

One-Cent Sales Tax for County Infrastructure Frequently Asked Questions



What is the One-Cent Sales Tax for County Infrastructure? If approved, the One-Cent Sales Tax will provide an additional penny of sales tax to be used for improving infrastructure across Seminole County including: transportation facilities, stormwater systems, educational facilities, and other physical improvements to the infrastructure systems in the county.

How much money will the sales tax raise? It is anticipated that the extra penny in sales tax will raise, on average, \$63 million a year. A portion of those revenues will be paid by visitors to Seminole County. Comparatively, one mill of property tax in Seminole County generates approximately \$23 million annually. This revenue is paid **ONLY** by Seminole County property owners.

Who gets the money? Twenty-five percent (25%) of the proceeds will be distributed to the Seminole County School District for capital improvements to the county's schools, and the remaining seventy-five percent (75%) would be split amongst the county and Seminole's seven cities.

Is there a specific list of projects that will receive sales tax funding? The county, the seven cities, and the school board have identified numerous infrastructure needs that could be funded by the One-Cent Sales Tax for County Infrastructure. The proposed project list may be seen on the county's website at www.seminolecountyfl.gov/onecent.

I've heard the extra penny will be used to fund SunRail operations and the Lynx bus service. Is this true? No. Current law prohibits the use of proceeds from the One-Cent Sales Tax for the operations of SunRail or the Lynx bus system.

How can I trust the County, Cities, and School Board to use the sales tax funds as promised and not use the penny revenues as a slush fund? The following items will govern expenditures of the extra penny: the Florida Statutes; the ordinance passed by the County on February 11, 2014; the language that will appear on the ballot; and the interlocal agreements between the county, the seven cities, and the school board. Furthermore, Seminole County has a track record with the One-Cent Sales Tax that reflects its on-going commitment to follow-through with promised improvements. In 1991, and again in 2001, Seminole County voters, approved the imposition of a One-Cent Sales Tax. Between 1991 and 2011, Seminole County collected over \$950 million through the extra penny, funding 860 new capital projects, including approximately 170 miles of new and reconstructed roadways, 75 miles of sidewalks, 30 intersection improvements, mast arm signal installations, roadway drainage projects, and county-wide fiber optic installations.

Didn't the School Board just raise property taxes by one mill? Will I still have to pay that additional millage if the sale tax passes? On March 11th, the School Board approved the interlocal agreement with The County relative to imposition of the extra penny sales tax and unanimously approved a resolution, committing to reduce the Seminole County Public School millage rate levy if the sales tax referendum passes in May.

Doesn't Seminole County already impose an additional penny in sales tax for infrastructure improvements? I seem to remember a similar vote several years ago. There is currently no additional penny in sales tax place. In 1991, and again in 2001, Seminole County electors, by a vote of 60% and 72%, respectively, approved imposition of a One-Cent Sales Tax. In 2012, Seminole County's sales tax rate dropped to 6 cents after the Board of County Commissioners let the One-Cent Sales Tax sunset. At that time, the county had \$45 million in reserve revenues from the penny sales tax, and the Board of County Commissioners felt it appropriate to forgo seeking re-authorization of the tax in order to provide its residents an opportunity for tax relief. Seminole County's 6 cents on the dollar sales tax rate is currently the lowest in the region.

When is the election? May 20, 2014.

When would I have to start paying the extra penny? January 1, 2015.

Why a sales tax? The One-Cent Sales Tax for County Infrastructure, unlike property taxes, is not levied against Seminole County residents and businesses only. A portion of the sales tax revenues will be paid by visitors to Seminole County, spreading the cost to construct and maintain the infrastructure to all those who benefit from it, and not just county residents and businesses.

Why now? The extra penny in sales tax is intended to help fund the \$45 million a year the county will require over the next decade to continue providing the infrastructure services, including roadways, trails, and drainage facilities, at the level Seminole residents and businesses have experienced in the past.

