

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

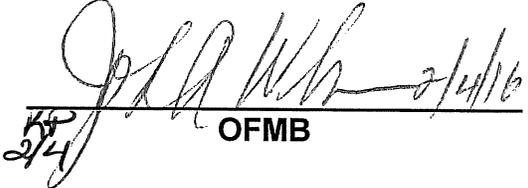
Is Item Included In Current Budget? Yes _____ No X _____ (Various Budgets)
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

 _____ OFMB	 _____ Contract Dev. and Control
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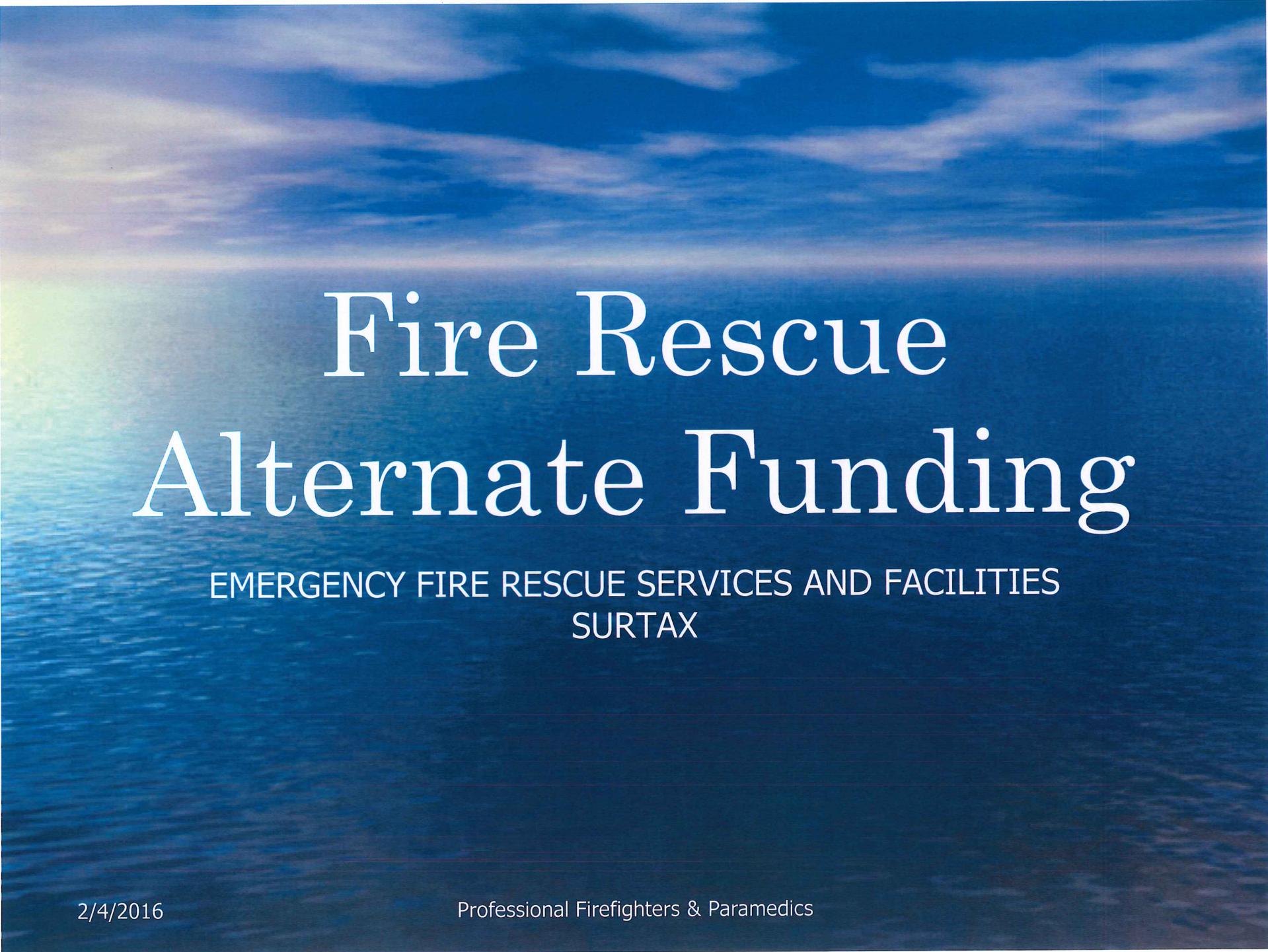
B. Legal Sufficiency:



 Assistant County Attorney

C. Other Department Review:

 Department Director



Fire Rescue Alternate Funding

EMERGENCY FIRE RESCUE SERVICES AND FACILITIES
SURTAX

2/4/2016

Professional Firefighters & Paramedics

Fire Rescue Funding

- Fire Rescue Funding is often mostly reliant on Ad Valorem taxes
- This dependency on Ad Valorem taxes puts all of the burden of Fire Rescue Funding on property owners

