

Charlotte County Board Of County Commissioners
Agenda Item Summary

1 DEPARTMENT MAKING REQUEST

County Attorney

2 MEETING DATE

5/13/2014 9:00:00 AM

3 REQUESTED MOTION/ACTION

Conduct a Public Hearing to consider approving an Ordinance levying a local sales tax and providing for a referendum election for an extension of the local sales tax, to be held on either the August 26, 2014, primary election or the November 4, 2014, general election.

4 AGENDA

TimeRequired

5 IS THIS ITEM BUDGETED (IF APPLICABLE) -

Budget Action

No action needed. The budget will be adjusted after the local sales tax referendum passes.

Financial Impact Summary Statement

The estimated annual revenue is projected at \$18.0 million.

Detailed Analysis Attached -

Budget Officer-

6 BACKGROUND (Why is this Action Necessary, and What Action will be accomplished)

The Board of County Commissioners has authorized staff to begin the process to place a referendum election on the ballot for either the 2014 primary or general election, which, if approved by the voters, would provide for an extension of the local sales tax beginning January 1, 2015. In order to accomplish this, it is necessary for the Board to approve this Ordinance levying a local sales tax and authorizing the aforementioned referendum election on the sales tax extension.

ATTACHMENTS:

Name:

Description:

Type:

[Economic Impact Estimate.doc](#)

EIE

Exhibit

[2014 Local Sales Tax ordinance.doc](#)

Exhibit

Ordinance

ECONOMIC IMPACT ESTIMATE

PURPOSE: Analyze what the ordinance is designed to accomplish. Describe present situation and the ordinance's effect thereon.

The purpose of this ordinance is to seek approval of the extension of the Charlotte County Local Government Infrastructure Sales Surtax by the Charlotte County voters in a referendum to be held by the Supervisor of Elections in conjunction with the (August 26 or November 4, 2014) (Primary or General) Election.

IMPACT: Consider costs and benefits, both monetary and non-monetary for the private sector (non-governmental entities) and the public sector (government). In discussing costs and benefits, distinguish between those which are social (borne by society as a whole) and those, which are private (accrue to certain individuals or groups). Identify the specific groups, which will be impacted.

A. **Cost of Implementation:** The election will be held in conjunction with the (August 26 or November 4, 2014) (Primary or General) Election. Thus, there is no additional cost. A portion of the sales surtax collected, not exceeding 3%, is retained by the state as costs of administration. So no additional costs are anticipated. There will be operating and maintenance costs associated with some of the projects, which will require adjustments to ad valorem millage rates, as the projects come on-line.

B. **Source of Fund/Ultimate Burden of Costs:** The local government infrastructure tax is an additional 1% on purchases which are already subject to the 6% state sales tax. For example, on a \$100 purchase, the local government infrastructure tax will add \$1 and the State collects \$6; for a total of \$7 State and local sales taxes. These costs are born by residents, as well as visitors to Charlotte County.

C. **Effect on Competition and the Employment Market:** The majority of the Counties in Southwest Florida are either collecting the local governmental infrastructure tax for County and City government projects or School Board expenditures, or special referendum taxes for the purchase of environmental lands. Thus, there is no anticipated effect on competition or the employment market.

D. **Benefits on implementation:** The monies collected from this tax will assist the County with completing county facilities, which have deficits in service levels, as well as complete the Five Year Road Program, which is also funded by Impact Fees and Gas Taxes, for example.

These monies are collected from residents, as well as visitors to Charlotte County, who make purchases (which is not the case for ad valorem millages, collected only from property owners).

The Local Government Infrastructure Tax projections for County-wide Infrastructure Projects are outlined below. The total projections are based on a local Government Infrastructure Tax that is voted in for either four year, six years, eight years or ten years.

