

Wakulla County BOCC

Revenue Monitoring Report

for the Period Ending September 30, 2009

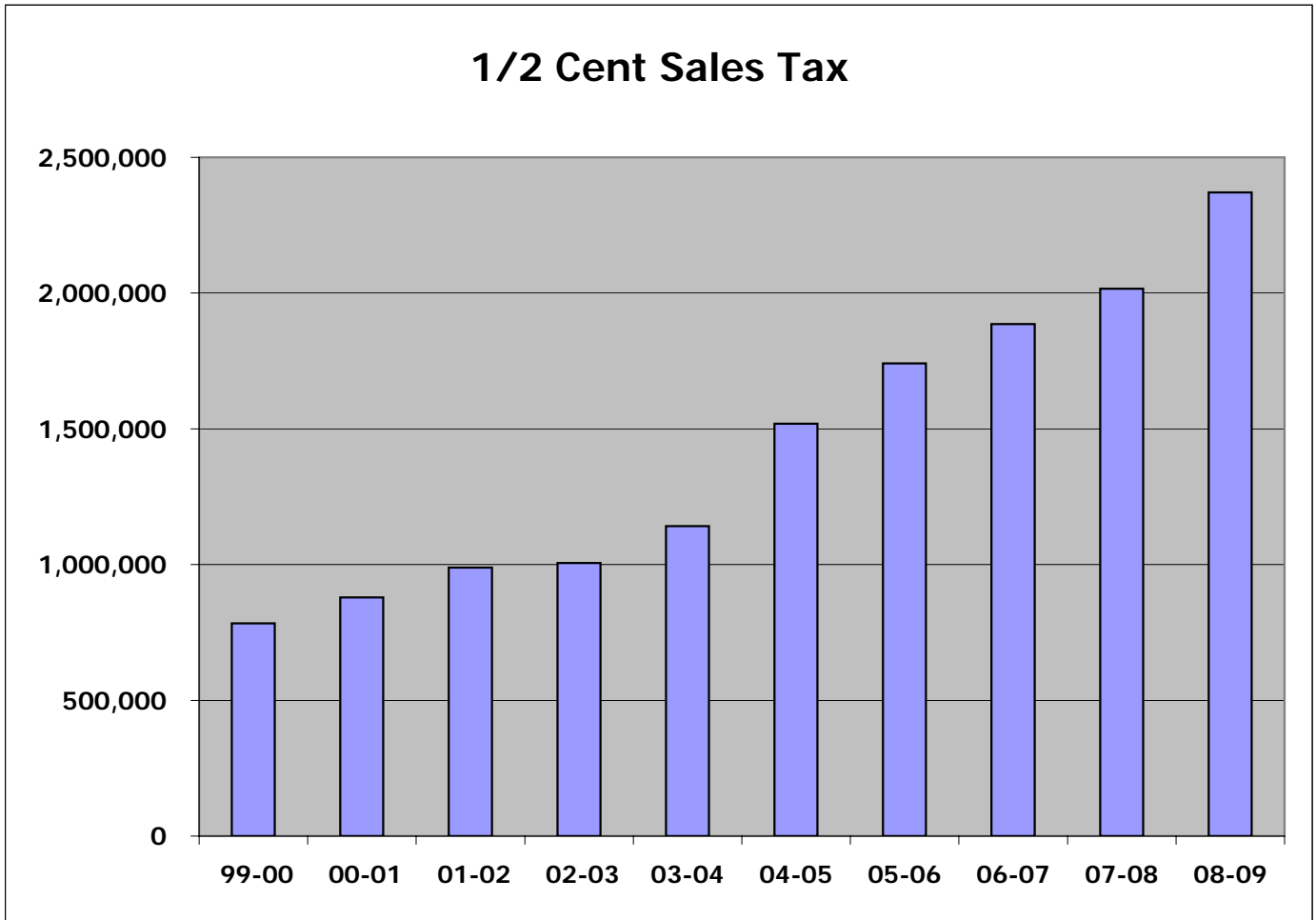


Category	Annual Budget	Actual	Variance Favorable (Unfavorable)	Percent Increase (Decrease)
<b>STATE REVENUES</b>				
Half Cent Sales Tax	2,449,590.00	2,371,024	(\$78,566)	-3.21%
County Revenue Sharing	557,994.00	657,537	99,543	17.84%
Communication Service Tax	358,938.00	321,647	(37,291)	-10.39%
Gas / Fuel Taxes	1,998,349.00	1,819,569	(178,780)	-8.95%
1 Cent Sales Tax	2,105,001.00	1,776,793	(328,208)	-15.59%
<b>LOCAL REVENUES</b>				
Ad Valorem Tax	11,011,391.00	11,106,155	\$94,764	0.86%
Tourist Development Tax	35,000.00	36,693	1,693	4.84%
Ambulance Fee Revenue	750,000.00	721,541	(28,459)	-3.79%
Building Permits & Fees	561,600.00	368,192	(193,408)	-34.44%
Planning & Zoning Fees	152,000.00	91,948	(60,052)	-39.51%
Fire Dept. MSBU Revenue	742,857.00	868,188	125,331	16.87%
Impact Fees	0.00	0.00	0	#DIV/0!
Sewer / Water Fees	1,110,909.00	765,795	(345,114)	-31.07%
Solid Waste Disposal	846,932.00	795,896	(51,036)	-6.03%
Category	FY09 Actual	FY08 Actual	Variance Favorable (Unfavorable)	Percent Increase (Decrease)
<b>STATE REVENUES</b>				
Half Cent Sales Tax	\$2,371,024	\$2,016,038	\$354,986	14.97%
County Revenue Sharing	657,537	574,254	83,283	12.67%
Communication Service Tax	321,647	329,530	(7,884)	-2.45%
Gas / Fuel Taxes	1,819,569	2,118,152	(298,583)	-16.41%
1 Cent Sales Tax	1,776,793	1,899,923	(123,129)	-6.93%
<b>LOCAL REVENUES</b>				
Ad Valorem Tax	\$11,106,155	\$11,486,138	(\$379,983)	-3.42%
Tourist Development Tax	36,693	43,787	(7,094)	-19.33%
Ambulance Fee Revenue	721,541	678,077	43,465	6.02%
Building Permits & Fees	368,192	441,005	(72,814)	-19.78%
Planning & Zoning Fees	91,948	73,474	18,474	20.09%
Fire Dept. MSBU Revenue	868,188	857,035	11,152	1.28%
Impact Fees	0	368,453	(368,453)	#DIV/0!
Sewer / Water Fees	765,795	1,459,131	(693,336)	-90.54%
Solid Waste Disposal	795,896	898,164	(102,269)	-12.85%
Total	\$21,700,977	\$23,243,162	(\$1,542,185)	-6.64%

