

Topic: 2024 One-Cent Local Government Infrastructure Surtax

In accordance with Section 125.66(3)(c), Florida Statutes, and Section 2.2.D of the Seminole County Home Rule Charter, before the enactment of a proposed ordinance or resolution, the Board of County Commissioners shall prepare or cause to be prepared a business impact estimate in accordance with the statute and the Charter. The business impact estimate must be posted on the county's website no later than the date that the notice of proposed enactment is published, pursuant to paragraph (2)(a) of the statute, and must include all of the following:

Describe Project/Proposal, including the Public Purpose.

- Summary of proposed ordinance or resolution.
- Statement of the public purpose to be served by the proposed ordinance, such as serving the public health, safety, morals, and welfare of the county.

Approval Seminole County's 4th Generation of a one-cent sales tax for the purpose of funding Transportation infrastructure and other legally authorized infrastructure as defined in Florida Statute 212.055. The surtax will be effective for ten years (January 1, 2025 through December 31, 2034) and will be distributed to the County School Board, seven municipalities, and Board of County Commissioners.

Ordinances and resolutions are exempt from the completion of a Business and Economic Impact Statement form if the ordinance does not have an economic cost to the taxpayers of Seminole County. (Per, Seminole County Home Charter Section 2.2 D.)

The following types of ordinances are exempt from the Business and Economic Statement requirement under F.S. 125.66(3)(c). As such, if one or more boxes are checked below, Seminole County believes that a Business and Economic Impact Statement is not required by state law for the proposed ordinance referenced above.

Seminole County reserves the right to revise this Business and Economic Impact Statement following its initial posting and to discontinue providing this information for proposed ordinances believed to be exempt under state law.

- ☐ The proposed ordinance is required for compliance with Federal or State law or regulation;
- ☐ The proposed ordinance relates to the issuance or refinancing of debt;
- ☐ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- ☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant, or other financial assistance accepted by the local government;
- ☐ The ordinance is an emergency ordinance;
- ☐ The ordinance relates to procurement or
- ☐ The ordinance is enacted to implement the following:
 - a. Part II of Chapter 163, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements, and development permits;
 - b. Sections 190.005 and 190.046, regarding community development districts;
 - c. Section 553.73, relating to the Florida Building Code; or
 - d. Section 633.202, relating to the Florida Fire Prevention Code.

Describe the Direct Economic Impact of the Project/Proposal upon the Operation of the County.

- An estimation of the direct economic impact on the county's regulatory costs, including revenues from new charges or fees
- An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the county, including the following, if any:
 - o An estimate of direct compliance costs that businesses may reasonably incur if the ordinance is enacted.
 - o Identification of any new charge or fee on businesses subject to the proposed ordinance or for which businesses will be financially responsible.
 - o An estimate of the county's regulatory costs, including an estimate of revenues from any new charges or fees that will be imposed on businesses to cover such costs.

The County, seven municipalities, and School Board all require a dedicated revenue for the construction and preservation of roads, drainage and flood mitigation infrastructure, bridges, bicycle and pedestrian trails, traffic control systems, water quality protection, public education facilities, and other critical government infrastructure dedicated for public use. Projects funded through this revenue will contribute positively to the transportation efficiency, public safety, and recreation, and overall quality of life for local residents and other stakeholders travelling into the County.

Describe the Direct Economic Impact of the Project/Proposal.

- A good faith estimate of the number of businesses likely to be impacted by the ordinance.
- To the Property Owners/Tax Payers/Citizens who are Expected to be Affected
- To Non Profit Businesses

Over the course of the prior 3 generations of the one-cent surtax, the County has relied on this revenue for 30 years to fund its core, fundamental infrastructure needs. Residents, tourists, commuters from other Counties, and businesses all pay Sales Tax within Seminole County. An estimated 25% to 35% of the proposed sales tax would be paid by non-residents, which helps minimize the burden of these costs to Seminole County property owners.

The cost of a one-cent sales tax to individual households varies based on household size, income, and spending habits. Based on the US Internal Revenue Service (IRS) Sales Tax Calculator, the amount of sales taxes paid annually in Seminole County by an average household in 2024 is \$131 for the additional 1 cent levy.

This local government infrastructure surtax is only levied on the first \$5,000 of each purchase. Therefore, the maximum cost for any major purchase (automobile, boat, jewelry, construction materials, etc) is capped at \$50 per transaction.

Identify any potential Indirect Economic Impacts, Positive or Negative, which might occur as a Result of the Project Proposal/Adoption of the Ordinance or Resolution.

The additional one cent surtax is estimated to generate slightly over \$100M Countywide per full year in 2024. Based upon current Countywide property taxable valuations, it would require approximately 1.2 mills to generate equivalent revenues. This millage amount would cost \$445 to an average home with a taxable value of \$420K with homestead exemption. The one-cent surtax puts downward pressure on County millage rates, generating savings for property owners.

Projects funded through this revenue will improve traffic mobility and increase safety within the County. It will continue to enhance the overall quality of life due to improvements in infrastructure.