

Florida  TaxWatch



SPECIAL EDITION
LOCAL TAX REFERENDA



LOCAL TAX AND FISCAL REFERENDA ON THE NOVEMBER 2020 BALLOT

On November 3, 2020, Floridians will go to the polls (or vote by mail) to participate in a very important election. In addition to electing the next President of the United States, voters will decide other federal, state and local races, as well as consider six proposed amendments to the Florida Constitution.¹

As if that were not enough, voters across the state will determine the fate of scores of local referenda and amendments to city and county charters. Many of these ballot questions have significant fiscal implications for Florida taxpayers. Voters will consider authorizing more than \$360 million annually in local tax increases. This includes:

Local Option Sales Taxes – Nine counties are proposing to enact or extend ten local sales tax levies worth more than \$250 million annually. Continuing a recent trend, education is a priority and five of these are for school capital outlay (construction) needs. Three others are for other infrastructure needs in the counties, and two would fund fire and rescue services.

Property Taxes – Seven counties are proposing new ad valorem levies totaling \$112 million annually. These would fund school programs and teacher salaries, land acquisition and other environmental proposals, children's services, and fire services.

Fire District Assessments – Two local fire districts propose significant increases in the assessments property owners pay, and Navarre Beach is looking to create a new district. Another district is asking residents

if they support the use of impact fees to fund fire services.

There is also a proposal for a new tourist development tax, \$200 million in proposed bond issues, and several major spending issues.

It's not all about asking taxpayers for more money. Seven county commissions and four municipal governing bodies are asking for the authority to grant property tax exemptions to new and expanding businesses that are expected to create new, full-time jobs.

Local ballots also contain at least 150 charter amendments (and one adoption of a new charter). There are also straw polls to gauge voter support for emerging proposals—such as the consolidation of Columbia County and Lake City governments.

Florida taxpayers have shown they are willing to pay more taxes if they feel the return will be worth it. Voters made a significant commitment to fund local government services—especially schools—in the 2018 primary and general elections when they approved 26 county-wide tax increases worth \$1.5 billion, four special district tax hikes and \$1.2 billion in new bond issues.²

Many of the tax referendums created a citizen oversight committee to monitor the spending of these new dollars. This is a great idea and taxpayers need to get involved. Florida TaxWatch has been involved with one such committee—the Broward County Bond Oversight Committee created for a \$800 million bonds issue in 2014—and has released quarterly reports and presented our findings to the Committee.³ If your local government has proposed a tax increase without such a committee, oversight is up to all of us.

¹ See Florida TaxWatch's 2020 Florida Taxpayers' Voter Guide for information on the proposed constitutional amendments. <https://floridatxwatch.org/Research/Full-Library/ArtMID/34407/ArticleID/18932/2020-Florida-Taxpayers-Voter-Guide>

² Florida TaxWatch, Voter Guide - 2018 Wrap-Up, December 2018. <https://floridatxwatch.org/Research/Full-Library/ArtMID/34407/ArticleID/18654/2018-Voter-Guide-Wrap-Up-15-Billion-in-Local-Tax-Referenda>

³ Florida TaxWatch, Q4 2019-20 Broward Schools SMART Program Report Review, September 2020. <https://floridatxwatch.org/Research/Full-Library/ArtMID/34407/ArticleID/18939/Q4-2019-20-Broward-Schools-SMART-Program-Report-Review>



Only one of the 27 county-wide tax increase referendums considered in 2018 failed and most passed easily. It remains to be seen how the COVID-19 pandemic has affected voters' appetite for tax increases.

After the election, Florida TaxWatch will issue a 2020 Wrap-Up that will detail the fate of these local referenda and the six proposed amendments to the Florida Constitution.

WHAT WILL I BE VOTING ON?

The following is a compilation of the tax and fee increases, bond issues, proposed exemptions, and selected other significant fiscal referenda that go before Florida voters on November 3. The estimated annual tax revenue amounts are for FY2020-21 and reflect the most recent state estimates of the COVID-19 pandemic's impact on tax collections.

