CITY OF BROOKSVILLE
WORKSHOP AGENDA
COUNCIL CHAMBERS
201 HOWELL AVENUE

January 14, 2008 **6:00 P.M.**

A. CALL TO ORDER

B. PROPERTY TAX AMENDMENT OVERVIEW

- The Ballot Language
- The Components of the Amendment

Attachment: Memo from City Manager dated 01/08/08

C. PRESENTATION FROM OFFICE OF THE PROPERTY APPRAISER, ALVIN R. MAZOUREK

Presentation: Neil F. "Nick" Nikkinen, CFE
John C. Emerson, CFE

D. CITY OF BROOKSVILLE REVENUE

Brief update of current revenues for FY2007/08 and projections for what we could see in FY2008/09.

1. General Fund

   a. Ad Valorem (With or Without Amendment 1)
   b. Municipal Revenue Sharing Program (Monies)
   c. Local Government Half-cent Sales Tax Program (Revenues)
   d. Telecommunications Service Tax
   e. Local Option Fuel Tax
   f. Utility Taxes
   g. Other General Fund Revenues
      - Public Service Tax
      - Proprietary Fees
      - Mobile Home License Tax

2. Other Funds

Attachment: Reference above memo

E. ADJOURNMENT

Meeting agendas and supporting documentation are available from the City Clerk's office, and online at www.ci.brooksville.fl.us. Persons with disabilities needing assistance to participate in any proceedings should contact the City Clerk's office 48 hours in advance of the meeting at 352/544-5407.

AGENDA ITEM NO. B-D
1-14-08 WORKSHOP

AGENDA ITEM
MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCILMEN

FROM: T. JENNENE NORMAN-VACHA, CITY MANAGER

SUBJECT: FINANCIAL WORKSHOP

DATE: JANUARY 8, 2008

As you know, on January 29th during the 2008 Presidential Preference Primary Election, voters will also be asked to vote on a Proposed Constitutional Amendment entitled "Property Tax Exemptions; Limitations on Property Tax Assessments. The official ballot language is enclosed as "Attachment 1." During our workshop we will discuss the potential impact of the Amendment to the City of Brooksville. We have enclosed, as "Attachment 2," a number of articles/newspaper clippings that discuss the Amendment and possible effects on local county and city governments for your review.

The Office of Property Appraiser, Alvin R. Mazourek will be making a presentation that will discuss the Proposed Constitutional Amendment and some of the effects for the taxpayers in the City of Brooksville and the City of Brooksville governmental revenues.

During our workshop time we will also discuss and review the City's revenues (predominantly focused on General Fund revenues), as budgeted for FY 2007-08 and discuss trends and/or potential trends in City revenues that we may expect as we prepare for FY 2008-09. We have enclosed the following data/information on the City's existing revenues for FY 2007-08 as aides for our discussions:

- Memorandum from Finance Director, Stephen J. Baumgartner dated January 7, 2008, is provided as "Attachment 3."

- Historical and current millage and general revenue information/data is provided as "Attachment 4."

- Summary budget comparison and revenues for FY 2007-08 as received October 1, 2007 through December 31, 2007 is provided as "Attachment 5."

- General information from the *2007 Local Government Financial Information Handbook* on "Ad Valorem Tax" is provided as "Attachment 6."

- General information from the *2007 Local Government Financial Information Handbook* on "Municipal Revenue Sharing Program" is provided as "Attachment 7."

- General information from the *2007 Local Government Financial Information Handbook* on "Local Government Half-cent Sales Tax Program" is provided as "Attachment 8."

- General information from the *2007 Local Government Financial Information Handbook* on "Communications Services Tax" is provided as "Attachment 9."

- General information from the *2007 Local Government Financial Information Handbook* on "Local Option Fuel Taxes" is provided as "Attachment 10."

- General information from the *2007 Local Government Financial Information Handbook* on "Public Service Tax," "Proprietary Fees," and "Mobile Home License Tax" is provided as "Attachment 11."

We look forward to an informative and meaningful workshop.

Attachment 1

NO. 1
CONSTITUTIONAL REVISION
ARTICLE VII, SECTIONS 3, 4, AND 6
ARTICLE XII, SECTION 27
(Legislative)

Ballot Title: Property Tax Exemptions; Limitations On Property Tax Assessments

Ballot Summary: This revision proposes changes to the State Constitution relating to property taxation. With respect to homestead property, this revision: (1) increases the homestead exemption except for school district taxes and (2) allows homestead property owners to transfer up to $500,000 of their Save-Our-Homes benefits to their next homestead. With respect to nonhomestead property, this revision (3) provides a $25,000 exemption for tangible personal property and (4) limits assessment increases for specified nonhomestead real property except for school district taxes.
In more detail, this revision:

(1) Increases the homestead exemption by exempting the assessed value between $50,000 and $75,000. This exemption does not apply to school district taxes.

(2) Provides for the transfer of accumulated Save-Our-Homes benefits. Homestead property owners will be able to transfer their Save-Our-Homes benefit to a new homestead within 1 year and not more than 2 years after relinquishing their previous homestead; except, if this revision is approved by the electors in January of 2008 and if the new homestead is established on January 1, 2008, the previous homestead must have been relinquished in 2007. If the new homestead has a higher just value than the previous one, the accumulated benefit can be transferred; if the new homestead has a lower just value, the amount of benefit transferred will be reduced. The transferred benefit may not exceed $500,000. This provision applies to all taxes.

(3) Authorizes an exemption from property taxes of $25,000 of assessed value of tangible personal property. This provision applies to all taxes.

(4) Limits the assessment increases for specified nonhomestead real property to 10 percent each year. Property will be assessed at just value following an improvement, as defined by general law, and may be assessed at just value following a change of ownership or control if provided by general law.

This limitation does not apply to school district taxes. This limitation is repealed effective January 1, 2019, unless renewed by a vote of the electors in the general election held in 2018.

Further, this revision:

a. Repeals obsolete language on the homestead exemption when it was less than $25,000 and did not apply uniformly to property taxes levied by all local governments.

b. Provides for homestead exemptions to be repealed if a future constitutional amendment provides for assessment of homesteads "at less than just value" rather than as currently provided "at a specified percentage" of just value.

c. Schedules the changes to take effect upon approval by the electors and operate retroactively to January 1, 2008, if approved in a special election held on January 29, 2008, or to take effect January 1, 2009, if approved in the general election held in November of 2008. The limitation on annual assessment increases for specified real property shall first apply to the 2009 tax roll if this revision is approved in a special election held on January 29, 2008, or shall first apply to the 2010 tax roll if this revision is approved in the general election held in November of 2008.

Attachment 2

The 2007 Legislative Conference:

City Officials Take a Stand on Proposed Property Tax Amendment

by Sharon G. Berrian

Florida city officials gathered in early November to adopt a policy that would direct municipal efforts during the 2008 legislative session – but foremost on everyone's mind was the property tax amendment that will be considered by voters in January. What is the Florida League of Cities' position? How do cities continue to address municipal priorities in the face of looming tax cuts? And what would this measure mean for cities and their residents? These and many other questions were on attendees' minds during the two-day conference.

Before the conference adjourned, property taxes and a multitude of legislative issues would be discussed by the 300 officials gathered at the Hyatt Regency Orlando International Airport Hotel for the 47th Annual Florida League of Cities Legislative Conference. In addition to adopting a new legislative platform, delegates attended two special legislative workshops, "Property Taxes, Round II: What Happened in Special Session and What's in Store for the Future" and "Practical Politics: Getting Heard in Tallahassee and at Home."

The Florida League of Mayors also met, with that organization's president, Mayor Steven B. Feren of Sunrise, presiding. In addition to the policy council meetings, the Florida League of Cities' Federal Action Strike Team, Advocacy Committee, Legislative Committee and International Relations Committee met as well to conduct business.

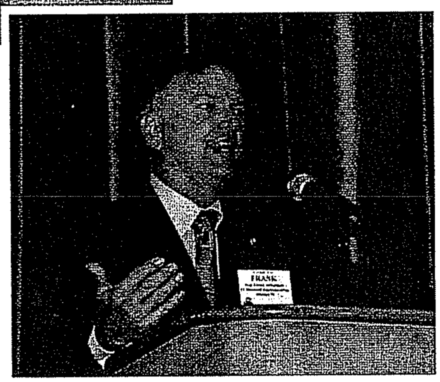

League President Frank C. Ortis addresses the membership at the general session.

Delegates pay close attention to information being discussed.

Florida Rep. Jack Seiler addresses the League membership.

(Below) Florida Rep. Frank Attkisson talks about the property tax reform measure.

Elaine Hodges received the League's 2007 Employee of the Year Award.



Susan MacManus, distinguished professor for government and international affairs at the University of South Florida, addressed the following questions during a powerful luncheon address: What is really on the mind of the electorate? How will key issues affect national and state campaigns? And will Florida again be a key state?

Dubbed by *Florida Trend* magazine as one of its "Most Influential Floridians" for her "top-flight research on political matters," MacManus has appeared on ABC, NBC, CBS, CNN, MSNBC, and in various print and broadcast media worldwide. She is one of the state's most quoted and sought-after political scientists and is co-author of *Politics in Florida* (second edition).

In candid presentations, the conference's guest speakers, state Reps. Jack Seiler, D-Wilton Manors, and Frank Attkisson, R-St. Cloud, talked about legislative actions taken during the 2007 regular and special legislative sessions relating to the property tax amendment. They also discussed what the measure, if passed, would mean for cities.

During the business session, League Executive Director Michael Sittig addressed the membership and reviewed the impending property tax amendment. He discussed why the League's board had voted to adopt a resolution opposing the measure. Sittig explained that:

- The true fiscal impact of the measure is unknown;
- The measure exacerbates an unfair tax system, making it even more unfair;
- The Legislature failed to address the problem of unfunded mandates; and
- The state mandates how much property taxes schools have to levy – an area of tax relief that the Legislature did not deal with. He pointed out that since 2006, school taxes have grown 24 percent.

Later, League members voted overwhelmingly to oppose the proposed constitutional amendment dealing with property taxes that will appear on the January 29 ballot. (Read more about the amendment on page 10.)

During his charge to the delegates, League President Frank C. Ortis, the mayor of Pembroke Pines, urged delegates to lobby legislators with vigor and to talk personally with their local delegations about issues that affect their communities.

Commenting on the legislative conference, Ortis said that it "provides us with an opportunity to convene for the purpose of discussing issues of critical importance to our citizens. We must be prepared to meet the challenges cities face so that we can provide the best service for our citizens."

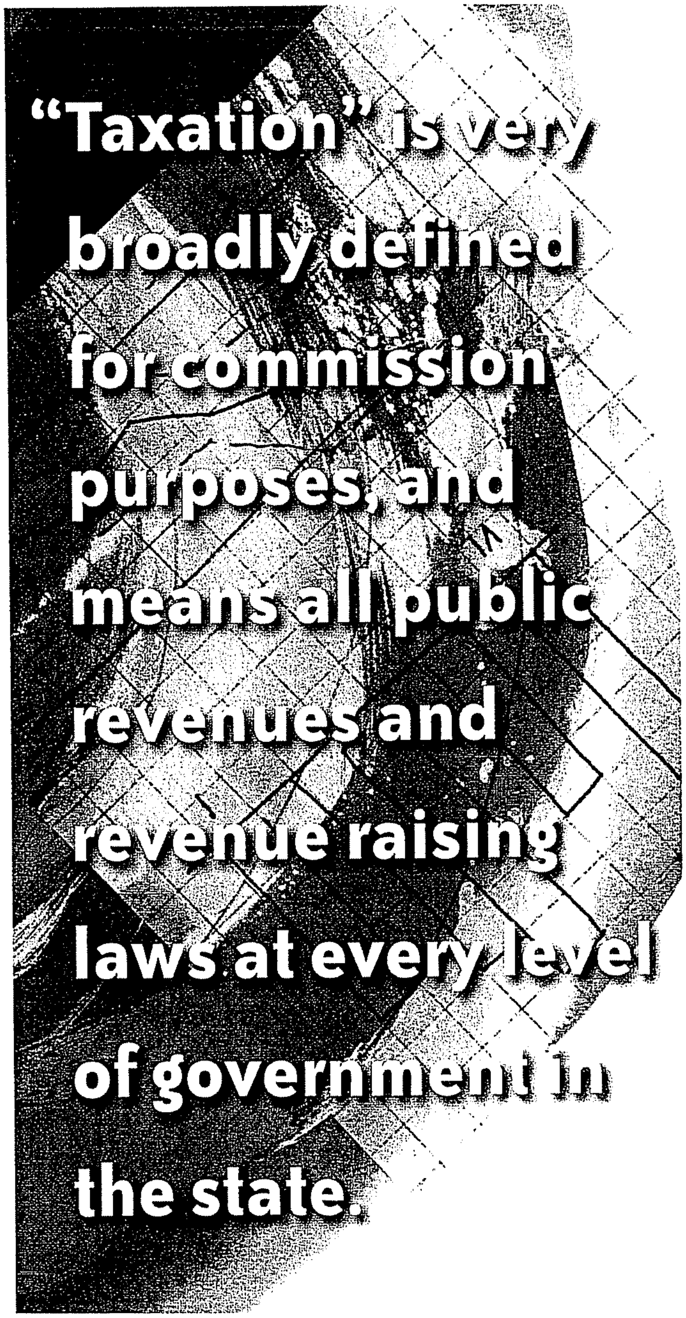
Also during the conference, Elaine Hodges, a 17-year League employee, was recognized for her exemplary work, receiving the 2007 Virginea V. "Ginger" Eaton Employee of the Year Award.

A bookkeeper in the Accounting Department at the League's Tallahassee office, Hodges was praised for her efficiency in handling accounts for several trust funds and secretariat groups. She also was recognized for her ability to manage League expense reports. Beyond her impeccable professionalism, Hodges was commended for her dedication, honesty, teamwork and commitment to the League's core values.

Sharon G. Berrian is associate director of public affairs for the Florida League of Cities.

League Offers Proposed Constitutional Amendments to Taxation and Budget Reform Commission

by Kraig Conn



The Taxation and Budget Reform Commission was established by constitutional amendment in 1988 and met for the first time in 1990. Changes adopted by Florida voters in 1998 called for the commission to begin deliberations in 2007 and established future meetings to occur every 20 years thereafter. The commission consists of 29 members, appointed by the governor, the president of the Florida Senate and the speaker of the Florida House of Representatives. It is chaired by former House Speaker Allan Bense and is charged with filing proposed revisions to the state constitution relating to taxation or budgetary matters before May 4, 2008.

The primary role of the Taxation and Budget Reform Commission is to recommend statutory and constitutional changes relating to taxation and the state budgetary process. "Taxation" is very broadly defined for commission purposes, and means all public revenues and revenue raising laws at every level of government in the state. The "state budgetary process" also is very broadly defined to mean the manner in which every level of government in the state expends funds, incurs debt, assesses needs, acquires financial information and administers its fiscal affairs. The term also includes the budgetary practices and principles at every level of government involved in financial planning, and determining, implementing, administering and reviewing governmental programs and services.

Importantly, the commission's role is not limited strictly to state government activities, but also includes the taxing and budgeting activities of cities, counties, special districts and other forms of government. In addition to reviewing revenue-generating and expenditure processes, the commission examines government productivity and efficiency, and is to determine methods favored by the residents of the state to fund the needs of state and local governments.

The commission may make recommendations to the Legislature for statutory changes relating to taxation or

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Continued from page 11.

budgetary laws. Any commission proposals to revise the state constitution, which must be filed with the secretary of state before May 4, 2008, will be presented to voters for consideration during the November 2008 general election. The commission's constitutional proposals go directly to the ballot and do not have to be reviewed or approved by the Legislature or governor.

The commission has organized itself into four committees: the Governmental Services Committee; the Governmental Procedures and Structure Committee; the Finance and Taxation Committee; and the Planning and Budgetary Processes Committee. The commission and the four committees have held various "information gathering" meetings around the state over the past six months.

The Florida League of Cities has made several presentations to the commission and committees on a variety of issues. The League has offered proposed constitutional amendments to further restrict unfunded state mandates generally, with particular language restricting unfunded environmental and unfunded public-employee benefit mandates. The League also has proposed creation of new municipal revenue sources, including authority for local sales taxes, local fuel taxes, local gross receipts taxes and local documentary excise taxes. In addition, the League has proposed a "public safety fee" to be imposed on all real property located within a city to fund fire protection, law enforcement protection and emergency medical services. These new revenue sources could be used to abate property taxes.

The League has offered language to eliminate double taxation of residents of cities. The proposal restricts counties from collecting property taxes countywide to subsidize services provided to residents located in unincorporated areas. Also, at the commission's request, the League gave a presentation on consolidation of municipal and county functions and services.

The Taxation and Budget Reform Commission continues to hold public meetings and receive information and proposals, and it is anticipated that the commission will begin taking formal action on proposed statutory changes or constitutional amendments in early 2008. John McKay, a commission member and former Senate president, has proposed a constitutional amendment to require the repeal of exemptions and exclusions from sales taxes and to use those new sources of revenue to replace revenues from ad valorem taxation to fund education. The League anticipates that the commission will consider proposals to limit or cap local government revenues and expenditures. The League already has begun to educate and inform commission members of the philosophical and implementation concerns with "revenue cap"-type proposals.

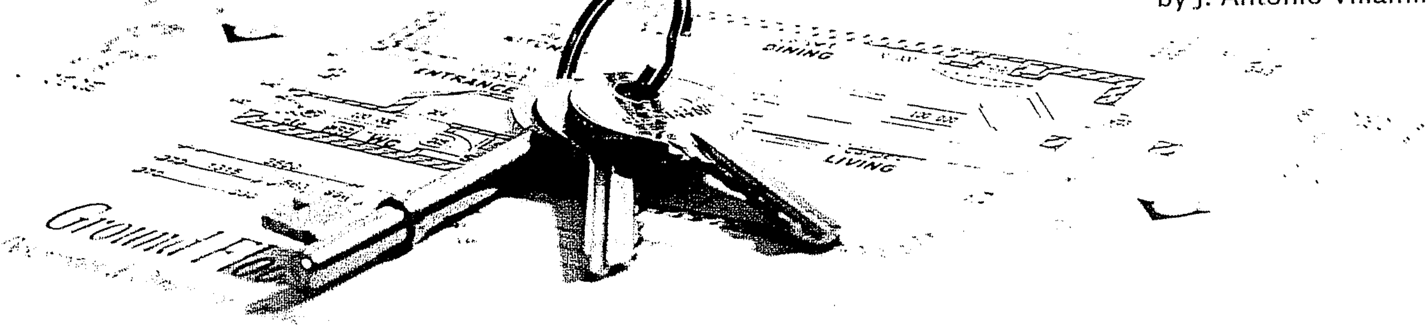
In addition to the activities described above, the League will continue to offer and promote to the commission various constitutional and statutory proposals benefiting municipal operations.

Kraig Conn, deputy general counsel for the Florida League of Cities, also serves as the League's legislative counsel.

Current Attempts at Property Tax Reform in Florida:

An Economic Development Perspective

by J. Antonio Villamil



Current legislative mandates on property taxes, proposed constitutional amendments and the ongoing citizen petition to cap the taxable value of all properties in Florida fail to meet the test of sound economic-development policy.

These attempts at property tax reform fall short of facilitating the economic development of Florida in the highly competitive and global economy of the 21st century. Restricting the growth of local revenues needed to invest in improving the social infrastructure of cities and in creating a world class educational system will adversely affect the quality of life of residents and the economic development potential of Florida. Knowledge workers and cities with modern amenities and excellent services are the foundations to attract, retain and expand high-wage, high value-added industries.

In essence, the current attempts at property tax reform fail the test of sound economic-development policies by arbitrarily restricting the growth of local public revenues needed to invest in improving human resource productivity, social infrastructure and the quality of life of city and county residents. There are a number of reasons why current efforts at property tax reform fail to improve the economic-development potential and future quality of life of the state. Among key reasons are the following:

- First, the present and piecemeal property-tax reform efforts are not part of comprehensive tax modernization. Comprehensive tax reform analyzes and makes recommendations for changing the tax structure of Florida relative to long-term budgetary needs of the state and local governments. According to a 2002 report, "Modernizing Florida's Tax System," by Florida TaxWatch:

"Change to Florida's tax system requires concerted forethought, independent review . . . and a comprehensive framework for tax modernization."

Unfortunately, all the attributes cited by TaxWatch that are required for best practices in tax reform are missing from the highly compartmentalized legislative mandates of Special Session C, the referendum proposal of Special Session D to be decided by voters in January, and now the citizens petition initiative supported by several legislative members.

- Second, current property-tax reform efforts heavily emphasize the use of statistical caps to limit the growth of taxable revenues among the 67 counties of Florida and more than 400 municipalities, not counting special taxing districts. Legislative or constitutionally mandated caps likely will lead, over time, to severe problems in funding vital programs in many cities and counties, especially in large urban counties with special-needs populations. The economic and

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demographic structure of Florida is too diverse for a "one-size-fits-all" cap.

For example, Special Session C, held in October 2007, mandated that property-tax revenue growth in the entire myriad of counties and municipalities cannot exceed each year the sum of Florida's personal income per capita and new construction. This mandated cap diminishes the flexibility of local elected officials to take advantage of economic development opportunities and/or emergencies at the county or municipal level. Furthermore, the cap is just an estimate, and subject to constant revisions by the U.S. Bureau of Economic Analysis. The "one size fits all" cap also is pro-cyclical, since it decelerates sharply during slow economic-growth periods such as the one at present. Therefore, the personal income per capita cap deprives local governments of the additional revenues that are required due to increased social needs in difficult economic times, hurricane emergencies and other unforeseen events.

- Finally, optimum public policy requires solving issues at their source. The property tax "issue" is the result of the "Save Our Homes" constitutional amendment implemented more than 10 years ago (another artificial cap!) that shifted the incidence of taxation toward non-homestead properties, renters and commercial properties. Since this is the source of the current property tax "problem," it does not make policy sense to substitute the "Save Our Homes" cap for another cap for *all* properties through a constitutional amendment as the present citizens petition drive attempts to do.

Conclusion

The current, well-meaning attempts at so-called property tax reform do not address the future revenue needs of state and local governments to invest in the necessary social, educational and physical infrastructure required to enhance the quality of life and economic development potential of Florida by attracting and developing knowledge workers and high value-added industries. Furthermore, attempts at piecemeal reform through legislative mandates, revenue caps and rigid constitutional mandates *decrease* the flexibility of local and state officials to take advantage of economic development opportunities or to face emergencies such as economic recessions.

From my perspective, it is best to allow the present Taxation and Budget Reform Commission (*www.floridaTBRC.org*) to review, on a systemic basis, the tax structure of the state and make appropriate recommendations to voters and to the Legislature. The unintended and adverse consequences of segmented property-tax reform attempts could significantly affect the economic-development potential of Florida through a deterioration in the quality of life of our cities and less-than-optimum educational outcomes.

J. Antonio Villamil is chief executive officer of The Washington Economics Group, Inc. He is a former U.S. undersecretary of commerce for economic affairs and was chairman of the Governor's Council of Economic Advisors of Florida from 2000 to 2006.

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Question of the Month

Q What is the history of Florida's property tax?

A Ad valorem taxes were begun by territorial enactment in 1839. Ad valorem is Latin for "the value of." We often use the terms ad valorem and property tax interchangeably. The tax was imposed "on every acre of first-rate land, half a cent; on every acre of second-rate land, one quarter cent; on every acre of third-rate land, one eighth of a cent." During this time the most significant ad valorem tax was levied by the state.

In 1885, the Florida Constitution stated that the Legislature "shall provide for a uniform and equal rate of taxation." Various exemptions were sited including property used for municipal, educational or religious purposes, as well as property owned by widows with dependents and disabled veterans.

The first homestead exemption – $5,000 – was approved and enacted in 1934. This was also the time period in which the state changed the property tax to a city- and county-levied tax, making it no longer a source of state revenue. Local officials were tasked with developing just valuations (the job of the property appraiser) and establishing systems for collecting the local tax (the job of the tax collector).

In 1980, the "Truth in Millage" act, known as TRIM, was enacted. This revision requires cities and counties to "roll back" their property tax levies to a rate that raises the same amount of dollars as the previous year. The calculation is adjusted for new construction and annexation. If a city or county does not enact a rolled-back rate, the government must advertise a tax increase.

Also in 1980, the Legislature placed a constitutional amendment on the ballot increasing the homestead exemption to $25,000, which passed and was implemented on a three-year schedule.

In 1982, the state increased the state-levied sales tax from 4 percent to 5 percent, and half of the "new penny" was pledged to cities and counties to help with property tax relief. To qualify for the new half cent, a city or county had to reduce its millage rate.

Over the years, additional exemptions were created by the Legislature to help certain categories of homeowners – handicapped, blind, widowed, veteran and other persons. The Legislature also created different valuations and exemptions for types of property (separating active agriculture from fallow, for example). Each exemption and change in property valuation affects cities and counties.

Recently, the most substantial change to the property tax was the "Save Our Homes" amendment to the Florida Constitution in the 1992 (implemented in 1994). This amendment set a cap of 3 percent, or the consumer price index, whichever is less, as the rate at which homesteaded property could increase in value within a year. This measure was designed to protect homesteaded property from large jumps in valuation, but unfortunately caused a shift in each county's tax base as businesses and non-homesteaded properties bore a greater tax burden due to the homesteaded cap.

As Florida's real estate market enjoyed the "value boom" over the past several years, citizens' complaints about the property tax burden as a proportion of overall taxes became louder, and the 2007 Legislature decided to reduce most counties' and cities' property tax base. A constitutional amendment was placed on the ballot to replace "Save Our Homes" with a "super exemption" instead, but the Florida Supreme Court pulled that amendment. Then the Legislature wrote a new amendment for the voters of Florida to consider on January 29, 2008, that will authorize an additional $25,000 homestead exemption, provide an assessment cap of 10 percent for non-homestead property (similar to the 3 percent assessment cap provided by "Save Our Homes" for homestead property), and allow homeowners to "port" their "Save Our Homes" assessment differential from their existing homestead to a new homestead. If approved, this amendment could substantially affect the tax bases of Florida's general-purpose governments, but the degree of impact cannot be predicted with certainty.

League staff is available as a resource and information service to Florida's municipal officials. As a regular column in Quality Cities, we'll answer a recently asked question that might be of interest to your city as well.

If you have a question about a municipal issue, call the League. If you don't know which staff member to contact, call the Membership Development Department staff at (850) 222-9684 or e-mail cwestmoreland@flcities.com.

The News-Press.com

Sides spar over Florida property tax vote

By Jim Ash
news-press.com capital bureau
Originally posted on December 25, 2007

TALLAHASSEE — Time is running short for opponents of a constitutional amendment that's on the Jan. 29 ballot.

Subtract time off for the holidays, and organizers have less than a month to convince Floridians not to vote themselves an average $240 savings on property taxes— and defy a cheerfully centrist governor with stellar approval ratings.

The Florida Education Association launched its opposition campaign last week with $300,000, and it beat proponents to the punch with a flier sent to its 137,000 members.

"Don't forget, the Republican Party of Florida also has access to $20 million," quipped Bill Phillips, a spokesman for the Public Education Defense Fund political action committee, one of the measure's chief opponents. "We as an individual group, and even with the other groups collectively, can't hope to raise as much as the governor."

Gov. Charlie Crist and supporters at "Vote Yes on 1" came out of the starting block with a war chest of $1.5 million from the Florida Association of Realtors. By the end of last week, Florida Power & Light generated an additional $250,000 and the Florida Medical Association paid a house call with a $50,000 check. Outdoor advertisers piled on an additional $66,000.

But don't underestimate the might of a 1 million-member coalition that includes teachers, government workers, the Service Employees International Union and veteran campaigners like the League of Women Voters, opponents warn.

Floridians may be very fond of Charlie Crist, but they grew up respecting their teachers and venerating the uniformed army of public servants who protect their homes, fight their fires and dress their wounds, Phillips said.