**HALF CENT SALES TAX:**

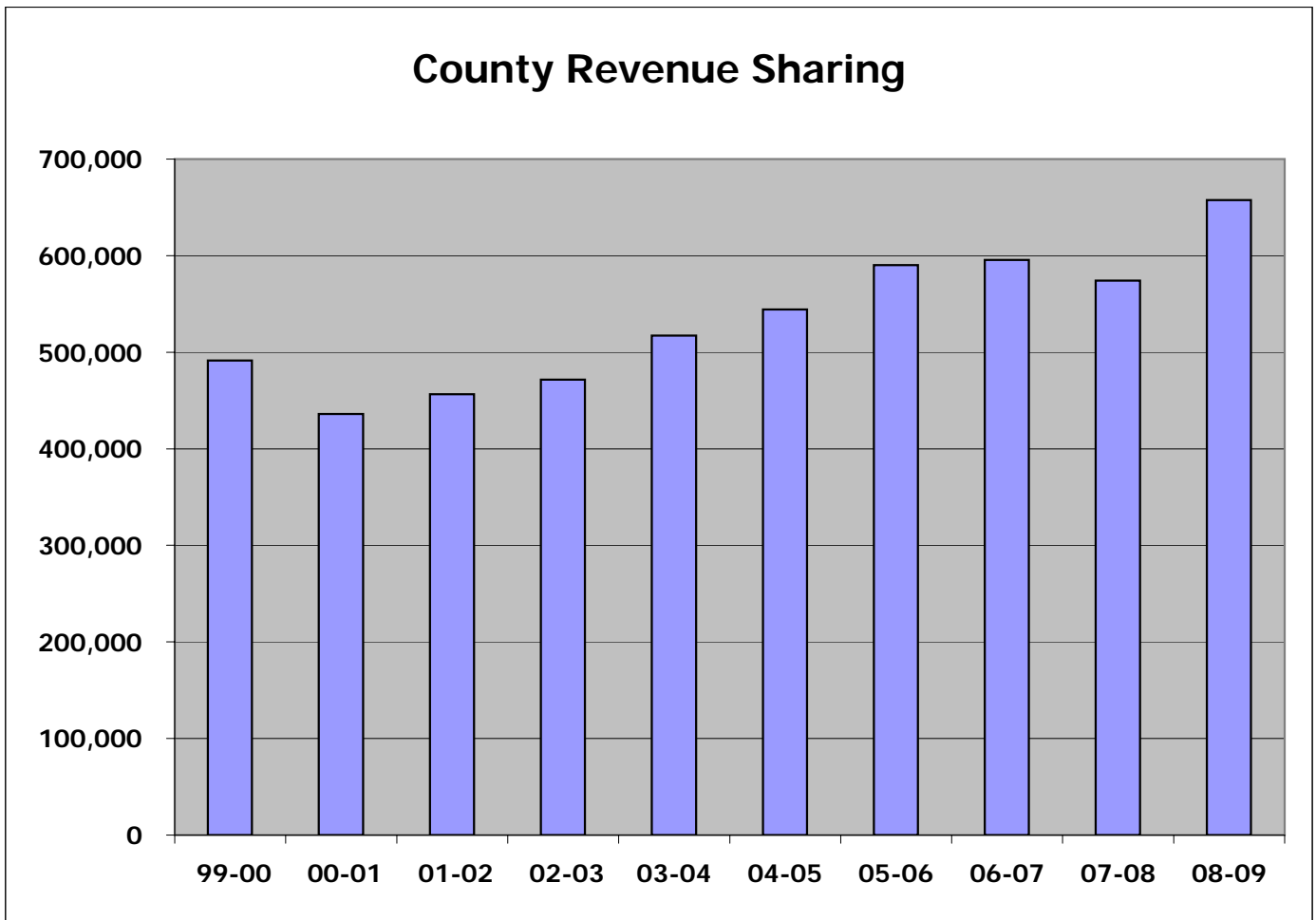
F.S. Sections 202.18(2)(c), 212.20(6) and 218.60-.67

The Florida Legislature authorized the establishment of the Local Government Half-Cent Sales Tax Local Government Half-Cent Sales Tax Program. The program is funded by a portion of the state sales tax revenue. The Department of Revenue distributes the sales tax to counties based on a series of complicated formulas, each determining a county's eligibility in the four distributions. Wakulla County meets the requirements for the first, second and fourth: the ordinary distribution, the emergency distribution and the fiscally constrained distribution. The third portion is a "supplemental distribution" for counties that have an inmate population greater than 7 % of the total county population. The Half Cent Sales Tax is received in the Board's **General Fund** and the expenditures of the proceeds are minimally restricted.



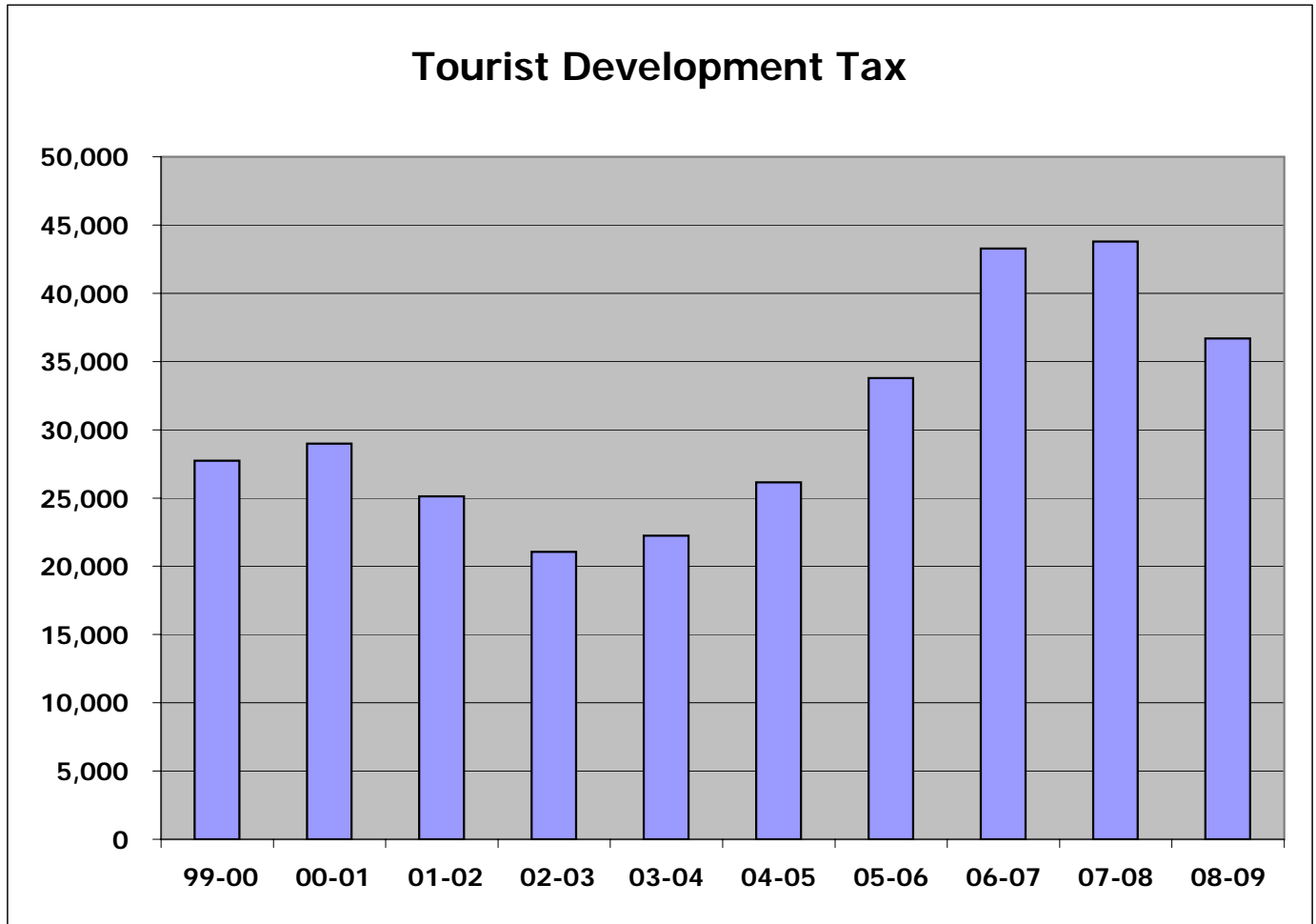
**COUNTY REVENUE SHARING:** F.S. Sections 210.20(2), 212.20(6), and 218.20-.26

The Florida Legislature provides authority for the State to share revenues from sales and use taxes and cigarette taxes with counties. Sales and use tax collections represent approximately 95.5 % of the amount shared with counties. The program is funded by 2.044% of sales and use tax collections and 2.9% of net cigarette tax collections. The Department of Revenue administers the revenue sharing program and distributes the funds monthly to counties. Distributions are based on a three factor formula. The formula consists of county population, unincorporated population, and county sales tax collections. The revenue is broken into three entitlements: First Guaranteed, Second Guaranteed and Growth Money. The County receives the Revenue Sharing into its **General Fund**. There are no restrictions on these revenues but there are some statutory limitations regarding their use as a pledge for indebtedness. Counties are allowed to bond the guaranteed entitlements but not the growth money.