A Solution: Diversify the Funding

- Ensure that both residents and non-residents share in the cost of fire rescue service
- Offsets the cost of Fire Rescue service based on verifiable Fire Rescue cost data and
- Requires a corresponding reduction in the Ad Valorem Tax levy, equal to the amount of the Surtax used to offset the cost of Fire Rescue services

Public Purpose

- Protect the level of fire rescue services and public safety
- Promote equity by sharing the cost fire rescue services
- Reduce the burden of property taxes
- Ensure emergency preparedness in the face of growing threats against life and property

Fire Rescue Services and Facilities Surtax

HISTORY:

Since 2008 efforts have been underway to address the adverse public safety impact of volatility in the local economy, especially property values. Fire Rescue Services was shown to be especially vulnerable raising concerns over threats to service levels and overall public safety. Since then, fire rescue leaders have worked with policymakers locally and in Tallahassee to find a solution that would provide local government with a tool to stabilize funding and protect public safety. In 2015 the legislature passed HB 209 giving local governments the authority to seek voter approval of a sales surtax to reduce property taxes and for the sole purpose of protecting fire rescue services. *FS 212.055 (8)*

PUBLIC PURPOSE:

The Fire Rescue Services and Facilities Surtax helps to protect fire rescue services and public safety by stabilizing funding and reducing property taxes dedicated for the essential services provided by fire rescue agencies that many of the area's most vulnerable residents depend upon.

Further, it promotes equity by ensuring that both residents and non-residents share in the cost of fire rescue services.

And unlike any other surtax being considered, it reduces the burden of property taxes on property owners by requiring, by law, that any surtax proceeds used to offset the cost of fire rescue services be given back to the property owners as a reduction to the ad valorem property tax levy.

Passage of this ordinance by the voters of Palm Beach County would allow for Fire Rescue Services to be protected through improved facilities, reduced response times, and improved emergency preparedness in the face of growing threats against life and property.

FLORIDA STATUTE 212.055

(8) EMERGENCY FIRE RESCUE SERVICES AND FACILITIES SURTAX.—

(a) The governing authority of a county, other than a county that has imposed two separate discretionary surtaxes without expiration, may, by ordinance, levy a discretionary sales surtax of up to 1 percent for emergency fire rescue services and facilities as provided in this subsection. As used in this subsection, the term “emergency fire rescue services” includes, but is not limited to, preventing and extinguishing fires; protecting and saving life and property from fires or natural or intentional acts or disasters; enforcing municipal, county, or state fire prevention codes and laws pertaining to the prevention and control of fires; and providing prehospital emergency medical treatment.

(b) Upon the adoption of the ordinance, the levy of the surtax must be placed on the ballot by the governing authority of the county enacting the ordinance. The ordinance will take effect if approved by a majority of the electors of the county voting in a referendum held for such purpose. The referendum shall be placed on the ballot of a regularly scheduled election. The ballot for the referendum must conform to the requirements of s. 101.161.

(c) Pursuant to s. 212.054(4), the proceeds of the discretionary sales surtax collected under this subsection, less an administrative fee that may be retained by the Department of Revenue, shall be distributed by the department to the county. The county shall distribute the proceeds it receives from the department to each local government entity providing emergency fire rescue services in the county. The surtax proceeds, less an administrative fee not to exceed 2 percent of the surtax collected, shall be distributed by the county based on each entity’s average annual expenditures for fire control and emergency fire rescue services in the 5 fiscal years preceding the fiscal year in which the surtax takes effect in proportion to the average annual total of the expenditures for such entities in the 5 fiscal years preceding the fiscal year in which the surtax takes effect. The county shall revise the distribution proportions to reflect a change in the service area of an entity receiving a distribution of the surtax proceeds. If an entity declines its share of surtax revenue, such revenue shall be redistributed proportionally to the entities that are participating in the sharing of such revenue based on each participating entity’s average annual expenditures for fire control and emergency fire rescue services in the preceding 5 fiscal years in proportion to the average annual total of the expenditures for the participating entities in the preceding 5 fiscal years.

(d) If a local government entity requests personnel or equipment from any other service provider on a long-term basis and the personnel or equipment is provided, the local government entity providing the service is entitled to payment from the requesting service provider from that provider’s share of the surtax proceeds for all costs of the equipment or personnel.

(e) Upon the surtax taking effect and initiation of collections, each local government entity receiving a share of surtax proceeds shall reduce the ad valorem tax levy or any non-ad valorem assessment for fire control and emergency rescue services in its next and subsequent budgets by the estimated amount of revenue provided by the surtax.