"The polls repeatedly show that the trustworthiness of police, firefighters, teachers and nurses is always high," Phillips said. "We like those odds."

The opponents' message is dire. Pass the amendment and schools will take a $2.7 billion hit over the next five years. While schools are declining, the streets will become more dangerous when police, firefighters and paramedics lose their jobs.

"Amendment 1 not only makes a bad tax system even worse for middle class Floridians, it will mean devastating cuts that put our public schools and public safety at risk," screams the education association flier.

THE AMENDMENT

• Voters will decide Amendment One Jan. 29. It requires 60 percent approval for passage. If passed, it's estimated it will cut property taxes (and the revenue to local governments) statewide by $1.27 billion in 2008, including $161.3 million from schools.

• Over five years, it's projected to cut taxes $9.31 billion, including $1.56 billion less for schools.

• Here's what it proposes:
Increases the homestead exemption by $25,000 for homes worth more than $50,000. The exemption does not apply to school taxes. The average exemption would rise by about $15,000, with a $240 average savings.

Makes accrued Save Our Homes assessment protections "portable" to new homes when homesteaders move. The total protected amount is capped at $500,000. And homesteaders who move to a house of lesser value take a pro-rated portion of their tax shelters.

Businesses would get a $25,000 exemption for personal tangible property, usually things like equipment. This would wipe thousands of businesses off the tax rolls who pay more in bookkeeping than they owe for the tax.

All commercial and non-homestead property would be protected by a 10 percent annual assessment increase cap. This provision sunsets, or expires, in 10 years. It does not apply to school taxes.

HELP US
Why don't you vote? Or do you vote only in national elections? We want to hear from you. E-mail reporter Glenn Miller or call him at 335-0360 to give him your reasons.

Crist doesn't buy it.

During the last economic slump, before local governments reaped billions from rising property values and the growing real estate bubble, vital services survived, Crist said.

"Five or six years ago, before we had the run up, guess what?" Crist said. "They still had firefighters and police. This argument just doesn't hold water."

Crist even goes a step further. He argues that blue-collar workers, including government employees, are the ones who will benefit the most from a tax cut.

Opponents counter with a question of their own. Why would a firefighter vote for a $240 tax break when it could cost him his job?

"That would be like the chicken voting for Col. Saunders," said Doug Martin, a spokesman for AFSCME, the government workers union.

Opponents say other factors will offset the money disadvantage, not the least of which is a new constitutional barrier that requires all ballot questions to pass with a 60 percent majority.

The complicated nature of the proposal also works in their favor, opponents say.

At Crist's urging, lawmakers put the measure on the ballot at the end of a raucous special session in October.

Legislators pitched it as a vehicle for doubling the homestead exemption for homes worth more than $50,000, but that feature would not apply to school taxes. Another provision, strongly supported by the real estate industry, is "portability."

That would allow homeowners to keep the accrued 3 percent annual assessment cap savings from Save Our Homes, when they move.

The measure also would give a Save Our Homes-like 10 percent assessment cap for commercial and non-homestead property. The cap would sunset in a decade and then require voter approval again to continue.

Businesses would also get a $25,000 exemption on the taxes they pay for such things as equipment and other "personal tangible property."

It's a dizzying array of complicated provisions that don't easily fit on a bumper sticker.

Former Panama City Beach Mayor Lee Sullivan, who is heading a petition drive for another property tax cutting measure in November 2008, recently suggested that Crist and his supporters are giving voters too much to consider.

Sullivan's proposal is being championed by House Speaker Marco Rubio. It simply calls for capping all taxes at 1.3 percent of the property's just value. Sullivan and his group, "Cut Property Taxes Now," are rushing to gather the 611,009 signatures they need before Feb. 1 to reach the November 2008 ballot.

One of the biggest selling points is its simplicity, Sullivan said.

"Can you imagine how many pages it's going to take to describe that thing?" Sullivan said of the competing plan.

Conventional wisdom says that the more complicated a ballot question, the more likely it is to fail. Early indications are that voters are already struggling with the language.

When Leon County Elections Supervisor Ion Sancho sent out 5,700 absentee ballots last week, the phones at his office began lighting up. Most of the two dozen callers wanted someone to explain the ballot language, Sancho said.

Some wanted a hint on which way to vote.

"We started getting calls right away," he said. "It's a huge question."

Taking up most of the ballot page, the question is just under 500 words.

While polls show voter support for the measure has yet to top the magic 60 percent, a recent survey suggests opponents are up against more than a popular governor. If the polls are correct, voters are angry about pocketbook issues like taxes.

Some 20 percent of Florida voters put taxes and government spending at the top of their list of the most important issues in a recent poll Mason Dixon conducted for Leadership Florida. That's a dramatic reversal from only a year before, when 18 percent said public schools were most important.

"Floridians are becoming more disenchanted with the way things are going in the state and with government itself," said pollster Brad Coker.

Whether that signals a growing tax revolt remains to be seen.

"When their own pocketbooks get stressed, people get angry with government," said University of South Florida political scientist Susan MacManus.

nbc6.net

Crist Campaigns For Passage Of Property Tax Amendment

POSTED: 4:10 pm EST January 7, 2008
UPDATED: 10:11 pm EST January 7, 2008

More

Gov. Charlie Crist is in Hollywood on Monday, stumping in support of Amendment 1, which is on the Jan. 29 presidential primary ballot.

HOLLYWOOD, Fla. -- Gov. Charlie Crist was in Hollywood on Monday, stumping in support of Amendment 1, which is on the Jan. 29 presidential primary ballot.

Related Content: **Video**

Amendment 1 focuses on property taxes. It would expand the Homestead exemption and cap non-Homestead property.

Florida's real estate industry backs the amendment, saying it's not perfect but it is a start and the path to relief in slumping home sales.

"That is why Florida Realtors are committed to spending $1 million educating the public," said Randy Bates of the Florida Realtor Association.

The amendment has opposition from public servants. Firefighters and police say a drop in tax revenues will slash services.

But Crist said that tax savings would filter into the economy.

"They have more opportunity to spend their money in the community, which results in more sales tax revenue, which winds up helping at the end of the day," Crist said.

To see how Amendment 1 would affect your property taxes, visit these links:

- Broward County Property Appraiser (Amendment 1 Calculator)
- Miami-Dade Property Appraiser (Amendment 1 Calculator)
- Florida Realtors

Property Taxes:

Proposed Constitutional Amendment

by Kraig Conn

The Florida Legislature has proposed a multi-part amendment to the Florida Constitution that provides an additional $25,000 homestead exemption and authorizes portability of the Save Our Homes assessment differential for homestead property owners. For non-homestead property, the amendment provides a $25,000 exemption for tangible personal property and creates a 10-percent cap on annual assessment increases. The constitutional proposal is identified as Senate Joint Resolution (SJR) 2-D.

If approved by 60 percent of the electors statewide in the January 29, 2008, special election, the additional homestead exemption, Save Our Homes portability and $25,000 tangible personal property exemption will take effect January 1, 2008. The non-homestead property assessment cap would take effect January 1, 2009.

City-by-city fiscal impact estimates are not available from the state. However, according to the state, the estimated fiscal impact for cities, counties and special districts collectively over the next five years is more than $9.6 billion. (The school impact is estimated to be more than $2.7 billion.) Individual cities should consult their finance officers and county property appraisers to obtain local estimates of fiscal impact.

Additional $25,000 Homestead Property Exemption

The amendment provides an additional $25,000 homestead exemption for the assessed value of homestead property between $50,000 and $75,000, effective January 1, 2008. The exemption does not apply to school tax levies. The average homestead property owner is expected to save approximately $240 annually as a result of the exemption. With the existing homestead exemption on the first $25,000, an average homestead property owner saves approximately $450 per year.

Portability of Save Our Homes

The amendment allows homestead property owners to transfer their Save Our Homes assessment differential, up to $500,000, to a new homestead within two years of giving up their previous homestead. If the just value of the new homestead is more than the just value of the former homestead, the entire differential, up to $500,000, can be transferred to the new homestead. If the new homestead has a lower just value, the owner can transfer a differential that protects the same percentage of value as it did the former homestead, up to $500,000.

The new homestead must be established within two years after abandoning the former homestead to take advantage of portability. The provision is retroactive to 2007, so anyone who abandoned a homestead in 2007 can transfer the Save Our Homes differential to a new home if the new homestead is established on or before January 1, 2009. Portability is not limited to within a county; it can be used anywhere in the state. The provision will apply to school tax levies.

SB 4-D, which implements the constitutional amendment if it passes, provides additional clarification for how portability will work when one or more persons have established a homestead. If two or more people own multiple homesteads and are moving into only one new homestead, they can transfer a differential from only one of their former homesteads. If two or more people jointly own a homestead and are moving into separate homesteads, they must divide the value of the Save Our Homes differential among the new

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Continued from page 10.

homesteads based on the number of owners of the prior homestead. SB 4-D further specifies that to use portability, a person must provide to the property appraiser documentation of the prior homestead and sign a sworn statement of entitlement at the same time he or she applies for the new homestead exemption.

Non-Homestead Property

The amendment establishes a 10-percent assessment increase cap, similar to the Save Our Homes cap, for all non-homestead property. However, this assessment cap does not apply to school tax levies. The assessment cap sunsets after 10 years, unless re-approved by voters in 2018. The base year for the assessment cap is 2008, which means that properties will be subject to the cap beginning in 2009.

Non-homestead property is divided into two classes:

- Residential property of nine units or less; and
- Commercial and residential property of 10 units or more.

While both classes receive the 10-percent assessment increase cap, different standards are applied as to when the property is to be reassessed at just value, such as if a change in ownership or control occurs or when there is a substantial improvement made to the property.

SB 4-D establishes procedures for persons and entities claiming the assessment cap, including requirements for annual application, but provides that a county may waive the requirement for an annual application. In the event that the annual application requirement is waived, SB 4-D requires property owners to notify property appraisers whenever the use, status or condition of the property changes, and provides penalties for failure to make such notification.

Tangible Personal Property

The amendment provides a $25,000 exemption for each tangible personal property return, effective January 1, 2008. This exemption applies to school tax levies. SB 4-D establishes additional provisions for the filing of returns for tangible personal property. It also waives the requirement to file a return if the value of tangible personal property does not exceed $25,000, but requires a taxpayer to file an initial return in order to qualify for the waiver. In addition, SB 4-D provides for penalties for failure to file a required return or for claiming more exemptions than are authorized. Finally, it provides that the exemption does not apply to a mobile home that is presumed to be tangible personal property pursuant to Section 193.075(2), Florida Statutes.

On November 9, 2007, the Florida League of Cities approved a resolution opposing the proposed constitutional amendment. For a discussion of this action, please see the article on pages 30 and 31.

Kraig Conn, deputy general counsel for the Florida League of Cities, also serves as the League's legislative counsel.

Page 2 of 2

PROPERTY TAX PLAN IS GROSSLY UNFAIR AND INEFFECTIVE

-by John Charles Thomas

Despite the Legislature's efforts to put lipstick on this pig of a property tax proposal that Floridians are being asked to vote for on January 29, the plan falls far short of the true reform that Florida's broken tax system requires.

First, the amendment is simply unfair. It makes existing unfairness in Florida's already flawed system of assessing property taxes even worse. Instead of simply taxing a home based on its appraised value, the amendment creates a convoluted system in which taxes are based on how long ago you bought your previous home. It taxes residents based on when they moved, where they moved from, and how much "Save Our Homes" benefit they carried with them.

This unfair system punishes young families and new homeowners, who are forced to pay more than their fair share. It creates a system in which you can pay *four* times more in property tax than your neighbor – for the same model home. That's ridiculous, and nobody would tolerate a tax structure like that for the other products we use every day.

Imagine buying a can of soup and paying twice the sales tax at the checkout counter as the previous customer – just because he has lived in the neighborhood longer. Imagine paying three times as much sales tax on a new bicycle because the other customer bought his *previous* bicycle while you were still in kindergarten. Imagine paying *four* times the price of gasoline at the pump because the other customer bought her car first.

That's insane! Nobody would tolerate such a tax system. But such unfairness is exactly what we have created, and what we will make even worse if voters pass the Legislature's quick-fix property tax plan. Its effect will be to shift costs to first-time home buyers.

This amendment falls far short of actual "reform." It's simply another Band-Aid attempt to patch the gaping wound that our tax system has become. This year, Florida lawmakers were eager to keep their promise of lowering taxes. Too eager. Instead of coming up with a real plan that delivered real reform, they threw a bunch of poll-tested ideas into a bucket and called it tax relief.

As a result, the average homeowner will get only about 65 cents a day in tax relief. Yet in return, our schools will suffer, first-time home buyers will suffer, our local communities will suffer, and our property tax system *still* will be unfair.

If the Legislature really wanted to deliver relief to middle-income homeowners, it could cut our property tax bills overnight. Many people don't realize that the Legislature has direct control over nearly half of our property tax bills: the portion that pays for schools.

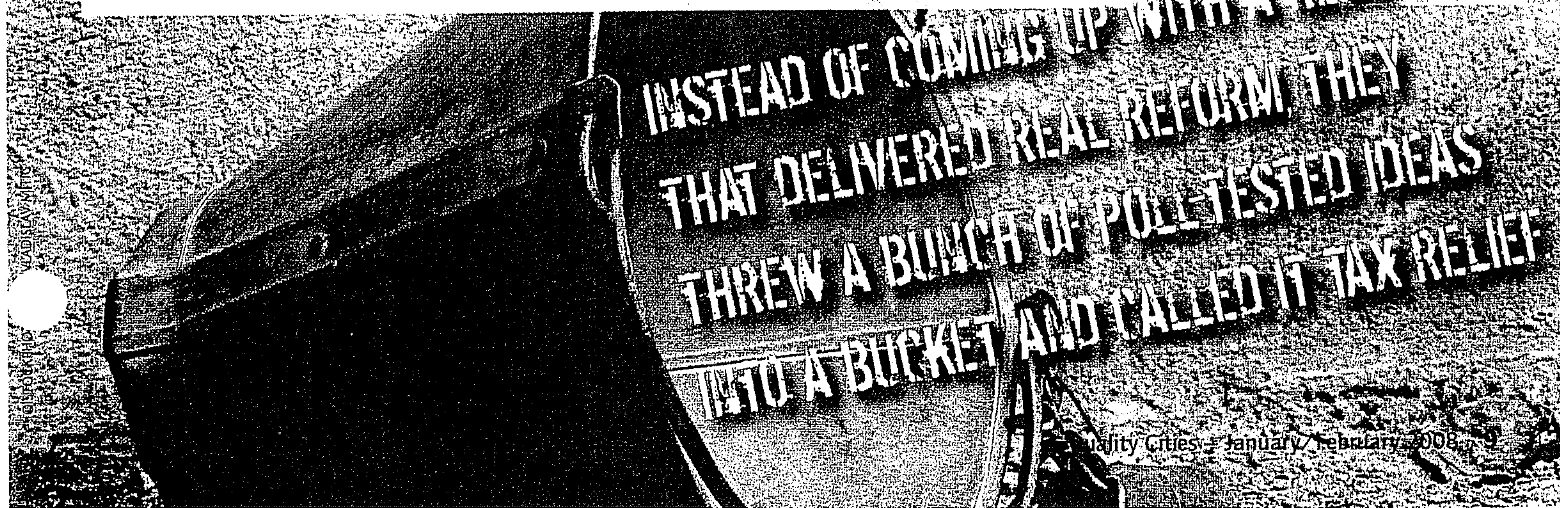
Despite state government's constitutional duty to provide public education, the Legislature has pushed $4.1 billion in education costs onto local homeowners since 2000 – while its own contribution for schools has declined. Today, homeowners provide nearly half of all education funding through local property taxes.

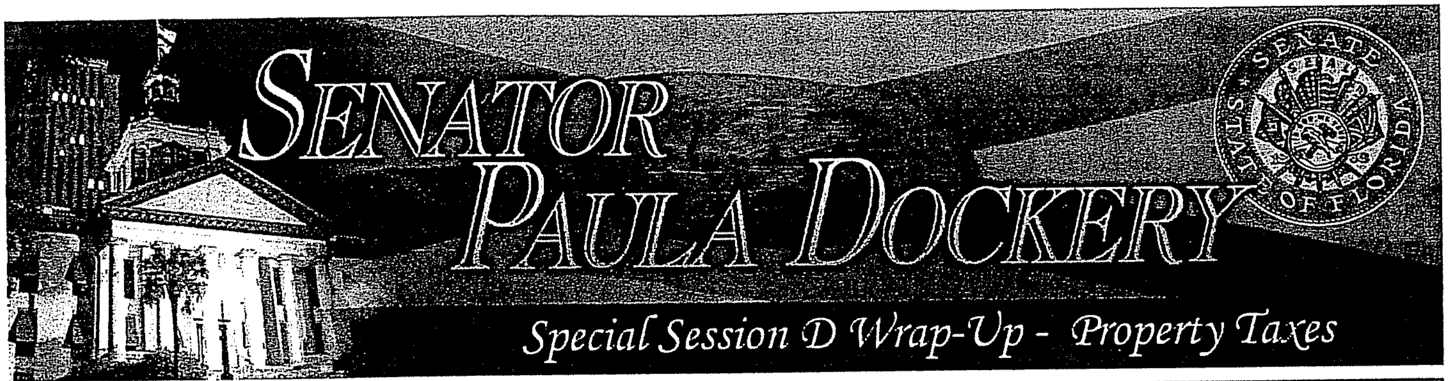
Just this year, during the whole tax debate, the Legislature voted to raise Floridians' property taxes that pay for schools by 7 percent. The state should be an equal partner in providing property tax relief for its residents.

In addition, the Taxation and Budget Reform Commission has the authority to submit constitutional amendments to the electorate, after presumably sober dialogue and debate from residents and interested parties, outside of the confines of politics. Waiting several months to make sure that we "get it right" is worth the time.

As a result, the Florida League of Cities voted at its November legislative conference to oppose the tax proposal.

John Charles Thomas (jthomas@flcities.com) is director of policy and political affairs for the Florida League of Cities.





In June, the Legislature met for **Special Session B** to focus on creating a long-term, thoughtful solution for property tax reform. We passed both statutory reform, which implemented a rollback and cap on local government tax collection, as well as a joint resolution that created a "super" homestead exemption. In September, a judge ruled that the joint resolution language was misleading and could not be placed on the ballot. As a result, the Legislature convened for **Special Session D** from October 12-29 to re-address the issue of property taxes and craft a different joint resolution to put before the voters. On October 29, the House and Senate passed consensus legislation that will provide an additional $12 billion in property tax relief to the people of Florida over the next 5 years if approved by voters in the January 29, 2008 election. Details of the property tax legislation are below. If you have any questions or would like additional information, please do not hesitate to call my office.

Warm regards,

Paula

Provisions of Senate Joint Resolution 2D and Senate Bill 4D

The property tax reform package includes both a general bill, SB 4D, and a Senate joint resolution, SJR 2D. Those provisions with the note (SJR 2D & SB 4D) denote sections of the bill that take effect only if SJR 2D is approved by the voters on January 29, 2008. Provisions with the note (SB 4D) denote sections that are not contingent upon voter approval.

Double Homestead Exemption (SJR 2D & SB 4D) (*This exemption does not apply to school taxes.*)

Currently Florida homeowner do not pay taxes on the first $25,000 of their home's value. This legislation doubles the current homestead exemption from $25,000 to $50,000. The second $25,000 exemption is applied only to homestead property valued above $50,000.

Why it's good for taxpayers:

- Home values have continued to increase, so it makes sense that Floridians see their homestead exemption increase.
- This provision gives voters the opportunity to vote on immediate, substantial relief. Upon voter approval of the constitutional amendment, homeowners will begin enjoying the expanded exemption.
- If the homestead exemption had grown at the rate of the Consumer Price Index, it would have been $60,275 in 2006.

Save Our Homes Portability (SJR 2D & SB 4D) (*This provision applies to all taxes, including school taxes.*)

Save Our Homes (SOH) is a policy that prevents homesteaded property assessments from increasing more than 3% per year. This legislation allows homestead property owners to transfer their SOH differential to a new homestead within two years of giving up their previous homestead. If the new homestead is more valuable than the old one the entire differential can be transferred; if the new homestead is less valuable the transferable differential will be proportional to the value of the new homestead. The benefit can be transferred throughout Florida and homeowners will have two years from the day of sale to transfer their SOH savings. For those who gave up their homestead in 2007, the differential may be transferred if they apply for a new homestead by January 1, 2009.

Why it's good for taxpayers:

- Portability is designed to spark the economy by removing the tax hurdle to home sales.
- Portability has a minimal impact on Florida's tax roll. When the Smiths downsize into a smaller home that meets their needs, thanks to portability, the Joneses can afford to buy the Smiths' home.
- Floridians are freed to focus on their needs when purchasing a home, rather than worrying about tax implications.
- Portability eliminates the "lock-in effect," which prevents homeowners – such as seniors and empty nesters – from downsizing when their needs and lifestyles change.
- Growing families, whether they need more space or want a backyard for their children, under portability can make that change without being penalized with large spikes in their tax bills.
- Portability gives Floridians more freedom to choose where to live and what sort of home to buy.

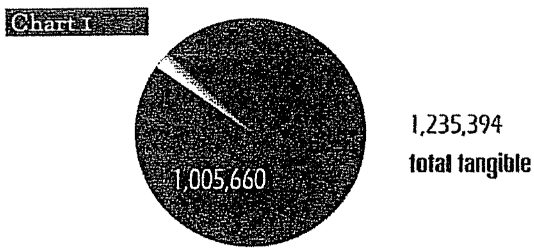
(Continued from page 1)

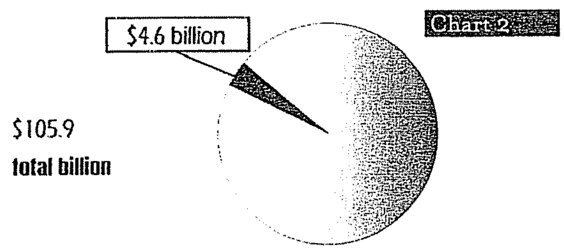
Tangible Personal Property Exemption (SJR 2D & SB 4D) *(This provision applies to all taxes.)*

Tangible Personal Property (TPP) is defined as all goods and other articles of value. This includes: machinery, equipment, furniture, fixtures, signs, window air conditioners, supplies, leased, loaned, borrowed, or rented equipment used in a business, mobile home attachments on rented land (carport, screened porch, Florida room, etc.) furniture and appliances in rental properties. Every person owning tangible personal property used in a business, commercial venture, or rental property is required to file an annual return with the Property Appraiser. Residential properties are exempt from this tax. This legislation provides a $25,000 exemption from ad valorem taxes to tangible personal property.

Why it's good for taxpayers:

- Of the 1,235,394 tangible personal property taxes filed in 2007, 1,005,660 were for taxable amounts less than $25,000. This exemption would free over one million taxpayers from the burden of filing this return. **(See Chart 1)**
- The total amount of taxes collected from exempted taxpayers accounts for only $4.6 billion of the total taxable value of $105.9 billion. **(See Chart 2)**





Assessment Cap for Non-Homestead Property (SJR 2D & SB 4D) *(This provision does not apply to school taxes.)*

Non-homestead residential and business property will have a 10% assessment cap (similar to Save Our Homes) but the cap will apply only to non-school levies. The 10% cap will sunset after 10 years, when it will be presented to the voters for re-approval. Most residential property will be reassessed at just value when it is sold; commercial property and residential properties with 10 or more units will be reassessed after a significant improvement or a sale. This provision will not take effect until the 2009 tax roll, or 2010 if the amendment is approved in November 2008.

Why it's good for taxpayers:

- All properties in Florida will now have guaranteed protections against unexpected, substantial assessment spikes.
- Small business owners, second home owners, and renters will be among those benefiting from the new 10% cap, ensuring that the taxpayers who were hit hardest by the property tax crisis will receive relief and protection in the future.

Fiscally Constrained Counties (SB 4D)

This provision is designed to protect local services from being eliminated. In order to protect fiscally constrained counties throughout Florida, the Legislature will be required to distribute money to offset the reduction in revenues resulting from the adoption of the constitutional amendment by the voters. The distribution will be based on each county's needs.

Committee Assignments:
Law & Justice Policy & Calendar Committee, Chair
Criminal Justice, Chair
Environmental Preservation
Health Policy
Transportation
Education PreK-12 Appropriations
Rules
Public Service Commission Oversight

District Office:
101 W. Main St., Suite 110
Lakeland, FL 33815
(863) 413-2900

Capitol Office:
314 Senate Office Building
404 South Monroe St.
Tallahassee, FL 32399
(850) 487-5040

Staff:
April Mucci
Laura Rodriguez
Matt Hinton
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Email: dockery.paula.web@flsenate.gov

Fax: (888) 263-3672

The Property Tax Amendment: What cities should know!

BACKGROUND

The membership of the Florida League of Cities recently passed a resolution to OPPOSE the proposed property tax constitutional amendment on the Jan. 29 ballot. The following are some facts that you can use when educating your citizens about this proposed constitutional measure.

What the Amendment Does

The proposed constitutional amendment does four things:

• It adds $25,000 of homestead exemption for properties over $50,000 in value – but not for the portion of taxes paid to school districts. On a statewide average, about half a homeowner's property tax bill goes to schools and about half goes to local governments, including special districts.

• It caps the growth in taxable value for non-homestead property at 10 percent per year. This does not affect the portion of taxes paid to schools.

• It grants a $25,000 tangible property exemption to non-homestead businesses. This is applied to both the school portion and non-school portion of the tax bill.

• It allows homeowners who have benefited from Save Our Homes, over time, to move that benefit if they sell their home and move to another homestead in Florida within two years. The maximum amount of value that one can transfer to another homestead is $500,000. This does affect the taxes paid to schools.

What percentage will it take for the proposed constitutional amendment to pass? Art. XI, Sec. 5(e), Fla. Const., provides a proposed amendment to a revision to the state constitution must be approved by a vote of at least 60% of "the electors voting on the measure."

The New Rollback Rate

• The T.R.I.M. law, which stands for Truth in Millage (s. 200.065 F.S.): Requires cities to calculate next year's budget on the same tax dollars they received during the current fiscal year. It is a 1980 law designed to keep the public informed about the intentions of the taxing agencies.

• The Florida Department of Revenue calculates and assigns cities and counties a "rollback rate": the tax rate that would generate the same revenue from property taxes as collected the year before.

• This is called the rollback rate because the rate usually decreases or rolls back a little bit. This is because property values in Florida have always increased each year. If a city has a taxable value of $1 million and property values rise to $1.1 million, the millage rate as assigned by the State rolls back because it takes a smaller rate to generate the same dollars as the year before.

• Under the new law passed this June, the rollback rate will be calculated differently: The new roll back rate is the rate needed to generate last year's dollars, plus a percentage increase equal to the previous year's growth in Florida's average personal income.

• For example: This automatic increase will likely be about 3 percent. Thus, if your property tax generated $1 million dollars last year and the growth in personal state income averaged 3 percent, this year the rollback rate is the rate that will generate $1 million, plus $30,000, plus the value of new construction.

• Moreover, if cities want to go above the rollback rate in the future, they must have a majority vote plus one. If cities need to generate more than 10 percent more revenue than the year before, cities must win a unanimous vote of their city council.

How the Amendment Could Actually Raise Property Tax Rates

• The proposed amendment does not deal with revenues. It deals with the underlying tax base and what can be taxed and what cannot.

• The tax rate could actually rise. And here's why:
If the tax base shrinks – [because of property values dropping in many areas across the state, combined with this new amendment if it passes] – it's possible that the rollback rate could become a "roll forward". This means some governments may be forced to raise their millage rate in order to generate last year's revenue.

• Some say that if this constitutional amendment passes, city governments will have less money. That is not necessarily the case, because the statute says no matter what happens to the underlying tax base, the new rollback tax rate is the rate that will generate the same amount of revenue – even if that means it's a higher rate than cities had last year.