In 2012, Seminole County's sales tax rate dropped to 6 cents after the Board of County Commissioners let the One-Cent Sales Tax sunset. At that time, the county had \$45 million in reserve revenues from the penny sales tax, and the Board of County Commissioners felt it appropriate to forgo seeking re-authorization of the tax in order to provide its residents an opportunity for tax relief. It is expected that the county's reserve fund will drop to \$4.6 million by the beginning of the next fiscal year, which is far below what would be necessary to fund the identified needs.

Why a "Special Election"? As discussed above, the One-Cent Sales Tax has historically been a significant source of revenue for the county, the seven cities, and the school board. Because it has been a major funding source for infrastructure needs, if the One-Cent Sales Tax is not approved, the county, the seven cities, and the school board will have to make decisions regarding the shortfalls in revenues to fund infrastructure improvements and capital maintenance.

The county's budget process formally begins in February, and a draft budget is to be submitted to the Board of County Commissioners by the first week in July. More importantly, the school board must adopt its budget by June 30, 2014. Holding the election in May will provide the county, the cities, and the school board with certainty regarding the availability of this significant funding source, and whether or not service cuts will be necessary and/or if additional revenue should be sought from other sources. A vote in November or August would not provide this certainty, and would force the school board into a decision regarding the extra one mill it is authorized to levy without knowing whether it will receive the anticipated \$15 million dollars in revenue from the extra penny in sales tax. Any millage is only paid for by Property Owners.

What happens if the sales tax is not approved by the voters? The One-Cent Sales Tax has historically been a significant source of revenue for the county, the seven cities, and the school board. The county estimates that \$45 million a year will be required over the next decade (\$450 million) for the county to continue providing the infrastructure services, including roadways, trails, sidewalks, and drainage facilities, at the level Seminole residents and businesses have come to expect. If the One-Cent Sales Tax for County Infrastructure is not approved, the county, the seven cities, and the school board will have to make decisions regarding the shortfalls in the revenues to fund infrastructure improvements and capital maintenance. While no specific strategies have been developed to date, without the revenue from the One-Cent Sales Tax, elected officials will have to consider other options which may include service reductions and/or other revenue sources.

Infrastructure Sales Tax

1st Generation Program Highlights

Voters Referendum held July 9, 1991
60% Yes

**\$360M in Sales Tax Collected / \$457M
Generated**

Includes Sales Tax (\$360M)+ Interest (\$66M)
+ Leverage Funding Agreements (\$31M)

\$145M in Impact Fees Generated
(Includes Impact Fees + Interest + Leveraged
Funding Agreements)

70 Miles of Roadway Constructed
East Lake Mary Blvd, Lake Dr, Airport Blvd,
CR 427, Lake Emma Rd, International Pkwy.

2nd Generation Program Highlights

Voters Referendum held September 4, 2002
72% Yes

County /Cities	School Board
75%	25%

**\$590M in Sales Tax Collected / \$358.1M
County Portion**

Generated \$518M - Includes Sales Tax
(\$358.1M) + Interest (\$19M)+ Leveraged
Funding Agreements (\$140.9M)

