



# Florida Legislative Committee on Intergovernmental Relations

## Issue Brief



### Utilization of Local Option Sales Taxes by Florida Counties in Fiscal Year 2009-10

November 2009

#### I. Introduction

Local option sales taxes are significant revenue sources to Florida's local governments and represent important funding mechanisms for the provision of local infrastructure, and in some instances, emergency fire rescue and health-related services. The current utilization of existing taxing authority is of continuing interest to state lawmakers and local officials alike, particularly in the context of recurring discussions of growth management and local service provisions. This issue brief provides a review of existing taxing authority for local option sales taxes available to Florida's county governments and school districts and offers estimates of realized and unrealized tax revenues for the local fiscal year ending September 30, 2010.

#### II. 2009 Legislative Changes

During the 2009 regular legislative session, the Florida Legislature significantly expanded the revenue-generating capacity of most county governments through legislation. Chapter 2009-146, Laws of Florida, extended the authority to levy the Charter County Transportation System Surtax (formerly the Charter County Transit System Surtax) to 13 additional charter counties. Chapter 2009-182, Laws of Florida, created the Emergency Fire Rescue Services and Facilities Surtax, which can be levied at the rate of up to 1 percent by 65 counties. Together, these legislative changes added approximately \$3 billion of revenue-generating capacity.

#### III. Current Taxing Authority

Eight local option sales taxes (also known as local discretionary sales surtaxes) are currently authorized in law and represent potential revenue sources for local governments, and in some

instances, school districts. Of the eight taxes, seven can be authorized by county governments (i.e., Charter County Transportation System Surtax, Local Government Infrastructure Surtax, Small County Surtax, Indigent Care and Trauma Center Surtax, County Public Hospital Surtax, Voter-Approved Indigent Care Surtax, and Emergency Fire Rescue Services and Facilities Surtax), and one can be authorized by school districts (i.e., School Capital Outlay Surtax). Due to separate eligibility criteria and several rate cap limitations in law, all county governments are not eligible to levy each of the seven 'county' taxes.

The total tax rate varies from county to county depending on the combination of individual levies that a particular county government is eligible to impose. The maximum tax rate can range from a low of 1.5 percent to a high of 3.5 percent.

Pursuant to law, no initial surtax levy or rate increase or decrease shall take effect on a date other than January 1<sup>st</sup>, and no levy shall terminate on a day other than December 31<sup>st</sup>.<sup>1</sup> The governing body of any county or school board that levies a surtax shall notify the Department of Revenue (DOR) within 10 days after the final adoption by ordinance or referendum of an imposition, termination, or rate change. The DOR must receive this notice no later than November 16<sup>th</sup> prior to the January 1<sup>st</sup> effective date.<sup>2</sup>

#### A. Charter County Transportation System Surtax<sup>3</sup>

The Charter County Transportation System Surtax may be levied at a rate of up to 1 percent by any county that has adopted a home-rule charter as

<sup>1</sup> Section 212.054(5), Florida Statutes.

<sup>2</sup> Section 212.054(7)(a), Florida Statutes.

<sup>3</sup> Section 212.055(1), Florida Statutes.

well as by those county governments that have consolidated with one or more municipalities. Twenty counties: Alachua, Brevard, Broward, Charlotte, Clay, Columbia, Duval, Hillsborough, Lee, Leon, Miami-Dade, Orange, Osceola, Palm Beach, Pinellas, Polk, Sarasota, Seminole, Volusia, and Wakulla counties are currently eligible to levy.

The levy is subject to voter approval in a countywide referendum or a charter amendment approved by a majority vote of the county's electorate. Generally, the surtax proceeds are used for the development, construction, operation, and maintenance of fixed guideway rapid transit systems, bus systems, and roads and bridges.

### **B. Local Government Infrastructure Surtax<sup>4</sup>**

The Local Government Infrastructure Surtax may be levied at the rate of 0.5 or 1 percent pursuant to an ordinance enacted by a majority vote of the county's governing body and approved by voters in a countywide referendum. All counties are eligible to levy this surtax. Additionally, if the governing bodies of the municipalities representing a majority of a county's population adopt uniform resolutions establishing the rate of the surtax and calling for a referendum on the surtax, the levy of the surtax shall be placed on the ballot and shall take effect if approved by voters in a countywide referendum.

The surtax proceeds are distributed to the county and its respective municipalities based on an interlocal agreement between the governing bodies of the county and those municipalities representing a majority of the county's incorporated population. This agreement may include the school district with the consent of all governing bodies participating in the agreement. If there is no existing interlocal agreement, then the distribution shall be based on the Local Government Half-cent Sales Tax Program distribution formulas provided in s. 218.62, F.S.

The surtax proceeds must be expended to finance, plan, and construct infrastructure; to acquire land for public recreation or conservation or protection of natural resources; and to finance the closure of

local government-owned solid waste landfills that are already closed or are required to close by order of the Department of Environmental Protection. Neither the proceeds nor any accrued interest shall be used for operational expenses of any infrastructure, except that any county with a population of less than 75,000 that is required to close a landfill by order of the Department of Environmental Protection may use the proceeds or any accrued interest for long-term maintenance costs associated with landfill closure. Additional spending authority exists for select counties.

