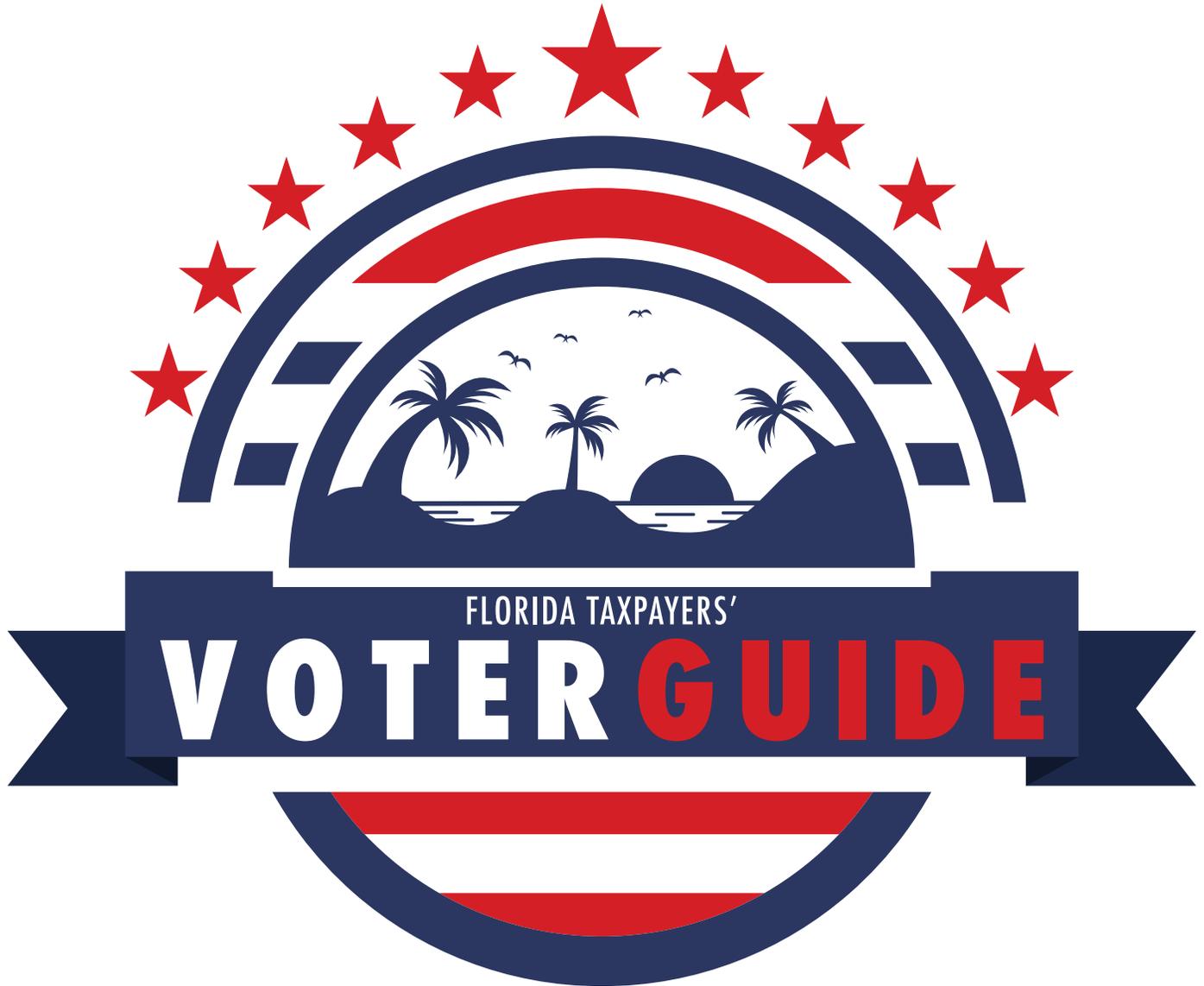


Florida  TaxWatch



SPECIAL EDITION

LOCAL TAX REFERENDA

POST ELECTION WRAP-UP



FLORIDA VOTERS APPROVE \$400 MILLION IN PROPOSED TAX INCREASES AND \$250 MILLION IN NEW BOND ISSUES

On November 3, 2020, Floridians went to the polls (or voted by mail) to elect the next President of the United States, voted on numerous state and local races, and decided the fate of six proposed amendments to the Florida Constitution. As if that were not enough, voters across the state had to consider more than 200 local referenda, including some significant tax increases.

Proving that 2018 was not a fluke, voters in many Florida counties again voted to raise their taxes in 2020. This taxpayer generosity follows the primary and general elections of 2018, where 22 counties passed 26 sales and property taxes worth \$1.5 billion.