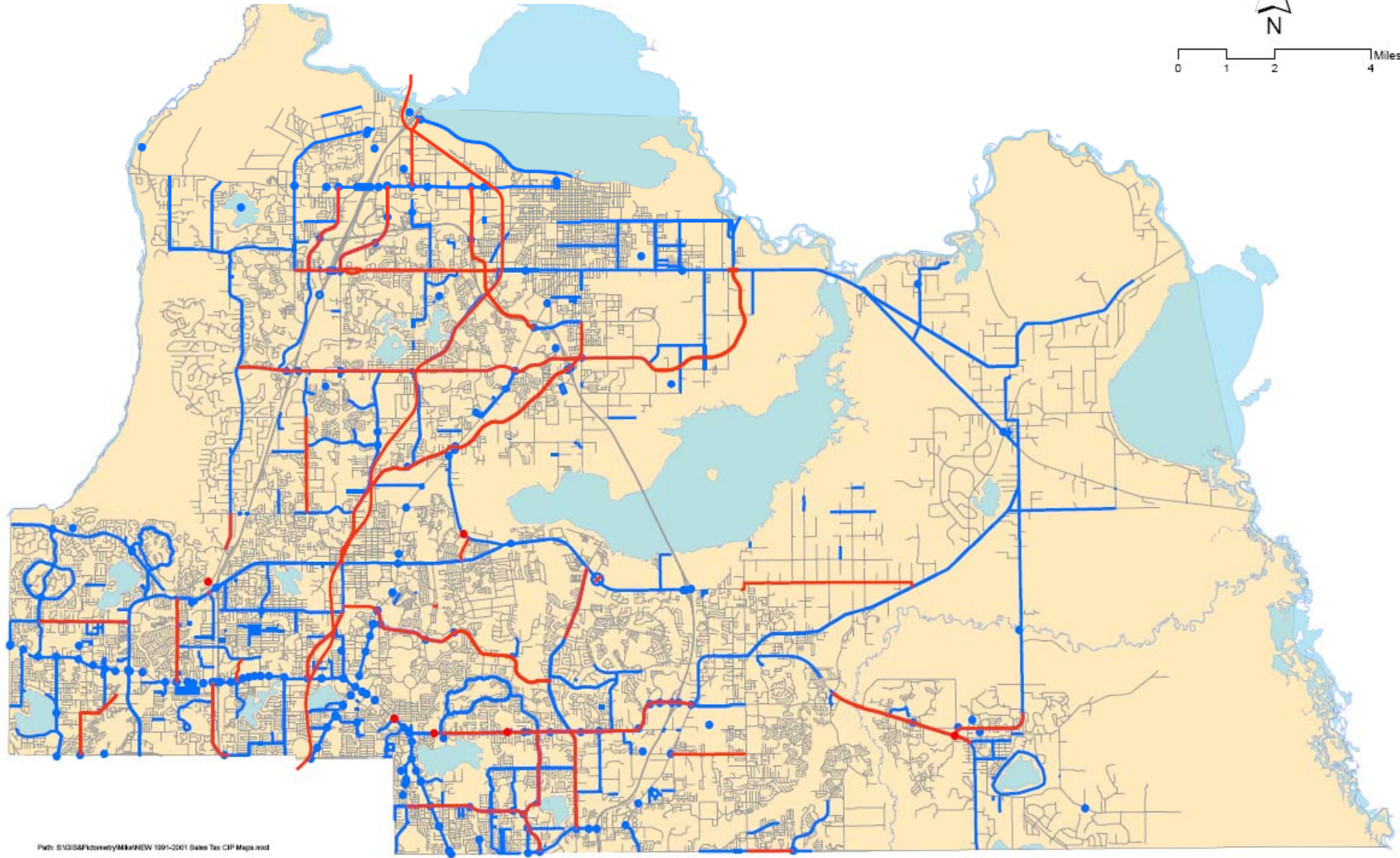
Over 100 Miles of Roadway Constructed

Transportation Related Projects:

75 Miles of Sidewalks, 30 Intersection
Improvements, Mast Arm Installations,
Roadway/Stormwater Drainage, County-Wide
Fiber Optic Installations.



1991 and 2001 County Share Sales Tax Projects



Average Impact to Family of Four

Item	Monthly Expenditure	Annual Expenditure	Additional .01
Housing	\$983.00	\$11,796.00	
Food	\$754.00	\$9,048.00	
Child Care	\$864.00	\$10,368.00	
Transportation	\$607.00	\$7,284.00	Luxury tax limits \$5,000 maximum on a vehicle purchase.
Health Care	\$1504.00	\$18,048.00	
Other	\$445.00	\$5,340.00	\$53.40 Annually / \$4.45 Monthly.
Federal, State, and Payroll Taxes	\$253.00	\$3,036.00	
	\$5,410.00	\$64,920.00 *	