### **C. Small County Surtax<sup>5</sup>**

Thirty-one counties, which had a countywide population of 50,000 or less on April 1, 1992, are authorized to levy the Small County Surtax at the rate of 0.5 or 1 percent. County governments may impose the levy by either an extraordinary vote of the governing body if the proceeds are to be expended for operating purposes, or by voter approval in a countywide referendum if the proceeds are to be used to service bonded indebtedness.

The Small County Surtax proceeds are distributed in the same manner as those of the Local Government Infrastructure Surtax. If the surtax is approved by countywide referendum, the proceeds may be used to service bonded indebtedness for the purposes of financing, planning, and constructing infrastructure and acquiring land for public recreation, conservation, or protection of natural resources. If the surtax is approved by extraordinary vote of the governing body, the proceeds may be used for operational expenses of any infrastructure or for any public purpose authorized in the ordinance.

### **D. Indigent Care and Trauma Center Surtax<sup>6</sup>**

The Indigent Care and Trauma Center Surtax consists of two separate levies for different groups of eligible counties. Non-consolidated counties having a total population of 800,000 or more may impose, either by an extraordinary vote of the county's governing body or voter approval in a countywide referendum, a surtax not to exceed 0.5

<sup>4</sup> Section 212.055(2), Florida Statutes.

<sup>5</sup> Section 212.055(3), Florida Statutes.

<sup>6</sup> Section 212.055(4), Florida Statutes.

percent for the purpose of funding health care services for both indigent persons and the medically poor, including, but not limited to, primary care, preventive care, and hospital care. Non-consolidated counties having a total population of less than 800,000 may impose, subject to voter approval in a countywide referendum, a surtax not to exceed 0.25 percent for the sole purpose of funding trauma services provided by a trauma center licensed pursuant to ch. 395, F.S.

All counties, with the exception of Duval and Miami-Dade, are eligible to levy this surtax. Duval County cannot levy the surtax because it is a county government consolidated with the City of Jacksonville. Miami-Dade County is statutorily prohibited from imposing this levy because it is already eligible to levy the County Public Hospital Surtax.

#### **E. County Public Hospital Surtax**<sup>7</sup>

Any county, as defined in s. 125.011(1), F.S., is authorized to levy the County Public Hospital Surtax at the rate of 0.5 percent. The levy may be authorized either by an extraordinary vote of the county's governing body or voter approval in a countywide referendum.

Only Miami-Dade County is eligible to levy this surtax since it is the only county operating under a home-rule charter pursuant to the above mentioned statutory definition. The proceeds shall be used to supplement the operation, maintenance, and administration of the county's public general hospital – Jackson Memorial Hospital.

#### **F. School Capital Outlay Surtax**<sup>8</sup>

Florida's school districts may authorize the levy of the School Capital Outlay Surtax at a rate of up to 0.5 percent pursuant to a resolution conditioned to take effect only upon approval by a majority vote in a countywide referendum. However, the board of county commissioners has the responsibility to place the issue on the ballot.<sup>9</sup>

The surtax proceeds are distributed to the school board and shall be used to fund capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses that have a useful life expectancy of 5 or more years, as well as any related land acquisition, land improvement, design, and engineering costs. Additionally, the proceeds shall be used to fund the costs of retrofitting and providing for technology implementation, including hardware and software, for the various sites within the school district.

#### **F. Voter-Approved Indigent Care Surtax**<sup>10</sup>

Counties having a total population of less than 800,000 are eligible to levy the Voter-Approved Indigent Care Surtax subject to voter approval in a countywide referendum. If a publicly supported medical school is located within the county, the tax rate shall not exceed 1 percent. If no such medical school is located within the county, the tax rate is capped at 0.5 percent. However, any county with a total population of less than 50,000 may levy the surtax at a rate not to exceed 1 percent.

The surtax proceeds are to be used for providing health care services for both indigent persons and the medically poor, including, but not limited to, primary care, preventive care, and hospital care. For a county having a total population of less than 50,000 residents, the county-adopted ordinance may pledge the surtax proceeds to service new or existing bond indebtedness incurred to finance, plan, construct, or reconstruct a public or not-for-profit hospital in the county and any related land acquisition, land improvement, design, or engineering costs.

#### **G. Emergency Fire Rescue Services and Facilities Surtax**<sup>11</sup>

The Emergency Fire Rescue Services and Facilities Surtax shall be levied at the rate of up to 1 percent pursuant to an ordinance enacted by a majority vote of the county's governing body and approved by voters in a countywide referendum.

<sup>7</sup> Section 212.055(5), Florida Statutes.

<sup>8</sup> Section 212.055(6), Florida Statutes.

<sup>9</sup> Florida Attorney General Opinion #98-29.

<sup>10</sup> Section 212.055(7), Florida Statutes.

<sup>11</sup> Section 212.055(8), Florida Statutes.

