OFFICE OF MANAGEMENT AND BUDGET
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MEMORANDUM

August 16, 2018

TO: Board of County Commissioners

FROM: Norman Foster, Director
Office of Management and Budget NSF

SUBJECT: Fiscal Impact Statement Re: Proposed Transportation System Surtax Interlocal Agreement between Broward County, participating municipalities, and the Broward County Metropolitan Planning Organization

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Summary

Charter Counties have the authority to levy up to a one percent increase in the sales tax subject to approval by a majority vote of the electorate for transportation purposes. Generally, the tax proceeds are restricted for the planning, development, construction, operation, and maintenance of bus systems, fixed guide-way rapid transit systems, on-demand transportation services, roads, and bridges. The proposed interlocal agreement establishes the MPO's commitment to review and rank municipal projects; commits that ten percent of the total surtax proceeds received would be used to fund municipal projects approved by the Oversight Board and enhanced community bus service; states the County estimate of surtax funds that would be available over the term of the levy to fund approved municipal projects, and states the County intention in good faith to utilize that sum; contains a pledge of support for the ballot measure by all parties; and establishes periodic reporting and audit requirements.

Fiscal Impact

It is estimated that the levy of one cent of transportation surtax would generate $357.4 million in revenue the first full fiscal year in 2020. Per Florida Statute (FS129.01) the County can only appropriate 95% of revenues which equals to $339.5 million.

The proposed interlocal agreement would commit that at minimum 10% of the total surtax proceeds received would be used to fund municipal projects equaling $33.9 million in the first year and future amounts are dependent on future surtax revenue distributions.

NF:sz