Four Year Projection		
Year	Annual Estimate	
	2015	\$18.0
	2016	\$18.0
	2017	\$18.0
	2018	\$18.0
Total Four Year Projection	\$72.0	

Six Year Projection		
Year	Annual Estimate	
	2015	\$18.0
	2016	\$18.0
	2017	\$18.0
	2018	\$18.0
	2016	\$18.0
	2017	\$18.0
Total Six Year Projection	\$108.0	

Eight Year Projection		
Year	Annual Estimate	
	2015	\$18.0
	2016	\$18.0
	2017	\$18.0
	2018	\$18.0
	2016	\$18.0
	2017	\$18.0
	2016	\$18.0
	2017	\$18.0
Total Eight Year Projection	\$144.0	

Ten Year Projection		
Year	Annual Estimate	
	2015	\$18.0
	2016	\$18.0
	2017	\$18.0
	2018	\$18.0
	2016	\$18.0
	2017	\$18.0
	2016	\$18.0
	2017	\$18.0
	2016	\$18.0
	2017	\$18.0
Total Ten Year Projection	\$180.0	

O R D I N A N C E
N U M B E R 2014-

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF CHARLOTTE COUNTY, FLORIDA, EXTENDING THE LOCAL GOVERNMENT INFRASTRUCTURE SALES SURTAX (“LOCAL SALES TAX”) IN CHARLOTTE COUNTY; PROVIDING FOR THE LEVY OF THE LOCAL SALES TAX; PROVIDING FOR A REFERENDUM ELECTION; PROVIDING FOR THE DURATION OF THE LOCAL SALES TAX; PROVIDING FOR THE DISTRIBUTION OF REVENUES OF THE LOCAL SALES TAX; PROVIDING FOR HOLDING THE REFERENDUM ELECTION; PROVIDING FOR THE BALLOT QUESTION; PROVIDING FOR THE USE OF REVENUES; PROVIDING FOR THE DISSEMINATION OF INFORMATION CONCERNING THE LOCAL SALES TAX; PROVIDING FOR NOTIFICATIONS BY THE COUNTY ATTORNEY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

RECITALS

WHEREAS, Section 212.055(2), Florida Statutes, authorizes the governing authority in each county to levy either a one-half percent (0.5%) or one percent (1%) local government infrastructure sales surtax (hereinafter “local sales tax”) upon taxable transactions occurring within the county as provided in Section 212.054, Florida Statutes; and

WHEREAS, proceeds from the local sales tax, and any interest accrued thereto, are required by Section 212.055(2) to be used, *inter alia*, to finance, plan and construct needed infrastructure; and

WHEREAS, at a referendum election conducted on August 26, 2008, a majority of the electors of Charlotte County approved the ballot question listed in Ordinance No. 2008-043 which levied a one percent (1%) local sales tax for a period from January 1, 2009, to

1 December 31, 2014, for the purposes of funding infrastructure as defined by law including
2 road improvements and sidewalks; and

3 **WHEREAS**, the previously approved one percent (1%) local sales tax will expire on
4 December 31, 2014; and

5 **WHEREAS**, the Charlotte County Board of County Commissioners finds that
6 Charlotte County would benefit by extending the one percent (1%) local sales tax for an
7 additional ____ years so that proceeds from the local sales tax may be used to finance,
8 plan and construct needed infrastructure; and

9 **WHEREAS**, the extension of the one percent (1%) local sales tax would result in a
10 one (1) cent sales surtax on each one dollar (\$1.00) for an additional ____ years; and

11 **WHEREAS**, Section 212.055(2), Florida Statutes, provides that the levy of the local
12 sales tax shall be pursuant to an ordinance enacted by a majority of the board of county
13 commissioners of the county and approved by a majority of the electors of the county
14 voting in a referendum on the local sales tax.

15 **NOW, THEREFORE, BE IT ORDAINED** by the Board of County Commissioners of
16 Charlotte County, Florida:

17 **SECTION 1. LEVY OF THE LOCAL SALES TAX.** The Board of County
18 Commissioners of Charlotte County hereby levies a one percent (1%) local sales tax
19 pursuant to Section 212.055(2), Florida Statutes, effective January 1, 2015, to coincide
20 with the expiration of the existing one percent (1%) local sales tax which expires on
21 December 31, 2014. The local sales tax levied hereby shall terminate on December 31,
22 ____.