The proceeds must be expended for specified emergency fire rescue services and facilities.

Any county, except a county that has imposed two separate discretionary surtaxes without expiration can levy this surtax. This exception applies to Madison and Miami-Dade counties, which makes these two counties ineligible to levy this surtax. Additionally, the authorizing statute specifies that the surtax cannot be levied within the boundaries of the Reedy Creek Improvement District, which is located within portions of Orange and Osceola counties.

#### IV. Utilization of Current Taxing Authority

All Florida counties are eligible to levy at least one of the seven local option sales taxes authorized for county governments, and as of November 1, 2009, 51 of 67 counties levy at least one of these taxes. Sixteen of 67 school districts levy the School Capital Outlay Surtax, as illustrated in the following table.

<b>Number of County Governments and School Districts Eligible to Levy and Levying Local Option Sales Taxes as of November 1, 2009</b>		
<b>Tax</b>	<b># Eligible</b>	<b># Levying</b>
Charter County Transportation System Surtax	20	2
Local Government Infrastructure Surtax	67	21
Small County Surtax	31	28
Indigent Care and Trauma Center Surtax	65	1
County Public Hospital Surtax	1	1
Voter-Approved Indigent Care Surtax	60	4
Emergency Fire Rescue Services and Facilities Surtax	65	0
<b>All County Government Levies</b>	<b>67</b>	<b>51</b>
School Capital Outlay Surtax	67	16

Florida's county and municipal governments will realize approximately \$1.25 billion in local option sales tax revenues during the 2009-10 fiscal year, as summarized in the following table. School

districts will realize \$399 million in School Capital Outlay Surtax revenues.

<b>Estimates of Realized and Unrealized Local Option Sales Tax Revenues: Fiscal Year Ending September 30, 2010</b>		
<b>Tax</b>	<b>\$ Realized</b>	<b>\$ Unrealized</b>
Charter County Transportation System Surtax	\$232 million	\$1.75 billion
Local Government Infrastructure Surtax	\$656 million	\$1.48 billion
Small County Surtax	\$71.0 million	\$3.9 million
Indigent Care and Trauma Center Surtax	\$86.9 million	\$509 million
County Public Hospital Surtax	\$169 million	\$0
Voter-Approved Indigent Care Surtax	\$38.9 million	\$300 million
Emergency Fire Rescue Services and Facilities Surtax	\$0	\$2.15 billion
<b>Sum of County Government Levies</b>	<b>\$1.25 billion</b>	<b>\$5.42 billion</b>
School Capital Outlay Surtax	\$399 million	\$847 million

Of the seven taxes that can be authorized by county governments, the proceeds from only three levies (i.e., the Local Government Infrastructure Surtax, Small County Surtax, and Emergency Fire Rescue Services and Facilities Surtax) have the potential of being shared with municipal governments, special fire control and rescue districts, or school districts. During the fiscal year, \$656 million in Local Government Infrastructure Surtax revenues and \$71 million in Small County Surtax revenues will be realized. Of the combined revenue total of \$726 million, \$582 million will be realized by 49 county governments, \$86.4 million will be realized by the respective municipal governments of 41 counties levying either tax, and \$57.6 million will be realized by 5 school districts.

Of the four taxes that benefit county governments exclusively (i.e., the Charter County Transportation System Surtax, Indigent Care and Trauma Center Surtax, County Public Hospital Surtax, and Voter-Approved Indigent Care Surtax), \$527 million will be realized by those eligible counties that have chosen to levy them.

Florida counties not levying local option sales taxes for which they are eligible to impose will allow \$5.42 billion to go unrealized during this fiscal year. Those 51 school districts not levying the School Capital Outlay Surtax will allow \$847 million to go unrealized.

Before discussing the amount of unrealized tax revenue related to the various surtaxes, it is necessary to point out that current law effectively caps the total tax rate of various surtax levy combinations.<sup>12</sup> The combined total tax rate for the Local Government Infrastructure Surtax, Small County Surtax, Indigent Care and Trauma Center Surtax, County Public Hospital Surtax, and Voter-Approved Indigent Care Surtax levies cannot exceed 1 or 1.5 percent depending on a particular county's eligibility to levy certain combinations. Consequently, a county government's decision to levy one of these five surtaxes may preclude it from imposing another. In calculating estimates of unrealized tax revenues for the various surtaxes, it is assumed that eligible counties choose to levy the individual surtax in question rather than other applicable surtaxes.