(f) Use of surtax proceeds authorized under this subsection does not relieve a local government entity from complying with chapter 200 and any related provision of law that

establishes millage caps or limits undesignated budget reserves and procedures for establishing rollback rates for ad valorem taxes and budget adoption. If surtax collections exceed projected collections in any fiscal year, any surplus distribution shall be used to further reduce ad valorem taxes in the next fiscal year. These proceeds shall be applied as a rebate to the final millage, after the TRIM notice is completed in accordance with this provision. If a local government entity receiving a share of the surtax is unable to further reduce ad valorem taxes because the millage rate is zero, the funds shall be applied to reduce any non-ad valorem assessments levied for the purposes described in this section. If no ad valorem or non-ad valorem reduction is possible, the surplus surtax collections shall be returned to the county, and the county shall reduce the county millage rates to offset the surplus surtax proceeds.

(g) Surtax collections shall be initiated on January 1 of the year following a successful referendum in order to coincide with s. 212.054(5).

(h) Notwithstanding s. 212.054, if a multicounty independent special district created pursuant to chapter 67-764, Laws of Florida, levies ad valorem taxes on district property to fund emergency fire rescue services within the district and is required by s. 2, Art. VII of the State Constitution to maintain a uniform ad valorem tax rate throughout the district, the county may not levy the discretionary sales surtax authorized by this subsection within the boundaries of the district.

EMERGENCY FIRE RESCUE SERVICES AND FACILITIES SURTAX

Municipality	Current Cost of Fire Rescue Services	% of Overall FR Cost	Surtax Dollars applied to reduce Fire Rescue Cost	Balance of Fire Rescue Cost From AD Valorem
Atlantis (Contract)	834,000	0.20%	459,659	374,341
Belle Glade PBCFR MSTU	1,039,505	0.25%	572,923	466,582
Boca Raton	41,708,000	10.08%	22,987,368	18,720,632
Boynton Beach	21,927,587	5.30%	12,085,392	9,842,195
Briny Breezes (Contract)	317,128	0.08%	174,785	142,343
Cloud Lake PBCFR MSTU	17,982	0.00%	9,911	8,071
Delray Beach	26,791,120	6.48%	14,765,928	12,025,192
Glen Ridge PBCFR MSTU	49,451	0.01%	27,255	22,196
Greenacres	5,587,700	1.35%	3,079,661	2,508,039
Gulf Stream (Contract)	431,000	0.10%	237,546	193,454
Haverhill PBCFR MSTU	251,404	0.06%	138,561	112,843
Highland Beach (Contract)	3,500,000	0.85%	1,929,025	1,570,975
Hypoluxo (Contract)	358,477	0.09%	197,575	160,902
Juno Beach PBCFR MSTU	3,933,935	0.95%	2,168,188	1,765,746
Jupiter Inlet Colony (Contract)	400,000	0.10%	220,460	179,540
Jupiter PBCFR (Contract)	16,961,009	4.10%	9,348,062	7,612,947
Lake Clarke Shores PBCFR MSTU	741,417	0.18%	408,632	332,785
Lake Park PBCFR MSTU	1,813,428	0.44%	999,471	813,957
Lake Worth PBCFR MSTU	4,562,271	1.10%	2,514,496	2,047,775
Lantana PBCFR MSTU	2,776,854	0.67%	1,530,464	1,246,391
Loxahatchee Groves PBCFR MSTU	770,810	0.19%	424,832	345,978
Manalapan PBCFR (Contract)	956,818	0.23%	527,350	429,468
Mangonia Park (Contract)	308,612	0.07%	170,092	138,520
North Palm Beach	3,301,269	0.80%	1,819,495	1,481,774
Ocean Ridge (Contract)	4,194,587	1.01%	2,311,847	1,882,740
Pahokee PBCFR MSTU	269,386	0.07%	148,472	120,914
Palm Beach	11,765,670	2.84%	6,484,650	5,281,020
Palm Beach Gardens	19,124,656	4.62%	10,540,556	8,584,100
Palm Beach Shores (Contract)	374,241	0.09%	206,263	167,978
Palm Springs PBCFR MSTU	2,840,138	0.69%	1,565,342	1,274,795
PBCFR Unincorporated	162,285,175	39.24%	89,443,489	72,841,686
Riviera Beach	10,524,801	2.54%	5,800,745	4,724,056
Royal Palm Beach PBCFR MSTU	7,900,375	1.91%	4,354,293	3,546,083
South Bay PBCFR MSTU	200,916	0.05%	110,735	90,181
South Palm Beach PBCFR MSTU	956,818	0.23%	527,350	429,468
Tequesta	2,400,000	0.58%	1,322,760	1,077,240
Village of Golf (contract)	146,161	0.04%	80,557	65,604
Wellington PBCFRMSTU	24,010,626	5.81%	13,233,459	10,777,167
West Palm Beach	27,240,876	6.59%	15,013,811	12,227,065
Totals	\$413,574,202	100%	\$227,941,460	\$185,632,742
Projected 1% Surtax Revenues	\$227,941,460			