SALES TAXES

Brevard - Extend the existing half-cent (0.5%) surtax approved by voters in 2014 by six years to upgrade aging schools in Brevard County with critical school facility renewal projects and school security and technology modernizations. Revenue would be shared with charter schools based on proportionate share of district enrollment. All expenditures would be monitored by an independent citizen oversight committee.

Estimated Annual Tax Revenue - \$46 million

Charlotte - Extend the one-cent (1.0%) local option sales tax for six years from January 1, 2021, to December 31, 2026. Proceeds would be used for infrastructure, including public safety and service buildings, water quality infrastructure, school security and technology improvements, road improvements, and libraries, parks, and recreational facilities.

Estimated Annual Tax Revenue - \$20-\$28 million

Clay - Enact a half-cent (0.5%) discretionary sales surtax for the school district fund capital outlay needs. The district says it has over 900 portables and some of the oldest schools in Florida. The district wanted to put this referendum on the ballot in 2019 but the County Commission voted to delay it, leading to a legal battle.

Estimated Annual Tax Revenue - \$11 million

Duval - Enact a 15-year half-cent (0.5%) sales surtax to "upgrade aging schools through repairs and modernization, to keep schools safe and to continue to promote a conducive learning environment, to improve technology, and to replace existing or build new schools." Expenditures would be based upon the Surtax Capital Outlay Plan and monitored by an independent citizens committee. The funds would be shared with charter schools.

Estimated Annual Tax Revenue - \$89 million

Liberty (1) - Re-enact a half-cent (0.5%) sales tax for emergency fire rescue services for five years, to be in effect from January 2022 through January 2027. The current levy expires on December 31, 2021.

Estimated Annual Tax Revenue - \$170,000

Liberty (2) - Re-enact a half-cent (0.5%) school capital outlay surtax to finance educational facilities and purchase technology equipment, hardware and software. The current tax expires December 31, 2020 and the referendum would extend it another 10 years. Revenue would be shared with charter schools on proportionate share of enrollment.

Estimated Annual Tax Revenue - \$170,000

Marion - Extend the one-cent (1.0%) Public Safety and Transportation sales tax to fund law enforcement, animal control, fire, and EMS facilities and road projects for the county and cities. This would provide a four-year extension from January 1, 2021 to December 31, 2024.

Estimated Annual Tax Revenue - \$46 million



Okaloosa - Levy a 10-year, half-cent (0.5%) sales surtax effective January 1, 2021, for the acquisition, renovation, construction and equipping of public schools, land, safety enhancements, buses, equipment, technology, portable classrooms reduction, and retirement of debt. Spending subject to oversight by a citizen's committee. Revenues collected must be shared with eligible charter schools based on their proportionate share of the total school district enrollment.

Estimated Annual Tax Revenue - \$20.5 million

Santa Rosa - Extend the existing half-cent (0.5%) Local Option Sales Tax, which was first passed in 2016 and is slated to sunset in 2021. The tax would continue for another five years beginning Jan. 1, 2022. The tax has generated approximately \$9 million a year since it was implemented Jan. 1, 2017 and has funded things like new playgrounds, park improvements, road improvements, and capital equipment for the sheriff's office and fire department. Opponents pushed the county in 2019 to implement impact fees before they would vote to approve any kind of half-cent sales tax increase or extension. The county approved educational impact fees in January and is in the process of drafting an infrastructure impact fee ordinance now.

Estimated Annual Tax Revenue - \$8.8 million

Union - Enact a new one percent (1%) Emergency Fire Rescue Services and Facilities Sales Surtax to be levied on all qualifying transactions in Union County commencing on January 1, 2021 and continuing until repealed. *Estimated Annual Tax Revenue - \$750,000*

Broward - This referendum would not create a new tax, but it would affect the administration of the transportation surtax approved by Broward voters in 2018. It would provide that for project funded by the surtax (in whole or in part) on County land, County ordinances regulating the development, including zoning, permitting, construction, operation, or administration, of transportation projects would supersede conflicting Municipal ordinances.

PROPERTY TAXES

Collier - Reestablish a levy of a 0.25 mill ad valorem tax for ten years to continue to fund the Conservation Collier Program's acquisition and management of environmentally sensitive lands.