The tables to follow summarize the realized and unrealized revenues generated from this surtax for those counties having total populations of 75,000 or less versus those counties having total populations greater than 75,000. The population

<sup>12</sup> Pursuant to ss. 212.055(2)(h) and 212.055(3)(f), F.S., a county shall not levy the Local Government Infrastructure Surtax, Small County Surtax, Indigent Care and Trauma Center Surtax, and County Public Hospital Surtax in excess of a combined rate of 1 percent. Pursuant to s. 212.055(4)(b)5., F.S., a county shall not levy the Local Government Infrastructure Surtax, Small County Surtax, and Indigent Care and Trauma Center Surtax in excess of a combined rate of 1 percent. Pursuant to s. 212.055(5)(f), F.S., a county shall not levy the Local Government Infrastructure Surtax, Small County Surtax, and County Public Hospital Surtax in excess of a combined rate of 1 percent. Pursuant to s. 212.055(7)(f), F.S., if a publicly supported medical school is located in the county, or the county has a population of less than 50,000 residents, the combined tax rate of a Voter-Approved Indigent Care Surtax levy and any Local Government Infrastructure Surtax and Small County Surtax levies shall not exceed 1.5 percent; otherwise, for all other eligible counties, the combined tax rate shall not exceed 1 percent.

figures used are the official 2009 countywide population estimates published by the University of Florida's Bureau of Economic and Business Research. These population categories are used throughout the remainder of this brief in order to contrast the taxing capacities of less populous, predominantly rural counties versus more populous, predominantly urban counties.

**A. Charter County Transportation System Surtax**

Of the twenty charter counties eligible to levy this surtax, eighteen have countywide populations greater than 75,000. Only Duval and Miami-Dade counties currently levy this surtax and will realize \$232 million this fiscal year; however, both counties levy the surtax at half of its maximum rate of 1 percent. Consequently, these two counties, in addition to the other eighteen counties that do not currently levy, will allow \$1.74 billion in tax revenues to go unrealized during the fiscal year.

<b>Charter County Transportation System Surtax: Utilization in Local Fiscal Year 2009-10</b>				
<b>Pop.</b>	<b>Realized</b>		<b>Unrealized</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
75,000 or less	0	\$0	2	\$8.0 million
> 75,000	2	\$232 million	18	\$1.74 billion

**B. Local Government Infrastructure Surtax**

Current law provides that all 67 counties are eligible to levy this surtax; however, only 21 counties levy presently. Three of these 21 counties have countywide populations of 75,000 or less and will realize \$7.3 million this fiscal year. The remaining 18 counties have countywide populations greater than 75,000 and will realize \$648 million during the fiscal year.

Twenty-three counties remain eligible to levy the Local Government Infrastructure Surtax and will allow \$1.48 billion in tax revenues to go unrealized during the fiscal year. Being the only county having a population of less than 75,000, Gulf County will allow \$125,172 to go unrealized. Twenty-two counties, each having countywide

populations greater than 75,000, will allow \$1.48 billion in total to go unrealized.

<b>Local Government Infrastructure Surtax: Utilization in Local Fiscal Year 2009-10</b>				
<b>Pop.</b>	<b>Realized</b>		<b>Unrealized</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
75,000 or less	3	\$7.3 million	1	\$125,172
> 75,000	18	\$648 million	22	\$1.48 billion

### C. Small County Surtax

Current law provides that 31 counties are eligible to levy this surtax; however, only 28 counties levy. All but one of these 28 counties have countywide populations of 75,000 or less and will realize \$63.6 million this fiscal year. Although 'small' at the time of the surtax's statutory authorization, Sumter County's population now exceeds 75,000, and the county will realize \$7.4 million during the fiscal year.

Because some eligible counties have chosen to levy other surtaxes, only two county governments remain eligible to levy this surtax and will allow \$3.9 million in tax revenues to go unrealized this fiscal year. Gulf County will allow \$125,172 in total to go unrealized. With a countywide population now greater than 75,000, Flagler County will allow \$3.8 million to go unrealized.

<b>Small County Surtax: Utilization in Local Fiscal Year 2009-10</b>				
<b>Pop.</b>	<b>Realized</b>		<b>Unrealized</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
75,000 or less	27	\$63.6 million	1	\$125,172
> 75,000	1	\$7.4 million	1	\$3.8 million

### D. Indigent Care and Trauma Center Surtax

Under current law, 65 counties are eligible to levy this surtax. Since only non-consolidated counties are eligible to levy, Duval County is statutorily prohibited from levying this surtax. Miami-Dade County is also statutorily prohibited from levying because the county already has the authority to levy the County Public Hospital Surtax. Of the 65 counties eligible to levy, only Hillsborough

County has imposed the surtax and will realize \$86.9 million this fiscal year.

Due to the decisions of eligible counties to impose other surtaxes, only 21 counties remain eligible to levy this surtax and will allow \$510 million to go unrealized this fiscal year. Being the only county having a countywide population of 75,000 or less, Gulf County will allow \$62,586 to go unrealized. Twenty counties, each having countywide populations greater than 75,000, will allow \$510 million in total to go unrealized.

<b>Indigent Care and Trauma Center Surtax: Utilization in Local Fiscal Year 2009-10</b>				
<b>Pop.</b>	<b>Realized</b>		<b>Unrealized</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
75,000 or less	0	\$0	1	\$62,586
> 75,000	1	\$86.9 million	20	\$510 million

### E. County Public Hospital Surtax

Current law provides that only Miami-Dade County is eligible to impose this surtax. The county will realize \$169 million this fiscal year, and there will be no unrealized tax revenues.

