

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 688

INTRODUCER: Senator Garcia

SUBJECT: Charter County and Regional Transportation System Surtax

DATE: December 4, 2017 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Pre-meeting
2.			AFT	
3.			AP	

I. Summary:

SB 688 requires each county, as defined in s. 125.011(1), F.S., to the extent not prohibited by contracts or bond covenants in effect on July 1, 2018, to use Charter County and Regional Transportation System Surtax proceeds only for the following purposes:

- The planning, design, engineering, and construction of fixed guideway rapid transit systems.
- The acquisition of right-of-way for fixed guideway rapid transit systems, provided that the current owner of the right-of-way is a willing seller or lessor.
- The purchase of buses and other capital costs for a bus system.
- The payment of principal and interest on bonds previously issued related to fixed guideway rapid transit systems or bus systems.
- As security by the governing body of the county to refinance existing bonds or to issue new bonds for the planning, design, engineering, and construction of fixed guideway rapid transit systems or bus systems.

Additionally, the bill prohibits the use of such surtax proceeds for nontransit purposes for each county as defined in s. 125.011(1), F.S.

II. Present Situation:

Charter County and Regional Transportation System Surtax

Any county that has adopted a home rule charter, any county government that has consolidated with one or more municipalities, and any county that is within or under an interlocal agreement with a regional transportation or transit authority created under ch. 343 or 349, F.S., may levy

this surtax at a rate of up to 1 percent, subject to approval by a majority vote of the county's electorate or a charter amendment approved by a majority vote of the county's electorate.¹

Based on these criteria, 31 counties (i.e., Alachua, Bay, Brevard, Broward, Charlotte, Citrus, Clay, Columbia, Duval, Escambia, Franklin, Gulf, Hernando, Hillsborough, Lee, Leon, Manatee, Miami-Dade, Okaloosa, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Santa Rosa, Sarasota, Seminole, Volusia, Wakulla, and Walton) are eligible to levy the surtax. During the 2017 calendar year, only 2 of 31 eligible counties (i.e., Duval and Miami-Dade) will be levying the surtax at a rate of 0.5 percent. This surtax, in addition to the Emergency Fire Rescue Services and Facilities Surtax and the School Capital Outlay Surtax, is not subject to a combined rate limitation that impacts the other discretionary sales surtax levies.

Generally, the use of the proceeds is for the development, construction, operation, and maintenance of fixed guideway rapid transit systems; bus systems; on-demand transportation services; and roads and bridges.² Counties eligible to levy the surtax may also use up to 25 percent of the proceeds for nontransit purposes.³

In 2017-18, the Revenue Estimating Conference estimates that the Charter County and Regional Transportation System Surtax will collect \$329.5 million.⁴

The Department of Revenue shall distribute the surtax proceeds to the county government for deposit into the county trust fund or remittance by the county's governing body to an expressway, transit, or transportation authority created by law.

Section 125.011(1), F.S.

Miami-Dade County is the only county that comports with the description contained in s. 125.011(1), F.S., of a "county operating under a home rule charter" adopted under constitutional authority and which "by resolution of its board of county commissioners, elects the powers" conferred by that statutory section.⁵ General laws used by Miami-Dade County, and only Miami-Dade County, have survived various legal challenges claiming such general laws are, in actuality, special laws.⁶

¹ Section 212.055(1), F.S. *See also* Florida Revenue Estimating Conference, *2017 Florida Tax Handbook Including Fiscal Impact of Potential Changes*, pp. 226-227, available at: <http://edr.state.fl.us/Content/revenues/reports/tax-handbook/taxhandbook2017.pdf> (last visited Nov. 28, 2017).

² Section 212.055(1)(d), F.S.

³ Section 212.055(1)(d)3., F.S.

⁴ Florida Revenue Estimating Conference, *2017 Florida Tax Handbook Including Fiscal Impact of Potential Changes*, pp. 226-227.

⁵ Memorandum from Florida Legislative Committee on Intergovernmental Relations, (dated Apr. 20, 2006).

⁶ *See* Metropolitan Dade County v. Golden Nugget Group, 448 So. 515 (Fla. 3rd DCA 1984), *aff'd*, 464 So. 2d 535 (Fla. 1985); City of Miami v. McGrath, 824 So. 143 (Fla. 2002); and Homestead Hospital v. Miami-Dade County, 829 So. 2d 259 (Fla. 3rd DCA 1992).

III. Effect of Proposed Changes:

The bill requires each county, as defined in s. 125.011(1), F.S., to the extent not prohibited by contracts or bond covenants in effect on July 1, 2018, to use Charter County and Regional Transportation System Surtax proceeds only for the following purposes:

- The planning, design, engineering, and construction of fixed guideway rapid transit systems.
- The acquisition of right-of-way for fixed guideway rapid transit systems, provided that the current owner of the right-of-way is a willing seller or lessor.
- The purchase of buses and other capital costs for a bus system.
- The payment of principal and interest on bonds previously issued related to fixed guideway rapid transit systems or bus systems.
- As security by the governing body of the county to refinance existing bonds or to issue new bonds for the planning, design, engineering, and construction of fixed guideway rapid transit systems or bus systems.

Additionally, the bill prohibits the use of such surtax proceeds for nontransit purposes for each county as defined in s. 125.011(1), F.S.

The bill also makes several editorial, nonsubstantive changes such that present s. 212.055(1)(d)3., F.S., is combined with s. 212.055(1)(d)4., F.S., to create a new s. 212.055(1)(d)1.c., F.S.

The bill provides that the act takes effect July 1, 2018.

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

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

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

None.

B. Private Sector Impact:

None.

C. **Government Sector Impact:**

Each county as defined in s. 125.011(1), F.S., may use Charter County and Regional Transportation System Surtax proceeds only for those purposes provided above and may not use the surtax for nontransit purposes.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 212.055 of the Florida Statutes.

IX. Additional Information:

A. **Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. **Amendments:**

None.