

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Community Affairs Committee

BILL: CS/SB 2210

INTRODUCER: Transportation Committee and Senator Wilson

SUBJECT: Charter County Transit System Surtax Distribution

DATE: April 15, 2009 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------------|----------------|-----------|------------------|
| 1. | <u>Eichin</u> | <u>Meyer</u> | <u>TR</u> | Fav/CS |
| 2. | <u>Murphy</u> | <u>Yeatman</u> | <u>CA</u> | Favorable |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

Currently, certain charter counties are authorized to levy up to a one percent sales surtax to fund the development, construction, and operation of fixed guideway rapid transit systems. Counties levying the charter county transit system surtax are authorized to enter interlocal agreements for the purpose of distributing the surtax proceeds to municipalities in the county.

The bill requires any charter county distributing the proceeds of a charter county transit system surtax to one or more of its municipalities, to revise the interlocal agreement directing the distribution no less frequently than every five years for the purpose of including newly created municipalities in the distribution.

This bill amends s. 215.055, F.S.

II. Present Situation:

The Charter County Transit System Surtax was created by the Legislature in 1976 to allow charter counties to levy a maximum 1 percent sales surtax to finance the development, construction, and operation of fixed guideway rapid transit systems. This section of law has been

amended several times since it was created, so that currently only counties adopting a charter prior to January 1, 1984, may seek to levy the surtax. The proposal to levy the surtax and create a trust fund for surtax proceeds must appear on a ballot and receive the approval of a majority of the county electorate. Further amendments to the statute expanded the permitted use of the revenues to finance additional types of transportation infrastructure, yielding the following permitted uses:

- development, operation, maintenance, and expansion of bus or fixed guideway systems;
- development, construction, operation, or maintenance of roads or bridges; or
- pledges to bonds issued for these purposes.

A charter county may deposit the surtax revenues into the trust fund, remit the revenues to an expressway or transportation authority, or apply them directly to the permitted uses. The proceeds may also be distributed by interlocal agreement to municipalities or an expressway or transportation authority to finance the permitted uses.

Seven counties are currently eligible to levy the surtax:

| County | 2008 Population |
|--------------|-----------------|
| Broward | 1,758,494 |
| Duval | 904,971 |
| Hillsborough | 1,200,541 |
| Miami-Dade | 2,477,289 |
| Pinellas | 938,461 |
| Sarasota | 393,608 |
| Volusia | 510,750 |

Only two of the seven eligible counties have levied the surtax:

- Duval (since 1989)
- Miami-Dade (since 2003)

Each levies a half-cent sales surtax.

On November 5, 2002, Miami-Dade County voters approved a half-cent sales surtax to be used for the expansion and enhancement of the county's transit and transportation network. The county agreed to dedicate 20 percent of the charter county transit system surtax proceeds to municipal governments, and entered into interlocal agreements with these entities. Since that time, the cities of Doral (2003), Miami Gardens (2003) and Cutler Bay have incorporated. The county has not executed similar interlocal agreements with these newly-formed cities.

Based on estimates for the fiscal year ending September 30, 2009, provided by the Florida Legislative Committee on Intergovernmental Relations, Duval County should realize revenues of \$64,967,846, and Miami-Dade County should realize \$170,887,857.

III. Effect of Proposed Changes:

Section 1 of the bill amends s. 212.055, F.S., to require any charter county distributing the proceeds of a charter county transit system surtax to one or more of its municipalities to revise the interlocal agreement directing the distribution no less frequently than every five years for the purpose of including newly created municipalities in the distribution.

Section 2 provides an effective date of July 1, 2009.

Other Potential Implications:

Since the bill does not increase revenues collected, the distribution of revenues to additional municipalities will reduce the amount distributed to the municipalities currently receiving funds under the existing agreement.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill will allow newly-incorporated cities in counties levying the surtax to participate in the distribution of proceeds where the county previously has agreed to such via an interlocal agreement with one or more of its municipalities. The sharing of these proceeds with additional municipalities may cause the funds received by other municipalities to be reduced.

There is no fiscal impact to the Florida Department of Transportation or the State Transportation Trust Fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Transportation on April 1, 2009:

The Committee Substitute replaces language which currently would have made the bill applicable to Miami-Dade County only. The CS will now apply to any charter county levying the transit system surtax under s. 212.055(1), F.S. The CS also removes the requirement to retroactively reimburse newly created municipalities for surtax revenues unrealized in the interim between incorporation of a municipality and revision to the interlocal agreement directing surtax distributions.

- B. **Amendments:**

None.