<b>County Public Hospital Surtax: Utilization in Local Fiscal Year 2009-10</b>				
<b>Pop.</b>	<b>Realized</b>		<b>Unrealized</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
75,000 or less	NA	NA	NA	NA
> 75,000	1	\$169 million	0	\$0

### F. School Capital Outlay Surtax

Current law states that Florida's 67 school districts are eligible to levy this surtax. Presently, only 16 districts levy; however, the surtax levies in Gulf and Marion counties will expire on December 31, 2009.

Calhoun, Gulf, and Jackson school districts, each having countywide populations of 75,000 or less, will realize \$2.4 million in total this fiscal year. Thirteen counties, each having countywide populations greater than 75,000, will realize \$397 million in total during the fiscal year.

Presently, 51 school districts are eligible to levy this surtax; however, the number of school districts eligible to levy the surtax increases to 53, effective January 1, 2010. School districts not levying the surtax will allow \$847 million in total to go unrealized during the fiscal year. Twenty-eight districts, each having countywide populations of 75,000 or less, will allow \$33.1 million in total to go unrealized. Twenty-five districts, each having countywide populations greater than 75,000, will allow \$814 million in total to go unrealized.

<b>School Capital Outlay Surtax: Utilization in Local Fiscal Year 2009-10</b>				
<b>Pop.</b>	<b>Realized</b>		<b>Unrealized</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
75,000 or less	3	\$2.4 million	28	\$33.1 million
> 75,000	13	\$397 million	25	\$814 million

**G. Voter-Approved Indigent Care Surtax**

Pursuant to current law, 60 counties are eligible to levy this surtax; however, only four counties levy presently. With countywide populations of 75,000 or less, Gadsden and Madison counties will realize \$2.0 million this fiscal year. Having countywide populations greater than 75,000, Alachua and Polk counties will realize \$36.9 million in total during the fiscal year.

Because some eligible counties have chosen to levy other surtaxes, only 40 counties remain eligible to levy this surtax and will allow \$300 million in total to go unrealized during the fiscal year. Twenty-three counties, each having total populations of 75,000 or less, will allow \$16.1 million in total to go unrealized. Seventeen counties, each with countywide populations greater than 75,000, will allow \$284 million to go unrealized this fiscal year.

<b>Voter-Approved Indigent Care Surtax: Utilization in Local Fiscal Year 2009-10</b>				
<b>Pop.</b>	<b>Realized</b>		<b>Unrealized</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
75,000 or less	2	\$2.0 million	23	\$16.1 million
> 75,000	2	\$36.9 million	17	\$284 million

**H. Emergency Fire Rescue Services and Facilities Surtax**

As previously stated, this surtax was authorized during the 2009 regular legislative session. Any county, except a county that has imposed two separate discretionary surtaxes without expiration, can levy this surtax. This exception applies to Madison and Miami-Dade counties, which makes these two counties ineligible to levy this surtax. No county currently levies this surtax.

Twenty-nine counties, each having countywide populations of 75,000 or less; and thirty-six counties, each having countywide populations greater than 75,000; will allow \$70 million and \$2.08 billion, respectively, to go unrealized.

<b>Emergency Fire Rescue Services and Facilities Surtax: Utilization in Local Fiscal Year 2009-10</b>				
<b>Pop.</b>	<b>Realized</b>		<b>Unrealized</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
75,000 or less	0	\$0	29	\$70.0 million
> 75,000	0	\$0	36	\$2.08 billion

To facilitate comparisons among individual counties, Table 1 on pages 9-10 lists the current surtax rates and estimates of total realized tax revenues for each individual county. Table 2 on pages 11-12 lists the corresponding unrealized surtax rates and estimates of total unrealized tax revenues for the local fiscal year ending September 30, 2010.

**V. Conclusion**

As of November 1, 2009, 16 of 67 Florida counties do not levy any of the seven local option sales taxes authorized for county governments. Because the Emergency Fire Rescue Services and Facilities Surtax expanded the revenue-generating capacity of county governments, only Madison County is levying at its current maximum tax rate. Fifty-one of 67 school districts do not currently levy the School Capital Outlay Surtax.

A number of reasons may explain why some county governments and school districts have chosen not to maximize all possible local option

sales tax levies. For some governing bodies, the increased tax revenues may not be worth the potential political fallout from a proposed tax levy or increase. Additionally, for several less populous, rural counties, a new or increased levy may not result in much additional tax revenue.

Another possible reason may be other revenue restrictions placed on governing bodies in exchange for surtax implementation. For example, any school district imposing the School Capital Outlay Surtax is required to freeze non-capital local school property taxes at the millage rate imposed in the year prior to the surtax's implementation for a period of at least three years after the date of imposition. Another example pertains to the recently authorized Emergency Fire Rescue Services and Facilities Surtax. Upon the surtax taking effect, a county and any participating jurisdiction, entering into the required interlocal agreement governing the provision of emergency fire and rescue services, shall reduce the ad valorem tax levy or any non-ad valorem assessment for fire control and emergency rescue services in its next and subsequent budgets by the estimated amount of revenue to be provided by the surtax.

