

# City of Sarasota Major Revenues Manual

## AD VALOREM TAXES

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Article VII, Section 9 of the State Constitution and Florida Statutes Chapters 192 through 197 and 200. Annual millage rates are established by resolution of the City Commission; most recently by City of Sarasota Resolutions 11R-2243, 2244, 2245 and 2246.	<p>Ad valorem tax is a property tax. In 2011 the amount of tax paid by a property owner was determined by the following formula: taxable value of the property divided by 1,000 and multiplied by the millage rate of 2.9249.</p> <p>The methodology for levy, collection, and distribution of ad valorem taxes is a highly regulated activity governed by a variety of statutes including Chapter 200 of the Florida Statutes. The methodology is administered by the Department of Revenue through a variety of regulations in the Florida Administrative Code. City of Sarasota property taxes are collected by the Sarasota County Tax Collector's office.</p>	Ad valorem taxes are generally restricted to lawful budgeted purposes authorized by the City of Sarasota Commission. In general, ad valorem taxes must be used to benefit the public and the City as a whole.

## EXCISE TAXES: ELECTRICITY, WATER AND HOME HEATING FUELS

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes 166.231 and Sarasota City Code Section 32-16 through 32-24.	The City levies an excise tax of 10% on the sale of electricity, fuel oil, metered gas, bottled gas and/or water services. Businesses transacting in the sale of these commodities within City limits must remit a percentage of the purchase price for same to the City of Sarasota on a monthly basis.	Excise taxes are generally restricted to lawful budgeted purposes authorized by the City of Sarasota Commission. Electric excise tax serves as secondary pledge on the 1992 Special Obligation Bonds.

## COMMUNICATIONS SERVICES TAX

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes Section 202.19 City of Sarasota Ordinance 01-4330	<p>The definition of communications services includes voice, data, audio, video, or any other information or signals, including cable services that are transmitted by any medium. The Communications Services Tax Simplification Law enacted in 2001 replaced and consolidated seven different state and local taxes/fees with a single tax. The tax is comprised of two centrally-administered parts: a State Communications Services Tax and a Local Communications Services Tax. The State Communications Service Taxes include retail sales tax and gross receipts tax on statewide communication services. Even though portions of the State's Communication Tax revenues are re-distributed to counties and municipalities, the distributions are made via the Local Government 1/2 Cent Sales Tax Fund and the Municipal Revenue Sharing Fund (see both further in this document) and are therefore not represented herein as city of Sarsaota Communication Services Tax revenues.</p> <p>The second part of the Communications Services Tax is the City's Local Communication Services Tax (adopted 2001), which levies a 5.92% tax on all applicable communication services within City limits and represents the total Communication Service Tax as depicted in City revenues.</p>	The revenues derived from the local communications services tax may be used for any public purpose, including the pledge of such revenues for the repayment of current or future bonded indebtedness.

## LOCAL GOVERNMENT HALF-CENT SALES TAX

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes Sections 202.18(2)(c), 212.20(6), and 218.60-.67.	The Half-cent Sales Tax Trust Fund is funded from the transfer of 8.909 percent of State sales tax (6%) revenues. A portion of the Half Cent Fund is distributed to the City of Sarasota, as well as to other eligible county and municipal governments. The distribution amounts are derived from allocation formulas that are based on respective recipient populations.	Municipalities shall expend their portions of the local government half-cent sales tax only for municipality-wide programs or for municipality-wide property tax or municipal utility tax relief. All utility tax rate reductions afforded by participation in the local government half-cent sales tax shall be applied uniformly across all types of taxed utility services. Half-cent Sales Tax serves as secondary pledge towards 2009 Capital Improvement Revenue Bonds.

## ELECTRIC UTILITY FRANCHISE FEES

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes 403.0893 City of Sarasota Ordinance No. 10-4917	Franchise fees are used to cover the expenses associated with regulation and to provide fair compensation for the rental value of the rights-of-way.  The fee is 6.0 percent on the sale of electrical energy within City limits. The Florida Power & Light Company ("FPL") collects the fee and submits it to the City on a monthly basis. The electric franchise granted by Ordinance No. 10-4917 was passed and adopted November 1, 2010 and is effective for a term of thirty years.	Annual FPL Franchise Fees equal to or less than \$4,963,000 may be used for any public purpose approved by the City Commission. Annual revenues in excess of \$4,963,000 are identified in the Ordinance to be used for community financing programs (for example 'PACE' -Property Assessed Clean Energy) for the purpose of furthering community sustainability and alternative energies.