**TOURIST DEVELOPMENT TAX:** F.S. Section 125.0104

The Florida Statutes authorize counties to levy tourist development taxes between 3 and 6% on any rental or lease of 6 months or less for living accommodations in hotels, motels or other temporary living quarters. The types of tourist development taxes include: a basic tourism tax, two types of tourism impact tax, two types of professional sport franchise facility tax, and five types of convention development taxes. Wakulla County has imposed a 3% basic tax. The revenues may be used for the financing and operation of tourist-related facilities, promotion of tourism and beach or shoreline maintenance. The Clerk of Court collects the tax revenue and distributes the proceeds to the County, less a 3% administrative fee. The County receives this money into one of its **Special Revenue Funds** and it is managed by a contract co-ordinator.

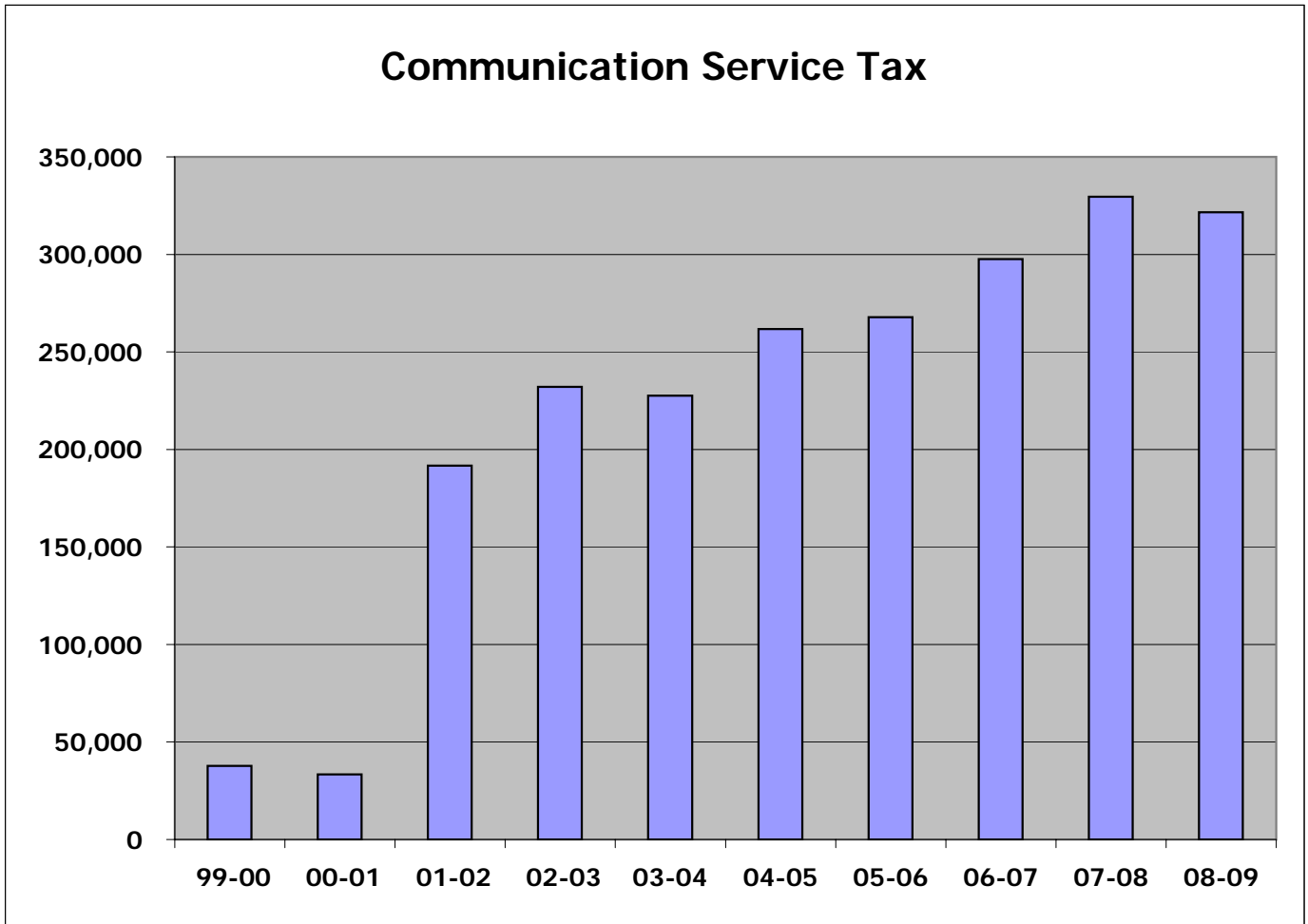


**COMMUNICATIONS SERVICES TAX:**

F.S. Section 202

Chapter 202 of the Florida Statutes established this tax to simplify the complex structure of taxes on telecommunications, cable, satellite and related services. This tax has two parts: the state and local communications services tax. The State portion is comprised of several taxes: a 6.8% tax on the retail sale of communications services, a 10.8% tax on the retail sale of direct-to-home saltellite services, and a 2.37% gross receipts tax on all communication services. The local communications services tax portion varies depending on the type of local government and various other factors. For Wakulla County, **this tax has replaced the cable television franchise fee**. Wakulla County has adopted a tax rate of 1.84% and is allowed, as a charter county, to charge up to 4.98%. The Department of Revenue administers the disbursements and there are no restrictions on their use. The revenue is collected into the County's **General Fund**.