• If this amendment passes, it will be difficult for the State to explain to its citizens why its property tax relief plan has caused tax rates to increase for many homeowners. But cities will only be following state law and levying the tax rates assigned to them by the state.

Four Reasons why Cities Opposes the Proposed Amendment and You Should Too:

The Fiscal Impact is Unknown

• It is impossible to guess who will take advantage of this new portability feature:

[For example: what if 10 people in Miami sell million-dollar homes and each transfer a $500,000 dollar homestead exemption to a rural North Florida town – removing $5 million from the tax rolls in this North Florida town?.]

• The result could be that some residents may pay lower property taxes than their neighbor who has lived there 20 years. And because of the new rollback rate, this new feature would increase the tax rate for everyone else.

Portability exacerbates an unfair tax structure and punishes young families

•This portability feature makes an already unfair tax system even worse. In many cities, the new system will not cause a loss in net revenue. Instead, it will cause a shift in the property tax burden from homestead property to non-homestead. The portability feature will, thus, result in under-taxing longtime homeowners by forcing that burden onto the first time homebuyer – whether that person is moving from Ohio, or whether it's someone buying his or her first home.

• Save Our Homes has created a very unfair tax structure where neighbors living in the same model house can pay wildly different tax bills. The only way to make this even more unfair is to decide how much taxes someone is going to pay based on how long they lived in their prior home. And that's exactly what this proposal does.

The Legislature hits local taxpayers with unfunded mandates

• One cannot address property tax relief without talking about how the state makes cities implement state programs without giving them any money to do it—also called unfunded mandates. Every year the Legislature comes up with more and more ideas for programs – they passed even more this year – and then force cities and counties to raise property taxes to pay for them.

After decades of passing the buck through legislation that forces local citizens to pay for state priorities, lawmakers are trying to impose its will with a cookie-cutter tax shift that punishes every citizen, in every community.

The Legislature pushes tax burden for schools onto middle-class homeowners

• The Legislature has direct control over almost half of your property tax bill: the portion that goes to schools. The state decides how much property tax local school boards have to levy through what's known as the "required local effort" to fund education.

• This year, the State Legislature voted to force school boards to increase their property taxes by 7 percent. Last year, they forced an increase of 17 percent. In effect, they've delivered tax cuts at the state level by pushing tax increases to citizens at the local level.

Florida Can Demand True Tax Reform From the Tax & Budget Reform Commission

• The Tax and Budget Reform Commission (TBRC) is a 25-member citizens' group which has the power to place tax issues on November 2008 ballot. They have a chance to deliver true property tax reform to Floridians.

• The TBRC could propose a tax system in which neighbors in similar houses don't pay wildly different tax rates, or where children don't have to subsidize their parents' tax bills. The TBRC could propose true tax reform where property taxes were based on actual property values, and where citizens could be sure that downsizing to a less-expensive house would result in a lower tax bill.

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Post Office Box 1757
Tallahassee, Florida 32302

Florida Realtors Property Tax Amendment

Thursday, Dec 20, 2007 - 11:34 AM

The following was released Thursday by the Florida Association of Realtors:

Marla Martin, Communications Manager, or Jeff Zipper, Vice President of Communications
407/438-1400, ext. 2326 or 2314

Florida Realtors® Continue Efforts to Support 'Yes on 1'

TALLAHASSEE, Fla., December 20, 2007 -- With the possibility of a tax break for businesses, some of Florida's top real estate brokers and members of the Florida Association of Realtors® (FAR) joined Gov. Charlie Crist in Tallahassee yesterday afternoon as a show of support for the property tax relief constitutional amendment voters will consider during the state's primary election on January 29.

Among other things, Amendment 1 -- the only amendment on the ballot — calls for a $25,000 tangible personal property exemption for small businesses on items such as business equipment and other tax breaks for property owners.

"The ripple effect [following passage of this amendment] of getting relief to those who have been locked in their homes will be huge and will be felt throughout the real estate industry," said Juan Baixeras, a broker with Florida Realty of Miami.

FAR is one of several business groups that support Amendment 1. Others include the Florida Chamber of Commerce, Associated Industries of Florida, Florida Power & Light, Florida Retail Federation, The Florida Outdoor Advertising Association and the Florida Medical Association.

"I applaud Realtors for lending support to such an important issue like property tax cuts," said Gov. Crist. "Amendment 1 will bring about much needed relief to Florida's homeowners and will enable them to have more flexibility in purchasing a new home."

2007 FAR President Nancy Riley helped organize the meeting between the governor and many of the state's largest real estate brokers. At the meeting, Crist outlined how Amendment 1 would benefit Floridians, including those who want to move into a different or new home, seniors seeking to downsize and business owners facing rising property values.

"This amendment is a great start," said Clark W. Toole, a broker with Coldwell Banker Residential. "We all want more and I know the Realtor association and governor are working hard toward additional relief."

The brokers, who work with thousands of Realtors across the state, said they remain committed to providing grassroots support to assist in educating as many Floridians as possible about why Amendment 1 should be approved.

"With more than 150,000 members, the Florida Association of Realtors is the largest trade association in the state and we will harness all of our resources to help pass Amendment 1," said FAR President Nancy Riley. "Floridians have been burdened long enough and a yes vote for Amendment 1 is a yes vote for Florida's future."

For more information about Amendment 1, go to: www.Yeson1Florida.com.

The Florida Association of Realtors (FAR), the voice for real estate in Florida, provides programs, services, continuing education, research and legislative representation to its 150,000 members in 67 boards/associations.

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Go Back

WHIP'S POLICY BRIEF

Updated as of
October 29, 2007
FINAL PASSAGE

The Office of the Majority Whip
Representative Ellyn Bogdanoff
323 The Capitol
850.487.0536

Property Tax Reform

Introduction
This Policy Brief explains the provisions of the proposed constitutional amendment for property tax reform (SJR 2D), its implementing bill (SB 4D), and the special election authorization bill (SB 6D) as of final passage.

Florida voters will consider the proposed constitutional amendment on January 29, 2008.

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The Property Tax Reform Plan
SJR 2D & SB 4D

The Bottom Line

The SJR eliminates the "lock-in effect" of Save Our Homes by allowing statewide portability for a period of two years after leaving the former homestead. It provides savings for every homestead owner by creating a new, additional $25,000 homestead exemption for non-school taxes.

The Joint Resolution creates a new 10% assessment cap for all non-homestead properties (i.e. business properties, apartments, and second homes) for non-school taxes. It also creates a Tangible Personal Property Tax Exemption of $25,000 to lower administrative and tax costs for businesses.

SB 4D provides implementing language for the constitutional amendment. SB 6D authorizes the proposed amendment to appear on the January 29, 2008 presidential primary ballot.

The total fiscal impact is $8.746 billion over four years ($1.859 billion for school tax levies).

Summary of SJR 2D & SB 4D

1. **Allows *"portability"* of accumulated Save Our Homes (SOH) benefits from one homestead to another.**

   - **The Joint Resolution allows homestead owners with an accumulated SOH benefit to transfer 100% of the benefit** (up to a $500,000 benefit) to a new homestead *if* they "**upsize**" to a home with a greater or equal just value.

   - If "**downsizing**" to a home with a lower just value, the homestead owner can transfer a SOH benefit that protects the same percentage of value as it did the former homestead, up to a $500,000 benefit.

     - In other words, if the SOH benefit equaled 25% of the just value of the former home, the new SOH benefit will equal to 25% of the just value of the new home.

   - **The new homestead must be established within two years** of the sale of the former homestead in order to transfer the SOH benefit.

- This provision is retroactive to 2007, so those who sold a homestead in 2007 will be eligible to transfer their benefit from the former home if they establish a new homestead by January 1, 2009.

- A homestead owner may **transfer** the SOH benefit to a new homestead **anywhere in the state**. Portability is not limited within a county or any other jurisdiction.

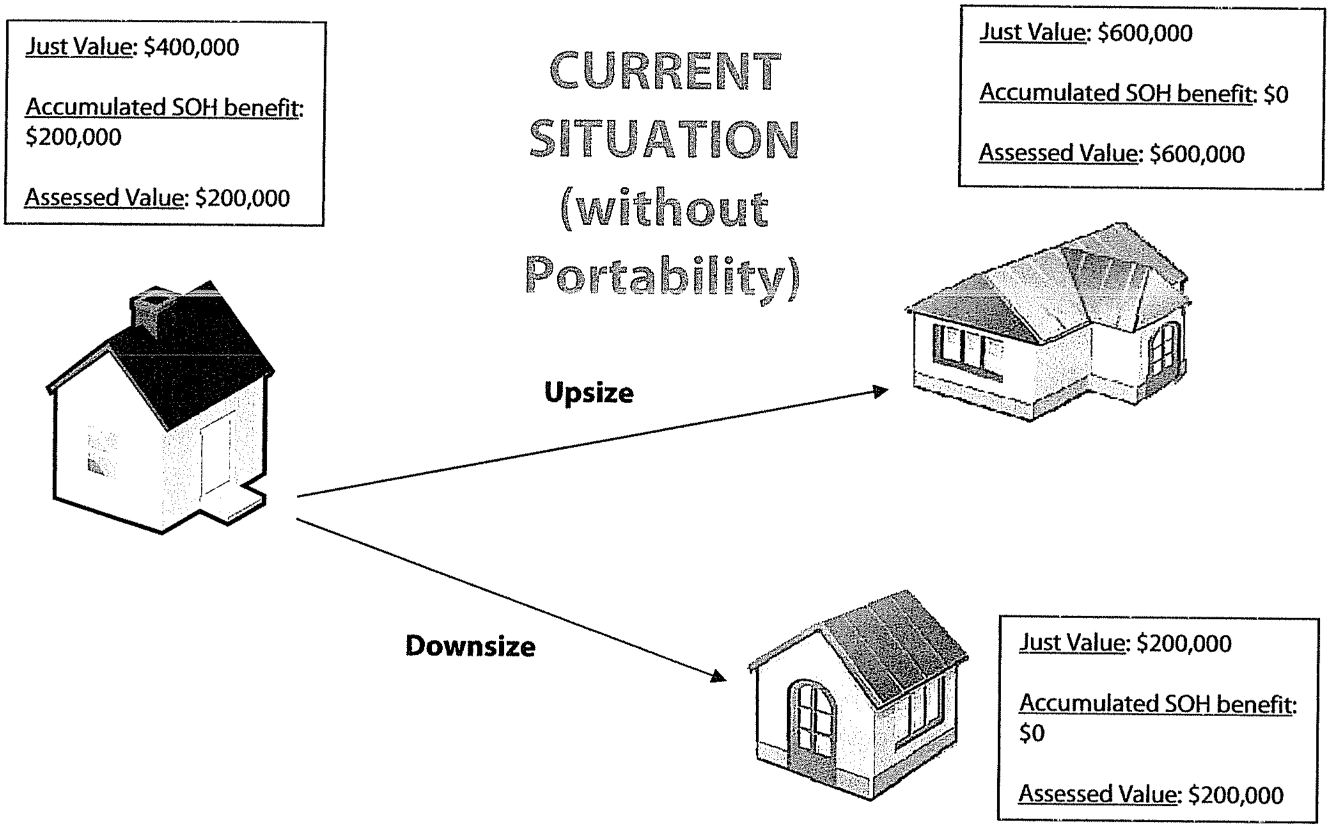
- **The transferred SOH benefit on the new homestead <u>will</u> apply to school tax levies.**

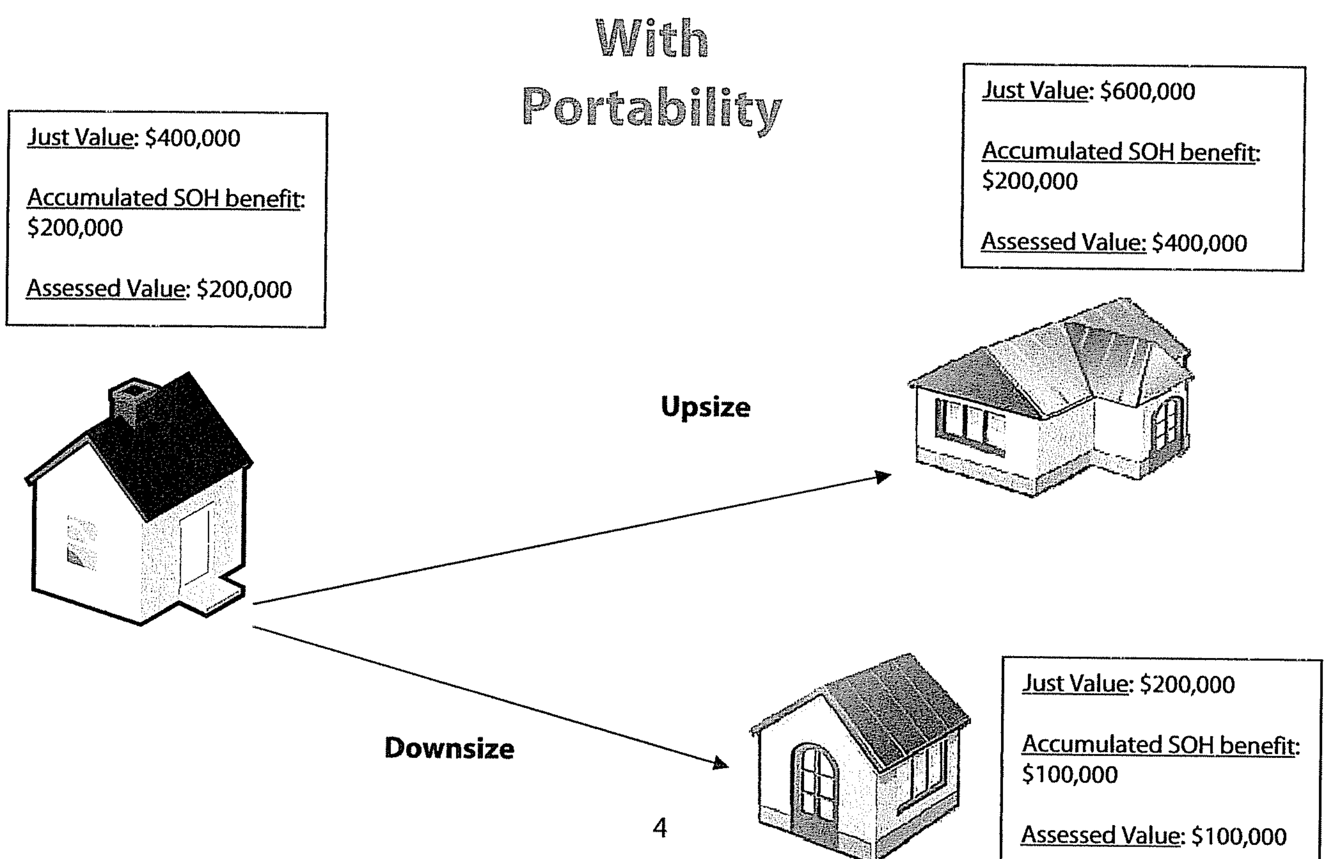
- The implementing bill sets forth additional rules for portability when more than one person has established the homestead:

    - **If two or more people own multiple homesteads and are moving into only one new homestead,** they can only transfer a benefit from one of the former homesteads. So if a newly married couple is selling two former homesteads to move into one new homestead, they will choose to transfer whichever of their SOH benefits is largest. The size of the transferable benefit is capped at $500,000.

    - **If two or more people jointly own a homestead and are moving into more than one new homestead,** they must divide the value of their SOH benefit among the new homesteads based on the number of owners of the prior homestead. The total amount of transferable benefits is capped at $500,000. So, if a couple is moving out of their jointly owned homestead with a $100,000 SOH benefit into two new homesteads, they will divide the benefit in half and apply a $50,000 benefit to each of their new homesteads.

[The following page provides a visual depiction of how portability will work.]


CURRENT SITUATION (without Portability)
Just Value: $400,000
Accumulated SOH benefit: $200,000
Assessed Value: $200,000
Upsize
Just Value: $600,000
Accumulated SOH benefit: $0
Assessed Value: $600,000
Downsize
Just Value: $200,000
Accumulated SOH benefit: $0
Assessed Value: $200,000


With Portability
Just Value: $400,000
Accumulated SOH benefit: $200,000
Assessed Value: $200,000
Upsize
Just Value: $600,000
Accumulated SOH benefit: $200,000
Assessed Value: $400,000
Downsize
Just Value: $200,000
Accumulated SOH benefit: $100,000
Assessed Value: $100,000

2. **<u>Expands the Homestead Exemption to be worth up to $50,000, providing every homestead owner with tax savings in 2008.</u>**

- The Joint Resolution creates an **additional homestead exemption worth up to $25,000** in addition to the existing $25,000 exemption – effectively for a total of $50,000. However, there are **two key differences** between this new exemption and the existing exemption:

    - **<u>Difference #1</u>:** The new exemption **applies to the value of the homestead between $50,000 and $75,000.** Placing the additional exemption on the "third" $25,000 of value will alleviate the impact for jurisdictions with relatively low property values by ensuring that most homesteads will continue to pay some amount of property tax.

    - **<u>Difference #2</u>: The additional $25,000 exemption *does not* apply to school tax levies.** By contrast, the existing Homestead Exemption *does* apply to school tax levies. Thus, the new exemption offers fewer savings than the original exemption, because it doesn't shield homeowners from school taxes. The new exemption saves the average homeowner who receives the full benefit an average of $240 a year, while the existing homestead exemption provides about $450 per year.

3. **<u>Creates a 10% annual assessment cap for ALL non-homestead properties.</u>**

- The SJR limits the annual growth of assessed value to 10% for non-homestead residential and business properties.

- **This assessment limitation does <u>*not*</u> apply to school tax levies.**

- The assessment limitation will **expire in 10 years**. At that time, voters will decide whether to reauthorize it.

- **Residential properties of nine units** or less will surrender accumulated protections at **change of ownership or control**, as defined by general law.

- For all other properties (i.e., **residential properties of ten or more units and business properties**), the Legislature:

    - *Must* define by general law how the property will surrender protections when there is a "qualifying improvement" to the property, and

    - *May* define by general law how the property will surrender accumulated protections at a change of ownership or control.

- The cap will use a base year of 2008, which means **the cap will begin shielding properties from taxation in 2009.**

- Those benefiting from the new 10% cap include small business owners, second home owners, and renters – ensuring that those taxpayers who have born the brunt of the property tax crisis receive protections into the future.

4. **Creates a new Tangible Personal Property Exemption of $25,000 for business properties.**

- The Joint Resolution authorizes a **new exemption of $25,000 for Tangible Personal Property.**

- For the average commercial property, this **creates savings of $450** (assuming an aggregate tax rate of 17 mills, which is near the statewide average).

- Those property owners with less than $25,000 worth of tangible personal property will **no longer have to file detailed returns**, thereby alleviating an often cumbersome administrative burden.

- Approximately 1 million of Florida's 1.3 million businesses will receive a total exemption from the tangible personal property tax.

- **This provision *does* apply to school tax levies**. If this provision exempted schools, businesses would save money but still be required to file annual returns. This would undermine the purpose of completely removing the administrative burden of filing annual returns.

5. **Requires an annual appropriation to fiscally constrained counties to offset revenue reductions that result from the constitutional amendment.**

- SB 4D directs the Legislature to appropriate money in FY 2008-09 for fiscally constrained counties that lose revenue as a result of the constitutional amendment.

- Each fiscally constrained county will be reimbursed in proportion to its share of the overall statewide revenue reduction.

- The definition of a "fiscally constrained county" already exists in statute and is used for purposes of sales tax distribution. A county may be considered fiscally constrained if it levies $5 million or less from one mill of ad valorem tax or if the county is within a rural area of critical concern as defined by the Governor.

Authorizing a Special Election
SB 6D

Background

The Florida Constitution stipulates that a special election may only be called by a three-fourths vote in the House and Senate. The bill authorizing the special election must have no other subject matter than the authorization of the special election.

Summary of the Bill

SB 6D authorizes a special election for a public vote on SJR 2D. The Special Election will coincide with the Florida Presidential Preference Primary on January 29, 2008.

- Delaying consideration of the property tax reform amendment would mean it could not be implemented until 2009 tax bills are issued. **Placing the proposed constitutional amendment on the ballot in January 2008 makes the new reforms and savings available for tax bills in November 2008.**

- Note: Florida's election law creates a "closed" primary, wherein only registered members of a party can vote for candidates of that party. **However, voters of all political affiliations may vote on the proposed constitutional amendment.**

Appendix A – First Year Tax Savings by County

Methodology

- The following chart **shows the first-year tax savings for the typical Florida homestead owner** under the constitutional amendment. Savings are measured against the current year's tax rates and tax base.

- **Homestead Exemption:** The savings in Column 2 are for "Fully Benefiting Homestead Properties." These are homesteads with assessed values above $75,000, since the new $25,000 exemption applies to values between $50,000 and $75,000.

- **Portability:** Homeowners realize tax savings from portability only when they move. Column 3 shows how the typical homestead owner (based on median home values within each county) will save when they move compared to what their tax bill would be under current law. However, these savings will vary widely based on a number of factors, including the value of the first homestead, the value of the second homestead, and whether the homeowner moves to a different taxing jurisdiction.

County	Fully Benefiting Homestead Exemption	Typical Portability Beneficiary
Alachua	$334.58	$1,029.71
Baker	$264.05	$611.26
Bay	$125.61	$920.67
Bradford	$266.20	$538.46
Brevard	$210.19	$1,131.99
Broward	$308.72	$2,666.87
Calhoun	$253.38	$279.87
Charlotte	$179.48	$975.70
Citrus	$217.21	$776.39
Clay	$178.82	$800.44
Collier	$140.39	$2,060.88
Columbia	$281.16	$558.65
Dade	$286.72	$3,234.44

County	Fully Benefiting Homestead Exemption	Typical Portability Beneficiary
Desoto	$221.72	$898.64
Dixie	$321.99	$419.53
Duval	$222.09	$1,134.10
Escambia	$223.71	$593.77
Flagler	$168.90	$986.74
Franklin	$111.37	$1,161.56
Gadsden	$240.43	$408.06
Gilchrist	$229.29	$612.22
Glades	$307.21	$724.45
Gulf	$153.73	$745.66
Hamilton	$272.18	$410.79
Hardee	$222.31	$485.61
Hendry	$279.88	$1,080.78
Hernando	$229.95	$813.34
Highlands	$222.01	$995.21
Hillsborough	$325.74	$1,552.83
Holmes	$233.05	$118.37
Indian River	$186.33	$1,122.36
Jackson	$209.72	$227.76
Jefferson	$277.99	$570.20
Lafayette	$237.62	$481.48
Lake	$225.58	$731.52
Lee	$230.95	$1,652.91
Leon	$235.20	$957.33
Levy	$234.21	$715.71
Liberty	$220.12	$312.59
Madison	$235.91	$369.25
Manatee	$215.05	$1,486.86

County	Fully Benefiting Homestead Exemption	Typical Portability Beneficiary
Marion	$164.39	$792.23
Martin	$215.14	$,111.65
Monroe	$120.30	$2,296.96
Nassau	$200.07	$1,088.36
Okaloosa	$144.52	$1,071.61
Okeechobee	$183.05	$726.36
Orange	$236.00	$1,542.89
Osceola	$181.89	$1,130.99
Palm Beach	$274.15	$2,145.29
Pasco	$190.42	$821.02
Pinellas	$295.20	$1,735.87
Polk	$242.40	$921.64
Putnam	$272.60	$745.67
St. Johns	$183.77	$1,623.50
St. Lucie	$331.47	$1,261.47
Santa Rosa	$165.16	$513.59
Sarasota	$150.46	$1,495.07
Seminole	$223.54	$1,603.26
Sumter	$165.75	$572.43
Suwannee	$227.91	$585.49
Taylor	$235.07	$352.01
Union	$269.44	$459.49
Volusia	$284.60	$1,633.79
Wakulla	$207.77	$546.06
Walton	$107.88	$713.09
Washington	$209.21	$176.63

Attachment 3

CITY OF BROOKSVILLE FINANCE DEPARTMENT

Date: January 7, 2008

To: Honorable Mayor and City Council Members

VIA: T. Jennene Norman-Vacha, City Manager

From: Stephen J Baumgartner, Finance Director

RE: Budget Workshop January 14. 2008

OFFICE OF HERANDO COUNTY PROPERTY APPRAISER PRESENTATION

The workshop will have a presentation from the Office of Hernando County Property Appraiser Alvin R. Mazourek, The Property Appraiser's representatives will discuss the possible impact of the January 29, 2008 Property Tax Proposal Referendum on the City of Brooksville. In addition, they will discuss the impact of possible declining property values in the City. Both the Referendum and the decline in assessed values could have a major effect upon our future Ad Valorem revenues.

CITY OF BROOKSVILLE REVENUES THROUGH 12/31/07

Revenue	% Collected		Comments
	of 07/08 Budget		
Ad Valorem	71%		Early receipt of funds is typical
Telecommmunications Services Tax	19%		Collected 2 months; budget for 2 months 16.67%
State Revenue Sharing	26%		Collected 3 months; budget for 3 months is 25%
Local Government 1/2 Cent Sales Ta	15%		Collected 2 months; budget for 2 months 16.67%
Local Option Gas Tax	15%		Collected 2 months; budget for 2 months 16.67%

The Florida Department of Revenue Office of Research has revised two State revenue estimates paid to the City of Brooksville. The Local Government Half-Cent Sales Tax is down from the original estimate 3.4% for the City. The Municipal Revenue Sharing Program estimate is down less than 1% for the City. The above spreadsheet shows actual Ad Valorem revenues percentages and key State revenues and the most up to date information on them. The Local Government ½ Cent Sales Tax and the Local Option Gas Tax are down slightly, but Finance only budgets 95% of estimates so we only see a minor impact to the City's revenue stream.

DISCUSSION OF FUTURE BUDGET UNCERTAINITIES

We hope to use this as a strategy session with Council in order to plan early for the uncertainties ahead for our 08 09 Budget and beyond. The Referendum is yet undecided and there clearly is a downturn in the economy of the State. The State of Florida has revised their 08 09 Net General Revenue forecast down by $1.4 billion.