Still another reason that may explain why some county governments and school districts have not maximized all possible local option sales tax levies is the varying methods by which these taxes can be authorized. Current law requires voter approval in a countywide referendum as the sole authorization method for the Charter County Transportation System Surtax, Local Government Infrastructure Surtax, Small County Surtax (if proceeds are to be bonded), Indigent Care and Trauma Center Surtax (0.25 percent levy only), School Capital Outlay Surtax, Voter-Approved Indigent Care Surtax and Emergency Fire Rescue Services and Facilities Surtax. In addition to voter approval in a countywide referendum, an extraordinary vote of the county's governing body can authorize the Small County Surtax (if the proceeds are to be expended for operating purposes), Indigent Care and Trauma Center Surtax (0.5 percent levy only), and County Public Hospital Surtax. As the sole authorization method for several surtaxes, voter approval by countywide referendum may present a more difficult political

challenge to overcome than a county commission vote alone.

In summary, county governments will realize \$1.25 billion in local option sales tax revenues during the 2009-10 fiscal year. This figure represents only 19 percent of the \$6.67 billion statewide that would be realized if every county government levied all applicable local option sales taxes at the maximum rates possible. County governments not currently levying local option sales taxes at their respective maximum rates will allow \$5.42 billion statewide to go unrealized during this fiscal year.

School districts will realize \$399 million in School Capital Outlay Surtax revenues this fiscal year. This figure represents only 32 percent of the \$1.25 billion statewide that would be realized if every district levied the surtax. School districts not currently levying this surtax at the maximum rate will allow \$847 million statewide to go unrealized during this fiscal year.

Florida's county governments and school districts collectively will realize \$1.65 billion in local option sales tax revenues during the 2009-10 fiscal year. This figure represents only 21 percent of the \$7.92 billion statewide that would be realized if all local option sales taxes were levied at their respective maximum rates.



**Table 1  
Current Sales Tax Rates and Estimates of Total Realized Tax Revenues in LFY 2009-10**

County	County Government Surtaxes		School Capital Outlay Surtax		Total - All Surtaxes		
	Current % Rate	Realized Tax Revenues	Current % Rate	Realized Tax Revenues	Maximum Potential % Rate	Current % Rate	Realized Tax Revenues
Alachua	0.75	\$22,828,058	0	\$0	4	0.75	\$22,828,058
Baker	1	1,615,416	0	0	3	1	1,615,416
Bay	0	0	0	0	2.5	0	0
Bradford	1	2,021,329	0	0	3	1	2,021,329
Brevard	0	0	0	0	3.5	0	0
Broward	0	0	0	0	3.5	0	0
Calhoun	1	736,663	0.5	368,332	3	1.5	1,104,995
Charlotte	1	17,222,428	0	0	3.5	1	17,222,428
Citrus	0	0	0	0	2.5	0	0
Clay	1	17,069,640	0	0	3.5	1	17,069,640
Collier	0	0	0	0	2.5	0	0
Columbia	1	6,319,981	0	0	3.5	1	6,319,981
De Soto	1	1,915,692	0	0	3	1	1,915,692
Dixie	1	776,407	0	0	3	1	776,407
Duval	1	125,842,228	0	0	3.5	1	125,842,228
Escambia	1	35,861,773	0.5	17,930,887	2.5	1.5	53,792,660
Flagler	0.5	3,793,620	0.5	3,793,620	2.5	1	7,587,240
Franklin	1	1,091,504	0	0	3	1	1,091,504
Gadsden	1.5	4,555,313	0	0	3	1.5	4,555,313
Gilchrist	1	620,204	0	0	3	1	620,204
Glades	1	353,544	0	0	3	1	353,544
Gulf	0.5	876,207	0.5	125,172	3	1	1,001,379
Hamilton	1	546,062	0	0	3	1	546,062
Hardee	1	1,577,944	0	0	3	1	1,577,944
Hendry	1	2,553,757	0	0	3	1	2,553,757
Hernando	0	0	0.5	7,095,475	2.5	0.5	7,095,475
Highlands	1	8,807,244	0	0	2.5	1	8,807,244
Hillsborough	1	173,777,183	0	0	3.5	1	173,777,183
Holmes	1	873,865	0	0	3	1	873,865
Indian River	1	16,857,348	0	0	2.5	1	16,857,348
Jackson	1	3,813,427	0.5	1,906,714	2.5	1.5	5,720,141
Jefferson	1	793,376	0	0	3	1	793,376
Lafayette	1	258,667	0	0	3	1	258,667
Lake	1	28,369,815	0	0	2.5	1	28,369,815
Lee	0	0	0	0	3.5	0	0
Leon	1	32,982,339	0.5	16,491,170	4	1.5	49,473,509
Levy	1	2,981,725	0	0	3	1	2,981,725
Liberty	1	280,840	0	0	3	1	280,840
Madison	1.5	1,459,398	0	0	2	1.5	1,459,398
Manatee	0	0	0.5	19,758,848	2.5	0.5	19,758,848
Marion	0	0	0.5	4,618,958	2.5	0.5	4,618,958
Martin	0.5	10,685,400	0	0	2.5	0.5	10,685,400
Miami-Dade	1	338,257,490	0	0	2.5	1	338,257,490
Monroe	1	21,421,579	0.5	10,710,790	2.5	1.5	32,132,369
Nassau	1	7,294,742	0	0	2.5	1	7,294,742
Okaloosa	0	0	0	0	2.5	0	0