Years 97-98 thru 00-01 shows the Cable Francise Fee



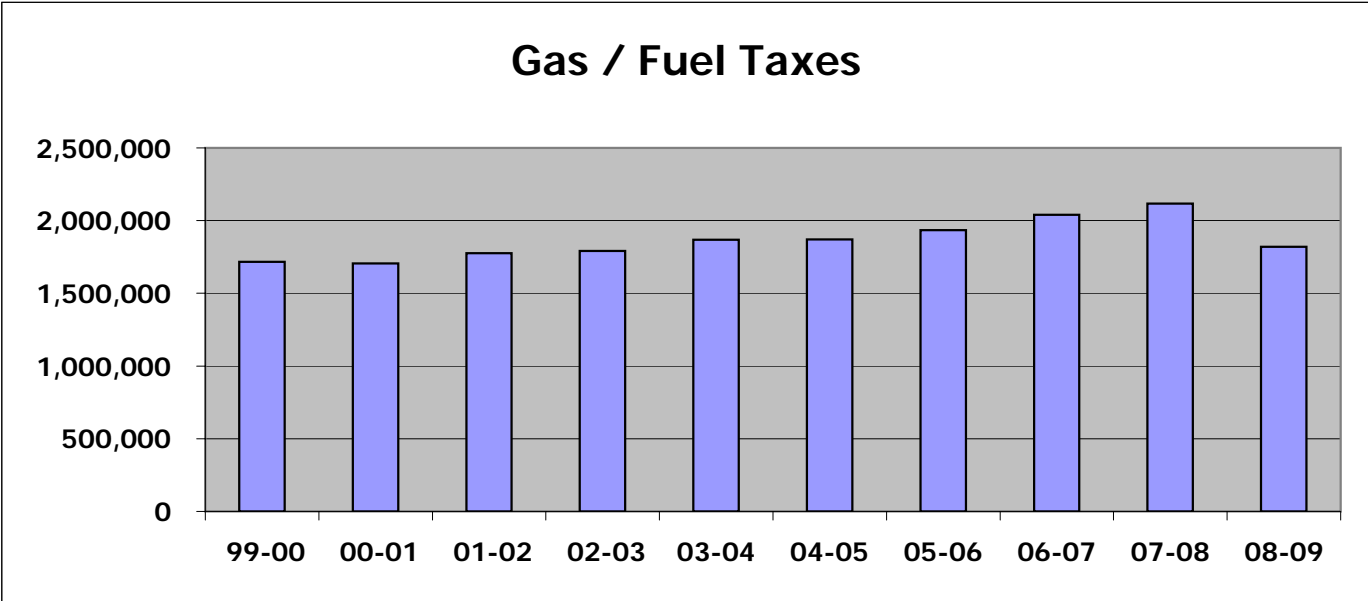
**GAS / FUEL TAXES:**

Wakulla County receives 10 cents in gas and fuel taxes from the State:

5th & 6th Cent Constitutional Gas Tax	2 Cents
7th Cent County Gas Tax	1 Cent
9th Cent Local Option Gas Tax	1 Cent
10th - 15th Cent Local Option Gas Tax	6 Cents

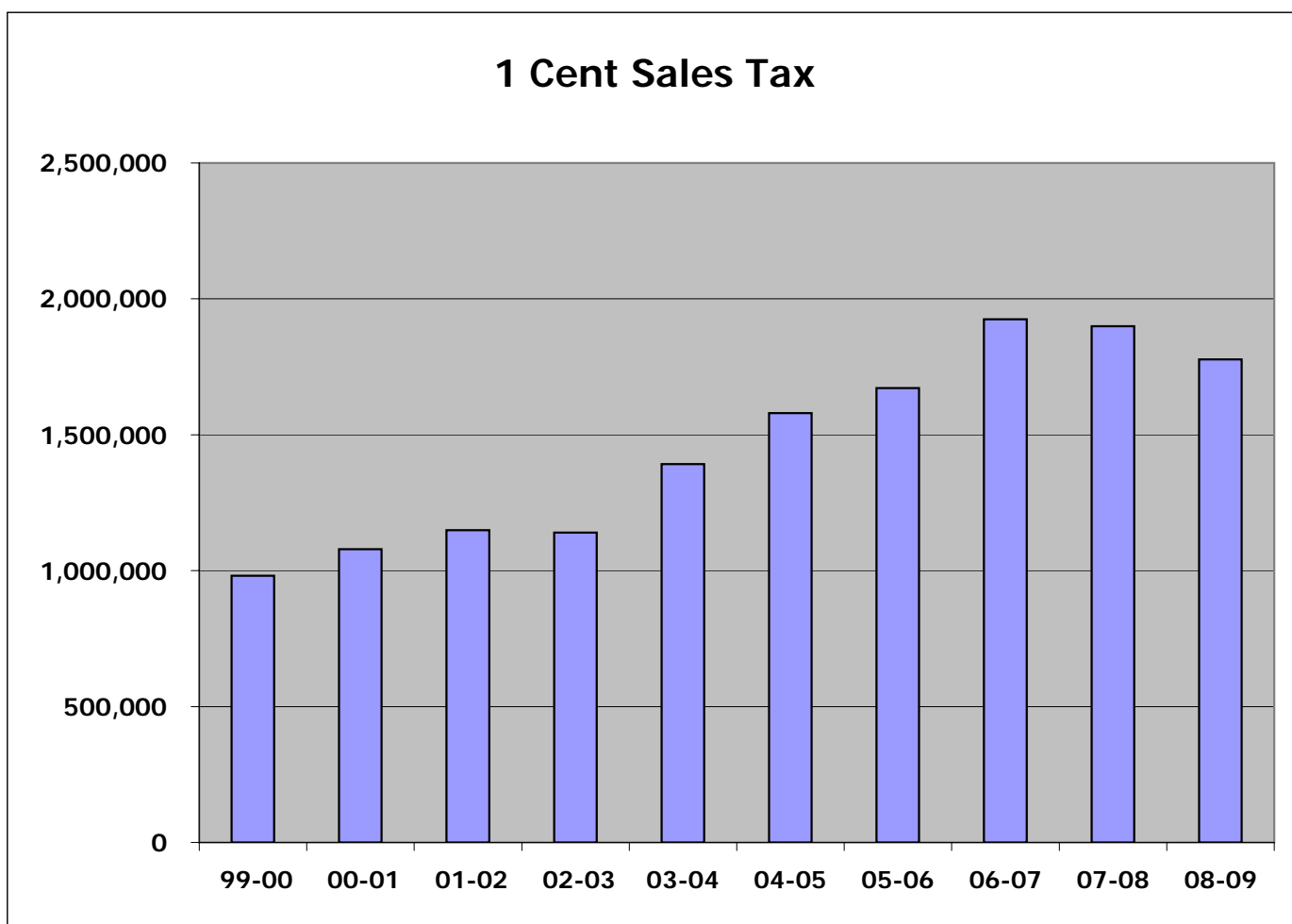
These revenues are collected and segregated into the County's Road & Bridge **Special Revenue Fund** and used to operate the Road & Bridge Department administered by contractual agreement with ESG. The **5th & 6th Cent Constitutional Gas Tax** is authorized by F.S. Section 206.41(1)(a), 206.45, 206.47, 336.023 and 336.024. It is a 2 cent tax levied at the wholesale level of the first sale of each gallon of motor and diesel fuel. **Use of the proceeds is restricted to the acquisition, construction and maintenance of roads.**

The tax is administered by the State which distributes the proceeds based on a weighted formula including geographic area, population, and gas tax collections. The **7th Cent County Gas Tax** is authorized by F.S. Section 206.41(1) and 206.60. It is a 1 cent tax levied at the wholesale level on the first sale of each gallon of motor and diesel fuel. **Use of the proceeds is restricted to purchase of right of way, construction, reconstruction, operation, maintenance and repair of transportation facilities and other transportation expenditures.** The gas tax can also be used to reduce bond indebtedness. The tax is administered by the State which distributes the proceeds based on a weighted formula including geographic area, population and gas tax collections. The **9th Cent Local Option Gas Tax** is authorized by F.S. Section 206.41(1)(d), 206.87(1)(b) and 336.021. It is a 1 cent tax levied on the retail sale of each gallon of motor and diesel fuel sold in the County. Use of the proceeds is restricted in general as defined in F.S. 336.025(7). **Wakulla County informally designated this gas tax for road maintenance.** The tax is administered by the State which distributes the proceeds based on a complex distribution formula. The **10th - 15th Local Option Gas Tax** is authorized by F.S. Section 206.41(1)(e), 206.87(1)(c) and 336.025. It has authorized the County to levy a 6 cent tax on every gallon of motor and diesel fuel sold at the wholesale level. Use of the proceeds is restricted to transportation related expenditures as defined in Section 336.025(7). **Wakulla County has designated 2 cents to capital outlay expenses for road equipment and 4 cents for general transportation expenses.** The tax is administered by the State and distributed based on an inter-local agreement at the County level. **There is another group of gas taxes the County does not impose but could.** F.S. Section 206.41(1)(e) and 336.025 also allows the County to impose 1 to 5 cents tax on every gallon of motor fuel sold within the county. Diesel fuel is excluded from this optional tax.