Sjb

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Attachment 4

CITY OF BROOKSVILLE

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Current Year Gross Taxable Value	200,334,532	204,729,846	222,444,561	223,608,049	236,798,225	252,221,165	275,057,175	279,807,297	355,254,847	486,674,322	543,050,744	
Prior Year Final Gross Taxable Value	197,178,877	200,938,844	205,743,879	224,602,537	225,960,862	239,021,702	253,713,238	274,404,384	287,393,489	351,157,823	482,065,315	
Roll Back Rate	8.0881	7.8519	7.3994	8.0355	7.6339	7.5941	7.5738	7.8700	6.4197	5.5408	6.9484	M
Proposed Millage Rate	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	7.8700	7.5000	7.5000	6.3230	I
Difference between Rates	0.0881	-0.1481	-0.6006	0.0355	-0.3661	-0.4059	-0.4262	0.0000	-1.0803	-1.9592	0.6254	L
												L
Ad Valorem Revenue at Roll-back Rate	1,625,213	1,615,480	1,661,924	1,815,709	1,799,627	1,799,627	1,915,393	2,202,083	2,280,630	2,696,565	3,773,334	A
Ad Valorem Revenue at proposed rate	1,651,215	1,645,951	1,796,820	1,807,687	1,791,654	1,791,654	2,017,769	2,202,083	2,664,411	3,650,057	3,433,710	G
Difference in Ad Valorem Revenue	26,002	30,471	134,896	(8,022)	(7,973)	(7,973)	102,376	0	383,781	953,492	(339,624)	E
												I
Value of a Mill (1.0000)	200,939	205,744	225,961	225,961	235,741	235,741	252,897	279,807	355,255	486,674	543,051	N
Value of tenth of Mill (0.1000)	20,094	20,574	22,596	22,596	23,574	23,574	25,290	27,981	35,525	48,667	54,305	F
Value of hundredth of Mill (0.0100)	2,009	2,057	2,260	2,260	2,357	2,357	2,529	2,798	3,553	4,867	5,431	O

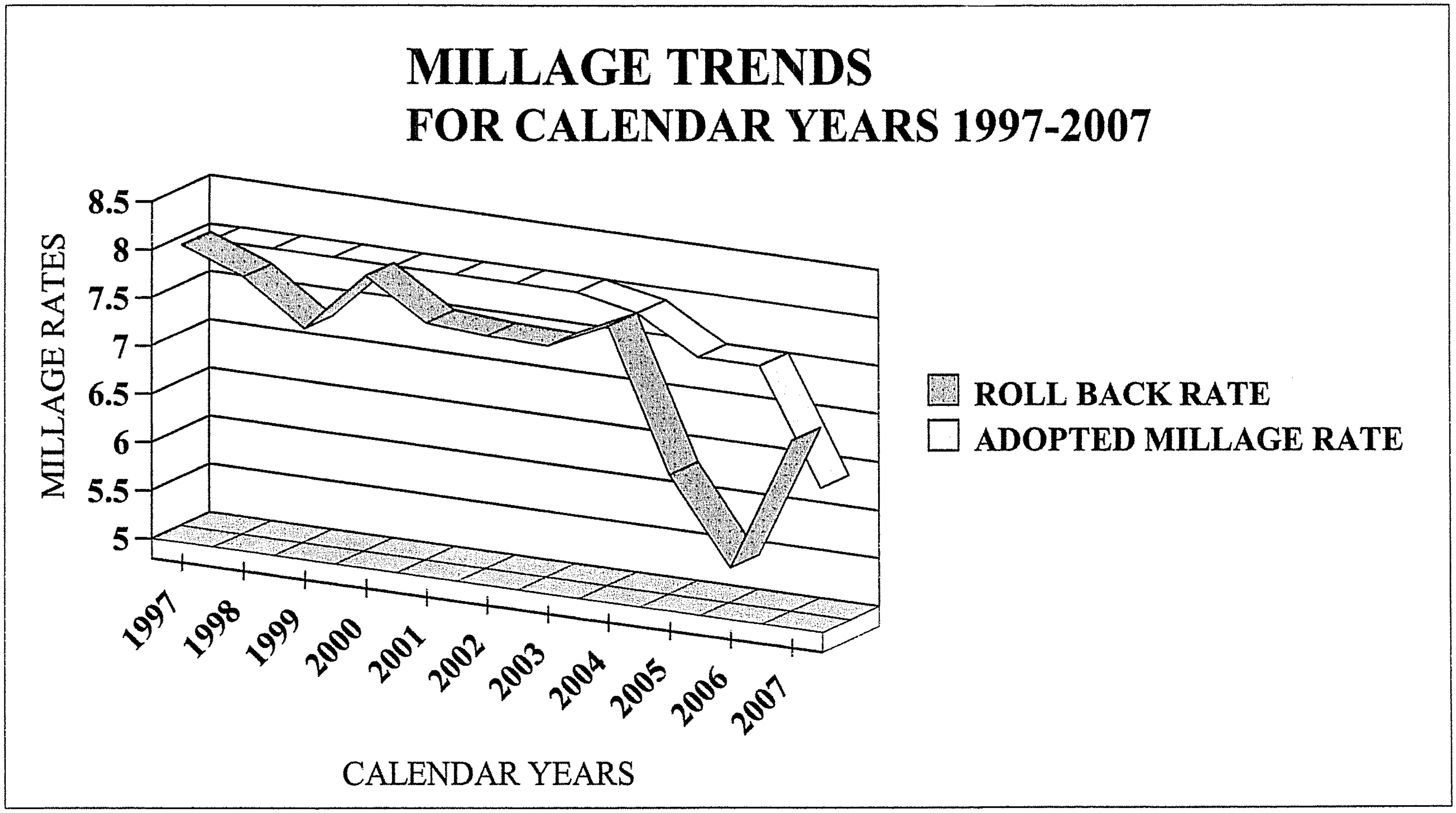
Millage Rate Matrix:

Current Year Taxable Value for budgeting purposes:
543,050,744.00

Millage Rate Matrix	Anticipated Revenue at Given Millage	Revenue Difference from Roll-back
10.0000	5,430,507	1,657,173
9.9000	5,376,202	1,602,868
9.8000	5,321,897	1,548,563
9.7000	5,267,592	1,494,258
9.6000	5,213,287	1,439,953
9.5000	5,158,982	1,385,648
9.4000	5,104,677	1,331,343
9.3000	5,050,372	1,277,038
9.2000	4,996,067	1,222,733
9.1000	4,941,762	1,168,428
9.0000	4,887,457	1,114,123
8.9000	4,833,152	1,059,818
8.8000	4,778,847	1,005,513
8.7000	4,724,541	951,207
8.6000	4,670,236	896,902
8.5000	4,615,931	842,597
8.4000	4,561,626	788,292
8.2000	4,453,016	679,682
8.1000	4,398,711	625,377
8.0000	4,344,406	571,072
7.9000	4,290,101	516,767
7.8000	4,235,796	462,462
7.7000	4,181,491	408,157
7.6000	4,127,186	353,852

Millage Rate Matrix	Anticipated Revenue at Given Millage	Revenue Difference from Roll-back	
7.5000	4,072,881	299,547	
7.4000	4,018,576	245,242	
7.3000	3,964,270	190,936	
7.2000	3,909,965	136,631	
7.1000	3,855,660	82,326	
7.0000	3,801,355	28,021	
6.9484	3,773,334	(0)	ROLL-BACK RATE
6.9000	3,747,050	(26,284)	
6.8000	3,692,745	(80,589)	
6.7000	3,638,440	(134,894)	
6.6000	3,584,135	(189,199)	
6.5000	3,529,830	(243,504)	
6.4000	3,475,525	(297,809)	
6.3230	3,433,710	(339,624)	07/08 BUDGET RATE
6.2230	3,379,405	(393,929)	
6.1230	3,325,100	(448,234)	
6.0230	3,270,795	(502,539)	
5.9230	3,216,490	(556,844)	
5.8230	3,162,184	(611,150)	
5.7230	3,107,879	(665,455)	
5.6230	3,053,574	(719,760)	
5.5408	3,008,936	(764,398)	
5.4408	2,954,630	(818,704)	
5.3408	2,900,325	(873,009)	

CITY OF BROOKSVILLE

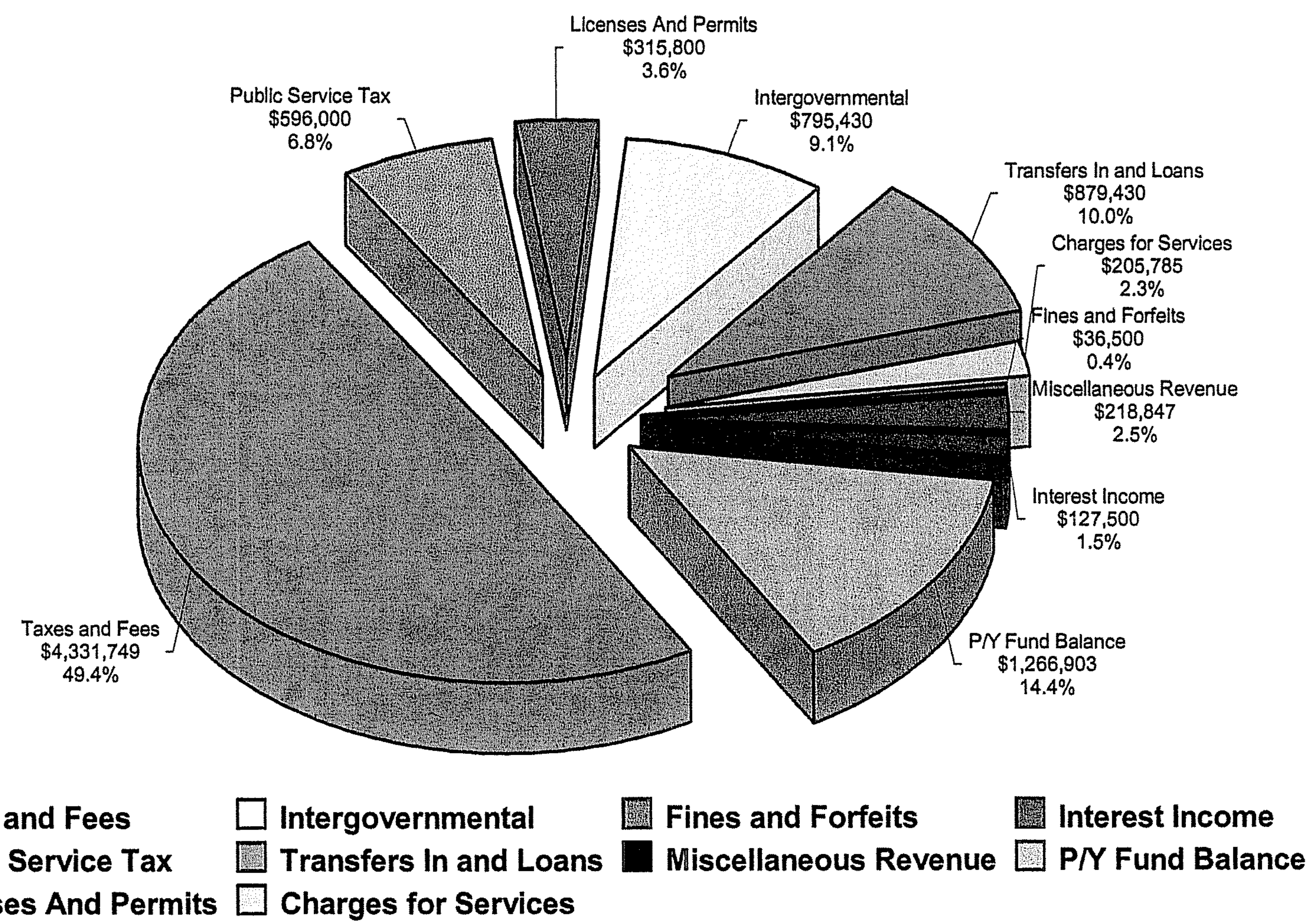


ROLL BACK RATE : The tax rate that would generate prior year tax revenues less allowances for new construction additions, rehabilitative improvements increasing assessed value by at least 100%, annexations and deletions.

GENERAL FUND REVENUE SOURCES SUMMARY

		04/05 Actual	05/06 Budget	05/06 Actual	06/07 Budget	06/07 Projected	07/08 Adopted
	REVENUE						
1	Taxes and Fees	$3,258,708	$3,527,629	$3,839,667	$4,520,055	$4,580,121	$4,331,749
2	Public Service Tax	564,157	526,000	605,796	576,000	576,973	596,000
3	Licenses and Permits	104,609	98,635	147,304	325,300	303,877	315,800
4	Intergovern'l Revenue	1,026,024	834,827	901,200	870,600	842,882	795,430
5	Charges For Services	250,593	167,395	240,624	247,185	249,975	205,785
6	Fines and Forfeits	32,813	38,900	36,886	28,850	34,681	36,500
7	Miscellaneous Revenue	291,925	240,522	276,576	235,888	227,609	218,847
8	Interest Income	40,118	31,650	72,141	46,450	146,843	127,500
9	Transfers In & Loans	877,324	777,845	1,518,766	797,800	957,368	879,430
10	P/Y Fund Balance	1,293,477	1,284,154	1,451,201	1,088,638	1,258,865	1,266,903
11	**TOTAL**	**$7,739,748**	**$7,527,557**	**$9,090,161**	**$8,736,766**	**$9,179,194**	**$8,773,944**

GENERAL FUND REVENUE SOURCES
For FISCAL YEAR 2008



GENERAL FUND REVENUE DETAIL

	Revenue Detail	04/05 Actual	05/06 Budget	05/06 Actual	06/07 Budget	06/07 Projected	07/08 Adopted	
001-000-311-40000	Ad Valorem Taxes	2,039,083	2,480,664	2,502,174	3,398,204	3,304,673	3,199,633	
001-000-311-40001	Delinq't Ad Valorem	109,980	50,626	155,305	69,351	194,993	62,416	
	Total Ad Valorem Taxes	**2,149,063**	**2,531,290**	**2,657,479**	**3,467,555**	**3,499,666**	**3,262,049**	
001-000-314-41100	Electricity Public Service Taxes	539,151	500,000	571,567	540,000	546,455	560,000	
001-000-314-41400	Fuel Oil/Propane Utility Public Taxes	25,006	26,000	34,229	36,000	30,518	36,000	
	Total Public Services Taxes	**564,157**	**526,000**	**605,796**	**576,000**	**576,973**	**596,000**	
001-000-313-40301	Progress Energy Franch Fees	501,562	473,000	580,514	540,000	554,099	575,598	
001-000-313-40400	Peoples Gas Franchise Fees	1,637	1,600	1,485	1,500	19,530	20,000	
001-000-313-40200	Comm Service Tax	606,446	521,739	600,189	511,000	506,826	474,102	
	Total Franchise Fees	**1,109,645**	**996,339**	**1,182,188**	**1,052,500**	**1,080,455**	**1,069,700**	
001-000-321-42100	City Occupational Licenses	54,599	50,000	55,095	53,500	47,847	26,500	
001-000-329-42101	Peddler, Solicitor, Permits	1,663	1,300	647	1,300	1,162	1,300	
001-000-329-42102	Tree Removal Permit	1,050	500	20	500	420	500	
001-000-329-42104	Monument Permits-Cemetery	380	800	0	0	0	0	
001-000-322-42200	Building Permits	19,255	22,535	49,600	237,500	197,211	237,500	
001-000-329-42900	Other Licenses, Fees, and Permits	27,662	23,500	41,942	32,500	57,237	50,000	
	Total Licenses and Permits	**104,609**	**98,635**	**147,304**	**325,300**	**303,877**	**315,800**	
001-000-335-45120	State Rev Shared Proceeds	404,426	386,000	406,919	388,300	408,615	387,971	
001-000-335-45140	Mobile Home Licenses	33,735	33,000	31,631	34,000	0	0	(1)
001-000-335-45150	Alcoholic Beverage Licenses	6,002	5,500	6,927	5,500	6,927	5,500	
001-000-335-45180	Local Govt. Half Cent Sales Tax	408,500	400,227	438,180	432,000	411,559	396,459	
	Total State Shared Revenue	**852,663**	**824,727**	**883,657**	**859,800**	**827,101**	**789,930**	
001-000-335-45520	Firefighters Suppl Comp	900	2,100	1,750	2,100	7,065	5,500	
001-000-341-48180	County Occupational License	8,699	7,500	7,898	8,200	7,000	0	
	Total Local Intergovernmental	**9,599**	**9,600**	**9,648**	**10,300**	**14,065**	**5,500**	
001-000-331-43200	Federal Grants: Public Safety	8,174	0	0	0	0	0	
001-000-331-43500	Federal Grants: Economic Environment	147,723	0	395	0	0	0	
001-000-334-44500	State Grants: Economic Environment	7,365	0	0	0	0	0	
001-000-334-44700	State Grant Culture/Recreation	0	0	7,000	0	0	0	
001-000-334-47000	Grants From Other Local Units		0	0	0	1,716	0	
001-000-339-48000	Brooksville Housing Authority-in lieu of taxes	500	500	500	500	0	0	
	Total Intergovernmental Revenue	**163,762**	**500**	**7,895**	**500**	**1,716**	**0**	
001-000-341-48190	Election Qualification Fees	0	0	648	0	0	0	
001-000-342-48240	Accident Reports	735	565	917	565	750	700	
001-000-342-48242	Hydrant Fees	10,648	7,260	7,260	7,260	7,860	7,260	
001-000-342-48290	BERT Reimbursement	100,614	0	39,256	0	5,959	0	
001-000-349-48760	Other Chg for Services BHA/Police	0	0	5,980	52,000	33,020	0	
	Misc. Charge	111,997	7,825	54,061	59,825	47,589	7,960	
001-000-343-48695	Cemetery Lot Sales	44,925	45,000	57,403	50,000	45,000	40,000	
001-000-343-48696	Cremation Lot Sales	3,175	3,000	0	3,000	1,600	3,000	
001-000-343-48697	Cemetery Sales - Special Use Fee	4,800	2,000	5,500	3,000	0	2,000	
001-000-343-48698	Columbarium	0	0	0	15,000	6,100	15,000	
001-000-369-48897	Cemetery-Miscellaneous Revenue	425	300	1,753	1,600	1,200	1,000	
001-000-343-48690	Cremation Vault	710	500	0	250	0	0	
001-000-343-48691	Cemetery Transfer Fee	50	50	100	150	0	0	
001-000-343-48692	Cemetery Staking Plots	1,650	1,800	1,200	1,200	700	600	
001-000-343-48694	Cemetery Donor Memorial Fees	300	300	100	0	0	0	
001-000-343-48693	Cemetery Monument Sales	70	70	0	50	0	50	
	Cemetery Revenue	56,105	53,020	66,056	74,250	54,600	61,650	

(1) Mobile Home Licenses are collateral for 2006 USDA Loan and are posted to Fund 309 (Capital Improvement Revenue Fund) based on USDA Capital Improvement Revenue Bond provisions (Series 2006). Mobile Home Licenses Surplus is transferred back to General Fund annually

GENERAL FUND REVENUE DETAIL

	Revenue Detail	04/05 Actual	05/06 Budget	05/06 Actual	06/07 Budget	06/07 Projected	07/08 Adopted
001-000-369-48899	JBCC-Miscellaneous Revenue	994	425	3,574	5,000	9,405	5,000
001-000-347-48723	Facility Rental Fee	14,715	11,750	19,890	15,000	13,500	15,000
001-000-347-48725	Instructional Fees - JBCC	542	500	1,718	1,000	3,000	1,500
001-000-347-48726	Adult Fees (daily) - JBCC	842	600	168	200	1,550	2,000
001-000-347-48728	Concession Stand Proceeds	555	600	6	500	37	100
	Jerome Brown Center Revenue	17,648	13,875	25,356	21,700	27,492	23,600
001-000-347-48747	The First Tee Grant	31,348	25,000	31,860	12,000	10,066	12,000
001-000-369-48898	Quarry Golf Course-Miscellaneous Revenue	2,626	3,000	1,141	3,000	1,000	1,500
001-000-347-48729	Membership - QGC	30,297	22,700	28,511	23,000	29,703	28,500
001-000-347-48730	Green Fee - QGC	58,009	62,000	67,342	63,000	69,298	70,000
001-000-347-48731	Driving Range Fees - QGC	11,267	14,000	18,036	20,000	17,102	17,000
001-000-347-48732	Cart Rentals - QGC	534	1,000	1,049	1,100	800	1,000
001-000-347-48733	Refreshment Sales - QGC	5,018	4,500	6,076	5,400	5,300	5,500
001-000-347-48734	Golf Supplies & Wear Sales - QGC	4,975	3,700	8,333	7,500	7,000	8,500
001-000-347-48746	Disc Golf	2,419	1,500	227	3,000	1,000	1,000
001-000-347-48747	First Tee	0	7,000	7,000	15,000	10,912	15,000
	Quarry Golf Revenue	146,493	144,400	169,575	153,000	152,181	160,000
001-000-347-48737	League Fees Softball	0	0	0	600	7,410	1,375
001-000-347-48738	Practice Lessons Softball	0	0	0	160	720	600
001-000-347-48741	Tennis Court Fees	0	0	0	250	2,400	2,000
001-000-347-48743	Pavilion Facility Fees	0	0	0	2,000	2,300	2,000
001-000-347-48744	Batting Cage Fees	6,643	7,000	6,807	6,500	5,500	5,400
001-000-362-48820	Rental Fees/Signs	0	0	0	500	0	0
001-000-363-48821	School Board - Tom Varn Park	0	20,000	20,000	20,000	20,000	20,000
001-000-369-48900	Parks-Miscellaneous Revenue	0	0	0	4,000	5,000	3,700
	Parks Revenue	6,643	27,000	26,807	34,010	43,330	35,075
	Total Charges For Service	**338,886**	**246,120**	**341,855**	**342,785**	**325,192**	**288,285**
001-000-351-48801	Court Fines	30,483	36,000	34,668	27,000	31,000	32,200
001-000-351-48802	Safety Violations	572	600	754	650	763	700
001-000-354-48804	Parking Tickets	1,733	2,200	1,364	1,100	568	500
001-000-354-48805	Violations of Local Ordinances	0	0	0	0	2,250	3,000
001-000-359-48807	False Alarm Fines	25	100	100	100	100	100
	Total Fines	**32,813**	**38,900**	**36,886**	**28,850**	**34,681**	**36,500**
001-000-361-48810	Interest (Banks)	13,900	11,000	13,024	12,500	26,000	20,000
001-000-361-48811	Interest on SBA	21,954	12,500	44,969	23,000	95,000	85,000
001-000-361-48812	Interest-Tax Collector	791	600	2,346	1,000	3,167	2,500
001-000-361-48813	Interest- FHLB (Variable)	2,933	7,500	10,910	9,500	7,425	0
001-000-361-48814	Interest- FHLB (Fixed)	0	0	0	0	15,000	20,000
001-000-363-48830	Impact Fees - Interest	540	50	892	450	251	0
	Total Interest	**40,118**	**31,650**	**72,141**	**46,450**	**146,843**	**127,500**
001-000-362-48815	Rent - City Hall (3rd floor)	54,217	55,554	55,554	57,221	57,221	58,938
001-000-362-48816	Antenna Space Rental	4,788	5,200	5,165	5,200	2,583	0
	Total Rentals	**59,005**	**60,754**	**60,719**	**62,421**	**59,804**	**58,938**

GENERAL FUND REVENUE DETAIL

	Revenue Detail	04/05 Actual	05/06 Budget	05/06 Actual	06/07 Budget	06/07 Projected	07/08 Adopted
001-000-364-48840	Sale or Disposal of Fixed Assets-Govern	0	0	6175	0	4872	0
001-000-365-48850	Sales of Surplus Materials	0	0	6680	0	46	0
001-000-366-48860	Contributions and Donations - Govern Funds	7,100	3,000	15,225	2,000	500	1,000
001-000-369-48890	Miscellaneous Revenue	76,028	30,000	51,958	35,000	54,804	35,000
001-000-369-48893	Vending Machine Commission	305	400	602	500	380	300
001-000-369-48896	Police-Miscellaneous Revenue	5,294	5,000	6,036	5,000	4,500	5,000
001-000-369-48892	CRA Service Fee	55,900	55,900	27,950	27,950	20,069	27,950
001-000-383-49724	Installment Purch. Proceeds/Capital Lease	0	0	75,000	0	129,400	0
001-000-384-49725	Debt Proceeds-Govern Funds	0	0	633,659	0	0	0
Presentation Only	Principal Pay back of Loan to CRA	0	6,743	0	7,417	7,417	8,159
	Total Other Revenue	**144,627**	**101,043**	**810,430**	**77,867**	**221,988**	**77,409**
001-000-381-49104	Trans In-from Police Spec Educ	2,322	0	0	0	0	0
001-000-381-49105	Trans In-from Parks & Rec Trans	9,875	10,000	10,007	10,000	10,000	10,000
001-000-381-49108	Trans In-from Local Option Gas	347,331	285,000	314,687	305,000	312,644	297,435
001-000-381-49131	Trans In from CDBG-CR	0	0	0	0	0	0
001-000-381-49309	Trans In from Capital Impr. Rev. Fund	0	0	0	0	22,479	23,324
001-000-381-49401	Trans In from Utilities	395,975	393,800	393,800	393,800	393,800	444,452
001-000-381-49403	Trans In from Solid Waste	89,000	89,000	89,000	89,000	89,000	104,104
001-000-381-49700	Other Transfers In	32,821	45	2,613	0	45	115
	Total Transfers In	**877,324**	**777,845**	**810,107**	**797,800**	**827,968**	**879,430**
	Revenue Before P/Y Carry forward	**6,446,271**	**6,243,403**	**7,626,105**	**7,648,128**	**7,920,329**	**7,507,041**
	Prior Year Carry forward	**1,293,477**	**1,284,154**	**1,451,201**	**1,088,638**	**1,258,865**	**1,266,903**
	TOTAL REVENUES	**7,739,748**	**7,527,557**	**9,077,306**	**8,736,766**	**9,179,194**	**8,773,944**

LOCAL OPTION GAS TAX 108

	Actual 04/05	Actual 05/06	Budgeted 06/07	Projected 06/07	Adopted 07/08
INCOME					
Intergovernmental Revenue	$320,733	$314,604	$305,000	$314,000	$297,435
Fines & Forfeitures	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interest Income	719	3	500	0	0
Special Assessment	0	0	0	0	0
Transfers In	0	0	0	0	0
Prior Year Carry forward	58,522	32,643	33,093	32,563	33,919
Total Income	**$379,974**	**$347,250**	**$338,593**	**$346,563**	**$331,354**
EXPENDITURES					
Personnel Services	$0	$0	$0	$0	$0
Operating Expenditures	0	0	0	0	0
Capital Outlays	0	0	0	0	0
Transfers Out	347,331	314,687	305,000	312,644	297,435 (1)
Reserves	32,643	32,563	33,593	33,919	33,919
Total Expenditures	**$379,974**	**$347,250**	**$338,593**	**$346,563**	**$331,354**

(1) Transferred to General Fund

LAW ENFORCEMENT INVESTIGATIVE TRUST 109

	Actual 04/05	Actual 05/06	Budgeted 06/07	Projected 06/07	Adopted 07/08
INCOME					
Intergovernmental Revenue	$0	$0	$0	$0	$0
Fines & Forfeitures	0	0	0	0	0
Miscellaneous	441	(6,185)	0	0	0
Interest Income	1,403	361	250	432	450
Special Assessment	0	0	0	0	0
Transfers In	0	0	0	23,500	0 (1)
Prior Year Carry forward	55,011	43,823	37,374	36,535	36,967
Total Income	**$56,855**	**$37,999**	**$37,624**	**$60,467**	**$37,417**
EXPENDITURES					
Personnel Services	$0	$0	$0	$0	$0
Operating Expenditures	3,600	0	0	0	0
Capital Outlays	0	0	23,500	23,500	0
Transfers Out	9,432	1,464	0	0	0
Reserves	43,823	36,535	14,124	36,967	37,417
Total Expenditures	**$56,855**	**$37,999**	**$37,624**	**$60,467**	**$37,417**

(1) 06/07 Transfer In from Streets for Truck Purchase

CAPITAL PROJECTS FUNDS SUMMARY

CAPITAL IMPROVEMENT REVENUE FUND 309 (FOR 2006 USDA REVENUE BONDS)

	Actual 04/05	Actual 05/06	Budgeted 06/07	Projected 06/07	Adopted 07/08	
INCOME						
Mobile Home Licenses	$0	$0	$0	$29,732	$34,000	(1)
Interest Income	0	0	0	0	0	
Miscellaneous	0	0	0	0	0	
Transfers In	0	0	0	0	0	
Prior Year Carry forward	0	0	0	0	0	
Total Income	**$0**	**$0**	**$0**	**$29,732**	**$34,000**	
EXPENDITURES						
Bond Payments	$0	$0	$0	$7,253	$10,676	
Capital Outlay	0	0	0	0	0	
Transfers Out	0	0	0	22,479	23,324	(2)
Reserves	0	0	0	0	0	
Total Expenditures	**$0**	**$0**	**$0**	**$29,732**	**$34,000**	

(1) Required by 2006 Capital Improvement Revenue Bond (USDA). Mobile Home Licenses are collateral.

(2) Mobile Home Licenses surplus returned annually to General Fund.

