

Briefings



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Voters Approve 8 of 9 Proposed Local Taxes - With More to Come

Local taxes contribute significantly to funding governmental operations. In Florida, local taxes now comprise 40% of the state and local tax burden. With Florida's ever-growing population as well as the national and state economic twists and turns over the last several months, budget shortfalls are a reality at every level of government. It is no surprise then to see numerous local governments proposing tax increases and/or extensions on the 2002 election ballots.

Voters across the Sunshine State are considering the following types of local taxes:

▼ **Ad Valorem Tax:** Local governments levy this property tax by applying the rate to the property's value on January 1 of each year. While local governments are constitutionally limited to ten mills (\$1 per \$1,000 of property) for operating purposes, local voters may authorize additional mills for other purposes by referendum.

▼ **Local Infrastructure Surtax:** For counties with populations exceeding 50,000, this sales tax funds infrastructure financing, planning and construction; land acquisition for public recreation, conservation or protection of natural resources; closures of local government-owned solid waste landfills; and emergency vehicles and equipment purchases. For counties with 50,000 or less residents, the surtax may fund any public purpose if certain conditions are met. This surtax between .5% and 1% must be approved by referendum.

▼ **School Capital Outlay Surtax:** This sales tax funds fixed capital expenditures or costs associated with the construction, reconstruction, or improvement of school facilities and campuses expected to be in use for at least five years. It may also fund land acquisition or improvement; design and engineering costs; and technology implementation provision and retrofitting. This particular surtax of up to .5% must be approved by referendum.

▼ **Charter County Transit Surtax:** Revenues from this sales tax fund the development, construction, maintenance, equipment and operation of a fixed guide way rapid transit system as well as services that support the transit system. The surtax funds may also be directed to an expressway or transportation authority for use on county roads and bridges, for a bus system, or to fund current or new road and bridge bonds. If approved by referendum, counties may impose up to a 1% sales surtax on statutorily eligible transactions.

▼ **Indigent Care Surtax:** This sales tax funds a broad range of health care services for both indigent and medically poor people. The rate of the surtax may not exceed .5% and may be levied by voter approval or extraordinary vote of the governing board.

▼ **Tourist Development Tax:** This tax on rental fees may fund general tourism development-related costs as

well as professional sports franchise facilities and the retirement of joint state/county economic development project bonds. An initial Tourist Development tax must be approved by referendum for one to two percent. Subsequent tax increases may be levied by referendum, extraordinary or majority vote of the country government board.

County Local Option Fuel Tax: This tax is imposed on all motor and diesel fuels per Ch. 206, Florida Statutes. Counties with over 50,000 residents may spend these revenues on transportation. The smaller counties may use the funds for non-transportation infrastructure projects consistent with their comprehensive plan. The county commission's majority vote or a voter-approved referendum may levy this tax, ranging from one to six cents.

The following table depicts some of the Florida counties with referenda on their ballots.

County	Ad Valorem	Local Infrastructure	School Capital Outlay	Charter Co. Transit	Indigent Care	Tourist Development	Local Option Fuel Tax	New Tax or Extension of Current Tax	Date of Vote
Charlotte	.	1 ct.	.	.	.	.	.	extension	11/5
Escambia	.	.	.5 ct	.	.	.	.	extension	9/10 - approved
Flagler	.	.	.5 ct	.	.	.	.	new	9/10 - approved
Flagler	.	.5 ct	.	.	.	.	.	new	9/10 - approved
Hendry	2%	.	new *	11/5
Indian River	.	1 ct.	.	.	.	.	.	extension	11/5
Lee5 ct	.	.	new	11/5
Leon	.	.	.5 ct	.	.	.	.	new	11/5
Levy	2 ct	.	new	11/5
Marion	.	1 ct	.	.	.	.	.	new	11/5
Martin	2 ct	.	new	9/10 - approved
Miami-Dade	.5 ml	.	.	.	.	.	.	new	9/10 - approved
Miami-Dade5 ct	.	.	.	new	11/5
Orange	.	.	.5 ct	.	.	.	.	new	9/10 - approved

Putnam	.	1 ct	.	.	.	.	.	new	9/10 - approved
Santa Rosa	.	1 ct	.	.	.	.	6 ct	new	11/5
Union	.5 ml	.	.	.	.	.	.	new	9/10 - approved
Union	.5 ml	.	.	.	.	.	.	new	9/10 - rejected

Sources: Florida Association of Counties, Supervisors of Elections, 2002 Florida Tax Handbook, Early Childhood Initiative Foundation.

Note: Hendry County tourist development tax = 2% on hotel/motel costs and other short-term living transactions.

It is important to note that the above table does not necessarily include all referenda occurring on ballots in 2002. However, it is clear that numerous counties are moving to increase their tax base. Furthermore, of the referenda voted on thus far, all but one has been approved by voters, even in some of the more tax-resistant areas of the state, such as Orange County, whose voters approved that local tax by a 60% to 40% margin. Counties are predominantly putting forward four particular levies: the local infrastructure surtax (six counties), the school capital outlay surtax (four counties), the tourist development tax (three counties), and the ad valorem tax (three counties).

Florida voters have decided that these tax initiatives reflect the needs confronting their local governments. Local governments clearly feel the pinch of state mandates and budget shortfalls, particularly coupled with their growing populations and operational costs.

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