In 2020, 19 counties approved 20 sales tax and property tax increases worth \$400 million. This includes ten sales taxes and ten property taxes. Most of these passed rather easily, with 11 tax increases receiving more than two-thirds (66.7 percent) of the vote. Only one county-wide tax increased failed, a school sales tax extension in Liberty County that lost by only 17 votes. Moreover, voters in Liberty approved a second sales tax referendum, this one for emergency fire services.

Voters also approved a new tourist development tax in North Walton County, \$250 million in proposed bond issues, and several major spending issues. In addition, nine county commissions and six municipal governing bodies asked for the authority to grant property tax exemptions to new and expanding businesses that are expected to create new, full-time jobs. Voters approved all fifteen proposals.

Local Option Sales Taxes – Voters in ten counties approved the enactment or extension of ten local sales tax levies worth more than \$250 million annually. Four of these are for school capital outlay needs and three are for other infrastructure such as transportation, public safety facilities, water and sewer, parks, and libraries. Two of the sales taxes will fund fire and rescue services and another will be used to retire the outstanding debt of a public hospital.

Property Taxes – Nine counties passed ten different ad valorem levies totaling almost \$150 million annually. These will fund school programs and teacher salaries, land acquisition and other environmental proposals, children’s services, and fire services. Some of these new levies accompany bond issues, including two in Volusia—one for conservation land protection and one for environmental—cultural, historic, and outdoor recreation projects.

Fire District Assessments – Significant increases in assessments property owners pay passed in one county and failed in another. Navarre Beach voters approved moving forward with creating a new district, and voters in North Okaloosa shot down the idea of using impact fees to fund fire services.

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.¹

Following the defeat of three sales tax proposals in 2019, many wondered if the COVID-19 pandemic would further dampen voters’ appetite for tax increases. That turned out to not be the case.

¹ 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>



Many of the tax referenda 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 bond issue in 2014—and has released quarterly reports and presented our findings to the Committee.² If your local government has proposed a tax increase without such a committee, oversight is up to all of us.

LOCAL TAX AND FISCAL REFERENDA ON THE NOVEMBER 2020 BALLOT

The following is a compilation of the tax and fee increases, bond issues, proposed exemptions, and selected other significant fiscal referenda that went 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 COUNTY

School Capital Outlay Sales Tax - Voters extended the existing half-cent (0.5 percent) surtax by six years to upgrade aging schools in Brevard County with critical school facility renewal projects and school security and technology modernizations. The tax was first approved by voters in 2014. Revenue will 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. Passed with 68.6 percent of the vote.**

CHARLOTTE COUNTY

Infrastructure Sales Tax – Voters extended the one-cent (1.0 percent) local option sales tax for six years from January 1, 2021, to December 31, 2026. Proceeds will 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 - \$28 million. Passed with 67.8 percent of the vote.**

CLAY COUNTY

School Capital Outlay Sales Tax – Voters approved a new half-cent (0.5 percent) discretionary sales surtax for the school district to 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. Passed with 56.1 percent of the vote.**

DUVAL COUNTY

School Capital Outlay Sales Tax – Voters enacted a new 15-year half-cent (0.5 percent) 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 will be based upon the Surtax Capital Outlay Plan and monitored by an independent citizens committee. The funds will be shared with charter schools. **Estimated Annual Tax Revenue - \$89 million. Passed with 67.3 percent of the vote.**

HOLMES COUNTY

Indigent Care Sales Tax – In the closest vote of all the tax referenda that passed, just over half of Holmes voters approved a half-cent (0.5 percent) sales tax to service the existing debt of Doctors Memorial Hospital. This small, rural, public hospital provides significant charity

² 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>



care and has \$14 million in debt. The tax proceeds cannot be used to pay the salaries of the hospital staff or the day-to-day operating expenses. **Estimated Annual Tax Revenue - \$1 million. Passed with 52.5 percent of the vote.**

LIBERTY COUNTY

Emergency Fire Rescue Services and Facilities Sales Tax – Voters re-enacted 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 began on January 1, 2017 and expires on December 31, 2021. **Estimated Annual Tax Revenue - \$170,000. Passed with 63.5 percent of the vote.**

School Capital Outlay Sales Tax - While the above fire service tax passed rather easily, a second proposed tax for schools was the only county-wide tax referendum that failed, but just barely. Re-enacting the half-cent (0.5%) school capital outlay surtax fell 17 votes short of passing. The tax would have financed educational facilities and purchase technology equipment, hardware and software. The current tax expires December 31, 2020 and the referendum would have extended it another 10 years. Revenue would have been shared with charter schools on proportionate share of enrollment. **Estimated Annual Tax Revenue - \$170,000. Failed with 49.7 percent of the vote.**

MARION COUNTY

Infrastructure Sales Tax – Voters extended the one-cent (1.0 percent) 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 - \$50 million. Passed with 70.3 percent of the vote.**