Attachment 5

ACTUAL % TO Budget 2 mon 16.67%
3 mon 25.00 %

City of Brooksville
Summary Budget Comparison - Monthly-GenFund Revenue 08 - Unposted Transactions Included In Report
001 - General Government
From 10/1/2007 Through 12/31/2007

Account Code	Account Title	Current Period Budget - Original	Current Period Actual	Prior Year Current Period Actual	Current Period Budget Variance - Original	YTD Budget - Original	YTD Actual	Prior Year Actual	YTD Budget Variance - Original	Total Budget - Original	Remaining Budget Amount	Percent Total Budget Used - Original	Posted & Rec'd
40000	Ad Valorem Taxes	799,908.24	2,285,239.57	2,472,720.24	1,485,331.33	799,908.24	2,285,239.57	2,472,720.24	1,485,331.33	3,199,633.00	(914,393.43)	0.71	3 months
40001	Ad Valorem-Delinquent	15,603.99	2,874.39	712.53	(12,729.60)	15,603.99	2,874.39	712.53	(12,729.60)	62,416.00	(59,541.61)	0.05	
40200	Telecommunication Services Taxes	118,525.50	88,384.22	82,675.86	(30,141.28)	118,525.50	88,384.22	82,675.86	(30,141.28)	474,102.00	(385,717.78)	0.19	2 months
40301	Electric Franchise Fees	143,899.50	97,796.36	90,596.87	(46,103.14)	143,899.50	97,796.36	90,596.87	(46,103.14)	575,598.00	(477,801.64)	0.17	2 months
40400	Gas Franchise Fee	5,000.01	0.00	19,530.03	(5,000.01)	5,000.01	0.00	19,530.03	(5,000.01)	20,000.00	(20,000.00)	0.00	
41100	Public Service Taxes-Electricity	140,000.01	96,796.01	86,922.91	(43,204.00)	140,000.01	96,796.01	86,922.91	(43,204.00)	560,000.00	(463,203.99)	0.17	2 months
41400	Public Service Taxes-Gas/Propane	9,000.00	2,230.65	4,134.89	(6,769.35)	9,000.00	2,230.65	4,134.89	(6,769.35)	36,000.00	(33,769.35)	0.06	
42100	City Occupational Licenses	6,624.99	6,933.00	8,038.20	308.01	6,624.99	6,933.00	8,038.20	308.01	26,500.00	(19,567.00)	0.26	
42101	Peddler, Solicitor, etc Permit	324.99	475.00	955.00	150.01	324.99	475.00	955.00	150.01	1,300.00	(825.00)	0.37	
42102	Tree Removal Permits	125.01	63.00	0.00	(62.01)	125.01	63.00	0.00	(62.01)	500.00	(437.00)	0.13	
42200	Building Permit	59,375.01	29,287.66	36,974.74	(30,087.35)	59,375.01	29,287.66	36,974.74	(30,087.35)	237,500.00	(208,212.34)	0.12	
42900	Other Licenses, Fees, & Permits	12,500.01	6,986.06	12,048.20	(5,513.95)	12,500.01	6,986.06	12,048.20	(5,513.95)	50,000.00	(43,013.94)	0.14	
45120	State Revenue Sharing Proceeds	96,992.76	101,462.52	101,698.35	4,469.76	96,992.76	101,462.52	101,698.35	4,469.76	387,971.00	(286,508.48)	0.26	3 months
45140	Mobile Home Licenses	0.00	0.00	19,196.20	0.00	0.00	0.00	19,196.20	0.00	0.00	0.00	0.00	
45150	Alcoholic Beverage Licenses	1,374.99	75.00	0.00	(1,299.99)	1,374.99	75.00	0.00	(1,299.99)	5,500.00	(5,425.00)	0.01	
45180	Local Government Half Cent Sales Tax	99,114.75	59,948.03	65,880.94	(39,166.72)	99,114.75	59,948.03	65,880.94	(39,166.72)	396,459.00	(336,510.97)	0.15	2 months
45520	Firefighters' Supplemental Com	1,374.99	300.00	0.00	(1,074.99)	1,374.99	300.00	0.00	(1,074.99)	5,500.00	(5,200.00)	0.05	
47000	Grants from Other Local Units	0.00	4,499.00	1,715.92	4,499.00	0.00	4,499.00	1,715.92	4,499.00	0.00	4,499.00	1.00	
48180	County Occupational Licenses	0.00	0.00	1,025.69	0.00	0.00	0.00	1,025.69	0.00	0.00	0.00	0.00	
48240	Accident Reports	174.99	99.10	198.60	(75.89)	174.99	99.10	198.60	(75.89)	700.00	(600.90)	0.14	
48242	Hydrant Fees	1,815.00	0.00	0.00	(1,815.00)	1,815.00	0.00	0.00	(1,815.00)	7,260.00	(7,260.00)	0.00	
48290	BERT Reimbursement	0.00	0.00	5,958.73	0.00	0.00	0.00	5,958.73	0.00	0.00	0.00	0.00	

City of Brooksville

Summary Budget Comparison - Monthly-GenFund Revenue 08 - Unposted Transactions Included In Report

001 - General Government

From 10/1/2007 Through 12/31/2007

Account Code	Account Title	Current Period Budget - Original	Current Period Actual	Prior Year Current Period Actual	Current Period Budget Variance - Original	YTD Budget - Original	YTD Actual	Prior Year Actual	YTD Budget Variance - Original	Total Budget - Original	Remaining Budget Amount	Percent Total Budget Used - Original
48692	Cemetery Staking Plots	150.00	50.00	75.00	(100.00)	150.00	50.00	75.00	(100.00)	600.00	(550.00)	0.08
48693	Cemetery Monument Sales	12.51	0.00	0.00	(12.51)	12.51	0.00	0.00	(12.51)	50.00	(50.00)	0.00
48695	Cemetery Lot Sales	9,999.99	1,970.00	10,547.43	(8,029.99)	9,999.99	1,970.00	10,547.43	(8,029.99)	40,000.00	(38,030.00)	0.05
48696	Cremation Lot Sales	750.00	0.00	0.00	(750.00)	750.00	0.00	0.00	(750.00)	3,000.00	(3,000.00)	0.00
48697	Cemetery Sales - Special Use Fee	500.01	0.00	0.00	(500.01)	500.01	0.00	0.00	(500.01)	2,000.00	(2,000.00)	0.00
48698	Cemetery Sales-Columbarium	3,750.00	75.00	5,000.00	(3,675.00)	3,750.00	75.00	5,000.00	(3,675.00)	15,000.00	(14,925.00)	0.01
48723	Facility Rental Fees	3,750.00	2,988.80	2,514.01	(761.20)	3,750.00	2,988.80	2,514.01	(761.20)	15,000.00	(12,011.20)	0.20
48725	Instructional Fees - JBCC	375.00	324.00	416.25	(51.00)	375.00	324.00	416.25	(51.00)	1,500.00	(1,176.00)	0.22
48726	Adult Fees (daily) - JBCC	500.01	10.00	570.00	(490.01)	500.01	10.00	570.00	(490.01)	2,000.00	(1,990.00)	0.01
48728	Concession Stand Proceeds	24.99	96.50	37.20	71.51	24.99	96.50	37.20	71.51	100.00	(3.50)	0.96
48729	Memberships - QGC	7,125.00	10,554.15	14,982.32	3,429.15	7,125.00	10,554.15	14,982.32	3,429.15	28,500.00	(17,945.85)	0.37
48730	Green Fee -QGC	17,499.99	11,501.20	16,532.95	(5,998.79)	17,499.99	11,501.20	16,532.95	(5,998.79)	70,000.00	(58,498.80)	0.16
48731	Driving Range Fees - QGC	4,250.01	2,383.25	3,551.24	(1,866.76)	4,250.01	2,383.25	3,551.24	(1,866.76)	17,000.00	(14,616.75)	0.14
48732	Cart Rentals - QGC	249.99	300.87	150.47	50.88	249.99	300.87	150.47	50.88	1,000.00	(699.13)	0.30
48733	Refreshment Sales - QGC	1,374.99	553.12	1,056.52	(821.87)	1,374.99	553.12	1,056.52	(821.87)	5,500.00	(4,946.88)	0.10
48734	Golf Supplies & Wear Sales - QGC	2,124.99	727.69	2,388.70	(1,397.30)	2,124.99	727.69	2,388.70	(1,397.30)	8,500.00	(7,772.31)	0.09
48735	Cash Over/Short - QGC	0.00	(26.00)	0.00	(26.00)	0.00	(26.00)	0.00	(26.00)	0.00	(26.00)	1.00
48736	Less Paid Out/Refunds - QGC	0.00	(5.00)	0.00	(5.00)	0.00	(5.00)	0.00	(5.00)	0.00	(5.00)	1.00
48737	League Fees	343.74	6,536.00	1,325.00	6,192.26	343.74	6,536.00	1,325.00	6,192.26	1,375.00	5,161.00	4.75
48738	Practice Fees	150.00	330.00	500.00	180.00	150.00	330.00	500.00	180.00	600.00	(270.00)	0.55
48739	Tournament Fees	0.00	130.00	0.00	130.00	0.00	130.00	0.00	130.00	0.00	130.00	1.00
48741	Tennis Court Fees	500.01	463.81	262.73	(36.20)	500.01	463.81	262.73	(36.20)	2,000.00	(1,536.19)	0.23
48743	Pavilion Facility Fees	500.01	180.00	420.00	(320.01)	500.01	180.00	420.00	(320.01)	2,000.00	(1,820.00)	0.09
48744	Batting Cage Fees	1,350.00	474.11	609.92	(875.89)	1,350.00	474.11	609.92	(875.89)	5,400.00	(4,925.89)	0.09
48745	Discounts-QGC	0.00	(303.84)	(875.14)	(303.84)	0.00	(303.84)	(875.14)	(303.84)	0.00	(303.84)	1.00
48746	Disc Golf	249.99	240.69	302.73	(9.30)	249.99	240.69	302.73	(9.30)	1,000.00	(759.31)	0.24
48747	First Tee	6,750.00	0.00	2,011.00	(6,750.00)	6,750.00	0.00	2,011.00	(6,750.00)	27,000.00	(27,000.00)	0.00

City of Brooksville

Summary Budget Comparison - Monthly-GenFund Revenue 08 - Unposted Transactions Included In Report

001 - General Government

From 10/1/2007 Through 12/31/2007

Account Code	Account Title	Current Period Budget - Original	Current Period Actual	Prior Year Current Period Actual	Current Period Budget Variance - Original	YTD Budget - Original	YTD Actual	Prior Year Actual	YTD Budget Variance - Original	Total Budget - Original	Remaining Budget Amount	Percent Total Budget Used - Original
48760	Other Charges for Services	0.00	0.00	20,020.00	0.00	0.00	0.00	20,020.00	0.00	0.00	0.00	0.00
48801	Court Fines	8,049.99	2,892.06	9,075.13	(5,157.93)	8,049.99	2,892.06	9,075.13	(5,157.93)	32,200.00	(29,307.94)	0.09
48802	Safety Violations	174.99	52.00	228.00	(122.99)	174.99	52.00	228.00	(122.99)	700.00	(648.00)	0.07
48804	Parking Tickets	125.01	15.00	132.50	(110.01)	125.01	15.00	132.50	(110.01)	500.00	(485.00)	0.03
48805 •	Violations of Local Ordinances	750.00	0.00	0.00	(750.00)	750.00	0.00	0.00	(750.00)	3,000.00	(3,000.00)	0.00
48807	False Alarm Fines	24.99	102.00	45.00	77.01	24.99	102.00	45.00	77.01	100.00	2.00	1.02
48810	Interest Earnings/Dividends	5,000.01	2,962.49	5,032.72	(2,037.52)	5,000.01	2,962.49	5,032.72	(2,037.52)	20,000.00	(17,037.51)	0.15
48811	Interest - SBA	21,249.99	0.00	20,818.47	(21,249.99)	21,249.99	0.00	20,818.47	(21,249.99)	85,000.00	(85,000.00)	0.00
48812	Interest - Tax Collector	624.99	0.00	0.00	(624.99)	624.99	0.00	0.00	(624.99)	2,500.00	(2,500.00)	0.00
48813	Interest-FHLB Variable	0.00	0.00	2,812.50	0.00	0.00	0.00	2,812.50	0.00	0.00	0.00	0.00
48814	Interest-FHLB Fixed	5,000.01	4,301.00	0.00	(699.01)	5,000.01	4,301.00	0.00	(699.01)	20,000.00	(15,699.00)	0.22
48815	Rent - 3rd Floor City Hall	14,734.50	9,822.96	14,305.29	(4,911.54)	14,734.50	9,822.96	14,305.29	(4,911.54)	58,938.00	(49,115.04)	0.17
48816	Rent - Antenna	0.00	0.00	1,291.35	0.00	0.00	0.00	1,291.35	0.00	0.00	0.00	0.00
48821	School Board - Tom Varn Park	5,000.01	0.00	0.00	(5,000.01)	5,000.01	0.00	0.00	(5,000.01)	20,000.00	(20,000.00)	0.00
48830	Impact Fees - Interest	0.00	0.00	250.90	0.00	0.00	0.00	250.90	0.00	0.00	0.00	0.00
48860	Contributions and Donations	249.99	2,000.00	500.00	1,750.01	249.99	2,000.00	500.00	1,750.01	1,000.00	1,000.00	2.00
48870	Gain or Loss on Sale of Invest	0.00	(375.20)	0.00	(375.20)	0.00	(375.20)	0.00	(375.20)	0.00	(375.20)	1.00
48871	Change in Fair Market Value	0.00	0.00	(1,741.55)	0.00	0.00	0.00	(1,741.55)	0.00	0.00	0.00	0.00
48890	Miscellaneous Revenues	8,750.01	5,854.27	12,484.64	(2,895.74)	8,750.01	5,854.27	12,484.64	(2,895.74)	35,000.00	(29,145.73)	0.17
48892	CRA /Management Fee	6,987.51	0.00	13,975.00	(6,987.51)	6,987.51	0.00	13,975.00	(6,987.51)	27,950.00	(27,950.00)	0.00
48893	Vending Machine Commission	75.00	102.97	72.75	27.97	75.00	102.97	72.75	27.97	300.00	(197.03)	0.34
48896	Miscellaneous Revenues-Police	1,250.01	2,438.00	769.39	1,187.99	1,250.01	2,438.00	769.39	1,187.99	5,000.00	(2,562.00)	0.49
48897	Miscellaneous Revenues- Cemetery	249.99	225.00	290.00	(24.99)	249.99	225.00	290.00	(24.99)	1,000.00	(775.00)	0.23

City of Brooksville

Summary Budget Comparison - Monthly-GenFund Revenue 08 - Unposted Transactions Included In Report

001 - General Government

From 10/1/2007 Through 12/31/2007

Account Code	Account Title	Current Period Budget - Original	Current Period Actual	Prior Year Current Period Actual	Current Period Budget Variance - Original	YTD Budget - Original	YTD Actual	Prior Year Actual	YTD Budget Variance - Original	Total Budget - Original	Remaining Budget Amount	Percent Total Budget Used - Original
48898	Miscellaneous Revenues- Quarry Golf Course	375.00	109.61	227.49	(265.39)	375.00	109.61	227.49	(265.39)	1,500.00	(1,390.39)	0.07
48899	Miscellaneous Revenue-JBCC	1,250.01	2,240.00	952.55	989.99	1,250.01	2,240.00	952.55	989.99	5,000.00	(2,760.00)	0.45
48900 •	Miscellaneous Revenues-McKetha...	924.99	17.86	1,240.60	(907.13)	924.99	17.86	1,240.60	(907.13)	3,700.00	(3,682.14)	0.00
49105	Transfer In from 105	2,499.99	1,666.66	2,505.99	(833.33)	2,499.99	1,666.66	2,505.99	(833.33)	10,000.00	(8,333.34)	0.17
49108	Transfer In from 108	74,358.75	54,028.24	77,049.40	(20,330.51)	74,358.75	54,028.24	77,049.40	(20,330.51)	297,435.00	(243,406.76)	0.18
49309	Transfer In from 309	5,831.01	0.00	0.00	(5,831.01)	5,831.01	0.00	0.00	(5,831.01)	23,324.00	(23,324.00)	0.00
49401	Transfer In from 401	111,113.01	74,075.34	98,450.00	(37,037.67)	111,113.01	74,075.34	98,450.00	(37,037.67)	444,452.00	(370,376.66)	0.17
49403	Transfer In from 403	26,025.99	17,350.68	22,249.98	(8,675.31)	26,025.99	17,350.68	22,249.98	(8,675.31)	104,104.00	(86,753.32)	0.17
49603	Transfer In from 603	0.00	0.00	45.00	0.00	0.00	0.00	45.00	0.00	0.00	0.00	0.00
49700	Other Transfers In/Loans	28.74	0.00	0.00	(28.74)	28.74	0.00	0.00	(28.74)	115.00	(115.00)	0.00
	Total 001 - General Government	1,874,720.46	3,002,884.86	3,376,445.33	1,128,164.40	1,874,720.46	3,002,884.86	3,376,445.33	1,128,164.40	7,498,882.00	(4,495,997.14)	0.40
Report Difference		1,874,720.46	3,002,884.86	3,376,445.33	1,128,164.40	1,874,720.46	3,002,884.86	3,376,445.33	1,128,164.40	7,498,882.00	(4,495,997.14)	0.40

City of Brooksville

Summary Budget Comparison - Monthly-GenFund Revenue 08 - Unposted Transactions Included In Report

108 - Local Option Gas Tax

From 10/1/2007 Through 12/31/2007

Account Code	Account Title	Current Period Budget - Original	Current Period Actual	Prior Year Current Period Actual	Current Period Budget Variance - Original	YTD Budget - Original	YTD Actual	Prior Year Actual	YTD Budget Variance - Original	Total Budget - Original	Remaining Budget Amount	Percent Total Budget Used - Original
40100	Local Option Gas Taxes	74,358.75	45,661.49	50,440.66	(28,697.26)	74,358.75	45,661.49	50,440.66	(28,697.26)	297,435.00	(251,773.51)	0.15
	Total 108 - Local Option Gas Tax	74,358.75	45,661.49	50,440.66	(28,697.26)	74,358.75	45,661.49	50,440.66	(28,697.26)	297,435.00	(251,773.51)	0.15
Report Difference		74,358.75	45,661.49	50,440.66	(28,697.26)	74,358.75	45,661.49	50,440.66	(28,697.26)	297,435.00	(251,773.51)	0.15

Reed

2 months

City of Brooksville

Summary Budget Comparison - Monthly-GenFund Revenue 08 - Unposted Transactions Included In Report

309 - Capital Improvement Revenue Fund-Bond 06

From 10/1/2007 Through 12/31/2007

Account Code	Account Title	Current Period Budget - Original	Current Period Actual	Prior Year Current Period Actual	Current Period Budget Variance - Original	YTD Budget - Original	YTD Actual	Prior Year Actual	YTD Budget Variance - Original	Total Budget - Original	Remaining Budget Amount	Percent Total Budget Used - Original	need
45140	Mobile Home Licenses	8,499.99	17,753.37	0.00	9,253.38	8,499.99	17,753.37	0.00	9,253.38	34,000.00	(16,246.63)	0.52	2 months
	Total 309 - Capital Improvement Revenue Fund-Bond 06	8,499.99	17,753.37	0.00	9,253.38	8,499.99	17,753.37	0.00	9,253.38	34,000.00	(16,246.63)	0.52	
Report Difference		8,499.99	17,753.37	0.00	9,253.38	8,499.99	17,753.37	0.00	9,253.38	34,000.00	(16,246.63)	0.52	

Attachment 6

Ad Valorem Tax[1]

Section 9, Article VII, Florida Constitution
Chapters 192-197 and 200, Florida Statutes

Brief Overview

The ability of local governments to raise revenue for governmental operations is narrowly constrained by the state constitution.

> Counties, school districts, and municipalities shall, and special districts may, be authorized by law to levy ad valorem taxes and may be authorized by general law to levy other taxes, for their respective purposes, except ad valorem taxes on intangible personal property and taxes prohibited by this constitution.[2]
>
> Ad valorem taxes, exclusive of taxes levied for the payment of bonds and taxes levied for periods not longer than two years when authorized by vote of the electors who are the owners of freeholds therein not wholly exempt from taxation, shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the state, 1.0 mill; and for all other special districts a millage authorized by law approved by vote of the electors who are owners of freeholds therein not wholly exempt from taxation. A county furnishing municipal services may, to the extent authorized by law, levy additional taxes within the limits fixed for municipal purposes.[3]

With the exception of the ad valorem tax and other constitutionally authorized and home-rule revenue sources, local governments are dependent on the Legislature for the authority to levy any other forms of taxation. Therefore, the relative importance of the ad valorem tax as a revenue source for local governments is increased.

To summarize, local governments may levy ad valorem taxes subject to the following limitations.

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1. This discussion of ad valorem taxes has been adapted, in part, from the following informational materials: Nabors, Giblin, & Nickerson, P.A., *Primer on Home Rule & and Local Government Revenue Sources* (2005) and The Florida Legislature's Senate Committee on Government Efficiency Appropriations, House Committee on Finance and Tax, Office of Economic & Demographic Research, and the Florida Department of Revenue's Office of Tax Research, *2007 Florida Tax Handbook Including Fiscal Impact of Potential Changes* (2007).

2. Section 9(a), Art. VII, State Constitution.

3. Section 9(b), Art. VII, State Constitution.

1. Ten mills for county purposes.
2. Ten mills for municipal purposes.
3. Ten mills for school purposes.
4. A millage fixed by law for a county furnishing municipal services.
5. A millage authorized by law and approved by voters for special districts.

As mentioned, the state constitution provides two exceptions to the ten-mill cap. The exceptions include a voted debt service millage and a voted millage not to exceed a period of two years. Additionally, no property may be subject to more than twenty mills of ad valorem tax for municipal and county purposes without elector approval, regardless of the property's location, under the state constitution. Duval County-City of Jacksonville is a consolidated government; therefore, it has a twenty-mill cap since it operates as both a county and municipal government.

County Millages

County government millages are composed of four categories of millage rates.[4]

1. General millage is the nonvoted millage rate set by the county's governing body.
2. Debt service millage is the rate necessary to raise taxes for debt service as authorized by a vote of the electors pursuant to Section 12, Art. VII, State Constitution.
3. Voted millage is the rate set by the county's governing body as authorized by a vote of the electors pursuant to Section 9(b), Art. VII, State Constitution.
4. County dependent special district millage is added to the county's millage to which the district is dependent. A dependent special district is defined as a special district meeting at least one of four criteria specified in law.[5]

County Furnishing Municipal Services

General law implements the constitutional language authorizing a county furnishing municipal services to levy additional taxes within the limits fixed for municipal purposes via the establishment of municipal service taxing or benefit units.[6] The distinction between a municipal service taxing unit (MSTU) and a municipal service benefit unit (MSBU) is that a MSBU is the correct terminology when the mechanism used to fund the county services is derived through service charges or special assessments rather than taxes.

The creation of a MSTU allows the county's governing body to place the burden of ad valorem taxes upon property in a geographic area less than countywide to fund a particular municipal-type service or services. The MSTU is used in a county budget to separate those ad valorem taxes levied within

4. Section 200.001(1), F.S. (2007).

5. Section 189.403(2), F.S. (2007).

6. Section 125.01(1)(q), F.S. (2007).

the taxing unit itself to ensure that the funds derived from the tax levy are used within the boundaries of the taxing unit for the contemplated services. If ad valorem taxes are levied to provide these municipal services, counties are authorized to levy up to ten mills.[7]

The MSTU may encompass the entire unincorporated area, a portion of the unincorporated area, or all or part of the boundaries of a municipality. However, the inclusion of municipal boundaries within the MSTU is subject to the consent by ordinance of the governing body of the affected municipality given either annually or for a term of years.

Municipal Millages

Municipal government millages are composed of four categories of millage rates.[8]

1. General millage is the nonvoted millage rate set by the municipality's governing body.
2. Debt service millage is the rate necessary to raise taxes for debt service as authorized by a vote of the electors pursuant to Section 12, Art. VII, State Constitution.
3. Voted millage is the rate set by the municipality's governing body as authorized by a vote of the electors pursuant to Section 9(b), Art. VII, State Constitution.
4. Municipal dependent special district millage is added to the municipality's millage to which the district is dependent and included as municipal millage for the purpose of the ten-mill cap.

School District Millages

As previously stated, the state constitution restricts the levy of nonvoted ad valorem tax levies for school purposes to ten mills. The voted levies, which are constitutionally available to counties and municipalities as well as school districts, do not count toward the ten-mill cap. School district millage rates are composed of five categories.[9]

1. Nonvoted required operating millage (otherwise known as *required local effort*) is the rate specified in the current year's General Appropriations Act and imposed by the school board for current operating purposes pursuant to s. 1011.60(6), F.S.
2. Nonvoted discretionary operating millage is the rate set by the school board for those operating purposes other than the required local effort millage rate imposed pursuant to s. 1011.60(6), F.S., and the nonvoted capital improvement millage rate imposed pursuant to s. 1011.71(2), F.S. The Legislature shall prescribe annually in the appropriations act the maximum amount of millage a district may levy.[10]

7. Section 200.071(3), F.S. (2007).

8. Section 200.001(2), F.S. (2007).

9. Id., at (3).

10. Section 1011.71(1), F.S. (2007).

3. Nonvoted capital improvement millage is the rate set by the school board for capital improvements as authorized in s. 1011.71(2), F.S. General law caps the maximum rate at 2 mills.
4. Voted operating millage is the rate set by the school board for current operating purposes as authorized by a vote of the electors pursuant to Section 9(b), Art. VII, State Constitution.
5. Voted debt service millage is the rate set by the school board as authorized by a vote of the electors pursuant to Section 12, Art. VII, State Constitution.

As previously mentioned, the Legislature requires all school districts to levy a required local effort millage rate in order to participate in state funding of kindergarten through grade 12 public school programs, via the Florida Education Finance Program.[11] The Legislature prescribes the aggregate required local effort for all school districts collectively as an item in the General Appropriations Act for each fiscal year. The millage rate required of each school district to provide its respective share of the costs is calculated annually by formula. This rate is adjusted by an equalization factor designed to account for differing levels of assessment in each district.

Independent Special District Millages

Independent special district millages are the rates set by the district's governing body, and the following issues must be addressed.[12]

1. Whether the millage authorized by a special act is approved by the electors pursuant to Section 9(b), Art. VII, State Constitution; authorized pursuant to Section 15, Art. XII, State Constitution; or otherwise authorized.
2. Whether the tax is to be levied countywide, less than countywide, or on a multicounty basis.

Adjustments to the Tax Base

The ad valorem taxable base is the fair market value of locally assessed real estate, tangible personal property, and state assessed railroad property, less certain exclusions, differentials, exemptions, and credits. Intangible personal property is excluded because it is separately assessed and taxed by the state. A brief explanation of the adjustments to the taxable base follows.

Exclusions are specific types of property constitutionally or statutorily removed from ad valorem taxation. The following list reflects the major categories of exclusions.

1. Transportation vehicles such as automobiles, boats, airplanes, and trailer coaches that are constitutionally excluded from ad valorem taxation but subject to a license tax.

11. Section 1011.62, F.S. (2007).

12. Section 200.001(4), F.S. (2007).

2. Personal property brought into the state for transshipment that statutorily is not considered to have acquired taxable situs and therefore is not part of the tax base.

Differentials are reductions in assessments that result from a valuation standard other than fair market value. The following list reflects the valuation standards.

1. Value in current use only (e.g., agricultural value).
2. Value at a specified percentage of fair market value (e.g., the state constitution allows inventory and livestock to be assessed on a percentage basis, although the Legislature has exercised its option to totally exempt such property).
3. Value that results from a limitation on annual increases (e.g., increases in assessments of homestead property are limited to the lesser of 3 percent or the Consumer Price Index up to the fair market value).

Exemptions are deductions from the assessed value that are typically specified as a dollar amount (e.g., homestead exemption of $25,000). However, certain exemptions are equal to the total assessed value of the property (e.g., property used exclusively for charitable purposes), or are equal to a portion of the total assessment, based on a ratio of exempt use to total use, provided that said percentage must exceed 50 percent (e.g., property used predominantly for charitable purposes).

Credits are deductions from the tax liability of a particular taxpayer and may take the form of allowances, discounts, and rebates. Currently, the only credits allowed in Florida are early payment and installment discounts of not more than 4 percent.

