Bill Analysis

Peter A. Cooper *Legislative Service Commission*

H.B. 737

123rd General Assembly
(As Introduced)

Reps. Logan, Gerberry

BILL SUMMARY

- Terminates the authority of municipal corporations to levy an income tax (with voter approval) to be shared with an overlapping school district.
- The authority terminates on and after November 1, 2000.
- Declares an emergency.

CONTENT AND OPERATION

Current law

(secs. 718.09 and 718.10)

Currently, when a school district overlaps substantially with one or more municipal corporations, the school board and the municipal legislative authorities may agree to share the revenue from income taxes levied by the municipal corporations. In order to enter into such an agreement, the territories of the school district and the municipal corporations must overlap to the extent that not more than 5% of the municipal corporation territory is outside the school district and not more than 5% of the school district's territory is outside the municipal corporations; or, up to 10% of the school district's territory may be outside a single municipal corporation, but the portion lying outside that municipal corporation must lie entirely within another municipal corporation having a population of 400,000 or more.

The tax sharing agreement must provide for the municipal corporation to propose a municipal income tax to the voters of the municipal corporation (including municipal residents who reside outside the school district, if any). The tax is levied under the terms of the municipal corporation's ordinance adopted for the purpose; the tax is not levied under the school district income tax law (Chapter 5748.). The agreement also must provide for at least 25% of the revenue to be paid to the school district. The ordinance and the ballot question must indicate that a specified portion of the revenue is to be paid to the school district.

The bill

The bill eliminates the authority of municipal corporations and school districts to enter into such income tax sharing agreements. No such agreement may be proposed at an election on or after November 1, 2000. The bill does not affect income tax sharing agreements approved by voters before that date.

The bill declares an emergency, meaning that it takes effect immediately upon being filed with the Secretary of State's office after being enacted by the legislature and signed by the Governor.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	07-05-00	p. 2196

H0737-I.123/nlr