OKALOOSA COUNTY

School Capital Outlay Sales Tax – Voters approved a new 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 classroom reduction, and retirement of debt. Spending will be 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. The third time was the charm, as the tax was defeated at the polls in 2010 and 2006. It was also removed from consideration by the school board in 2018. **Estimated Annual Tax Revenue - \$20.5 million. Passed with 55.5 percent of the vote.**

SANTA ROSA COUNTY

Infrastructure Sales Tax – Voters extended the existing half-cent (0.5 percent) 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 - \$9 million. Passed with 69.9 percent of the vote.**

UNION COUNTY

Emergency Fire Rescue Services and Facilities Sales Tax – Voters enacted a new one percent (1.0 percent) sales tax to create a county fire rescue department with paid firefighters. The county currently uses volunteer firefighters. Consistent with state law, the current \$50 fire rescue assessment will be repealed. The tax will commence on January 1, 2021 and continue until repealed. **Estimated Annual Tax Revenue - \$800,000 Passed with 61.4 percent of the vote.**



BROWARD COUNTY

This referendum does not create a new tax, but it does affect the administration of the transportation surtax approved by Broward voters in 2018. It provides that for projects 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. **Passed with 68.6 percent of the vote.**

PROPERTY TAXES

ALACHUA COUNTY

School Operations - Voters renewed a 1.0 mill ad valorem levy for another four years. The tax will fund art programs, classroom technology, counselors, librarians, academic and career-tech programs, and middle and high school bands and chorus. The tax was first enacted in 2008 and renewed in 2012 and 2016. **Estimated Annual Tax Revenue - \$17 million. Passed with 78.7 percent of the vote.**

COLLIER COUNTY

Conservation Lands - A levy of a 0.25 mill ad valorem tax was reestablished 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. Passed with 76.5 percent of the vote.**

ESCAMBIA COUNTY

Escambia Children's Trust – Voters provided 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. The tax is contingent on the Legislature creating an independent special district titled the “Escambia Children's Trust.” **Estimated Annual Tax Revenue - \$8-10 million. Passed with 61.0 percent of the vote.**

HERNANDO COUNTY

School Operations – The school district will levy a new 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, and provide students and staff with devices, resources, and support. A Citizens Volunteer Millage Committee to review annual spending will be appointed. **Estimated Annual Tax Revenue - \$12 million Passed with 62.1 percent of the vote.**

LEE COUNTY

Alva Fire District – Voters approved an increase in 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. Passed with 67.3 percent of the vote.**

LEON COUNTY

Children's Services Council of Leon County – Voters established the Children's Services Council 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. Passed with 65.8 percent of the vote.**

MANATEE COUNTY

Environment – Voters approved a levy of 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 obligations 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. Passed with 71.3 percent of the vote.**

PINELLAS COUNTY

School Operations – Voters continued 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. Passed with 79.9 percent of the vote.**

VOUSIA COUNTY

Volusia ECHO (Environmental, Cultural, Historic and Outdoor Recreation Projects). Voters authorized \$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. They also approved the continuation of an ad valorem tax not exceeding 0.2 mills levied for 20 years to pay off the bonds. Spending is subject to full public disclosure through annual audits. **Estimated Annual Tax Revenue - \$8 million. Passed with 72.4 percent of the vote.**

Volusia Forever - Voters also authorized \$60 million in bond issues for the County to continue to fund the acquisition and improvement of environmentally sensitive, water resource protection, forests and farmlands and outdoor recreation lands and related property interests for conservation and resource-based recreation. They also approved the continuation of an ad valorem tax (in addition to the ECHO millage) not exceeding 0.2 mills levied for 20 years to pay off the bonds. Spending is subject to full public disclosure

through annual audits. **Estimated Annual Tax Revenue - \$8 million. Passed with 75.6 percent of the vote.**

GLADES COUNTY

This is not a tax increase, but it provides the school district with flexibility in using a previously authorized school millage. Voters authorized the School District 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. Passed with 70.4 percent of the vote.**

TOURIST DEVELOPMENT TAX

WALTON COUNTY

Walton County Tourist Development District - Voters approved the expansion of the District, along with the levy of a tourist development tax within Walton County, north of the Choctawhatchee Bay. The tax would be 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 was already a 5 percent tourist development tax in South Walton which raises more than \$25 million. The North Walton tax will be 2 percent and that area has fewer accommodations that will pay the tax. The two taxes will be separate, and the new tax can 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. **Estimated Annual Tax Revenue – NA. Passed with 56.0 percent of the vote.**



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. The following cities and counties had referenda to enact or extend the governing body's authority to grant economic development on the November ballot. All 15 passed with approval ranging from 60.5 percent to 79.7 percent.