Deferrals do not reduce the taxpayer's overall tax liability but allow for changes in the timing of payments. Under certain circumstances, a taxpayer may defer a portion of the taxes due on homestead property for the remaining lifetime of the property owner and spouse or until the sale of the property.

General Law Amendments

The following list highlights the legislation passed during the 2007 Regular Legislative Session and Special Sessions A-B that amended provisions related to property tax administration. The 2007 chapter laws are available via the Department of State's Division of Elections website.[13]

Chapter Law #	Subject
2007-4	Homestead Exemption/Increase/Seniors
2007-36	Ad Valorem Tax/Disabled Veterans
2007-106	Tax Administration
2007-121	Blindness/Homestead Exemption/Certification Form

13. http://election.dos.state.fl.us/laws/07laws/index.shtml

2007-194	School Districts
2007-198	Affordable Housing
2007-321	Ad Valorem Taxation

Local officials should pay particular attention to Chapter 2007-321, L.O.F., which reflects part of the Legislature's property tax reform package adopted during the 2007 Special Session B and has significant fiscal implications for Florida's local governments. In summary, the legislation rolls back property tax rates levied by counties, municipalities, and independent special districts. The rates would be capped on a going forward basis, unless the caps are overridden by a super-majority vote of the governing body or by referendum. If a county or municipality exceeds the maximum rate without the required votes, then the local government will not receive the Local Government Half-cent Sales Tax distributions for 12 months. The Department of Revenue (DOR) has created a website to assist local government officials with the implementation of the property tax reform legislation.[14]

Eligibility Requirements

As previously mentioned, the state constitution authorizes counties, municipalities, and school districts to levy ad valorem taxes. In addition, the Legislature may, at its discretion, authorize special districts to levy ad valorem taxes.

Millage rates are fixed only by ordinance or resolution of the taxing authority's governing body in the manner specifically provided by general law or special law.[15] Millage rates vary among local governments subject to constitutional, statutory, and political limitations.

Administrative Procedures

The DOR and units of local government administer the ad valorem tax. Two county constitutional officers, the property appraiser and tax collector, have primary responsibility for the collection and administration of ad valorem taxes at the local level. The property appraiser is charged with determining the value of all property within the county, maintaining appropriate records related to the valuation of such property, and determining the ad valorem tax on taxable property. The tax collector is charged with the collection of ad valorem taxes levied by the county, school district, all municipalities within the county, and any special taxing districts within the county.

The DOR has general supervision of the assessment and valuation of property so that all property is placed on the tax rolls and valued according to its just valuation. Additionally, the DOR prescribes and furnishes all forms as well as prescribes rules and regulations to be used by property appraisers,

14. http://dor.myflorida.com/dor/property/spec_session.html

15. Section 200.001(7), F.S. (2007).

tax collectors, clerks of circuit court, and value adjustment boards in administering and collecting ad valorem taxes.

Chapter 195, F.S., addresses the administration of property assessments. Additional chapters of the Florida Statutes deal with other relevant issues: Chapter 192, general provisions of taxation; Chapter 193, assessments; Chapter 194, administrative and judicial review of property taxes; Chapter 196, exemptions; Chapter 197, tax collections, sales, and liens; and Chapter 200, determination of millage.

Distribution of Proceeds

The tax collector distributes taxes to each taxing authority.[16]

Authorized Uses

Ad valorem taxes are considered general revenue for general-purpose local governments (i.e., county, municipality, or consolidated city-county government) as well as for school districts. An independent special district may be restricted in the expenditure of the revenue for the purpose associated with the creation of the district itself. If ad valorem taxes are levied within a municipal service taxing unit (MSTU), the expenditure of those funds may be restricted to those services specified in s. 125.01(1)(q), F.S.

Relevant Attorney General Opinions

Florida's Attorney General has issued hundreds of legal opinions relevant to this revenue source. The full texts of those opinions are available via the searchable on-line database of legal opinions.[17] Interested persons may view the opinions by accessing the website and performing a search using the keyword phrase *ad valorem tax*.

Local government officials seeking more clarification should review the opinions in their entirety. The reader should keep the date of the opinion in mind when reviewing its relevance to current law or any interpretations that have been articulated in Florida case law.

Current and Prior Years' Revenues

No revenue estimates for individual local governments in the current fiscal year are available. The DOR annually publishes its *Florida Property Valuations & Tax Data* report that details property valuations and tax data by local jurisdiction. The most recent edition contains values for 2006 as

16. Section 197.383, F.S. (2007).

17. http://myfloridalegal.com/opinions

well as several prior years for purposes of comparison and is available via the DOR's website.[18] Using data obtained from these annual reports, the LCIR staff has compiled several summaries that profile millage rates and ad valorem taxes levied by counties, municipalities, and school districts. These profiles are available via the LCIR's website.[19]

18. http://dor.myflorida.com/dor/property/databk.html

19. http://www.floridalcir.gov/dataatof.cfm

Attachment 7

Municipal Revenue Sharing Program

Sections 206.605(1), 206.879(1), 212.20(6), and 218.20-.26, Florida Statutes

Brief Overview

The Florida Revenue Sharing Act of 1972 was a major attempt by the Legislature to ensure a minimum level of revenue parity across units of local government.[1] Provisions in the enacting legislation created the Revenue Sharing Trust Fund for Municipalities. Currently, the trust fund receives 1.3409 percent of sales and use tax collections, 12.5 percent of the state alternative fuel user decal fee collections, and the net collections from the one-cent municipal fuel tax. An allocation formula serves as the basis for the distribution of these revenues to each municipality that meets strict eligibility requirements. Municipalities must use the funds derived from the one-cent municipal fuel tax for transportation-related expenditures. Additionally, there are statutory limitations on the use of the funds as a pledge for bond indebtedness.

General Law Amendments

Legislation passed during the 2007 Regular Legislative Session and Special Sessions A-B did not affect provisions related to this revenue source. Typically, legislation is passed each year that results in changes to the state's sales tax base or sales tax administration. Such changes have the potential for fiscal impact, either positively or negatively, to the amount of sales tax revenues available for distribution to county and municipal governments. However, a summary of such changes is not provided here.

Eligibility Requirements

In order to be eligible to participate in revenue sharing beyond the minimum entitlement in any fiscal year, a municipal government must have satisfied a number of statutory requirements.[2] As it relates to municipal revenue sharing, the minimum entitlement is defined as the amount of revenue, as certified by the municipal government and determined by the Department of Revenue (DOR), which must be shared with the municipality so that the municipality will receive the amount of revenue necessary to meet its obligations as the result of pledges, assignments, or trusts entered into which obligated funds received from revenue sources or proceeds distributed out of the Revenue Sharing Trust Fund for Municipalities [hereinafter Trust Fund].[3]

1. Chapter 72-360, L.O.F.
2. Section 218.23(1), F.S. (2007).
3. Section 218.21(7), F.S. (2007).

Administrative Procedures

The municipal revenue sharing program is administered by the DOR, and monthly distributions shall be made to eligible municipal governments. The program is comprised of state sales taxes, municipal fuel taxes, and state alternative fuel user decal fees that are collected and transferred to the Trust Fund.

The percentage of each revenue source transferred into the Trust Fund is listed below. The proportional contribution of each source during the state fiscal year 2008, as determined by the DOR, is also noted.

1.3409 percent of sales and use tax collections[4] = 73.37 percent of total program funding

One-cent municipal fuel tax on motor fuel[5] = 26.62 percent of total program funding

12.5 percent of state alternative fuel user decal fee collections[6] = 0.01 percent of total program funding

Once each fiscal year, the DOR shall compute apportionment factors for use during the fiscal year.[7] The computation shall be made prior to July 25th of each fiscal year and shall be based upon information submitted and certified to the DOR prior to June 1st of each year. Except in the case of error, the apportionment factors shall remain in effect for the fiscal year. It is the duty of the local government to submit the certified information required for the program's administration to the DOR in a timely manner. A local government's failure to provide timely information authorizes the DOR to utilize the best information available or, if no such information is available, to take any necessary action, including partial or entire disqualification. Additionally, the local government shall waive its right to challenge the DOR's determination as to the jurisdiction's share of program revenues.

Distribution of Proceeds

An apportionment factor is calculated for each eligible municipality using a formula consisting of the following equally weighted factors: *adjusted municipal population*, *municipal sales tax collections*, and *municipality's relative ability to raise revenue.*[8]

4. Section 212.20(6)(d), F.S. (2007).
5. Section 206.605(1), F.S. (2007).
6. Section 206.879(1), F.S. (2007).
7. Section 218.26, F.S. (2007).
8. Section 218.245(2), F.S. (2007).

Adjusted Municipal Population

The adjusted municipal population factor is calculated by multiplying a given municipality's population by the appropriate adjustment factor and dividing that product by the total adjusted statewide municipal population. Depending on the municipality's population, one of the following adjustment factors is used.

Population Class	Adjustment Factor
0 - 2,000	1.0
2,001 - 5,000	1.135
5,001 - 20,000	1.425
20,001 - 50,000	1.709
Over 50,000	1.791

Inmates and residents residing in institutions operated by the federal government as well as the Florida Departments of Corrections, Health, and Children and Families are not considered to be residents of the county in which the institutions are located for the purpose of calculating the distribution proportions.[9]

Municipal Sales Tax Collections

In order to calculate the municipal sales tax collection factor, it is first necessary to allocate a share of the sales tax collected within a county to each of its respective municipalities. This allocation is derived on the basis of population. First, the municipality's population is divided by the total countywide population. Second, the resulting quotient is multiplied by the countywide sales tax collections to determine the sales tax collected within a given municipality. The municipal sales tax collection factor is then calculated by dividing the sales tax collected within a given municipality by the total sales tax collected within all eligible municipalities in the state.

Municipality's Relative Ability to Raise Revenue

The municipality's relative ability to raise revenue factor is determined by a three-step process involving a series of calculations. First, the per capita taxable real and personal property valuation of all eligible municipalities in the state is divided by the per capita taxable real and personal property valuation of a given municipality. Second, a given municipality's quotient, as calculated in the first step, is multiplied by the municipality's population. For discussion purposes, this product is referred to as the recalculated population. Third, a given municipality's recalculated population is divided by the total recalculated population of all eligible municipalities in the state. This quotient represents the municipality's relative ability to raise revenue factor.

9. Section 186.901, F.S. (2007).

Consequently, a municipality's apportionment factor is determined by the following formula.

$$\text{Apportionment Factor} = \frac{\text{Adjusted Municipal Population} + \text{Municipal Sales Tax Collections} + \text{Municipality's Relative Ability to Raise Revenue}}{3}$$

Adjustment for a Metropolitan or Consolidated Government

For a metropolitan or consolidated government, as provided in Section 3, 6(e) or (f), Art. VIII, State Constitution (i.e., Miami-Dade County and City of Jacksonville-Duval County), the factors are further adjusted by multiplying the adjusted or recalculated population or sales tax collections, as the case may be, by a percentage that is derived by dividing the total amount of ad valorem taxes levied by the county government on real and personal property in the area of the county outside of municipal limits or urban service district limits by the total amount of ad valorem taxes levied on real and personal property by the county and municipal governments.[10]

Hold-Harmless Adjustment

Revenues attributed to the increase in the state sales tax distribution to the Trust Fund from 1.0715 percent to 1.3409 percent, as provided in ch. 2003-402, L.O.F., shall be distributed to each eligible municipality and consolidated government in the following manner.[11] Each eligible local government's allocation shall be based on the amount it received from the Local Government Half-cent Sales Tax Program under s. 218.61, F.S., in the prior state fiscal year divided by the total receipts under the same authority in the prior state fiscal year for all eligible local governments provided, however, for the purpose of calculating this distribution, the amount received in the prior state fiscal year by a consolidated unit of local government (i.e., City of Jacksonville/Duval County) shall be reduced by 50 percent for such local government and for the total receipts. For eligible municipalities that began participating in this allocation in the previous state fiscal year, their annual receipts shall be calculated by dividing their actual receipts by the number of months they participated, and the results multiplied by 12.

In summary, the distribution to an eligible municipality is determined by the following procedure.[12] First, a municipal government's entitlement shall be computed on the basis of the apportionment factor applied to all Trust Fund receipts available for distribution. Second, the revenue to be shared via the formula in any fiscal year is adjusted so that no municipality receives fewer funds than its guaranteed entitlement, which is equal to the aggregate amount received from the state in fiscal year 1971-72 under then-existing statutory provisions. Third, the revenue to be shared via the formula in

10. Section 218.245(2)(d), F.S. (2007).

11. Id., at (3).

12. Section 218.23(3), F.S. (2007).

any fiscal year is adjusted so that all municipalities receive at least their minimum entitlement, which means the amount of revenue necessary for a municipality to meet its obligations as the result of pledges, assignments, or trusts entered into that obligated Trust Fund monies. Finally, after making these adjustments, any remaining Trust Fund monies shall be distributed on the basis of additional money of each qualified municipality in proportion to the total additional money for all qualified municipalities.

Authorized Uses

Several statutory restrictions exist regarding the authorized use of municipal revenue sharing proceeds. Funds derived from the municipal fuel tax on motor fuel shall be used only for the purchase of transportation facilities and road and street rights-of-way; construction, reconstruction, and maintenance of roads, streets, bicycle paths, and pedestrian pathways; adjustment of city-owned utilities as required by road and street construction; and construction, reconstruction, transportation-related public safety activities, maintenance, and operation of transportation facilities. Municipalities are authorized to expend these funds in conjunction with other municipalities, counties, state government, or the federal government in joint projects.

According to the DOR, municipalities may assume that 26.62 percent of their estimated 2008 fiscal year distribution is derived from the municipal fuel tax. Therefore, at least that proportion of each municipality's revenue sharing distribution must be expended on those transportation-related purposes specifically mentioned in the preceding paragraph.

Municipalities are restricted as to the amount of program funds that can be assigned, pledged, or set aside as a trust for the payment of principal or interest on bonds, tax anticipation certificates, or any other form of indebtedness, and there shall be no other use restriction on these shared revenues.[13] Municipalities may assign, pledge, or set aside as trust for the payment of principal or interest on bonds, tax anticipation certificates, or any other form of indebtedness an amount up to 50 percent of the funds received in the prior year.[14] Consequently, it is possible that some portion of a municipality's growth monies will become available as a pledge for bond indebtedness.

Relevant Attorney General Opinions

Florida's Attorney General has issued a number of opinions relevant to this revenue source. The full texts of those opinions are available via the searchable on-line database of legal opinions.[15] In a recent search, the LCIR staff identified the following opinions pertaining to this revenue source.

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13. Section 218.25(1), F.S. (2007).
14. Id., at (4).
15. http://myfloridalegal.com/opinions

Opinion #	Subject
73-246	Revenue Sharing Act of 1972, applicability
74-367	Revenue Sharing Act of 1972, applicability to regional housing authorities
77-21	State revenue sharing trust fund, charter counties
78-110	Municipalities, financing restrictions
82-94	Municipal fuel tax, use of proceeds for sewer system repairs
83-32	Municipal fuel tax, use of proceeds for channel maintenance dredging
85-15	Municipal revenue sharing, DOR's authority to withhold funds
92-87	Distribution of trust fund monies in the event of revised population estimate
2000-37	Municipal fuel tax, use of proceeds
2007-09	Municipalities, minimum millage

Local government officials seeking more clarification should review the opinions in their entirety. The statutory language pertaining to this revenue source has been amended since its authorization. The reader should keep the date of the opinion in mind when reviewing its relevance to current law or any interpretations that have been articulated in Florida case law.

Current and Prior Years' Revenues

The table included in this section lists the estimated distributions to municipal governments for state fiscal year 2008 as calculated by the DOR. The figures represent a 100 percent distribution of the estimated monies. Inquiries regarding the DOR's estimates should be addressed to the Office of Tax Research at (850) 488-9627. Summaries of prior years' distributions are available via the LCIR's website.[16]

16. http://www.floridalcir.gov/datamtor.cfm

Municipal Revenue Sharing Program

Revenue Estimates for the State Fiscal Year Ending June 30, 2008

Municipality	County	Guaranteed	Monies Needed to Meet FY 2000 Distribution	Growth Money	Additional Hold Harmless Provision	Yearly Total
Tamarac	Broward	96,778	1,098,792	438,470	304,954	1,938,993
West Park	Broward	-	-	457,394	71,269	528,663
Weston	Broward	-	734,078	558,164	317,061	1,609,303
Wilton Manors	Broward	350,732	14,698	-	64,610	430,040
Altha	Calhoun	7,411	25,570	3,736	1,208	37,925
Blountstown	Calhoun	57,485	25,265	12,417	5,312	100,479
Punta Gorda	Charlotte	146,243	290,244	-	116,910	553,397
Crystal River	Citrus	95,471	82,517	-	17,971	195,959
Inverness	Citrus	119,126	158,993	-	34,915	313,034
Green Cove Springs	Clay	82,207	86,797	5,675	30,679	205,359
Keystone Heights	Clay	26,696	20,290	-	6,911	53,897
Orange Park	Clay	92,507	214,419	-	45,560	352,486
Penney Farms	Clay	3,053	34,801	-	3,079	40,933
Everglades	Collier	9,969	7,822	-	4,964	22,754
Marco Island	Collier	-	313,452	26,590	147,377	487,419
Naples	Collier	386,057	278,555	-	216,680	881,292
Fort White	Columbia	8,215	13,628	-	2,764	24,607
Lake City	Columbia	241,791	97,728	-	64,290	403,809
Arcadia	De Soto	157,477	58,085	15,122	25,127	255,811
Cross City	Dixie	60,079	44,964	-	4,228	109,270
Horseshoe Beach	Dixie	1,856	2,884	-	625	5,365
Atlantic Beach	Duval	65,115	223,961	54,695	119,058	462,829
Baldwin	Duval	21,646	18,965	17,576	13,835	72,022
Jacksonville	Duval	5,826,077	1,493,270	3,950,729	3,332,889	14,602,965
Jacksonville (Duval)	Duval	-	9,147,024	3,375,775	-	12,522,799
Jacksonville Beach	Duval	219,174	271,792	59,043	182,076	732,085
Neptune Beach	Duval	41,884	120,975	21,637	61,360	245,856
Century	Escambia	53,674	37,553	-	11,921	103,148
Pensacola	Escambia	727,797	1,208,512	-	365,597	2,301,907
Beverly Beach	Flagler	4,223	2,419	989	1,639	9,270
Bunnell	Flagler	38,218	17,416	-	7,317	62,951
Palm Coast	Flagler	-	-	1,459,139	180,414	1,639,553
Flagler Beach	Flagler/Volusia	23,161	61,266	10,822	17,178	112,428
Apalachicola	Franklin	51,929	26,876	-	13,132	91,937
Carrabelle	Franklin	25,647	13,071	-	6,873	45,591
Chattahoochee	Gadsden	81,632	20,315	19,314	6,284	127,545
Greensboro	Gadsden	9,894	16,933	7,855	1,720	36,401
Gretna	Gadsden	11,242	196,491	-	4,548	212,281
Havana	Gadsden	28,337	19,857	5,740	4,690	58,624
Midway	Gadsden	-	44,305	1,986	4,111	50,402
Quincy	Gadsden	166,567	53,139	14,616	18,180	252,502
Bell	Gilchrist	5,992	3,449	2,730	824	12,995
Trenton	Gilchrist	22,161	16,661	9,717	2,994	51,533
Fanning Springs	Gilchrist/Levy	7,553	7,022	5,959	2,704	23,238
Moore Haven	Glades	32,012	12,379	5,155	2,615	52,161
Port Saint Joe	Gulf	64,183	12,435	-	11,148	87,766
Wewahitchka	Gulf	23,114	39,495	-	5,197	67,806
Jasper	Hamilton	59,554	6,604	-	4,249	70,407
Jennings	Hamilton	12,571	16,539	11,542	2,065	42,717
White Springs	Hamilton	13,231	17,299	3,317	1,898	35,745
Bowling Green	Hardee	24,763	46,667	99,349	8,151	178,930
Wauchula	Hardee	81,340	30,308	42,215	11,195	165,058
Zolfo Springs	Hardee	23,025	24,473	21,095	4,214	72,808
Clewiston	Hendry	116,479	64,991	24,616	29,328	235,414
La Belle	Hendry	56,826	24,144	22,667	20,007	123,644
Brooksville	Hernando	175,729	197,686	-	34,975	408,390
Weeki Wachee	Hernando	2,118	168	-	38	2,325
Avon Park	Highlands	119,637	159,617	61,915	43,525	384,694
Lake Placid	Highlands	53,574	10,289	-	8,671	72,535
Sebring	Highlands	168,381	89,615	15,506	50,248	323,750
Plant City	Hillsborough	332,397	466,961	194,641	253,482	1,247,481
Tampa	Hillsborough	4,897,504	3,693,425	1,130,586	2,548,074	12,269,589
Temple Terrace	Hillsborough	205,169	350,033	126,800	173,373	855,375
Bonifay	Holmes	46,920	39,056	3,530	5,654	95,161
Esto	Holmes	4,617	11,583	5,186	786	22,173
Noma	Holmes	-	15,105	3,276	473	18,854

Municipal Revenue Sharing Program

Revenue Estimates for the State Fiscal Year Ending June 30, 2008

Municipality	County	Guaranteed	Monies Needed to Meet FY 2000 Distribution	Growth Money	Additional Hold Harmless Provision	Yearly Total
Jasper	Hamilton	59,554	6,604	-	4,111	70,269
Jennings	Hamilton	12,571	16,539	9,563	1,998	40,671
White Springs	Hamilton	13,231	17,299	2,359	1,837	34,726
Bowling Green	Hardee	24,763	46,667	85,467	7,886	164,784
Wauchula	Hardee	81,340	30,308	34,896	10,831	157,375
Zolfo Springs	Hardee	23,025	24,473	17,581	4,077	69,157
Clewiston	Hendry	116,479	64,991	18,326	28,375	228,170
La Belle	Hendry	56,826	24,144	18,383	19,357	118,709
Brooksville	Hernando	175,729	197,686	-	33,838	407,253
Weeki Wachee	Hernando	2,118	168	-	37	2,323
Avon Park	Highlands	119,637	159,617	49,172	42,110	370,536
Lake Placid	Highlands	53,574	10,289	-	8,389	72,253
Sebring	Highlands	168,381	89,615	9,052	48,614	315,663
Plant City	Hillsborough	332,397	466,961	156,123	245,242	1,200,724
Tampa	Hillsborough	4,897,504	3,693,425	838,692	2,465,249	11,894,870
Temple Terrace	Hillsborough	205,169	350,033	101,117	167,738	824,057
Bonifay	Holmes	46,920	39,056	1,574	5,470	93,021
Esto	Holmes	4,617	11,583	4,242	761	21,203
Noma	Holmes	-	15,105	2,593	458	18,156
Ponce de Leon	Holmes	8,741	5,469	1,098	958	16,266
Westville	Holmes	2,077	10,741	160	470	13,447
Fellsmere	Indian River	16,285	84,024	62,631	26,616	189,556
Indian River Shores	Indian River	286	46,729	9,448	22,502	78,965
Orchid	Indian River	30	943	2,029	1,860	4,862
Sebastian	Indian River	33,165	360,624	125,720	123,461	642,970
Vero Beach	Indian River	374,742	94,344	-	110,202	579,289
Alford	Jackson	7,420	25,030	-	1,875	34,325
Bascom	Jackson	2,835	2,155	1,076	423	6,489
Campbellton	Jackson	7,330	3,717	472	815	12,334
Cottondale	Jackson	15,086	31,905	1,125	3,501	51,617
Graceville	Jackson	36,420	47,038	7,460	9,507	100,425
Grand Ridge	Jackson	10,018	28,606	21,437	3,497	63,557
Greenwood	Jackson	8,020	14,583	10,716	2,959	36,278
Jacob City	Jackson	-	17,421	3,667	1,091	22,179
Malone	Jackson	15,027	22,857	3,545	2,920	44,350

Attachment 8

Local Government Half-cent Sales Tax Program

Sections 212.20(6) and 218.60-.67, Florida Statutes

Brief Overview

Authorized in 1982, the program generates the largest amount of revenue for local governments among the state-shared revenue sources currently authorized by the Legislature.[1] It distributes a portion of state sales tax revenue via three separate distributions to eligible county or municipal governments. Additionally, the program distributes a portion of communications services tax revenue to eligible fiscally constrained counties. Allocation formulas serve as the basis for these separate distributions. The program's primary purpose is to provide relief from ad valorem and utility taxes in addition to providing counties and municipalities with revenues for local programs.

The program includes three distributions of state sales tax revenues collected pursuant to ch. 212, F.S. The *ordinary* distribution to eligible county and municipal governments is possible due to the transfer of 8.814 percent of net sales tax proceeds to the Local Government Half-cent Sales Tax Clearing Trust Fund [hereinafter Trust Fund]. The *emergency* and *supplemental* distributions are possible due to the transfer of 0.095 percent of net sales tax proceeds to the Trust Fund. The emergency and supplemental distributions are available to select counties that meet certain fiscal-related eligibility requirements or have an inmate population of greater than seven percent of the total county population, respectively.

As of July 1, 2006, the program includes a separate distribution from the Trust Fund to select counties that meet statutory criteria to qualify as a *fiscally constrained county*. A fiscally constrained county is one that is entirely within a rural area of critical economic concern as designated by the Governor pursuant to s. 288.0656, F.S., or for which the value of one mill of property tax levy will raise no more than $5 million in revenue based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., F.S. This separate distribution is in addition to the qualifying county's ordinary distribution and any emergency or supplemental distribution.

General Law Amendments

As part of the Legislature's property tax reform plan adopted during Special Session B, Chapter 2007-321, L.O.F., (H1-B) rolls back property tax rates levied by counties, municipalities, and independent special districts. The rates would be capped on a going forward basis, unless the caps are overridden by a super-majority vote of the governing body or by referendum. The legislation provides significant penalties for going over the cap. If a county or municipality exceeds the maximum rate without the required votes, then the local government will not receive the Local Government Half-cent Sales Tax distributions for 12 months. These changes became effective on June 21, 2007.

1. Chapter 82-154, L.O.F.

Typically, legislation is passed each year that results in changes to the state's sales tax base or sales tax administration. Such changes have the potential for fiscal impact, either positively or negatively, to the amount of sales tax revenues available for distribution to county and municipal governments. However, a summary of such changes is not provided here.

Eligibility Requirements

Only those county and municipal governments that meet the eligibility requirements for revenue sharing pursuant to s. 218.23, F.S., shall participate in the program.[2] However, a municipality incorporated subsequent to the effective date of ch. 82-154, L.O.F. (i.e., April 19, 1982), which does not meet the applicable criteria for incorporation pursuant to s. 165.061, F.S., shall not participate in the program. In either case, distributions to eligible units of local government in that county shall be made as though the nonparticipating municipality had not incorporated.

The monies that otherwise would be distributed to a unit of local government failing to certify compliance as required by s. 218.23(1), F.S., or having otherwise failed to meet the requirements of s. 200.065, F.S., shall be deposited in the State General Revenue Fund for the twelve months following a determination of noncompliance by the Department of Revenue (DOR).[3]

A county government, meeting certain criteria, shall also participate in the monthly emergency and supplemental distributions, and such qualification shall be determined annually at the start of the fiscal year.[4] Participation in the emergency distribution is dependent on the existence of a defined fiscal emergency. The Legislature has declared that a fiscal emergency exists in any county that meets both conditions listed below.

1. The county has a population of 65,000 or less; and

2. The monies distributed to the county government pursuant to s. 218.62, F.S., for the prior fiscal year were less than the current per capita limitation, based on the county's population.

Any county having an inmate population greater than seven percent of its total population is eligible for a supplemental distribution for that year from funds expressly appropriated by the Legislature for that purpose. Inmate population means the latest official state estimate of the number of inmates and patients residing in institutions operated by the federal government, the Florida Department of Corrections, or the Florida Department of Children and Families.