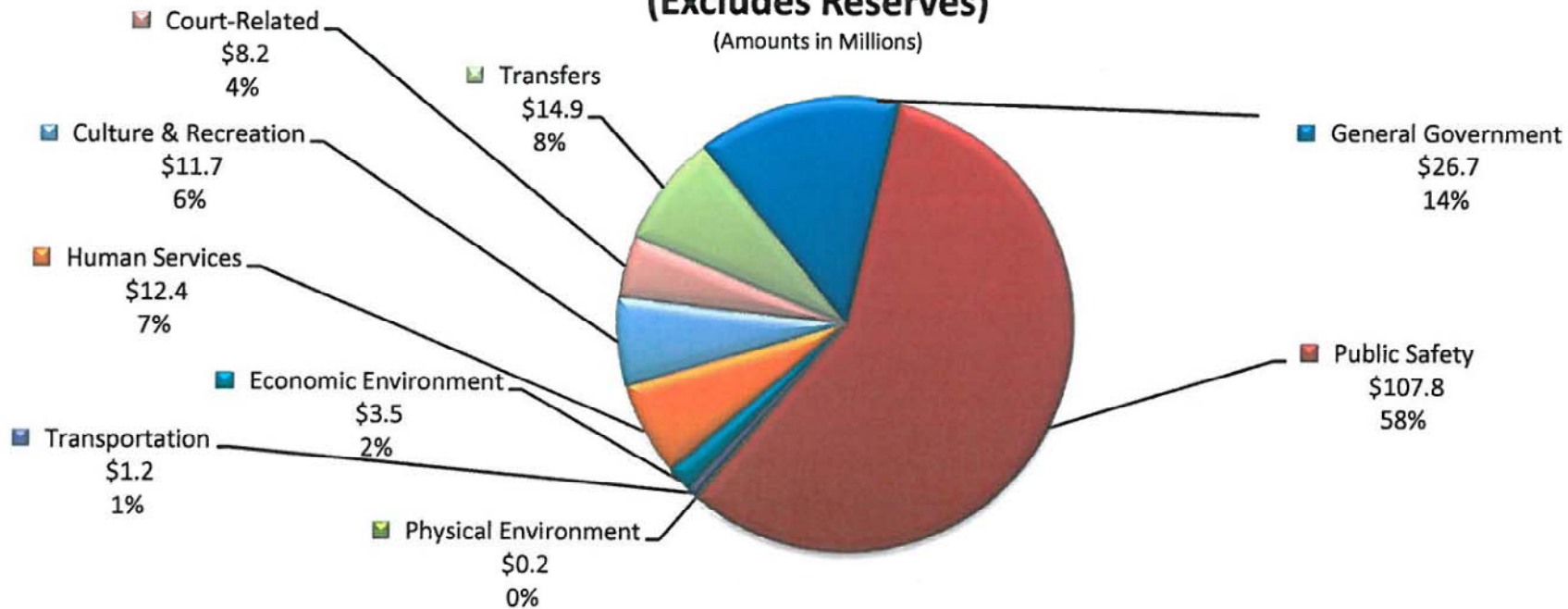
* Economic Policy Institute (EPI.org) - Median Income based on a family of 4 (2 parents, 2 children) in the Orlando Area - updated 2013



FY 2013/14 General Fund Budget by Service Area

\$ 186.6 million
(Excludes Reserves)

(Amounts in Millions)