**Table 1 continued**  
**Current Sales Tax Rates and Estimates of Total Realized Tax Revenues in LFY 2009-10**

County	County Government Surtaxes		School Capital Outlay Surtax		Total – All Surtaxes		
	Current % Rate	Realized Tax Revenues	Current % Rate	Realized Tax Revenues	Maximum Potential % Rate	Current % Rate	Realized Tax Revenues
Okeechobee	1	3,515,353	0	0	3	1	3,515,353
Orange	0	0	0.5	146,501,782	3.5	0.5	146,501,782
Osceola	1	35,409,997	0	0	3.5	1	35,409,997
Palm Beach	0	0	0.5	94,071,852	3.5	0.5	94,071,852
Pasco	1	39,116,126	0	0	2.5	1	39,116,126
Pinellas	1	113,951,602	0	0	3.5	1	113,951,602
Polk	0.5	29,284,096	0.5	29,284,096	3.5	1	58,568,192
Putnam	1	5,237,123	0	0	2.5	1	5,237,123
Saint Johns	0	0	0	0	2.5	0	0
Saint Lucie	0	0	0.5	12,198,252	2.5	0.5	12,198,252
Santa Rosa	0	0	0.5	5,804,552	2.5	0.5	5,804,552
Sarasota	1	49,302,426	0	0	3.5	1	49,302,426
Seminole	1	52,541,506	0	0	3.5	1	52,541,506
Sumter	1	7,406,098	0	0	2.5	1	7,406,098
Suwannee	1	2,881,045	0	0	3	1	2,881,045
Taylor	1	1,770,076	0	0	3	1	1,770,076
Union	1	527,192	0	0	3	1	527,192
Volusia	0	0	0.5	28,298,800	3.5	0.5	28,298,800
Wakulla	1	1,679,617	0	0	4	1	1,679,617
Walton	1	12,437,773	0	0	2.5	1	12,437,773
Washington	1	1,533,621	0	0	3	1	1,533,621
<b>Statewide</b>		<b>\$1,253,685,857</b>		<b>\$398,959,296</b>			<b>\$1,652,645,153</b>

Note: The following rate changes will impact the realized and unrealized local option sales tax revenues of select county governments during the 2009-10 fiscal year. Effective January 1, 2010, the Small County Surtax levy in Gulf County will increase from 0.5 percent to 1 percent. Effective December 31, 2009, the School Capital Outlay Surtax levies in Gulf and Marion counties will expire.