At the beginning of each fiscal year, the DOR shall calculate a supplemental allocation for each eligible county equal to the current per capita limitation pursuant to s. 218.65(4), F.S., multiplied by

2. Section 218.63(1), F.S. (2007).

3. Id., at (2).

4. Section 218.65, F.S. (2007).

the county's inmate population. If monies appropriated for the current year's distribution are less than the sum of the supplemental allocations, each eligible county shall receive a share of the appropriated total that is proportional to its supplemental allocation. Otherwise, each eligible county shall receive an amount equal to its supplemental allocation.

Administrative Procedures

Monies remitted by a sales tax dealer located within the county and transferred into the Trust Fund shall be earmarked for distribution to the governing body of that county and each municipality within that county.[5] Such distributions shall be made after funding is provided pursuant to s. 218.64(3), F.S. Monies in the Trust Fund are appropriated to the DOR and shall be distributed monthly to participating units of local government.

Distribution of Proceeds

Each participating county and municipal government shall receive a proportion of monies earmarked for distribution within that county.[6] Except in the case of error of population figures certified pursuant to s. 186.901, F.S., the apportionment factors shall remain in effect for the fiscal year. Any adjustments to revenue distributions to correct for population error shall be made subsequent to receipt by the DOR of corrected certified population figures.

Calculation of the Ordinary Distribution to Eligible County and Municipal Governments

The allocation factor for each county government shall be computed by dividing the sum of the county's unincorporated area population plus two-thirds of the county's incorporated area population by the sum of the county's total population plus two-thirds of the county's incorporated area population. Each county's distribution is then determined by multiplying the allocation factor by the sales tax monies earmarked for distribution within that county.

The allocation factor for each municipal government shall be computed by dividing the municipality's total population by the sum of the county's total population plus two-thirds of the county's incorporated population. Each municipality's distribution is then determined by multiplying the allocation factor by the sales tax monies earmarked for distribution within its respective county.

5. Section 218.61, F.S. (2007).

6. Section 218.62, F.S. (2007).

Calculation of the Emergency Distribution to Eligible County Governments

The monthly emergency distribution to each eligible county is made as follows.[7]

STEP #1. The 2007-08 state fiscal year per capita limitation of $44.73 is multiplied by the latest official estimate of total county population. The county's ordinary distribution for the prior fiscal year is subtracted from this product. This difference is referred to as the county's base allocation.

STEP #2. If the monies deposited into the Trust Fund, excluding monies appropriated for supplemental distributions pursuant to s. 218.65(8), F.S., for the current year are less than or equal to the sum of the base allocations, each eligible county shall receive a share of the appropriated amount proportional to its base allocation.

STEP #3. If the monies deposited into the Trust Fund for the current year exceed the sum of base allocations, each eligible county shall receive its base allocation. Any excess monies, less any amounts distributed pursuant to s. 218.65(6), F.S., shall be distributed equally among the eligible counties on a per capita basis.

Calculation of the Supplemental Distribution to Eligible County Governments

The monthly supplemental distribution to each eligible county is made as follows.[8]

STEP #1. The 2007-08 state fiscal year per capita limitation of $44.73 is multiplied by the county's inmate population.

STEP #2. If the monies available for supplemental distribution in the current year are less than the sum of supplemental allocations, each eligible county shall receive a share of the available revenue proportional to its supplemental allocation. Otherwise, each eligible county shall receive an amount equal to its supplemental allocation.

Calculation of the Distribution to Eligible Fiscally Constrained County Governments

The amount to be distributed to each fiscally constrained county shall be determined by the DOR at the beginning of the fiscal year, using the prior fiscal year's July 1st taxable value certified pursuant to s. 1011.62(4)(a)1.a., F.S., tax data; population as defined in s. 218.21, F.S; and the millage rate levied for the prior fiscal year. The amount distributed shall be allocated based upon the following factors.[9]

7. Section 218.65(5), F.S. (2007).

8. Id., at (8).

9. Section 218.67(3), F.S. (2007).

The *relative revenue-raising capacity factor* represents the ability of an eligible county to generate ad valorem revenues from 1 mill of taxation on a per capita basis. A county that raises no more than $25 per capita from 1 mill shall be assigned a value of 1. A county that raises more than $25 but no more than $30 per capita from 1 mill shall be assigned a value of 0.75. A county that raises more than $30 but no more than $50 per capita from 1 mill shall be assigned a value of 0.5. No value shall be assigned to counties that raise more than $50 per capita from 1 mill of ad valorem taxation.

The *local effort factor* shall be a measure of the eligible county's relative level of local effort as indicated by the millage rate levied for the prior fiscal year. The local effort factor shall be the eligible county's most recently adopted countywide operating millage rate multiplied by 0.1.

Each eligible county's proportional allocation of the total amount available for distribution to all eligible counties shall be in the same proportion as the sum of the county's two factors is to the sum of the two factors for all eligible counties.

Transitional Provisions of the Emergency and Fiscally Constrained Counties Distributions

If monies deposited into the Trust Fund for the purpose of making the emergency distribution exceed the amount necessary to provide the base allocation to each eligible county, these monies may be used to provide a transitional distribution to certain counties whose population has exceeded the 65,000 limit.[10] Beginning on July 1st of the year following the year in which the county no longer qualifies for an emergency distribution, the county shall receive two-thirds of the amount received in the prior year. Beginning on July 1st of the second year following the year in which the county no longer qualifies for an emergency distribution, the county shall receive one-third of the amount received in the last year that the county qualified for the emergency distribution. If insufficient monies are available in the Trust Fund to fully provide such a transitional distribution to each eligible county, then that county shall receive a share of the available monies proportional to the amount it would have received had monies been sufficient to fully fund the transitional distribution to all eligible counties.

For those counties that will no longer qualify for the fiscally constrained county distribution after July 1, 2006, there shall be a two-year phase-out period.[11] Beginning on July 1st of the year following the year in which the value of a mill for that county exceeds $5 million in revenue, the county shall receive two-thirds of the amount received in the prior year. Beginning on July 1st of the second year following the year in which the value of a mill for that county exceeds $5 million in revenue, the county shall receive one-third of the amount received in the last year that the county qualified as a fiscally constrained county. Following the two-year phase-out period, the county shall

10. Section 218.65(6), F.S. (2007).

11. Section 218.67(4), F.S. (2007).

no longer be eligible to receive any such distributions unless the county subsequently qualifies as being fiscally constrained.

Special Distribution for Contested Property Taxes

If an action contesting a tax assessment is brought by a taxpayer in a participating county or municipality and the difference between the good faith payment made by that taxpayer pursuant to s. 194.171(3), F.S., and the taxes that would have been paid on the property appraiser's tax assessment is greater than 6 percent of the total assessed taxes for the county or municipality, the county or municipality qualifies for a special distribution of funds from the Trust Fund.[12]

Authorized Uses

The proportion of the total proceeds received by a county government, based on two-thirds of the incorporated area population, shall be deemed countywide revenues and shall be expended only for countywide tax relief or countywide programs. The remaining county government portion shall be deemed county revenues derived on behalf of the unincorporated area but may be expended on a countywide basis.[13]

Using Alachua County as an example, the following illustrates the calculation to determine the proportion of the county government's ordinary distribution based on two-thirds of the incorporated area population and the remaining proportion derived on behalf of the unincorporated area population.

2006 Population Figures Used for Revenue-Sharing Purposes
Total county population: 242,050
Total unincorporated population: 101,155
Total incorporated population: 140,895

The county government's distribution factor is calculated using the formula below.

$$\frac{\text{County's Unincorporated Population} + (2/3 \times \text{County's Incorporated Population})}{\text{Total Countywide Population} + (2/3 \times \text{County's Incorporated Population})}$$

$$\frac{101{,}155 + (2/3 \times 140{,}895)}{242{,}050 + (2/3 \times 140{,}895)} = 0.5806$$

12. Section 218.66, F.S. (2007).

13. Section 218.64, F.S. (2007).

In this example, the amount of Alachua County Government's ordinary distribution is determined by multiplying the total countywide estimated FY 2008 ordinary distribution amount by the county government's distribution factor.

$20,195,222 x 0.5806 = $11,726,248

In order to determine the county government's portions derived on behalf of two-thirds of the incorporated area population and on behalf of the unincorporated area population, it is necessary to calculate two ratios. For purposes here, these ratios will be referred to as A and B.

$$A = \frac{(2/3 \text{ x County's Incorporated Population})}{\text{Total Countywide Population} + (2/3 \text{ x County's Incorporated Population})}$$

$$A = \frac{(2/3 \text{ x } 140{,}895)}{[242{,}050 + (2/3 \text{ x } 140{,}895)]} = 0.2796$$

$$B = \frac{\text{County's Unincorporated Population}}{\text{Total Countywide Population} + (2/3 \text{ x County's Incorporated Population})}$$

$$B = \frac{101{,}155}{[242{,}050 + (2/3 \text{ x } 140{,}895)]} = 0.3011$$

The formula listed below, based on the ratios illustrated above, is used to calculate the proportion of the county government's ordinary distribution derived on behalf of two-thirds of the incorporated population.

$$\text{Proportion} = [A / (A + B)] = [0.2796 / (0.2796 + 0.3011)] = 0.4815$$

To determine Alachua County Government's portion of the ordinary distribution based on two-thirds of the incorporated area population that shall be deemed countywide revenues and expended only for countywide tax relief or countywide programs, multiply the county government's ordinary distribution amount by the proportion illustrated above.

$11,726,248 x 0.4815 = $5,646,188

In order to calculate the proportion of the county government's ordinary distribution derived on behalf of the unincorporated population, the following formula, based on the ratios illustrated above, is used.

$$\text{Proportion} = [B / (A + B)] = [0.3011 / (0.2796 + 0.3011)] = 0.5185$$

To determine Alachua County Government's portion of the ordinary distribution based on the unincorporated area population that shall be deemed county revenues but may be expended on a countywide basis, multiply the county government's ordinary distribution amount by the proportion illustrated above.

$11,726,248 x 0.5185 = $6,080,060

Municipalities are directed to expend their portions only for municipal-wide programs or for municipal-wide property tax or municipal utility tax relief. All utility tax rate reductions afforded by participation in the program shall be applied uniformly across all types of taxed utility services. A county or municipality is also authorized to pledge the proceeds for the payment of principal and interest on any capital project.

For any eligible county receiving a fiscally constrained distribution, the revenues may be used for any public purpose, except to pay debt service on bonds, notes, certificates of participation, or any other forms of indebtedness.[14]

Relevant Attorney General Opinions

Florida's Attorney General has issued a number of legal opinions relevant to this revenue source. The full texts of those opinions are available via the searchable on-line database of legal opinions.[15] In a recent search, the LCIR staff identified the following opinions pertaining to this revenue source.

Opinion #	Subject
82-41	Depositing sales tax money, procedures used by the Department of Revenue
92-87	Distribution of trust fund monies in the event of revised population estimate
94-67	City of Port LaBelle referendum, eligibility for half-cent sales tax monies
2002-36	Census correction, redistribution of sales tax

Local government officials seeking more clarification should review the opinions in their entirety. The statutory language pertaining to this revenue source has been amended since its authorization. The reader should keep the date of the opinion in mind when reviewing its relevance to current law or any interpretations that have been articulated in Florida case law.

Current and Prior Years' Revenues

The table included in this section lists the estimated ordinary, emergency, supplemental, fiscally constrained, and total distributions to eligible county or municipal governments for local fiscal year 2008 as calculated by the DOR. The figures represent a 100 percent distribution of the estimated

14. Section 218.67(5), F.S. (2007).

15. http://myfloridalegal.com/opinions

monies. Inquiries regarding the DOR's estimates should be addressed to the Office of Tax Research at (850) 488-2900. Several summaries of prior years' distributions are available via the LCIR's website.[16]

16. http://www.floridalcir.gov/datagtol.cfm

Local Government Half-Cent Sales Tax

Revenue Estimates for the Local Fiscal Year Ending September 30, 2008

Local Government	Ordinary Distribution	Emergency Distribution	Supplemental Distribution	Fiscally Constrained Distribution	Total Distribution
Jasper	53,132	-	-	-	53,132
Jennings	25,086	-	-	-	25,086
White Springs	24,120	-	-	-	24,120
Countywide Total	430,423	492,154	38,652	530,738	1,491,967
HARDEE BOCC	**724,776**	**1,029,133**	**-**	**477,664**	**2,231,573**
Bowling Green	97,684	-	-	-	97,684
Wauchula	143,403	-	-	-	143,403
Zolfo Springs	49,937	-	-	-	49,937
Countywide Total	1,015,801	1,029,133	-	477,664	2,522,598
HENDRY BOCC	**1,704,301**	**-**	**-**	**344,980**	**2,049,281**
Clewiston	329,779	-	-	-	329,779
La Belle	229,335	-	-	-	229,335
Countywide Total	2,263,415	-	-	344,980	2,608,395
HERNANDO BOCC	**8,780,288**	**-**	**-**	**-**	**8,780,288**
Brooksville	417,325	-	-	-	417,325
Weeki Wachee	456	-	-	-	456
Countywide Total	9,198,069	-	-	-	9,198,069
HIGHLANDS BOCC	**5,233,207**	**-**	**-**	**451,127**	**5,684,334**
Avon Park	512,804	-	-	-	512,804
Lake Placid	102,771	-	-	-	102,771
Sebring	596,503	-	-	-	596,503
Countywide Total	6,445,285	-	-	451,127	6,896,412
HILLSBOROUGH BOCC	**95,714,471**	**-**	**-**	**-**	**95,714,471**
Plant City	3,038,050	-	-	-	3,038,050
Tampa	30,551,958	-	-	-	30,551,958
Temple Terrace	2,131,373	-	-	-	2,131,373
Countywide Total	131,435,852	-	-	-	131,435,852
HOLMES BOCC	**420,914**	**835,681**	**18,511**	**1,048,207**	**2,323,313**
Bonifay	68,556	-	-	-	68,556
Esto	9,511	-	-	-	9,511
Noma	5,345	-	-	-	5,345
Ponce de Leon	11,970	-	-	-	11,970
Westville	5,671	-	-	-	5,671
Countywide Total	521,966	835,681	18,511	1,048,207	2,424,365
INDIAN RIVER BOCC	**8,419,546**	**-**	**-**	**-**	**8,419,546**
Fellsmere	328,397	-	-	-	328,397
Indian River Shores	264,109	-	-	-	264,109
Orchid	21,784	-	-	-	21,784
Sebastian	1,537,393	-	-	-	1,537,393
Vero Beach	1,288,612	-	-	-	1,288,612
Countywide Total	11,859,842	-	-	-	11,859,842
JACKSON BOCC	**1,835,672**	**1,255,870**	**79,521**	**689,959**	**3,861,022**
Alford	23,032	-	-	-	23,032
Bascom	5,196	-	-	-	5,196
Campbellton	9,737	-	-	-	9,737
Cottondale	42,974	-	-	-	42,974
Graceville	117,031	-	-	-	117,031
Grand Ridge	42,084	-	-	-	42,084
Greenwood	36,326	-	-	-	36,326
Jacob City	13,716	-	-	-	13,716
Malone	35,952	-	-	-	35,952
Marianna	293,748	-	-	-	293,748

Local Government Half-Cent Sales Tax

Revenue Estimates for the Local Fiscal Year Ending September 30, 2008

Local Government	Ordinary Distribution	Emergency Distribution	Supplemental Distribution	Fiscally Constrained Distribution	Total Distribution
GULF BOCC	**349,941**	**487,399**	**40,949**	**246,108**	**1,124,397**
Port Saint Joe	115,062	-	-	-	115,062
Wewahitchka	59,155	-	-	-	59,155
Countywide Total	524,158	487,399	40,949	246,108	1,298,614
HAMILTON BOCC	**316,959**	**477,907**	**38,652**	**530,738**	**1,364,256**
Jasper	51,330	-	-	-	51,330
Jennings	24,235	-	-	-	24,235
White Springs	23,302	-	-	-	23,302
Countywide Total	415,825	477,907	38,652	530,738	1,463,122
HARDEE BOCC	**700,196**	**997,846**	**-**	**477,664**	**2,175,706**
Bowling Green	94,371	-	-	-	94,371
Wauchula	138,540	-	-	-	138,540
Zolfo Springs	48,243	-	-	-	48,243
Countywide Total	981,351	997,846	-	477,664	2,456,861
HENDRY BOCC	**1,646,501**	**-**	**-**	**344,980**	**1,991,481**
Clewiston	318,595	-	-	-	318,595
La Belle	221,557	-	-	-	221,557
Countywide Total	2,186,653	-	-	344,980	2,531,633
HERNANDO BOCC	**8,482,510**	**-**	**-**	**-**	**8,482,510**
Brooksville	403,172	-	-	-	403,172
Weeki Wachee	441	-	-	-	441
Countywide Total	8,886,122	-	-	-	8,886,122
HIGHLANDS BOCC	**5,055,726**	**-**	**-**	**451,127**	**5,506,853**
Avon Park	495,413	-	-	-	495,413
Lake Placid	99,285	-	-	-	99,285
Sebring	576,273	-	-	-	576,273
Countywide Total	6,226,697	-	-	451,127	6,677,824
HILLSBOROUGH BOCC	**92,468,374**	**-**	**-**	**-**	**92,468,374**
Plant City	2,935,017	-	-	-	2,935,017
Tampa	29,515,807	-	-	-	29,515,807
Temple Terrace	2,059,088	-	-	-	2,059,088
Countywide Total	126,978,286	-	-	-	126,978,286
HOLMES BOCC	**406,639**	**813,474**	**18,511**	**1,048,207**	**2,286,831**
Bonifay	66,231	-	-	-	66,231
Esto	9,188	-	-	-	9,188
Noma	5,164	-	-	-	5,164
Ponce de Leon	11,564	-	-	-	11,564
Westville	5,479	-	-	-	5,479
Countywide Total	504,264	813,474	18,511	1,048,207	2,384,456

Attachment 9

Communications Services Tax

Chapter 202, Florida Statutes

Brief Overview

The Communications Services Tax Simplification Law was enacted to restructure taxes on telecommunications, cable, direct-to-home satellite, and related services that existed prior to October 1, 2001.[1] The definition of communications services encompasses voice, data, audio, video, or any other information or signals, including cable services that are transmitted by any medium. The law replaced and consolidated seven different state and local taxes or fees with a single tax comprised of two components: a state communications services tax and a local communications services tax. The tax is imposed on retail sales of communications services which originate and terminate in the state, or originate or terminate in the state and are billed to an address within the state. Tax proceeds are transferred to county and municipal governments, the Public Education Capital Outlay and Debt Service Trust Fund, and the state's General Revenue Fund.

State Communications Services Tax

The state communications services tax consists of two components: a state tax and a gross receipts tax. A state tax is imposed on the retail sale of communications services at the rate of 6.8 percent while the retail sale of any direct-to-home satellite service received in this state is taxed at the rate of 10.8 percent.[2] The second component is the gross receipts tax of 2.37 percent that is applied to communications services.[3]

Consequently, local, long distance, or toll telephone; mobile communications; private line; pager and beeper; telephone charges made by a hotel or motel; fax; telex, telegram, and teletype services; and cable services are taxed at the state rate of 6.8 percent plus the 2.37 percent gross receipt rate for a total of 9.17 percent. Direct-to-home satellite service is taxed at the state rate of 10.8 percent plus the gross receipts rate of 2.37 percent for a total of 13.17 percent.

Local Communications Services Tax

A county or municipality may, by ordinance, levy a local communications services tax.[4] The local tax rates vary, depending on the type of local government. For municipalities and charter counties that have not chosen to levy permit fees, the tax may be levied at a rate up to 5.1 percent. For

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1. Refer to the Department of Revenue's Communications Services Tax: An Overview of Florida's Tax Restructuring (http://dor.myflorida.com/dor/taxes/pdf/Cst_ovr.pdf) for a more detailed explanation of the 2001 tax law changes.

2. Section 202.12(1), F.S. (2007).

3. Section 203.01(1)(b), F.S. (2007).

4. Section 202.19(1), F.S. (2007).

municipalities and charter counties that have chosen to levy permit fees, the tax may be levied at a rate up to 4.98 percent. Non-charter counties may levy the tax at a rate of up to 1.6 percent. These maximum rates do not include add-ons of up to 0.12 percent for municipalities and charter counties or up to 0.24 percent for non-charter counties that have elected not to require and collect permit fees authorized pursuant to s. 337.401, F.S., nor do they supersede conversion or emergency rates authorized by s. 202.20, F.S., which are in excess of these maximum rates.[5] In addition to the local communications services taxes, any local option sales tax that a county or school board has levied pursuant to s. 212.055, F.S., is imposed as a local communications services tax, and the rate shall be determined in accordance with s. 202.20(3), F.S.[6]

General Law Amendments

Chapter 2007-29, L.O.F., (CS/CS/HB 529) amends s. 202.24, F.S., to prohibit counties and municipalities from negotiating terms and conditions relating to cable and video services and clarifies an exemption for existing agreements. These changes became effective on May 18, 2007.

Chapter 2007-106, L.O.F., (CS/SB 2482) amends several sections of Chapter 202, F.S., making a number of changes to the administration of the communications services tax. Some changes are effective July 1, 2007 while others are effective January 1, 2008.

Eligibility Requirements

County and municipal governments are eligible to receive proceeds of the state communications services tax. Counties, municipalities, and school boards may be eligible to receive proceeds of the local communications services tax.

Administrative Procedures

The communications services taxes, as imposed pursuant to chs. 202 and 203, F.S., (i.e., the gross receipts tax on communications services) shall be paid by the purchaser and shall be collected from the purchaser by the dealer of such services. Each dealer who makes retail sales of communications services shall add the amount of applicable taxes to the price of services sold and shall state the taxes separately from the price of services on all invoices.[7]

The Department of Revenue (DOR) administers the statewide collection of both the state and local components of the communications service tax. Dealers who collect local communications services tax must notify the DOR of the method employed to accurately assign addresses to the appropriate taxing jurisdiction. The DOR maintains a database that provides the local taxing jurisdiction for all

5. Id., at (2).

6. Id., at (5).

7. Section 202.16, F.S. (2007).

addresses in Florida. The database contains county and municipal names for every address and is based on information provided by the local taxing jurisdiction and updated at least once every six months.[8]

The amount of revenue collected is dependent on the jurisdiction's local communications services tax rate. A county government's local communications services tax is charged to those billable customers residing within the unincorporated area. A municipal government's local communications services tax is charged to those billable customers residing within the incorporated area.

The proceeds of each local communications services tax levied by a county or municipality, less the DOR's costs of administration, shall be transferred to the Local Communications Services Tax Clearing Trust Fund for distribution to counties and municipalities. The amount deducted for administrative costs may not exceed 1 percent of the total revenue generated for all taxing jurisdictions, and the total administrative costs shall be prorated among those taxing jurisdictions on the basis of the amount collected for a particular jurisdiction relative to the amount collected for all such jurisdictions.[9]

Any adoption, repeal, or change in the rate of a local communications services tax imposed under s. 202.19, F.S., is effective with respect to taxable services included on bills that are dated on or after the January 1st subsequent to such adoption, repeal, or change. The local government must notify the DOR of the adoption, repeal, or change by September 1st which immediately precedes the January 1st effective date.[10]

Distribution of Proceeds

State Communications Services Tax

The proceeds derived from the 2.37 percent gross receipts tax on communications services, including direct-to-home satellite service, are transferred to the Public Education Capital Outlay and Debt Service Trust Fund, which serves as a funding source for public school capital construction. The remaining proceeds derived from the 6.8 percent state tax on communications services, except direct-to-home satellite service, are distributed by the same formula used for distribution of the state sales and use tax as prescribed in s. 212.20(6), F.S.[11] The proceeds derived from the 10.8 percent state tax on direct-to-home satellite service shall be distributed pursuant to s. 202.18(2), F.S.[12]

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8. Section 202.22, F.S. (2007).
9. Section 202.18(3), F.S. (2007).
10. Section 202.21, F.S. (2007).
11. Section 202.18(1), F.S. (2007).
12. Section 202.12(1)(b), F.S. (2007).

Local Communications Services Tax

The amount of tax revenues available for distribution to local governments is dependent on each jurisdiction's local communications services tax rate. The tax revenues, less the DOR's administrative cost deduction, are distributed monthly to the appropriate jurisdictions. The proceeds of taxes imposed pursuant to s. 202.19(5), F.S., shall be distributed in the same manner as the local option sales taxes.[13]

Authorized Uses

The revenues derived from the local communications services tax may be used for any public purpose, including the pledge of such revenues for the repayment of current or future bonded indebtedness. Revenue raised by a tax imposed pursuant to s. 202.19(5), F.S., shall be used for the same purposes as the underlying local option sales tax imposed by the county or school board pursuant to s. 212.055, F.S.[14]

Relevant Attorney General Opinions

No opinions specifically relevant to this revenue source have been issued.

Local Tax Rates

The DOR maintains a list of current and historical local tax rates, which includes upcoming rate changes.[15]

Current and Prior Years' Revenues

The table included in this section lists the estimated local communications services tax distributions for local fiscal year 2008 as calculated by the DOR. Inquiries regarding the DOR's estimates should be addressed to the Office of Tax Research at (850) 488-2900. No data summarizing prior years' distributions to local governments are available.