23 **SECTION 2. REFERENDUM ELECTION.** The local sales tax levied in Section 1. of
24 this ordinance shall not take effect unless and until it is approved by a majority of the

1 electors of Charlotte County, voting in a referendum election on the local sales tax held as
2 required by this ordinance.

3 **SECTION 3. DURATION OF THE LOCAL SALES TAX.** Collection of the local
4 sales tax levied herein shall begin on January 1, 2015, and shall cease on December 31,
5 _____. There can be no extension of the levy of this local sales tax unless approved by a
6 majority of the electors of Charlotte County voting in a referendum election.

7 **SECTION 4. DISTRIBUTION OF REVENUES OF THE LOCAL SALES TAX.** The
8 local sales tax shall be distributed between Charlotte County and the City of Punta Gorda
9 as provided in Section 212.055(2) (c), Florida Statutes.

10 **SECTION 5. HOLDING THE REFERENDUM ELECTION.** The Supervisor of
11 Elections of Charlotte County is hereby directed to hold a referendum election in
12 conjunction with the (primary or general) election scheduled on (August 26th or November
13 4th), 2014.

14 **SECTION 6. BALLOT QUESTION.** The Supervisor of Elections of Charlotte
15 County shall cause the following question to be placed on the ballot of the referendum
16 election held as herein required:

17 **TITLE**

18 EXTENSION OF THE ONE PERCENT (1%) LOCAL SALES
19 TAX FROM JANUARY 1, 2015 TO DECEMBER 31, _____.

20
21 **QUESTION**

22
23 SHOULD THE ONE PERCENT LOCAL SALES TAX BE
24 EXTENDED FROM JANUARY 1, 2015, TO DECEMBER 31,
25 _____, WITH THE PROCEEDS TO BE USED FOR
26 INFRASTRUCTURE AS DEFINED BY LAW, INCLUDING
27 _____?

28
29
30 _____ **FOR** the one-cent sales tax

31
32 _____ **AGAINST** the one-cent sales tax

1
2 **SECTION 7. USE OF REVENUES.** The shares of the local sales tax proceeds

3 received by Charlotte County and the City of Punta Gorda shall be expended only as
4 permitted by Section 212.055(2), Florida Statutes.

5 **SECTION 8. DISSEMINATION OF INFORMATION CONCERNING THE LOCAL**

6 **SALES TAX.** The County Administrator is authorized to use any available County funds
7 and to seek private donations to disseminate factual information to the citizenry of the
8 County concerning the local sales tax. The Board of County Commissioners of Charlotte
9 County finds that the expenditure of such funds and donations is for a public purpose and
10 is an authorized expenditure.

11 **SECTION 9. NOTIFICATIONS BY THE COUNTY ATTORNEY.** The County

12 Attorney is directed to notify the Charlotte County Supervisor of Elections immediately of
13 the adoption of this ordinance and provide the Supervisor of Elections with a certified copy
14 of this ordinance. The County Attorney is further directed to notify the Department of
15 Revenue within 10 days after the final adoption by ordinance or referendum of the levy,
16 termination, or rate change of the local sales tax, but not later than November 16, 2014,
17 prior to the effective date. Said notice shall include the time period during which the local
18 sales tax will be in effect, the rate, a copy of the ordinance and such other information as
19 the Department of Revenue shall require, in accordance with Section 212.054(7) (a),
20 Florida Statutes. In addition, the County Attorney is further directed to notify the
21 Department of Revenue by October 1, 2014, if the referendum, or consideration of the
22 ordinance, that would result in the levy, termination, or rate change of the local sales tax, is
23 scheduled to occur on or after October 1, 2014, in accordance with Section 212.054(7) (b),
24 Florida Statutes.