## MUNICIPAL REVENUE SHARING PROGRAM

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes Chapter 218, Part II	The Florida Revenue Sharing Act of 1972 was legislated to ensure a minimum level of revenue equity amongst local municipalities and counties. The State's Revenue Sharing Trust Fund for Municipalities receives funding from three sources: 1.3 % of State Sales and Use Taxes (which includes a portion of State Communication Service Tax revenues), 12.5% of the State Alternative Fuel User Decal Fees and the net collections from the One-cent Municipal Motor Fuel Tax. The State distributes a share to municipalities on a monthly basis, based on an allocation formula that takes into account a municipality's population and other factors.	Due to the fact that a specific portion of revenues received from the State are attributed to being derived from the municipal fuel tax, at least that proportion of the municipally shared revenues must be expended only on transportation-related purposes (road/bike/walk-ways construction, reconstruction or maintenance and related activities) (in 2011 it was 29.01%). Additionally, no more than 50% of the distributed revenues may be assigned, pledged or set aside as a trust for the payment of principal or interest on bonds or any other form of indebtedness.

## GAS TAX (6 CENT LOCAL OPTION FUEL TAX and ONE CENT COUNTY FUEL TAX)

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes, Section 206.41, 206.87, 336.021, 336.025; Sarasota County Ordinance 86-009, 065.	The 'Gas Tax' revenues include two state-approved optional local taxes: The "1 to 6 Cents Local Option Fuel Tax" and the "One Cent County Fuel Tax". The 1 to 6 Cents Local Option Fuel Tax became effective in Sarasota County and its municipalities in 1986, and provides that Sarasota County will levy a tax of 6 cents on every net gallon of motor fuel sold inside County limits. An additional 1 Cent County Fuel Tax was approved in 1988, resulting in a total of seven cents being collected on every net gallon of motor fuel sold within County limits. The proceeds from the taxes are divided between the County and its municipalities based upon an interlocal agreement that allocates revenues based on respective populations. Retail dealers remit the appropriate tax on all taxable fuels sold within the County to the Florida Department of Revenue before those monies are re-distributed at the municipal level.	The revenues received via the One Cent Tax must be used to pay the expenses of establishing and maintaining a transportation system and related facilities, as well as paying the cost of acquisition, construction, reconstruction, and maintenance of roads and streets. The tax may be used to pay the principal and interest payments on bonds issued for road construction.  Revenues received via the Six Cents Tax may be used for any authorized transportation expenditure. Street lighting, traffic signs, traffic engineering, road construction, bridge maintenance, and right-of-way maintenance are some examples of authorized transportation expenditures.

## 5 CENT LOCAL OPTION FUEL TAX

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes, Section 206.41, 206.87, 336.025; Sarasota County Ordinance 00-029 as amended by 05-025.	This additional five-cent local option fuel tax became effective January 1, 2011 and levies upon every gallon of motor fuel sold in Sarasota County an additional 5-cent tax under the provisions of Part I of Chapter 206, Florida Statutes. The proceeds from the taxes are divided between the County and its municipalities based upon an interlocal agreement that allocates revenues by respective populations. Retail dealers remit the appropriate tax on all taxable fuels sold within the County to the Florida Department of Revenue before these monies are re-distributed at the municipal level.	Revenues collected from the 5 Cent Local Option Fuel Tax must be used only for transportation expenditures needed to meet the requirements of the capital improvement element of an adopted comprehensive plan.

## TOURIST DEVELOPMENT TAX

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes, Section 125.0104; Sarasota County Code Section 114-60 through 114-90.	A five percent tax is levied on all hotel rooms and other residential units which are rented for a period of six months or less in Sarasota County. The tax was adopted by Sarasota County first as a 2% levy effective Nov 1, 1988. An additional 1% levy was added effective April 1, 1997; a second additional 1% levy was added effective May 1, 2007; an additional 1/2% levy was added effective May 1, 2010 and a second additional 1/2% levy became effective May 1, 2011. The total tax is collected locally by the Tax Collector's Office. In accordance with the statute, on September 2, 1986, the Board of Sarasota County Commissioners established and appointed a Tourist Development Council (TDC). The TDC is tasked with developing a Tourist Development Plan which authorizes uses for the tax revenues.	TDT revenues are distributed in accordance with the Tourist Development Plan, the goal of which is to encourage tourism by sustaining beaches, increasing marketing and promotions, and supporting community sports, art and event facilities. The originally adopted levies of 2%, 1%, 1%, 0.5% and 0.5% are each assigned to respective expenditures with the current total TDT revenue distribution summarized below: --2.5% New tourism activities or attractions --10% Ed Smith Stadium --10% Aquatic Nature Centers and Ancillary Facilities --10% Cultural and Fine Arts --33.5% Advertising and Promotions --34% Beaches Of the 34% of revenues directed towards beaches 71% is allocated for Beach Maintenance, and 29% for Beach Renourishment. The distribution is shared amongst the four Sarasota County entities (that have beachfront) based on population. The remaining 66% of TDT funds are awarded to entities as determined by the Tourist Development Council.