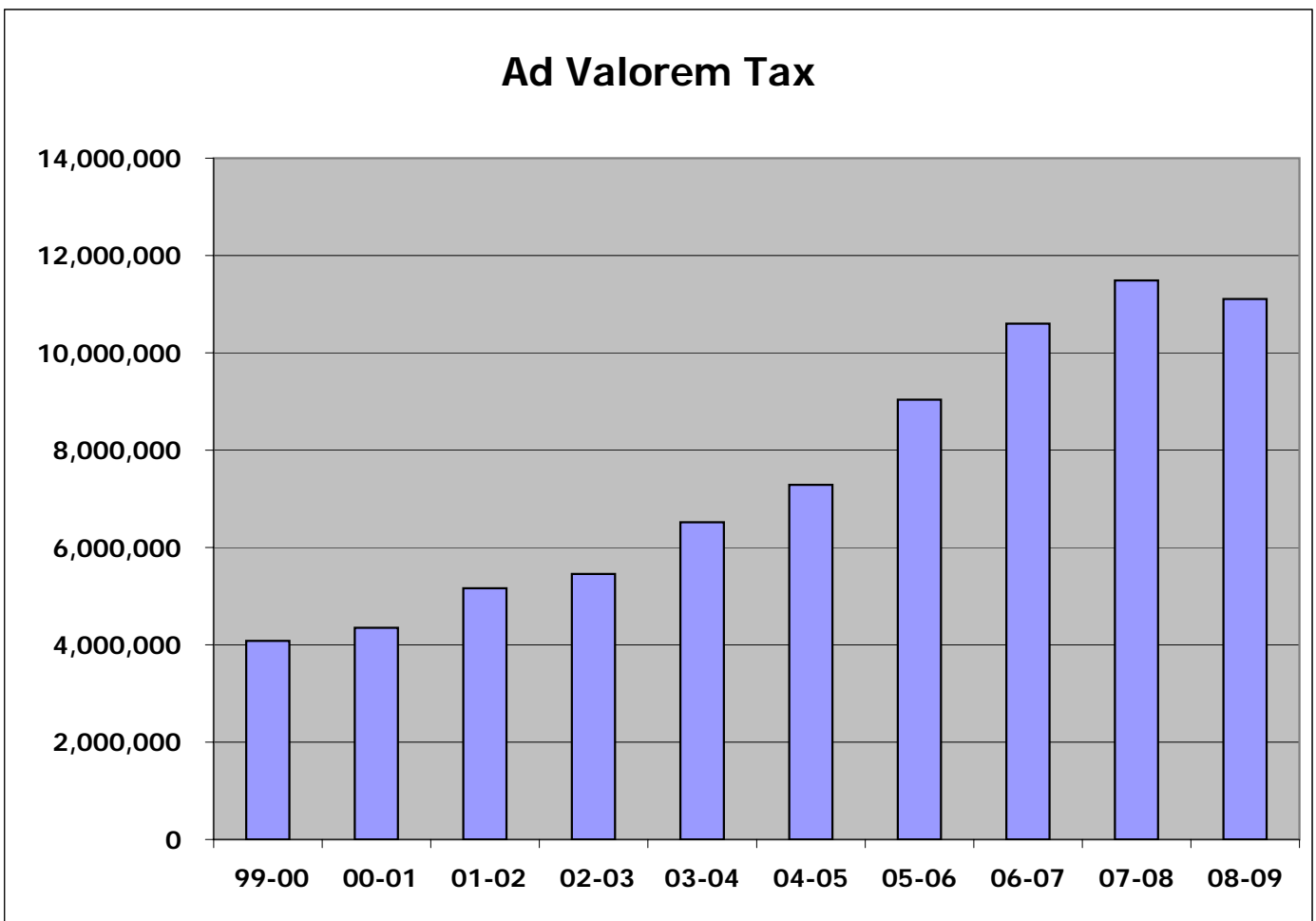
**ONE CENT SALES TAX:** F.S. Section 212.054-.055

The State authorizes counties to impose eight different types of local discretionary one cent sales tax on all transactions subject to the state tax imposed on sales, use, services rentals, admissions, and other authorized transactions pursuant to Chapter 202 & 212. Limitations and exemptions do exist as outlined in these chapters. The Dept. of Revenue administers the tax and distributes it to the County where the selling dealer is located. The funds are distributed using a complex distribution factor which is then multiplied by the amount available for distribution. The One Cent Sales Tax was approved by voters in 1987 for 15 years and in September 2002 voters renewed it for another 15 years. The statute and the new ordinance have placed limitations on expenses. New funds are allocated based upon a formula of 60% for roads infrastructure, 20% for public facility infrastructure, 15% public safety infrastructure and 5% parks and recreation infrastructure. Expenses must be for fixed capital outlay with a life of 5 years or more. The County receives these revenues into a **Special Revenue Fund**.