Estimated Annual Tax Revenue - \$25 million

Escambia - Provide the authority to levy a one-half mill ad valorem tax for ten years to provide additional early childhood education, safety, developmental, preventative, health and well-being services, including after school and summer enrichment programs. Contingent on the Legislature creating an independent special district titled the "Escambia Children's Trust."

Estimated Annual Tax Revenue - \$8-10 million

Hernando - The school district would levy a one mill operating millage to attract and retain teachers and staff with competitive salaries and additional support staff, maintain and increase safety measures and mental health service, provide students and staff with devices, resources, and support, increase educational opportunities, and appoint a Citizens Volunteer Millage Committee to review annual spending.

Estimated Annual Tax Revenue - \$12 million

Pinellas - Continue the Pinellas County School District ad valorem millage of one-half mill beginning July 1, 2021 and ending June 30, 2025. Funds would be used for operating expenses including funds to recruit and retain quality teachers, preserve reading programs and music and art classes, and provide current textbooks and technology. Funds would be shared with charter schools and a citizen financial committee would provide oversight.

Estimated Annual Tax Revenue - \$50 million

Lee - Increase the maximum millage rate for the Alva Fire Protection and Rescue District from 3.0 to 3.75 mills to fund operations and construction and maintenance costs of the facilities.

Estimated Annual Tax Revenue - \$250,000



Leon – Establish the Children’s Services Council of Leon County to provide children with early learning and reading skills, development, treatment, preventative and other children’s services in Leon County as a special district with ad valorem taxing authority limited to one-half mill annually, and independent oversight and accountability as required by law, unless and until the district is dissolved.

Estimated Annual Tax Revenue - \$8-\$9 million

Manatee – Levy 0.15 mills to acquire land to protect drinking water sources and water quality, preserve fish and wildlife habitats, prevent stormwater runoff pollution, and provide parks. The property tax would fund \$50,000,000 in 20-year general obligation bonds. It is estimated the tax would cost the average Manatee homeowner \$29 a year and the average commercial property would pay an additional \$112 a year.

Estimated Annual Tax Revenue - \$5-\$6 million

Glades - Flexible Funding for Glades County Schools- The School District would be authorized to reduce its annual ad valorem tax levy for capital projects by an amount of up to 1.0 mills and increase its ad valorem tax levy for operating expenses by an equal amount of up to 1.0 mills in any or all of the four consecutive fiscal years beginning with 2020-21. *No net change in tax revenue.*

TOURIST DEVELOPMENT TAX

Walton - Expand the Walton County Tourist Development District and levy a tourist development tax within Walton County, north of the Choctawhatchee Bay, at a rate of two percent of the total rental charged to every person who rents, leases, lets for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, tourist or trailer camp, or condominium for a term of six months or less. There is already a 5 percent tourist development tax in south Walton. The two taxes

would be separate, and the new tax would only be spent in north Walton. At least 40 percent must be spent on marketing north Walton and the rest could fund events, programs, and infrastructure.

ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTIONS

Section 3, Article VII of the *Florida Constitution*, and section 196.1955, *Florida Statutes* allow county commissions and municipal governing bodies to grant property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in the county or city. The exemption may be granted only by ordinance of the county or municipality, and only after the voters approve a referendum. This year, a number of jurisdictions are hoping to offer these exemptions.

The following cities and counties will have a referendum on the November ballot to authorize or reauthorize their economic development exemptions:

MUNICIPALITIES

- Plant City
- City of Fellsmere
- City of Milton.
- Melbourne

COUNTIES

- Columbia
- DeSoto
- Hardee
- Highlands
- Indian River
- Polk
- Sarasota



SPECIAL TAXING DISTRICTS/ ASSESSMENTS

Parrish Fire District - Increase the \$196 base rate for all developed and vacant residential, commercial and industrial parcels by \$80 to fund more firefighters and operational costs for future second fire station. The construction of the second fire station is being funded by impact fees. The assessment increase would be effective October 1, 2022.