One-Cent Sales Tax for County Infrastructure



Claim	Fact
<p>The Orlando Sentinel reported twice last year that the County Commission would hold a special election for a SunRail Train Tax this year. Millions for SunRail are in the tax.</p>	<p>Current law prohibits the use of County Infrastructure Sales Tax for operations of any kind, including SunRail.</p>
<p>Over \$630 million dollars in new taxes will cost each person \$1450, especially if you buy an appliance, building materials, car, cell phone, TV, computer etc. It is not a penny.</p>	<p>The penny sales tax is not borne solely by the residents of Seminole County. Tourists, commuters, and visitors all contribute to sales taxes paid in Seminole County. The true cost of the penny sales tax to individual households is dependent on income and spending habits.</p> <p>The \$1,450 estimate is based on dividing the total estimated revenue of the sales tax (\$631M) over a 10 year period, by the current population estimate of Seminole County (431,074). This estimate is for a 10-year period and does not take into account future population growth, or the estimate that approximately 20% of the sales tax is paid by non-residents of the County.</p> <p>Based on the average household income in Seminole County, utilizing data from the US Census Bureau and the US Internal Revenue Service, 2013 Sales Tax Deduction Calculator, the amount of an additional one cent sales tax paid annually by a family of 4 with an average annual income of \$91K is approximately \$176, or about \$15 per month.</p> <p>Based on the median income for the Orlando Metropolitan Statistical Area, using 2013 monthly expenditure data from the Economic Policy Institute (EPI.org), the amount of an additional one cent sales tax paid annually in the Orlando region by a family of 4 with a median income of \$64,920 would be 53.40 annually, or about \$4.45 per month.</p> <p>The County average and median annual sales tax cost estimates are based on a family of four and not per person. Estimates do not include major one-time purchases, however the infrastructure sales tax is limited to the first \$5,000 of a major purchase making the maximum cost for any single item \$50.</p>
<p>The School Board just raised our taxes in November by \$26 million per year and did not want this new sales tax increase.</p>	<p>The School Board has never stated that it “did not want this new sales tax increase.” Additionally, on March 11th, the School Board approved the interlocal agreement with The County relative to imposition of the extra penny sales tax and unanimously approved a resolution, committing to reduce the Seminole County Public School millage rate levy if the sales tax referendum passes in May.</p>

One-Cent Sales Tax for County Infrastructure



Claim	Fact
<p>We can't afford it – We have paid nearly a billion dollars in higher sales taxes in Seminole County over 21 years. Yet, the politicians say they still need another 10 years of higher taxes and more of our money.</p>	<p>Between 1991 and 2011, Seminole County collected over \$950 million through the extra penny, funding over 860 projects. Additionally, the county utilized these funds to leverage over \$172 million in federal and state grant funds and earned over \$85 million in interest. In 2012, Seminole County's sales tax rate dropped to 6 cents after the Board of County Commissioners let the One-Cent Sales Tax sunset. At that time, the county had \$45 million in reserve revenues from the penny sales tax, and the BCC felt it appropriate to forgo seeking re-authorization of the tax in order to provide its residents an opportunity for tax relief. It is expected that the county's reserve fund will drop to \$4.6 million by the beginning of the next fiscal year, which is far below what would be necessary to fund the indentified needs.</p>
<p>County Politicians wasted millions of our dollars and now want us to pay for their mistakes. Examples of how they wasted our money:</p> <ul style="list-style-type: none"> • \$2 million on a soccer stadium in Orange County. • 523,000 for this special election • Millions and millions are wasted on expensive “gateway” and “streetscapes” (CRA projects) • 24,822 to landscape a private restaurant (CRA projects) • Each commissioner is paid over \$80,000 per year for a part time job 	<ul style="list-style-type: none"> • The Partnership with Orlando City Soccer will bring over \$6,000,000 in positive economic impact annually to the County. • The county's budget process began in February, and a draft budget is to be submitted to the BCC by the first week in July. More importantly, the school board's budget year begins July 1st. Holding the election in May will provide the county, the cities, and the school board with certainty regarding the availability of this significant funding source, and whether or not service cuts will be necessary and/or if additional revenue should be sought from other sources. A vote in November or August would not provide this certainty, and would force the school board into a decision regarding the extra one mill it is authorized to levy without knowing whether it will receive the anticipated \$15 million dollars in revenue from the extra penny in sales tax. • Investments within the US 17-92 Community Redevelopment Area are made with funds from the associated CRA trust funds, which are monies that may not be spent elsewhere in the county. • The County Commissioner salaries are consistent with the guidelines prescribed in the Florida Statutes.
<p>City tax payers will be taxed twice for stormwater.</p>	<p>The county is not proposing any stormwater projects within the cities.</p>