## PENNY SALES TAX (LOCAL GOVERNMENT INFRASTRUCTURE SURTAX)

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes, Section 212.054 and 212.055; Sarasota County Ordinance 89-040, as continued under County Ordinances 97-083 as amended by 06-016, 06-065, 08-107, 09-046 and 10-058; and 07-087.	The infrastructure surtax is a one-cent surtax levied by Sarasota County and collected by the Florida Department of Revenue. Twenty-five percent of the tax proceeds are provided for the exclusive use of the Sarasota County School Board, and the remaining proceeds are divided between the City of Sarasota, Venice, North Port, Longboat Key, and the County, based upon an interlocal agreement that allocates revenues using official population figures provided by the University of Florida. The tax was initially approved by voter referendum in June, 1989 (Phase I). On November 4, 1997, the voters of Sarasota County approved an extension (Phase II) of the penny sales tax for an additional ten years. On November 6, 2007, voters approved a continuation of the One-Cent Sales Tax (Phase III) for a period commencing September 1, 2009 through December 31, 2024.	Local Government Infrastructure Surtax must be used to finance, plan and construct infrastructure, including facilities, land and engineering costs, police and fire vehicles, affordable housing land acquisition and the establishment of emergency shelters. Penny Sales Taxes can also be used to pay debt services on bonds issued to fund qualified projects.

## LOCAL BUSINESS TAX

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida State Statute 205.042 and Sarasota City Code Chapter 19.	The local business tax or local business tax receipt, represents the fees charged and the method by which the City grants the privilege of engaging in or managing any business, profession, and/or occupation within City limits. The tax is collected at the local business tax receipt office, located in Sarasota City Hall and is due on an annual basis for each business operating in a unique location. The cost to obtain a business tax receipt is provided as a schedule of fees in the Sarasota Code and vary specific to the type and size of the business.	The tax proceeds are considered general revenue for the City of Sarasota.

## LICENSES AND PERMITS

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes Section 163.31801, 553.73(4)(a); Sarasota City Code Chapter 11; City of Sarasota Ordinance 08-4778	Permit fees associated with the Building Services provided by the City are collected by the department issuing the permit. In addition to major construction, permits are required to perform electrical, plumbing, heating/cooling, roofing, and other residential and commercial construction work projects.	In accordance with Florida Statutes, revenues received from the permitting associated with Building Services must be used to support building and development activities.

## FINES AND FORFEITS

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
City of Sarasota Charter, Section 18	The City Commission imposes by ordinance such fines, penalties and forfeitures as it deems necessary for the enforcement of City codes related to the sustaining of quality of life, public safety and values of property. Such fines and forfeitures include monies received as payment for zoning code violations, civil seizures, traffic violations including red light cameras, nuisance abatement fines, code compliance liens and other regulatory violations.	Certain types of fines and forfeitures are specifically directed to be expended on positive improvements benefitting community members impacted by the original violations. For instance, a motorist who parks in violation of posted Disabled parking signs is ticketed \$250, 2/3rds of which is deposited into the Citizens with Disabilities Fund to be used for projects or activities to benefit disabled persons. Another example is the Neighborhood Grant Program, a program that is funded from crime-related Vehicle Impoundment fines, and provides local grant funding to improve the health and vitality of impacted neighborhoods.

## RENTS AND ROYALTIES

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
The City of Sarasota has home rule and proprietary powers and is such authorized to set rental rates for municipally owned property.	The City extends leases to public and private organizations for the use of City owned parcels and properties. Rentals are negotiated on an individual basis, without any overall fee structure. Annual rental fees may be as little as \$1 a year for certain charitable organizations who lease City property.	Rents and Royalty revenues are generally restricted only to lawful budgeted purposes authorized by the City of Sarasota Commission.

## INVESTMENT INCOME

LEGAL AUTHORIZATION	DESCRIPTION	USES AND RESTRICTIONS
Florida Statutes Sec. 218.415, City of Sarasota Resolution No. 11R-2229	The City identifies surplus funds (excluding Pension or Other Post Employment Benefits) that may be invested for the purpose of seeking reasonable returns. The City's Investment Policy provides guidelines outlining the accepted procedures with regards to investment activities. The policy indicates that minimized capital losses and fund liquidity are paramount to the City's objectives. Investment income includes all interest earned on investments, revenues from securities lending, realized gains/losses on the sale of investments, and unrealized gains/losses on investments held.	'Surplus' monies that are identified for investing originate from different funds/accounts and corresponding investment returns are reallocated to the respective funds/accounts. Therefore, any restrictions on fund expenditures associated with the original funds would apply to the investment income derived from those funds.