

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1034

SPONSOR: Senator Miller

SUBJECT: The Charter County Transit Surtax

DATE: March 8, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Cooper	Yeatman	CA	Favorable
2.	Vickers	Meyer	TR	Favorable
3.	_____	_____	FT	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill authorizes all charter counties to levy the Charter County Transit System Surtax. Currently, only charter counties that adopted a charter prior to June 1, 1976, and any county which is consolidated with one or more municipalities may levy the surtax.

This bill amends the following section 212.055 of the Florida Statutes.

II. Present Situation:

Local Discretionary Sales Surtaxes

Section 212.054, F.S., currently limits, exclusively to counties, the authority to levy the discretionary sales surtaxes authorized in and subject to the specifications in s. 212.055, F.S.

Section 212.055, F.S., authorizes counties to impose seven local discretionary sales surtaxes (taxes) on all transactions occurring in the county subject to the state tax imposed on sales, use, services, rental, and admissions. The sales amount is not subject to the tax if the property or service is delivered within a county that does not impose a surtax. In addition, the tax is not subject to any sales amount above \$5,000 on any item of tangible personal property and on long distance telephone service. This \$5,000 cap does not apply to the sale of any other service. The Department of Revenue (DOR) is responsible to administer, collect, and enforce all sales taxes. Collections received by DOR are returned monthly to the county imposing the tax.

The tax rates, duration levied, method of imposition, and proceed uses are individually specified in s. 212.055, F.S. TABLE 1 identifies the seven taxes, the rate limits, and the number of counties authorized to impose and the number imposing the tax. The maximum combined rate for the Local Government Infrastructure Surtax, the Small County Surtax, the Indigent Care and

Trauma Center Surtax, and the County Public Hospital Surtax, is 1%. In counties with a publicly supported medical school levying the Voter-Approved Indigent Care Surtax, the combined rate is 1.5 percent. The maximum combined rate for counties authorized to levy the Charter County Transit System Surtax is 2.5%. The School Capital Outlay Surtax is capped at 0.5%, and is not included in these tax rate caps.

TABLE 1
Local Discretionary Sales Surtaxes

TAX	AUTHORIZED LEVY (%)	# OF COUNTIES AUTHORIZED TO LEVY TAX	# OF COUNTIES LEVYING TAX
Charter County Transit System Surtax	up to 1%	5	1
Local Government Infrastructure Surtax	0.5% or 1%	67	28
Small County Surtax	0.5% or 1%	31	17
Indigent Care & Trauma Center Surtax	up to 0.5%	5	1
County Public Hospital Surtax	0.5% (Miami-Dade County)	1	1
School Capital Outlay Surtax	up to 0.5%	67	8
Voter-Approved Indigent Care Surtax	0.5% or 1%	61	0

(Source: Legislative Committee on Governmental Relations, 2/2002)

Charter County Transit System Surtax

Section 212.055(1), F.S., grants charter counties which adopted a charter prior to June 1, 1976, and each county the government of which is consolidated with that of one or more municipalities, the authority to levy the Charter County Transit System Surtax by referendum or by charter amendment approved by a majority vote of the electorate of the county, the rate of up to 1.0 percent. Proceeds of the surtax must be used as follows:

- For the purposes of development, construction, equipping, maintaining, operating, providing supportive services, including a countywide bus system, and related costs of a fixed guide-way rapid transit system;
- For the development, construction, operation, or maintenance of roads or bridges in the county, for the operation and maintenance of a bus system, for the payment of principal and interest on existing bonds issued for the construction of such roads or bridges, and as a pledge for bonds issued to refinance existing bonds or new bonds issued for the construction of such roads or bridges; and

- For Miami-Dade County, for the development, construction, operation, and maintenance of roads and bridges in the county; for the expansion, operation, and maintenance of buses and fixed guide-way systems; and for the payment of principal and interest on bonds issued for the construction of fixed guide-way rapid transit systems, bus systems, roads, or bridges; and as a pledge by the governing body of the county for bonds issued to refinance existing bonds or new bonds issued for the construction of such fixed guide-way rapid transit systems, bus systems, roads, or bridges and no more than 25 percent used for non-transit uses.

Currently, only Duval County levies the Charter County Transit System Surtax. Broward, Miami-Dade, Sarasota and Volusia counties are currently authorized to levy the tax.

III. Effect of Proposed Changes:

Section 1 amends s. 212.055(1), F.S., to authorize all charter counties to levy the Charter County Transit System Surtax. Currently, only charter counties that adopted a charter prior to June 1, 1976, and any county which is consolidated with one or more municipalities may levy the surtax.

This change will allow the following additional charter counties to levy the tax: Alachua, Brevard, Charlotte, Clay, Hillsborough, Lee, Orange, Osceola, Palm Beach, Pinellas, Polk, Seminole.

Section 2 provides that the bill will take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

This bill will authorize Alachua, Brevard, Charlotte, Clay, Hillsborough, Lee, Orange, Osceola, Palm Beach, Pinellas, Polk, and Seminole counties to levy the Charter County Transit System Surtax, at a rate of up to 1 percent on all transactions occurring in the county subject to the state tax imposed on sales, use, services, rental, and admissions.

The Revenue Impact Conference has not reviewed this bill.

B. Private Sector Impact:

If any of the eligible counties impose this tax, consumers in that county will pay additional sales taxes on taxable purchases.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

DOR has recommended that if a local government chooses to levy a surtax at a tax rate of other than 1 percent (in total combined with other discretionary sales surtaxes), the department must provide the “bracket rates” by rule. To enable DOR to operate more efficiently, they recommend that s. 212.12(11), F.S., be amended to permit them to establish and post to their Internet site new bracket rates for chapter 212, F.S., without requiring rulemaking.

VIII. Amendments:

None.