Counties

- Bay – 72.4 percent
- Columbia – 69.8 percent
- DeSoto – 61.7 percent
- Hardee – 60.5 percent
- Highlands – 79.7 percent
- Holmes – 65.1 percent
- Indian River - 68.4 percent
- Polk – 74.3 percent
- Sarasota – 65.3 percent

Municipalities

- Plant City (Hillsborough) – 72.0 percent
- Fellsmere (Indian River) – 77.0 percent
- Milton (Santa Rosa) – 73.4 percent
- Melbourne (Brevard) – 68.1 percent
- North Port (Sarasota) – 68.2 percent
- Sarasota (Sarasota) – 65.3 percent

SPECIAL TAXING DISTRICTS/ ASSESSMENTS

MANATEE COUNTY

Parrish Fire District – Residents in the district voted to 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 is effective October 1, 2022. **Estimated Annual Revenue - \$800,000. Passed with 56.5 percent of the vote.**

Trailer Estates Fire Control District – Voters defeated a proposal to 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 have been effective October 1, 2022. **Estimated Annual Revenue - \$120,000 Failed with 44.7 percent of the vote.**

SANTA ROSA COUNTY

Navarre Beach – This was a 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 Municipal Services Benefit Unit (MSBU) fees. Voters 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 needed to pass by a 60% plus one majority. Now, Navarre Beach's state representative will attempt to get the Legislature to create the district. **Passed with 70.1 percent of the vote.**



BREVARD COUNTY

Malabar – Voters authorized 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 is the sixth two-year authorization approved by Malabar voters.

Passed with 88.4 percent of the vote.

OKALOOSA COUNTY

North Okaloosa – Voters were asked if they support collecting impact fees prior to new home construction or development in the district to help fund the North Okaloosa Fire District. They did not.

Failed with 48.4 percent of the vote.

BOND ISSUES/LIMITATIONS

VOLUSIA COUNTY

Volusia ECHO (Environmental, Cultural, Historic and Outdoor Recreation Projects) – Discussed in property tax section. **Bond Issue - \$40 million. Passed with 72.4 percent of the vote.**

Volusia Forever - Discussed in property tax section.

Bond Issue - \$60 million. Passed with 75.6 percent of the vote.

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. **Received 49.9 percent of the vote – 18 vote difference leads to a recount.**

MANATEE COUNTY

Environmental Protection Bonds – Discussed in property tax section. **Bond Issue - \$50 million. Passed with 71.3 percent of the vote.**

MIAMI-DADE COUNTY

Key Biscayne – Voters authorized the Village to issue up to \$100 million in general obligation bonds with a maturity of up to 30-years to mitigate the 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. **Bond Issue - \$100 million. Passed with 56.6 percent of the vote.**

Surfside Borrowing Limitation – Voters approved 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. **Passed with 77.9 percent of the vote.**

MONROE COUNTY

Key West – Voters authorized the city commission—in the event of an emergency—to issue bonds payable from non-ad valorem sources with a super majority vote. **Passed with 61.2 percent of the vote.**



TAX INCREASES PASSED BY FLORIDA VOTERS IN 2020

COUNTY	PURPOSE	RATE INCREASE	NEW RATE STATE & LOCAL	VOTES IN FAVOR	ANNUAL REVENUE \$ MILLIONS	YEARS IN EFFECT
SALES TAXES						
Brevard	School Capital Outlay	0.5	7.0	68.6%	46.0	6
Charlotte	Infrastructure	1.0	7.0	67.8%	28.0	6
Clay	School Capital Outlay	0.5	7.5	56.1%	11.0	30
Duval	School Capital Outlay	0.5	7.5	67.3%	89.0	15
Holmes	Hospital Debt Service	0.5	7.5	52.5%	1.0	6.0
Liberty	Emergency Fire Rescue	0.5	7.5	63.5%	0.17	6
Mario	Infrastructure	1.0	7.0	70.3%	50.0	4
Okaloosa	School Capital Outlay	0.5	7.0	55.5%	20.5	10
Santa Rosa	Infrastructure	0.5	7.0	69.9%	9.0	5
Union	Emergency Fire Rescue	0.5	8.5	61.4%	0.8	*
PROPERTY TAXES						
Alachua	School Operations	1 mill		78.7%	17.0	4
Collier	Conservation Lands	.25 mills		76.5%	25.0	10
Escambia	Children's Services	.5 mils		61.0%	10.0	10
Hernando	School Operations	1 mill		62.1%	12.0	4
Lee	Alva Fire District	.75 mills		67.3%	0.3	*
Leon	Children's Services	.5 mills		65.8%	9.0	*
Manatee	Environmental	.15 mills		71.3%	6.0	20
Pinellas	School Operations	.5 mills		79.9%	50.0	4
Volusia	ECHO	.2 mill		72.4%	8.0	20
Volusia	Volusia Forever	.2 mills		75.6%	8.0	20
* Until repealed.						

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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