.com/dor/>. Please check the page regularly as it will be updated as action is taken and as additional information becomes available.

Finally, in preparation for implementing the requirement to notify the chair of the governing body of each city and county, we request your help in ensuring accurate contact information. If this e-mail address is not the e-mail address at which you wish to receive these official communications, please provide the correct address.

The Department is taking the steps necessary to prepare for an efficient implementation of HB 1B. We will continue to keep you informed directly, as well as through the above website, as additional steps are taken.

Thank you for your cooperation in this process.