**AD VALOREM TAX:**

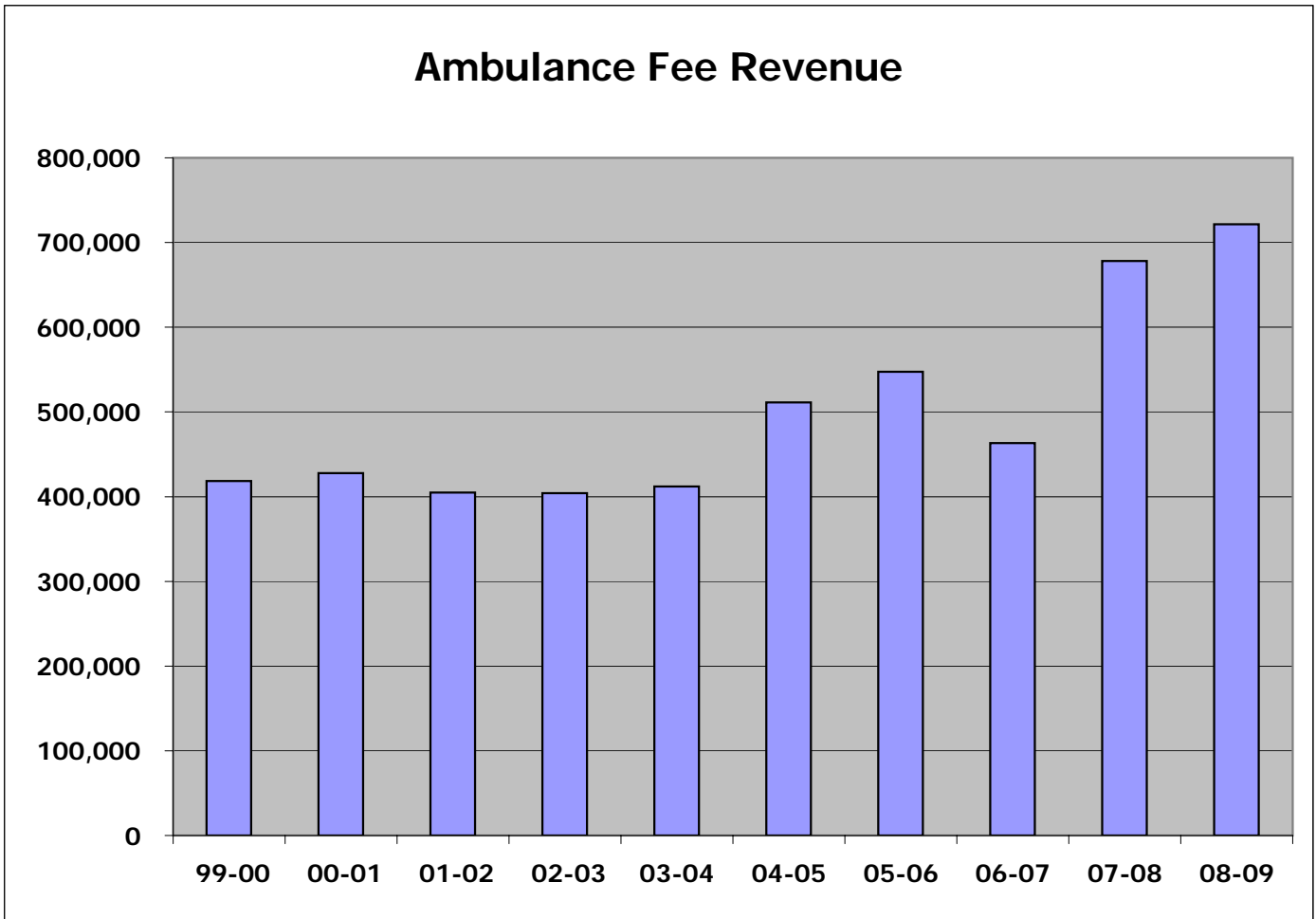
Article VII, Section 9 of the Florida Constitution, Chapters 192-197 & 200 of the Florida Statutes authorizes local governments to raise revenue by levy of ad valorem tax up to ten mills for county purposes. The ad valorem taxable base is the fair market value of locally assessed real estate, tangible personal property and state assessed railroad property, less certain exclusions, differentials, exemptions and credits. Exclusions are specific types of property constitutionally or statutorily removed from ad valorem taxation. Differentials are reductions in assessments that result from a valuation standard other than fair market value. Exemptions are deductions from the assessed value that are typically specified as a dollar amount. Credits are deductions from the tax liability of a particular taxpayer and usually take the form of discounts. Deferrals do not reduce the taxpayers tax liability but allow for changes in the timing of payments. Ad Valorem taxes are considered **general revenue** for general-purpose local governments as well as school districts.





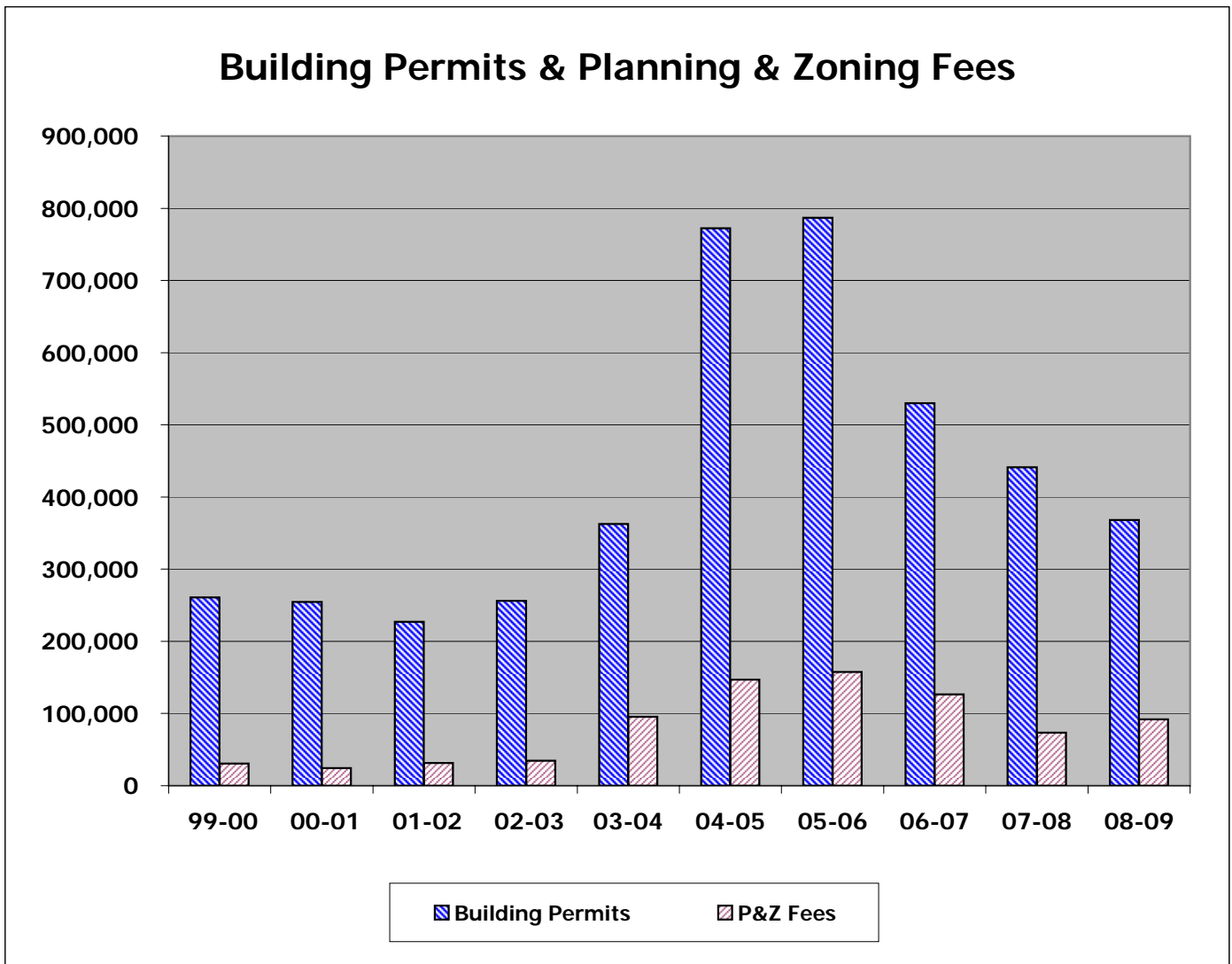
**AMBULANCE FEES:**

At one time, the Ambulance Department was operated as a Special Revenue Fund under the authority Section 401, F.S. and Ordinance 98-6. When operated as a Special Revenue Fund it was partially funded by MSBU dollars, therefore the graph below includes some MSBU funding. Since the Florida Supreme Court found the MSBU to be an unallowable charge for ambulance services, the **General Fund** is now covering any excess expenses over the revenues generated by the fees. Resolution 08-27 sets the fee structure for the ambulance department and the revenue is essentially broken down into two categories: BLS - Basic Life Support and ALS - Advanced Life Support.



