

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 Finance and Tax Committee

BILL: CS/SB 718

INTRODUCER: Health Regulation Committee and Senator King

SUBJECT: Discretionary Sales Surtaxes

DATE: March 27, 2009 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Munroe	Wilson	HR	Fav/CS
2.	Johansen	McKee	FT	Favorable
3.			HA	
4.			WPSC	
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

The bill amends the discretionary sales surtax provision for the “Indigent Care and Trauma Center Surtax” to delete the exclusion of a county that has a population of at least 800,000 residents and that is consolidated with one or more municipalities (Duval County) from levying this surtax.

This bill amends section 212.055, Florida Statutes.

II. Present Situation:

Section 212.055, F.S., authorizes qualifying counties and other specified local governmental entities to levy various surtaxes. The section expresses the legislative intent that any authorization for imposition of a discretionary sales surtax be published in the Florida Statutes as a subsection of this section. Each enactment must specify the types of counties authorized to levy, the rates which may be imposed, the maximum length of time the surtax may be imposed, the approval required, the purpose for which the proceeds may be expended, and such other requirements as the Legislature may provide.

Under s. 212.055(4)(a), F.S., certain counties are authorized to levy the Indigent Care and Trauma Center Surtax at the rate of 0.5 percent. A county with a total population of at least 800,000 residents is eligible to levy this tax; however, counties that are consolidated with one or more municipalities (Duval County), and counties authorized to levy the County Public Hospital Surtax (Miami-Dade County), are ineligible. The proceeds must be used to fund health care services, including, but not limited to, primary care, preventive care, and hospital care for indigent and medically poor persons, as well as Level I trauma center services. Persons defined as medically poor lack sufficient income, resources, and assets to provide for needed medical care without using resources required to meet the basic needs for shelter, food, clothing, and personal expenses. Medically poor individuals lack sufficient third-party insurance coverage and are not eligible for any other state or federal third-party insurance coverage. These persons are not eligible for any other state or federal program or have medical needs that are not covered by such a program. This tax may be imposed by either an extraordinary vote of the county's governing body or by voter approval in a county-wide referendum.

Section 212.055(4)(b), F.S., authorizes, notwithstanding any other provisions of s. 212.055(4), F.S., certain counties to levy the Indigent Care and Trauma Center Surtax at a rate that may not exceed 0.25 percent. A county with a total population of fewer than 800,000 residents is eligible to levy this tax subject to approval by voters in a referendum; however, counties consolidated with one or more municipalities are ineligible. The proceeds of the tax may be used to fund trauma services provided by a Florida-licensed trauma center. A discretionary surtax imposed under this paragraph expires four years after the effective date of the surtax, unless reenacted by ordinance subject to approval by a majority of the electors of the county voting in a subsequent referendum.

III. Effect of Proposed Changes:

The bill amends the discretionary sales surtax provision for the "Indigent Care and Trauma Center Surtax," to delete the exclusion of a county that has a population of at least 800,000 residents and that is consolidated with one or more municipalities (Duval County) from levying this surtax under paragraph (a) of subsection (4) of section 212.055, Florida Statutes.

The effective date of the bill is July 1, 2009.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the provisions of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Section 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

Non-consolidated counties with a total population of at least 800,000 residents (Broward, Hillsborough, Orange, Palm Beach, and Pinellas Counties) are eligible to levy the 0.5 percent surtax. Under current law, Duval County is ineligible to levy the surtax because it is a consolidated county government. Miami-Dade County may not levy the surtax because it already has authority to levy the County Public Hospital Surtax. An estimate of potential revenue for a county that is consolidated with one or more municipalities (Duval County) is outlined in the government sector impact section below.

B. Private Sector Impact:

If any county that has a population of at least 800,000 residents and that is consolidated with one or more municipalities (Duval County) imposes the Indigent Care and Trauma Center Surtax, consumers in that county will pay up to an additional 0.5 percent sales surtax on taxable purchases.

C. Government Sector Impact:

Imposition of this tax will provide Duval County with additional revenue to fund health care services for indigent and medically poor persons and Level I Trauma Center services. Duval County has a projected population of 922,800 in 2010.¹ According revised estimates published by the Florida Legislative Committee on Intergovernmental Relations², a 1 cent local option sales tax in Duval County would generate approximately \$130 million for fiscal year 2008-2009. If Duval County had already imposed an Indigent Care and Trauma Center Surtax, a 0.5% surtax could have generated approximately \$65 million in fiscal year 2008-2009.

D. Technical Deficiencies:

None.

¹ “County Profiles” by the Office of Economic & Demographic Research, The Florida Legislature, at: <<http://edr.state.fl.us/county%20profiles.htm>> (Last visited on March 13, 2009).

² “County and Municipal Revenue Estimates” by the Legislative Committee on Intergovernmental Relations, Florida Legislature, at: http://www.floridalcir.gov/revenue_estimates.cfm

VI. Related Issues:

None.

VII. Additional Information:

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

CS by Health Regulation on March 18, 2009:

The committee substitute deletes the portion of the bill relating to counties that have a population of less than 800,000 residents because there are currently no counties with fewer than 800,000 residents that are consolidated with one or more municipalities.

- B. **Amendments:**

None.