**Table 2  
Unrealized Sales Tax Rates and Estimates of Total Unrealized Tax Revenues in LFY 2009-10**

County	County Government Surtaxes		School Capital Outlay Surtax		Total - All Surtaxes		
	Unrealized % Rate	Unrealized Tax Revenues	Unrealized % Rate	Unrealized Tax Revenues	Maximum Potential % Rate	Unrealized % Rate	Unrealized Tax Revenues
Alachua	2.75	\$83,702,878	0.5	\$15,218,705	4	3.25	\$98,921,583
Baker	1.5	2,423,124	0.5	807,708	3	2	3,230,832
Bay	2	52,286,068	0.5	13,071,517	2.5	2.5	65,357,585
Bradford	1.5	3,031,994	0.5	1,010,665	3	2	4,042,659
Brevard	3	167,329,101	0.5	27,888,184	3.5	3.5	195,217,285
Broward	3	741,119,589	0.5	123,519,932	3.5	3.5	864,639,521
Calhoun	1.5	1,104,995	0	0	3	1.5	1,104,995
Charlotte	2	34,444,856	0.5	8,611,214	3.5	2.5	43,056,070
Citrus	2	22,438,008	0.5	5,609,502	2.5	2.5	28,047,510
Clay	2	34,139,280	0.5	8,534,820	3.5	2.5	42,674,100
Collier	2	101,136,964	0.5	25,284,241	2.5	2.5	126,421,205
Columbia	2	12,639,962	0.5	3,159,991	3.5	2.5	15,799,953
De Soto	1.5	2,873,538	0.5	957,846	3	2	3,831,384
Dixie	1.5	1,164,611	0.5	388,204	3	2	1,552,815
Duval	2	251,684,456	0.5	62,921,114	3.5	2.5	314,605,570
Escambia	1	35,861,773	0	0	2.5	1	35,861,773
Flagler	1.5	11,380,859	0	0	2.5	1.5	11,380,859
Franklin	1.5	1,637,256	0.5	545,752	3	2	2,183,008
Gadsden	1	3,036,875	0.5	1,518,438	3	1.5	4,555,313
Gilchrist	1.5	930,306	0.5	310,102	3	2	1,240,408
Glades	1.5	530,316	0.5	176,772	3	2	707,088
Gulf	2	1,627,241	0	375,517	3	2	2,002,758
Hamilton	1.5	819,093	0.5	273,031	3	2	1,092,124
Hardee	1.5	2,366,916	0.5	788,972	3	2	3,155,888
Hendry	1.5	3,830,636	0.5	1,276,879	3	2	5,107,515
Hernando	2	28,381,900	0	0	2.5	2	28,381,900
Highlands	1	8,807,244	0.5	4,403,622	2.5	1.5	13,210,866
Hillsborough	2	347,554,366	0.5	86,888,592	3.5	2.5	434,442,958
Holmes	1.5	1,310,798	0.5	436,933	3	2	1,747,731
Indian River	1	16,857,348	0.5	8,428,674	2.5	1.5	25,286,022
Jackson	1	3,813,427	0	0	2.5	1	3,813,427
Jefferson	1.5	1,190,064	0.5	396,688	3	2	1,586,752
Lafayette	1.5	388,001	0.5	129,334	3	2	517,335
Lake	1	28,369,815	0.5	14,184,908	2.5	1.5	42,554,723
Lee	3	255,317,262	0.5	42,552,877	3.5	3.5	297,870,139
Leon	2.5	82,455,848	0	0	4	2.5	82,455,848
Levy	1.5	4,472,588	0.5	1,490,863	3	2	5,963,451
Liberty	1.5	421,260	0.5	140,420	3	2	561,680
Madison	0	0	0.5	486,466	2	0.5	486,466
Manatee	2	79,035,390	0	0	2.5	2	79,035,390
Marion	2	73,903,330	0	13,856,874	2.5	2	87,760,204
Martin	1.5	32,056,199	0.5	10,685,400	2.5	2	42,741,599
Miami-Dade	1	338,257,490	0.5	169,128,745	2.5	1.5	507,386,235
Monroe	1	21,421,579	0	0	2.5	1	21,421,579
Nassau	1	7,294,742	0.5	3,647,371	2.5	1.5	10,942,113
Okaloosa	2	53,851,888	0.5	13,462,972	2.5	2.5	67,314,860

**Table 2 continued  
Unrealized Sales Tax Rates and Estimates of Total Unrealized Tax Revenues in LFY 2009-10**

County	County Government Surtaxes		School Capital Outlay Surtax		Total – All Surtaxes		
	Unrealized % Rate	Unrealized Tax Revenues	Unrealized % Rate	Unrealized Tax Revenues	Maximum Potential % Rate	Unrealized % Rate	Unrealized Tax Revenues
Okeechobee	1.5	5,273,030	0.5	1,757,677	3	2	7,030,707
Orange	3	879,010,689	0	0	3.5	3	879,010,689
Osceola	2	70,819,994	0.5	17,704,999	3.5	2.5	88,524,993
Palm Beach	3	564,431,109	0	0	3.5	3	564,431,109
Pasco	1	39,116,126	0.5	19,558,063	2.5	1.5	58,674,189
Pinellas	2	227,903,204	0.5	56,975,801	3.5	2.5	284,879,005
Polk	2.5	146,420,480	0	0	3.5	2.5	146,420,480
Putnam	1	5,237,123	0.5	2,618,562	2.5	1.5	7,855,685
Saint Johns	2	42,705,672	0.5	10,676,418	2.5	2.5	53,382,090
Saint Lucie	2	48,793,008	0	0	2.5	2	48,793,008
Santa Rosa	2	23,218,208	0	0	2.5	2	23,218,208
Sarasota	2	98,604,852	0.5	24,651,213	3.5	2.5	123,256,065
Seminole	2	105,083,012	0.5	26,270,753	3.5	2.5	131,353,765
Sumter	1	7,406,098	0.5	3,703,049	2.5	1.5	11,109,147
Suwannee	1.5	4,321,568	0.5	1,440,523	3	2	5,762,091
Taylor	1.5	2,655,114	0.5	885,038	3	2	3,540,152
Union	1.5	790,788	0.5	263,596	3	2	1,054,384
Volusia	3	169,792,800	0	0	3.5	3	169,792,800
Wakulla	2.5	4,199,043	0.5	839,809	4	3	5,038,852
Walton	1	12,437,773	0.5	6,218,887	2.5	1.5	18,656,660
Washington	1.5	2,300,432	0.5	766,811	3	2	3,067,243
<b>Statewide</b>		<b>\$5,419,221,349</b>		<b>\$846,901,035</b>			<b>\$6,266,122,384</b>

Note: The following rate changes will impact the realized and unrealized local option sales tax revenues of select county governments during the 2009-10 fiscal year. Effective January 1, 2010, the Small County Surtax levy in Gulf County will increase from 0.5 percent to 1 percent. Effective December 31, 2009, the School Capital Outlay Surtax levies in Gulf and Marion counties will expire.