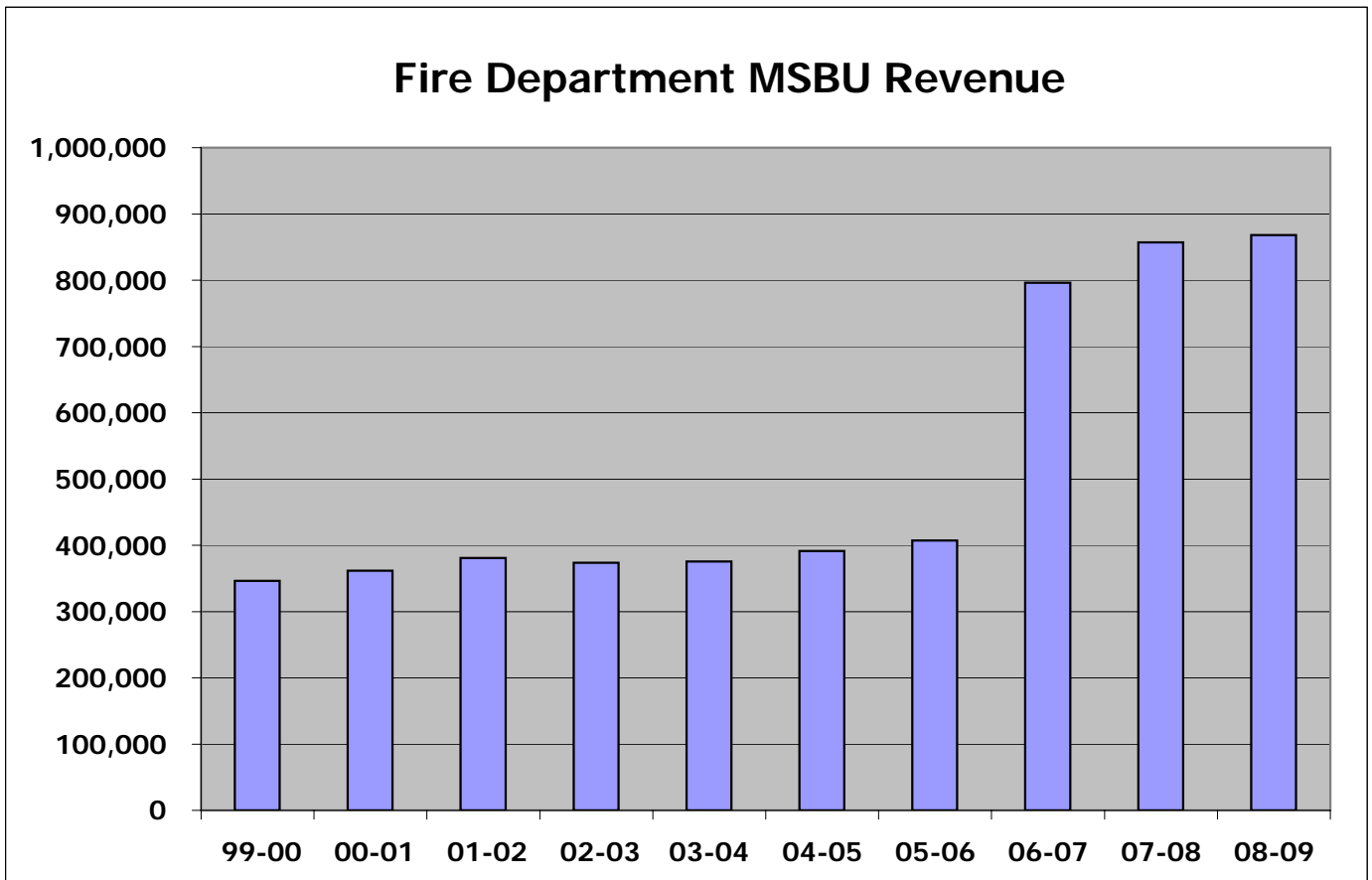
**BUILDING PERMITS & PLANNING & ZONING FEES:**

Wakulla County has several authorizing documents related to these fees. The Land Development Code was adopted as Ordinance 85-4. Ch. 8 of the LDC is entitled **Building and Construction Code**. Section 8-56 sets forth all building permits, fees and costs are to be set by the BOCC through resolution. The permits, fees and other related costs associated with building and construction in Wakulla County are set by Resolution 08-30 which modified many of the fees from Resolution 93-16, 97-38 and 04-37. These fees are collected by the Building Dept. and fund its **operation and enforcement of the building and construction codes**. The Building Dept. is operated as a **Special Revenue Fund**. The Planning & Zoning Dept. works closely with this department but it is operated from the **General Fund**. Resolution 94-6 and 03-12 was amended by Resolution 08-28 which established the various fees for the Planning and Zoning function.



**FIRE DEPARTMENT MSBU REVENUE:**

Section 125.01, Florida Statutes, authorizes a county who furnishes municipal services to levy additional taxes. The **MSBU** (Municipal Service Benefit Unit) is the mechanism used to fund the county **fire departments** and its **fire protection services**. The fee was originally set at \$35 as authorized by County Resolution 93-30 and 95-30. Resolution 06-59 raised the fee to \$65 on Oct 23, 2006. It is a special assessment rather than a tax but is incorporated into the annual ad valorem tax bill. The revenue generated is restricted to expenditures related to the Fire Departments providing **emergency fire and paramedic services**. There are 10 volunteer fire stations that operate as one **Special Revenue Fund** from the MSBU fees. In 2007-08 the County hire a paid fire department staff which operates from the **General Fund** and is supported from ad valorem dollars. The graph below only shows MSBU revenues.