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13. Section 202.18(3), F.S. (2007).
14. Section 202.19(8), F.S. (2007).
15. http://dor.myflorida.com/dor/taxes/local_tax_rates.html

Forecast of Taxable Communication Services and Revenues

Local Fiscal Year Ending September 30, 2008

Local Government	Estimated CST Base	Current Tax Rate	Revenue Estimate	2005 Adjusted Pop. Estimate	Per Capita Consumption
Jacksonville Beach	$ 27,524,896	5.22%	$ 1,436,800	21,544	$ 1,278
Neptune Beach	$ 7,594,642	5.22%	$ 396,440	7,283	$ 1,043
ESCAMBIA BOCC	**$ 187,119,491**	**1.84%**	**$ 3,442,999**	**250,358**	**$ 747**
Century	$ 936,299	2.10%	$ 19,662	1,755	$ 534
Pensacola	$ 83,925,559	5.22%	$ 4,380,914	54,932	$ 1,528
FLAGLER BOCC	**$ 14,860,996**	**1.84%**	**$ 273,442**	**12,751**	**$ 1,165**
Beverly Beach	$ 403,451	5.10%	$ 20,576	513	$ 786
Bunnell	$ 2,210,238	5.75%	$ 127,089	2,513	$ 880
Flagler Beach (part)	$ 5,302,349	5.10%	$ 270,420	5,457	$ 972
Marineland (part)	$ 335,130	0.40%	$ 1,341	9	$ 37,237
Palm Coast	$ 53,666,005	5.22%	$ 2,801,365	67,832	$ 791
FRANKLIN BOCC	**$ 6,659,281**	**0.90%**	**$ 59,934**	**6,805**	**$ 979**
Apalachicola	$ 2,244,730	3.60%	$ 80,810	2,507	$ 895
Carrabelle	$ 788,665	5.82%	$ 45,900	1,282	$ 615
GADSDEN BOCC	**$ 13,725,412**	**0.44%**	**$ 60,392**	**30,090**	**$ 456**
Chattahoochee	$ 1,843,755	5.22%	$ 96,244	2,361	$ 781
Greensboro	$ 367,737	5.12%	$ 18,828	652	$ 564
Gretna	$ 964,572	4.02%	$ 38,776	1,741	$ 554
Havana	$ 1,534,736	5.22%	$ 80,113	1,764	$ 870
Midway	$ 1,559,493	3.70%	$ 57,701	1,683	$ 927
Quincy	$ 6,397,071	5.22%	$ 333,927	6,925	$ 924
GILCHRIST BOCC	**$ 7,517,953**	**1.84%**	**$ 138,330**	**13,412**	**$ 561**
Bell	$ 266,017	4.50%	$ 11,971	452	$ 589
Fanning Springs (part)	$ 270,506	5.62%	$ 15,202	345	$ 784
Trenton	$ 1,176,974	5.22%	$ 61,438	1,686	$ 698
GLADES BOCC	**$ 5,157,818**	**1.84%**	**$ 94,904**	**8,430**	**$ 612**
Moore Haven	$ 837,790	1.20%	$ 10,053	1,626	$ 515
GULF BOCC	**$ 5,443,233**	**0.54%**	**$ 29,393**	**7,703**	**$ 707**
Port Saint Joe	$ 4,356,930	5.22%	$ 227,432	3,791	$ 1,149
Wewahitchka	$ 1,233,537	5.22%	$ 64,391	1,949	$ 633
HAMILTON BOCC	**$ 4,708,148**	**0.30%**	**$ 14,124**	**8,339**	**$ 565**
Jasper	$ 1,440,226	4.80%	$ 69,131	1,705	$ 845
Jennings	$ 345,545	5.10%	$ 17,623	805	$ 429
White Springs	$ 423,527	5.00%	$ 21,176	774	$ 547
HARDEE BOCC	**$ 8,723,634**	**1.34%**	**$ 116,897**	**16,485**	**$ 529**
Bowling Green	$ 770,244	3.32%	$ 25,572	3,034	$ 254
Wauchula	$ 4,502,092	5.10%	$ 229,607	4,454	$ 1,011
Zolfo Springs	$ 466,730	2.32%	$ 10,828	1,551	$ 301
HENDRY BOCC	**$ 13,320,289**	**1.84%**	**$ 245,093**	**26,540**	**$ 502**
Clewiston	$ 5,128,478	5.22%	$ 267,707	6,573	$ 780
La Belle	$ 6,447,784	4.22%	$ 272,096	4,571	$ 1,411
HERNANDO BOCC	**$ 109,029,229**	**1.40%**	**$ 1,526,409**	**149,164**	**$ 731**
Brooksville	$ 9,560,431	5.22%	$ 499,055	7,322	$ 1,306
Weeki Wachee	$ 1,281,507	0.10%	$ 1,282	8	$ 160,188
HIGHLANDS BOCC	**$ 46,818,990**	**1.84%**	**$ 861,469**	**75,869**	**$ 617**
Avon Park	$ 7,031,395	5.22%	$ 367,039	8,792	$ 800
Lake Placid	$ 3,709,858	5.22%	$ 193,655	1,762	$ 2,105
Sebring	$ 10,582,205	5.22%	$ 552,391	10,227	$ 1,035
HILLSBOROUGH BOCC	**$ 715,470,647**	**4.00%**	**$ 28,618,826**	**777,068**	**$ 921**
Plant City	$ 31,959,800	5.72%	$ 1,828,101	32,834	$ 973
Tampa	$ 542,749,877	5.22%	$ 28,331,544	330,193	$ 1,644
Temple Terrace	$ 30,785,407	5.40%	$ 1,662,412	23,035	$ 1,336

Attachment 10

Local Option Fuel Taxes

Sections 206.41(1)(d)-(e), 206.87(1)(b)-(c), 336.021, and 336.025, Florida Statutes

Brief Overview

County governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The first is a tax of 1 cent on every net gallon of motor and diesel fuel sold within a county.[1] Known as the Ninth-Cent Fuel Tax, this tax may be authorized by an ordinance adopted by an extraordinary vote of the governing body or voter approval in a countywide referendum. Generally, the proceeds may be used to fund transportation expenditures.

The second is a tax of 1 to 6 cents on every net gallon of motor and diesel fuel sold within a county.[2] This tax may be authorized by an ordinance adopted by a majority vote of the governing body or voter approval in a countywide referendum. Generally, the proceeds may be used to fund transportation expenditures.

The third tax is a 1 to 5 cents levy upon every net gallon of motor fuel sold within a county.[3] Diesel fuel is not subject to this tax. This additional tax shall be levied by an ordinance adopted by a majority plus one vote of the membership of the governing body or voter approval in a countywide referendum. Proceeds received from this additional tax may be used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted local government comprehensive plan.

The Legislature has authorized the statewide equalization of local option tax rates on diesel fuel by requiring that the full 6 cents of the 1 to 6 cents fuel tax as well as the 1 cent Ninth-Cent Fuel Tax be levied on diesel fuel in every county even though the county government may not have imposed either tax on motor fuel or may not be levying the tax on motor fuel at the maximum rate.[4] Consequently, 7 cents worth of local option tax revenue on diesel fuel are distributed to local governments, regardless of whether or not the county government is levying these two taxes on motor fuel at any rate.

General Law Amendments

Legislation passed during the 2007 Regular Legislative Session and Special Sessions A-B did not affect provisions related to the general administration of these taxes.

1. Section 336.021(1)(a), F.S. (2007).
2. Section 336.025(1)(a), F.S. (2007).
3. Id., at (1)(b).
4. See Sections 336.021(6), .025(9), F.S. (2007).

Administrative Procedures

The Department of Revenue (DOR) administers these taxes and has the authority to deduct its administrative costs incurred in collecting, administering, enforcing, and distributing the proceeds to the counties.[5] Such administrative costs may not exceed 2 percent of collections. Additionally, several deductions from one or more of the local option fuel tax collections are statutorily authorized. These include the General Revenue Service Charge, collection allowances, and refunds.

The total administrative costs shall be prorated among those counties levying the tax according to formula, which shall be revised on July 1st of each year. Two-thirds of the amount deducted shall be based on the county's proportional share of the number of dealers who are registered for purposes of ch. 212, F.S., on June 30th of the preceding state fiscal year. One-third of the amount deducted shall be based on the county's share of the total amount of tax collected during the preceding state fiscal year. The DOR has the authority to promulgate rules necessary to enforce these taxes, and these rules shall have the full force and effect of law.

The Ninth-Cent Fuel Tax proceeds shall be transferred to the Ninth-Cent Fuel Tax Trust Fund. The 1 to 6 cents of optional fuel tax shall be collected and remitted in the same manner provided by ss. 206.41(1)(e) and 206.87(1)(c), F.S. The 1 to 5 cents of optional fuel tax shall be collected and remitted in the same manner provided by s. 206.41(1)(e), F.S. The remitted taxes shall be transferred to the Local Option Fuel Tax Trust Fund, which was created for distribution of the proceeds to the eligible local governments.

Reporting Requirements

All local option fuel tax impositions shall be levied before July 1st of each year to be effective January 1st of the following year.[6] However, tax levies that were in effect on July 1, 2002, and expire on August 31st of any year may be reimposed at the current authorized rate effective September 1st of the year of expiration. Additionally, the imposition of the 1 to 6 cents tax shall not exceed 30 years.

A certified copy of the ordinance proposing the levy of the Ninth-Cent Fuel Tax pursuant to referendum shall be furnished to the DOR by the county within 10 days after approval of such ordinance; however, the failure to furnish the certified copy will not invalidate the passage of the ordinance. Within 10 days after referendum passage, the county shall notify the DOR of the referendum's passage and the time period during which the tax will be levied. A county levying this tax pursuant to ordinance shall notify the DOR within 10 days after the governing body adopts the ordinance, and the county shall also furnish the DOR with a certified copy of the ordinance.[7]

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5. See Sections 336.021(2)(a), .025(2)(a), F.S. (2007).
6. See Sections 336.021(5), .025(1)(a)1. and (b)1., F.S. (2007).
7. Section 336.021(4), F.S. (2007).

By July 1st of each year, the county must notify the DOR of the respective tax rates for both the 1 to 6 cents and 1 to 5 cents fuel taxes and of its decision to rescind or change the rate of either tax. In addition, the county must provide the DOR with a certified copy of the interlocal agreement listing the distribution proportions established by such agreement or pursuant to the transportation expenditures methodology, if applicable.[8]

Any dispute as to the determination by the county of distribution proportions for these two taxes shall be resolved through an appeal to the Administration Commission in accordance with procedures developed by the Commission. The Administration Commission is made up of the Governor and the Cabinet and is housed within the Executive Office of the Governor. Pending final disposition of such proceedings, the tax shall be collected, and the Clerk of the Circuit Court shall hold such funds in escrow.[9]

A decision to rescind any of these local option fuel taxes shall not take effect on any date other than December 31st. A county must provide a minimum of 60 days notice to the DOR of its decision to rescind a local option fuel tax levy.[10]

Distribution of Proceeds

The local option fuel taxes on motor fuel shall be distributed monthly by the DOR to the county reported by the terminal suppliers, wholesalers, and importers as the destination of the gallons distributed for retail sale or use. The taxes on diesel fuel shall be distributed monthly by the DOR to each county according to the procedure specified in law.[11]

With regard to the Ninth-Cent Fuel Tax, the governing body of the county may provide, by joint agreement with one or more municipalities located within the county, for the authorized transportation purposes and the distribution of the tax proceeds within both the incorporated and unincorporated areas of the county. However, the county is not required to share the proceeds of this tax with municipalities.[12]

The county's proceeds from the 1 to 6 cents and 1 to 5 cents fuel taxes shall be distributed by the DOR according to the distribution factors determined at the local level by interlocal agreement between the county and municipalities within the county's boundaries. If no interlocal agreement is established, then the distribution shall be based on the transportation expenditures of each local government for the immediately preceding 5 fiscal years, as a proportion of the total of such

8. Section 336.025(5)(a), F.S. (2007).

9. Id., at (5)(b).

10. See Sections 336.021(5), .025(5)(a), F.S. (2007).

11. See Sections 336.021(1)(d), .025(2)(a), F.S. (2007).

12. Section 336.021(1)(b), F.S. (2007).

expenditures for the county and all municipalities within the county. These proportions shall be recalculated every 10 years based on the transportation expenditures of the immediately preceding 5 years.

This recalculation shall under no circumstances materially or adversely affect the rights of holders of bonds outstanding on July 1, 1986, which are backed by proceeds of the 1 to 6 cents fuel tax. The amounts distributed to the county government and each municipality shall not be reduced below the amount necessary for the payment of principal and interest and reserves for principal and interest as required under the covenants of any bond resolution outstanding on the date of the recalculation.

In addition, any inland county with a population greater than 500,000 as of July 1, 1996, having an interlocal agreement with one or more of the incorporated areas within the county must utilize the population estimates of local government units as of April 1st of each year for dividing the proceeds of the 1 to 6 cents fuel tax.[13] This provision applies only to Orange County.

Any newly incorporated municipality, eligible for participation in the distribution of monies under the Local Government Half-cent Sales Tax and Municipal Revenue Sharing Programs and located in a county levying the 1 to 6 cents or 1 to 5 cents fuel tax, is entitled to receive a distribution of the tax revenues in the first full fiscal year following incorporation.[14] The distribution shall be equal to the county's per lane mile expenditure in the previous year times the number of lane miles within the municipality's jurisdiction or scope of responsibility, in which case the county's share would be reduced proportionately; or as determined by the local act incorporating the municipality. Such a distribution shall under no circumstances materially or adversely affect the rights of holders of outstanding bonds that are backed by these taxes. The amounts distributed to the county government and each municipality shall not be reduced below the amount necessary for the payment of principal and interest and reserves for principal and interest as required under the covenants of any bond resolution outstanding on the date of redistribution.

Tax Rates and Current Year's Revenues

The first table following this section lists the 2007 federal, state, and local fuel tax rates on both motor and diesel fuels by county. The second table lists the estimated motor fuel gallons sold in each county, the motor and diesel fuel tax rates, and estimated tax receipts from motor and diesel fuels. The third table provides local fiscal year 2008 estimated distributions for both the 1 to 6 cents and 1 to 5 cents local option fuel taxes based on countywide tax rates and distribution percentages specified by either locally-determined interlocal agreements or statutory default formula. Inquiries regarding the DOR's estimation of these tax proceeds should be addressed to the Office of Tax Research at (850) 488-2900.

13. Section 336.025(3)(a)3., F.S. (2007).

14. Id., at (4)(b).

Other Available Information

Other information relevant to local option fuel taxes can be found via the Internet. A primer detailing Florida's transportation tax sources is available via the Department of Transportation's website.[15] Data summarizing countywide totals of historical local option fuel tax revenue distributions as compiled by the LCIR staff from DOR source data can be found under the heading *Local Option Fuel Taxes* via this LCIR webpage.[16] Local option fuel tax receipts and distributions data by fiscal year and by month can be found via this DOR webpage.[17]

15. http://www.dot.state.fl.us/financialplanning/revenue/primer.htm
16. http://www.floridalcir.gov/datagtol.cfm
17. http://dor.myflorida.com/dor/taxes/distributions.html

Local Option Fuel Taxes

Revenue Estimates for the Local Fiscal Year Ending September 30, 2008

	1 to 6 Cents Local Option Fuel Tax Imposed on Motor and Diesel Fuels			1 to 5 Cents Local Option Fuel Tax Imposed on Motor Fuel Only		
Local Government	Motor Fuel Tax Rate	Distribution Percentage	Estimated Distribution	Motor Fuel Tax Rate	Distribution Percentage	Estimated Distribution
Jasper		10.0000000	98,237		0.0000000	
Jennings		4.0000000	39,295		0.0000000	
White Springs		4.0000000	39,295		0.0000000	
Countywide Total		100.0000000	982,367		0.0000000	85,590
HARDEE BOCC	**$ 0.06**	**87.8100000**	**$ 934,804**	**$ 0.05**	**90.0200000**	**$ 585,710**
Bowling Green		1.2000000	12,775		1.6500000	10,736
Wachula		8.4500000	89,957		5.1700000	33,638
Zolfo Springs		2.5400000	27,040		3.1600000	20,560
Countywide Total		100.0000000	1,064,576		100.0000000	650,644
HENDRY BOCC	**$ 0.06**	**65.0000000**	**$ 1,125,740**	**$ 0.02**	**65.0000000**	**$ 228,585**
Clewiston		20.6700000	357,985		20.6700000	72,690
La Belle		14.3300000	248,182		14.3300000	50,394
Countywide Total		100.0000000	1,731,908		100.0000000	351,670
HERNANDO BOCC	**$ 0.06**	**95.2000000**	**$ 4,889,939**	**$ 0.02**	**95.2000000**	**$ 1,319,645**
Brooksville		4.8000000	246,552		4.8000000	66,537
Countywide Total		100.0000000	5,136,490		100.0000000	1,386,182
HIGHLANDS BOCC	**$ 0.06**	**84.8333300**	**$ 2,491,425**	**$ 0.05**	**83.7100000**	**$ 1,459,903**
Avon Park		5.3766700	157,905		4.9120000	85,665
Lake Placid		1.7600000	51,689		0.8830000	15,400
Sebring		8.0300000	235,829		10.4950000	183,033
Countywide Total		100.0000000	2,936,847		100.0000000	1,744,000
HILLSBOROUGH BOCC	**$ 0.06**	**66.3300000**	**$ 25,967,950**	**$ -**	**0.0000000**	
Plant City		2.8600000	1,119,679		0.0000000	
Tampa		28.8600000	11,298,583		0.0000000	
Temple Terrace		1.9500000	763,418		0.0000000	
Countywide Total		100.0000000	39,149,630		0.0000000	5,262,267
HOLMES BOCC	**$ 0.06**	**86.0000000**	**$ 590,375**	**$ -**	**0.0000000**	
Bonifay		10.0000000	68,648		0.0000000	
Esto		1.0000000	6,865		0.0000000	
Noma		1.0000000	6,865		0.0000000	
Ponce de Leon		1.0000000	6,865		0.0000000	
Westville		1.0000000	6,865		0.0000000	
Countywide Total		100.0000000	686,483		0.0000000	73,124
INDIAN RIVER BOCC	**$ 0.06**	**69.9689000**	**$ 3,232,668**	**$ -**	**0.0000000**	
Fellsmere		3.1270000	144,472		0.0000000	
Indian River Shores		1.0856000	50,156		0.0000000	
Orchid		0.0921000	4,255		0.0000000	
Sebastian		14.6365000	676,228		0.0000000	
Vero Beach		11.0899000	512,370		0.0000000	
Countywide Total		100.0000000	4,620,150		0.0000000	576,025
JACKSON BOCC	**$ 0.06**	**73.8200000**	**$ 2,331,978**	**$ -**	**0.0000000**	
Alford		0.9200000	29,063		0.0000000	
Campbellton		0.2200000	6,950		0.0000000	
Cottondale		1.1600000	36,644		0.0000000	
Graceville		4.8700000	153,844		0.0000000	
Grand Ridge		1.8700000	59,073		0.0000000	
Greenwood		0.8100000	25,588		0.0000000	
Malone		1.2600000	39,803		0.0000000	
Marianna		11.8500000	374,342		0.0000000	
Sneads		3.2200000	101,720		0.0000000	
Countywide Total		100.0000000	3,159,006		0.0000000	286,263

Attachment 11

Public Service Tax

Sections 166.231-.235, Florida Statutes

Brief Overview

Municipalities and charter counties are authorized to levy by ordinance a public service tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service.[1] The tax shall be levied only upon purchases within the municipality or within the charter county's unincorporated area and shall not exceed 10 percent of the payments received by the seller of the taxable item. Services competitive with those listed above, as defined by ordinance, shall be taxed on a comparable base at the same rates; however, fuel oil shall be taxed at a rate not to exceed 4 cents per gallon.[2] The tax proceeds are considered general revenue for the municipality or charter county.

General Law Amendments

Chapter 2007-37, L.O.F., (SB 1452) repeals s. 166.236, F.S., relating to a public records exemption for information received by a taxing authority in connection with audits conducted for the purpose of ensuring compliance. This change became effective on October 1, 2007.

Eligibility Requirements

All municipalities are eligible to levy the tax within the area of its tax jurisdiction. In addition, municipalities imposing the tax on cable television service as of May 4, 1977, are authorized to continue the tax levy in order to satisfy debt obligations incurred prior to that date.

A charter county, by virtue of numerous legal rulings in Florida case law, may levy the tax within the unincorporated area. For example, the Florida Supreme Court has ruled that charter counties, unless specifically precluded by general or special law, may impose by ordinance any tax in the area of its tax jurisdiction that a municipality may impose.[3] More recently, the Court held that Orange County could levy a public service tax without specific statutory authority to do so.[4]

Administrative Procedures

The tax shall be collected by the seller of the taxable item from the purchaser at the time of payment

1. Section 166.231(1), F.S. (2007).
2. Id., at (2).
3. Volusia County vs. Dickinson, 269 So.2d 9 (Fla. 1972).
4. McLeod vs. Orange County, 645 So.2d 411 (Fla. 1994).

for such service.[5] At the discretion of the local taxing authority, the tax may be levied on a physical unit basis. Using this basis, the tax would be levied as follows: electricity, number of kilowatt hours purchased; metered or bottled gas, number of cubic feet purchased; fuel oil and kerosene, number of gallons purchased; and water service, number of gallons purchased.[6] A number of tax exemptions are specified in law.[7]

A tax levy must be adopted by ordinance, and the effective date of every tax levy or repeal must be the beginning of a subsequent calendar quarter: January 1, April 1, July 1, or October 1. The taxing authority shall notify the Department of Revenue (DOR) of a tax levy adoption or repeal at least 120 days before its effective date. Such notification must be furnished on a form prescribed by the DOR and must specify the services taxed, the tax rate applied to each service, and the effective date of the levy or repeal as well as other additional information.[8]

Distribution of Proceeds

The seller of the service shall remit the taxes collected to the governing body in the manner prescribed by ordinance.[9]

Authorized Uses

The tax proceeds can be considered general revenue for the municipality or charter county.

Relevant Attorney General Opinions

Florida's Attorney General has issued a number of legal opinions relevant to this revenue source. The full texts of those opinions are available via the searchable on-line database of legal opinions.[10] Interested persons may view the opinions by accessing the website and performing a search using the keyword phrase *public service tax*.

Local government officials seeking more clarification should review the opinions in their entirety. The reader should keep the date of the opinion in mind when reviewing its relevance to current law or any interpretations that have been articulated in Florida case law.

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5. Section 166.231(7), F.S. (2007).
6. Section 166.232, F.S. (2007).
7. Section 166.231(3)-(6) and (8), F.S. (2007).
8. Section 166.233(2), F.S. (2007).
9. Section 166.231(7), F.S. (2007).
10. http://myfloridalegal.com/opinions

Tax Rates Imposed by Taxing Authorities

As previously mentioned, taxing authorities are required to furnish information to the DOR. This information includes the services taxed, the tax rate applied to each service, and the effective date of the levy or repeal as well as other additional information. The DOR maintains an online database that can be searched or downloaded.[11]

Current and Prior Years' Revenues

No estimated revenue distributions for individual local governments in the current fiscal year are available; however, two summaries of prior years' revenues reported by county or municipal governments are available via the LCIR's website.[12]

11. http://dor.myflorida.com/dor/governments/mpst.html

12. http://www.floridalcir.gov/datamtor.cfm

Proprietary Fees

Home Rule Authority

Brief Overview

Fees imposed by Florida's local governments fall into one of two categories: proprietary fees, which are discussed here, and regulatory fees, which are discussed in the next section. Proprietary fees are based on the assertion that local governments have the exclusive legal right to impose such fees. Fees of this type include franchise fees, user fees, and utility fees. Two principles guide the use and application of such fees. The imposed fee is reasonable in relation to the privilege or service provided by the local government, or the fee payer receives a special benefit from the local government.

General Law Amendments

Legislation passed during the 2007 Regular Legislative Session and Special Sessions A-B did not affect provisions related to these revenue sources.

Eligibility Requirements

The levy of proprietary fees stems from county and municipal home rule authority granted in the Florida Constitution.[1]

Administrative Procedures

Franchise Fees

Local governments may exercise their home rule authority to impose a fee upon a utility for the grant of a franchise and the privilege of using local government's rights-of-way to conduct the utility business. This franchise fee is considered fair rent for the use of such rights-of-way and consideration for the local government's agreement not to provide competing utility services during the franchise term.

The imposition of a franchise fee requires the adoption of a franchise ordinance. Such an ordinance grants a special privilege that is not available to the general public. In fact, a franchise ordinance may even relinquish a local government's right to its proprietary opportunity to compete with the utility. In addition to granting special rights to operate within a local government's jurisdiction, a franchise ordinance may regulate the utility by governing the extent to which the utility may do business on public property and the manner in which that business may be conducted as well as how such fees will be administered. Taking into consideration the degree of change anticipated in the industry and the desire for the utility to secure the local government's property rights for a long

1. Sections 1-2, Art. VIII, State Constitution.

period of time, the ordinance grants the franchise for a period of years. Typically, the fees are based on a percentage of the gross receipts from utility sales in the franchise area.

User Fees
Local governments possess the home rule authority to impose user fees to pay the cost of providing a service or facility. User fees bear a direct relationship between the service received and the compensation paid for the service. The underlying premise for these fees is that local governments may charge, in a reasonable and equitable manner, for the facilities and services they provide. These fees cannot exceed the cost burden created by the fee payer's activity; therefore, the amount of such fee or charge should be established after studying the direct and indirect costs associated with providing the service or facility.

Utility Fees
A local government operating a utility may charge for the services and products that it provides to its customers. The basis for the fee must be reasonably related to the cost of the service or product. Additionally, the fee may include a reasonable profit that may be used for purposes other than the provision of utility services or products.

The utility may charge different rates to different classes of customers as long as the classification scheme is not arbitrary or unreasonable. Such fees may include the cost for operating the utility as well as costs for anticipated future capital outlay. Utility fees are typically billed directly by the utility on a monthly or quarterly basis to the customer. The customer's failure to pay the fee generally results in the termination of service. Failure to pay one type of utility fee may result in the termination of other utility services if a particular service is so interconnected with another service that neither can be effective without the other.

Distribution of Proceeds

Since the proceeds are collected and administered locally, the governing authority of any county or municipality may distribute the funds as the authority may deem proper.

Authorized Uses

Franchise Fees
Many local governments use a portion of the fee revenue to offset the cost of regulation with the balance deposited into the government's general fund. Use of the revenues for general fund purposes would seem to be consistent with the concept that the franchise fee is consideration for renting a local government's rights-of-way and for the local government agreeing not to compete with the utility.

User Fees
Generally, the use of the fee revenue is restricted to those direct and indirect costs associated with providing the service or facility.

Utility Fees
The use of the fee revenue is generally restricted to those direct and indirect costs associated with providing the service or facility. Utility fees may include a reasonable profit that may be used for purposes other than the actual provision of utility services or products.

Relevant Attorney General Opinions

Florida's Attorney General has issued numerous opinions relevant to these revenue sources. The full texts of those opinions are available via the Florida Attorney General's searchable on-line database of legal opinions.[2] Interested persons may view the opinions by accessing the website and performing a search using the keyword phrases: *franchise fees*, *user fees*, or *utility fees*.

Local government officials seeking more clarification should review the opinions in their entirety. The reader should keep the date of the opinion in mind when reviewing its relevance to current law or any interpretations that have been articulated in Florida case law.

Current and Prior Years' Revenues

No revenue estimates for individual local governments in the current fiscal year are available. Summaries of prior years' franchise fee revenues as reported by local governments are available via the LCIR's website.[3]

2. http://myfloridalegal.com/opinions

3. http://www.floridalcir.gov/dataatof.cfm

Mobile Home License Tax

Sections 320.08, 320.08015, and 320.081, Florida Statutes

Brief Overview

Counties, municipalities, and school districts receive proceeds from an annual license tax levied on all mobile homes and park trailers, and on all travel trailers and fifth-wheel trailers exceeding 35 feet in body length. The license taxes, ranging from $20 to $80 depending on vehicle type and length, are collected in lieu of ad valorem taxes.[1] A sticker is issued as evidence of payment. Half of the net proceeds are remitted to the respective district school board. The other half is distributed to the respective municipalities depending on the location of such units or the county if the units are located in the unincorporated area. The use of the revenue is at the discretion of the governing body.

General Law Amendments

Legislation passed during the 2007 Regular Legislative Session and Special Sessions A-B did not affect provisions related to this revenue source.

Eligibility Requirements

A county government is eligible to receive proceeds if taxable units are located in its unincorporated area. If taxable units are located within a municipal jurisdiction, then the municipal government is eligible to receive proceeds. The district school board is eligible to receive proceeds if taxable units are located in the respective county.

Administrative Procedures

The taxes are collected by the county tax collectors and remitted to the Department of Highway Safety and Motor Vehicles (DHSMV). Two deductions are made from the tax collections prior to the remaining balance being transferred into the License Tax Collection Trust Fund for distribution to governmental entities.[2] The first is a deduction of $1.50 for each sticker issued with the proceeds deposited into the State General Revenue Fund. The second is a deduction of $1.00 for each sticker issued with the proceeds deposited into the Florida Mobile Home Relocation Trust Fund.

The DHSMV shall keep records showing the total number of stickers issued to each type of unit, the total amount of license taxes collected, the county or municipality where each unit is located, and the amount derived from license taxes in each county and its respective municipalities. The tax collections, less the amounts corresponding to the two deductions previously discussed, shall be paid to counties and their respective municipalities.

1. Section 320.08(10)-(11), F.S. (2007).
2. Section 320.081(4), F.S. (2007).

Distribution of Proceeds

All proceeds, available for distribution within a county, are distributed in the following manner. Fifty percent is distributed to the district school board. The remaining fifty percent is distributed to the county government for taxable units located within its unincorporated area or to any municipal government within the county for taxable units located within its corporate limits.

Authorized Uses

The use of the revenue is at the discretion of the governing body.

Relevant Attorney General Opinions

Florida's Attorney General has issued a few opinions relevant to this revenue source. The full texts of those opinions are available via the searchable on-line database of legal opinions.[3] In a recent search, the LCIR staff identified the following opinions pertaining to this revenue source.

Opinion #	Subject
74-282	Owner of mobile home eligible for tax credit
75-42	Mobile home taxable as personal property
88-20	Registration of mobile homes

Local government officials seeking more clarification should review the opinions in their entirety. The statutory language pertaining to this revenue source has been amended since its authorization. The reader should keep the date of the opinion in mind when reviewing its relevance to current law or any interpretations that have been articulated in Florida case law.

Current and Prior Years' Revenues

No estimated revenue distributions for local governments or school districts in the current fiscal year are available. Two summaries of prior years' distributions are available via the LCIR's website.[4]

3. http://myfloridalegal.com/opinions

4. http://www.floridalcir.gov/datamtor.cfm