Estimated Annual Revenue - \$800,000

Trailer Estates Fire Control District – Increase the current \$75 assessment by \$100 to pay for annual operating expenses and upgrading equipment, facilities, purchase a new truck, and improve staffing—including a full-time Chief. The assessment increase would be effective October 1, 2022.

Estimated Annual Revenue - \$120,000

Navarre Beach – Non-binding referendum to create a special fire district for Navarre Beach Fire Rescue. This is the second attempt to create the fire district, the first attempt was narrowly defeated by voters in the October 2019. The failure of the previous referendum is attributed to it giving the fire department authority to raise the MSBU fees. Voters would still have to approve any MSBU fee raise, and the fire department says it has no plans to seek a request to raise the MSBU. The referendum needs to pass by a 60% plus one majority and then Navarre Beach's state representative will attempt to get the Legislature to create the district.

Malabar – Authorize the town to continue to participate in the Brevard County Law Enforcement Municipal Services Taxing Unit (MSTU). Malabar does not have a police department. This would be the sixth two-year authorization approved by Malabar voters.

North Okaloosa – Ask voters if they support collecting impact fees prior to new home construction or development in the district to help fund the North Okaloosa Fire District.

BOND ISSUES

Volusia (1) - Volusia ECHO (Environmental, Cultural, Historic and Outdoor Recreation Projects). Authorize \$40 million in bond issues to continue to fund the acquisition, restoration, construction and improvement of environmental, cultural, historic and outdoor recreation projects for public use. The bonds would be payable continuation of an existing ad valorem tax not exceeding 1/5 mill levied for 20 years, subject to full public disclosure through annual audits.

Volusia (2) - Volusia Forever - Authorize \$60 million in bond issues for the County to continue to fund the acquisition and improvement of environmentally sensitive lands for conservation and resource based recreation. This includes forests, farmlands, and outdoor recreation lands and lands that provide water resource protection. The bonds would be payable from continuation of an existing ad valorem tax not exceeding 1/5 mill levied for 20 years, subject to full public disclosure through annual audits.

Key Biscayne – Authorize the Village to issue up to \$100 million in general obligation bonds with a maturity of up to 30-years to mitigate effects of sea level rise and flooding, protect Village beaches and shoreline, and harden infrastructure to the effects of hurricanes. The bonds would be payable by ad valorem taxes.

Edgewater - Borrowing Limitation: Currently the charter allows the city to incur additional debt of .75% of its net taxable value with a five-year rolling period. This proposal would increase the limit to 1% and eliminate the five-year period.



Surfside – A Town Charter amendment to require commission and voter approval before the administration may incur any debt exceeding 15 percent of the town's average property tax revenue if the debt cannot be paid off within seven years.

Surfside - Non-binding referendum asking voters if they favor the undergrounding of Surfside's powerlines and other utilities in order to improve safety and promote sustainability and resilience, at an estimated cost of \$16 million - \$18 million.

SPENDING ISSUES

Miami Beach – Marina Park – Miami Beach voters will consider three referendums relating to the Marina Park Project. The referendums would approve the sale of 0.3 acres of property and air rights for \$55 million to develop the 275,000 square foot residential component of Marina Park Project; lease 3.5 acres of property and 38 acres of submerged lands for the Miami Beach Marina; and designate authorized spending of the city's proceeds. The City would receive \$55 million from the sale of the property and the developer would provide \$22.5 million in additional public benefits including replacing the Marina facility, a new public park, and resiliency improvement. Another \$40 million would be provided for operations of the Marina. The City would also get guaranteed rent of at least \$16.4 million in the first ten years, adjusted thereafter. The other referendum would dedicate the \$55 million in sales proceeds solely for resiliency and sustainability initiatives, affordable/workforce/teacher housing, programs to benefit the elderly, or increasing budgetary reserves impacted by the COVID-19 pandemic.

Alachua - Affordable Housing Trust Fund - Create a trust fund used to create and sustain affordable housing. The County Commission would administer the fund and use fees on new commercial and residential development and other sources. The charter amendment does not itself create or authorize any new taxes or fees. The Trust Fund can also accept donations of any kind.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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The findings in this Report are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please feel free to contact us if you feel that this paper is factually inaccurate.


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