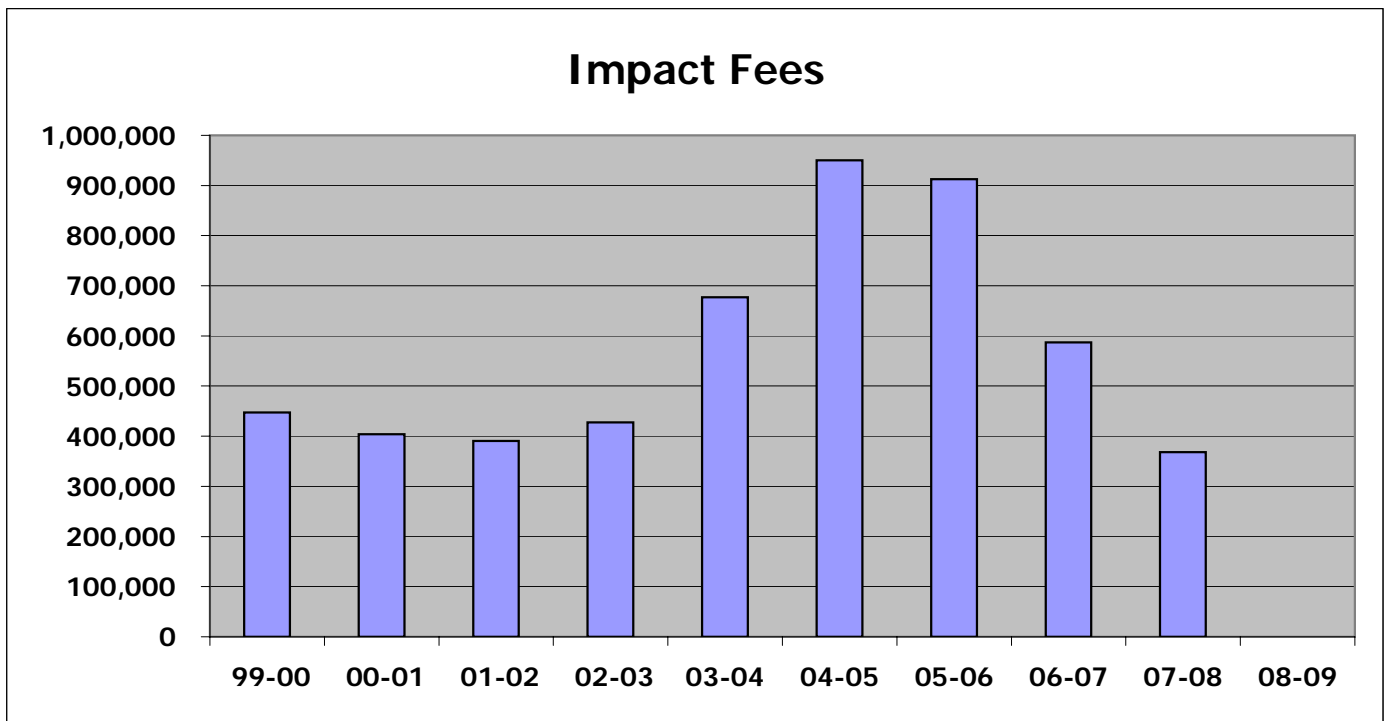


**IMPACT FEES:**

Impact fees are not authorized by Florida Statutes but by the "Home Rule Authority". The characteristics and limitations of impact fees are found in Florida case law rather than statutory mandates. Impact fees are charges imposed against new development to, either totally or partially, reimburse for the cost of additional facilities or services necessary as a result of the new development. To be legal, impact fees must withstand the "dual rational nexus" test. There must be a reasonable connection between the additional facilities or services and the growth resulting from new development. The County must also show a reasonable connection between the expenditure of impact fees and the benefits to the new growth. So, there are limitations on spending impact fees and they are treated as a **Special Revenue Fund. Impact fees must meet 4 criteria: (1) It must be levied on new development or new expansion of existing development, (2) the fee is a one time charge, (3) the fee is generally earmarked for capital outlay expenses only, and (4) the fee represents a proportional share of the cost of the facilities needed to serve the new growth.** In 1997, the County adopted Ordinance 98-9 for six different impact fees. In 2007 another impact fee study was completed but not implemented until December 2009. Ordinance 2009-15 set the fees of 7 different impact fees as outlined below.

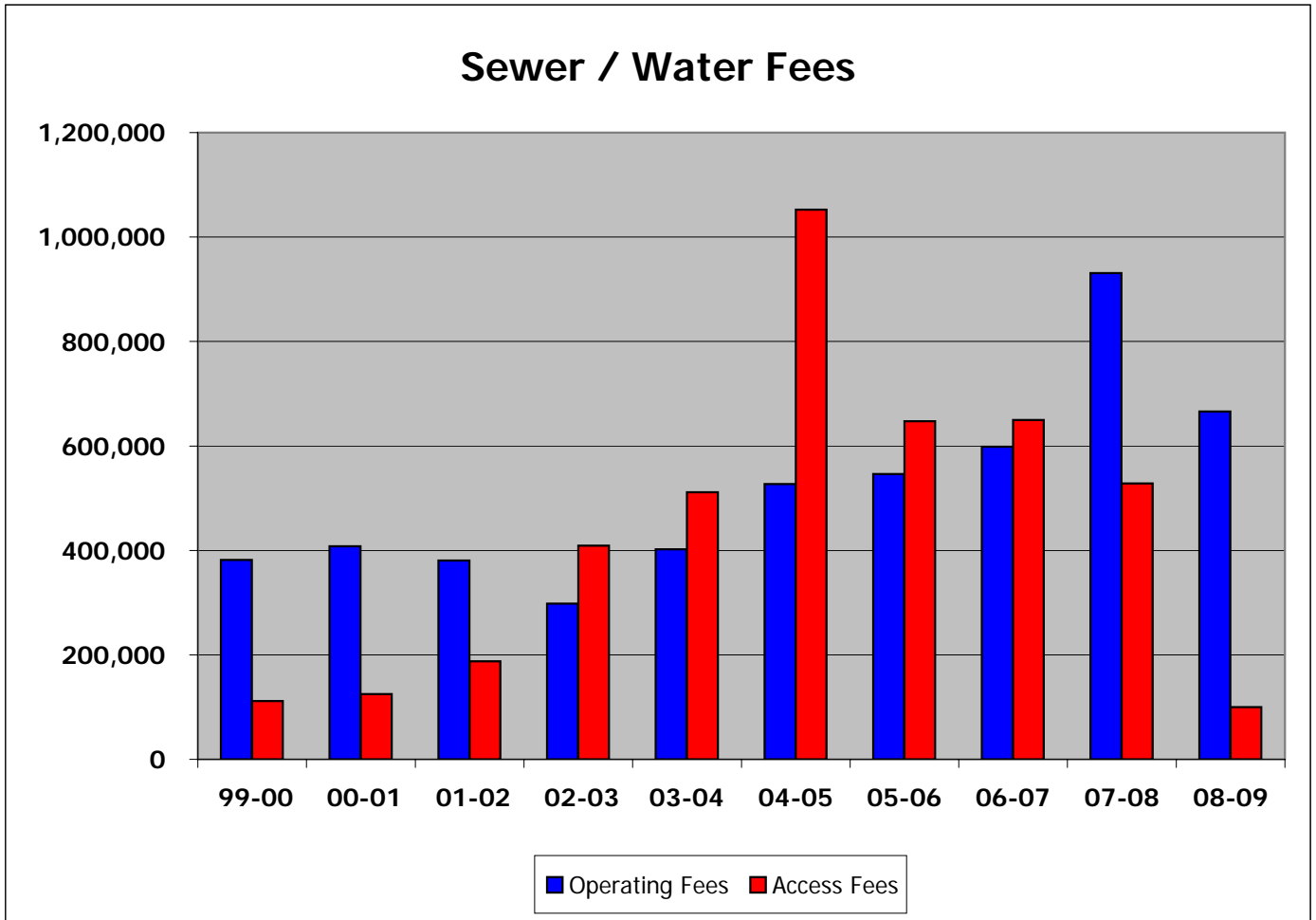
- Parks & Recreation Facilities - fees for three categories were set at 25% of the study's rates
- Emergency Medical Services - fees for two categories were set at 100% of the study's rates
- Fire Rescue - fees for four categories were set at 100% of the study's rates
- Correction Facilities - fees for three categories were set at 25% of the study's rates
- Roads - fees for eighty six (86) categories were set at 50% of the study's rates
- Library Facilities - fees for three categories were st at 25% of the study's rates
- Law Enforcement - fees for seven categories were set at 25% of the study's rates

A moratorium on impact fees was imposed resulting in zero impact fee collections for 2008-09



**SEWER & WATER FEES:**

Section 153, Florida Statutes outlines the regulations regarding Sewer & Water Treatment Facilities. Wakulla County has several authorizing documents related to sewer / water fees. In 2009 Wakulla County rewrote these various documents into one comprehensive sewer document - Ordinance 09-09. Within this ordinance, various fees for residential and commercial users for sewer and access fees were set. Revenues generated from the sewer and water fees are restricted to the operation, maintenance repair of the sewer and water facilities. **The access fees are restricted to the construction and expansion of the sewer facilities.** The Sewer & Water Fund is operated as an **Enterprise Fund** and has been subsidized by the General Fund in past years.



**SOLID WASTE DISPOSAL FEES:**

Wakulla County's authorizing documents for the landfill fees are Ordinance 88-24 and Resolution 92-9. This resolution has been amended on four different occasions. The fees include charges for the disposal of household garbage, construction debris and other types of refuse, including commercial deposits. The Solid Waste Dept. also operates several functions or services on State Grant money: Small County Grant, Waste Tire Grant and the Recycling Grant. The Solid Waste Fund operates as an **Enterprise Fund** and the **General Fund** has subsidized this fund in the past.

