

Leon County Office of Management & Budget  
Fiscal Year 2011 Budget Workshop

Table of Contents

Fiscal Year 2011 Budget Overview

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**1**

**Establishing the FY 2011 Budget Calendar**

---

**2**

**Implementation of the Business Tax as a Funding Source for Economic  
Development**

---

**3**

**Transportation Trust Fund- Fifth Cent Gas Tax**

---

**4**

**Solid Waste Non Ad Valorem Assessment**

---

**5**

**Stormwater Non Ad Valorem Assessment**

---

**6**

**Growth Management and Building Inspection Funds**

---

**7**

**Line Item Funding Agencies and Establishing the Maximum Funding Level**

---

**8**

**Medicaid Match and Substance Abuse Treatment Program**

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# Board of County Commissioners

## Workshop Discussion Item

Date of Meeting: January 26, 2010

Date Submitted: January 20, 2010

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator   
Alan Rosenzweig, Assistant County Administrator   
Scott Ross, Director, Office of Management and Budget 

Subject: Fiscal Year 2011 Budget Overview

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### Statement of Issue:

This item presents an overview of budgetary considerations for the FY 2011 budget cycle. Additional workshop items will provide a status on select special revenue funds, establish line item funding levels of FY 2010, set the FY 2011 budget calendar, and provide consideration of participating in a Medicaid Match program for substance abuse treatment.

### Background

Recent property tax reform and the constraints placed on levying property taxes have placed unprecedented challenges on the Board. For FY 2008, the state legislature mandated local governments levy a reduced rolled-back rate. Due to the Board's past fiscal prudence and historically low expenditure growth rates, Leon County was in the lowest 3% statewide tier for rolled-back and the 11<sup>th</sup> lowest for all counties in the state.

In January 2008, Florida voters passed a constitutional amendment capping ad valorem tax increases that could be levied by a majority vote of the Board to the value of new construction and per capita and personal income growth. Higher rates require a super majority or unanimous vote of the Board. The amendment went into effect during the FY 2009 budget process.

To address these newly imposed constraints, during the FY 2009 budget process, the Board prioritized County services in an effort to determine future funding considerations. This effort produced a budget reduction of 6.7% from FY 2008. Subsequently, in late FY 2008 - early FY 2009, an economic recession became apparent, further intensifying the challenges to fund necessary County services. The recession affected not only property values and associated taxes, but consumer confidence and related statewide and local sales tax collections.

Leon County has not been immune to the current recession economy. As of October 2009, the national unemployment rate was 10.2%. In September 2009, Florida's rate was 11% and Leon County's was 7.5%. While Leon County's unemployment rate is lower than the national and state rates, the rate is an historical high and has increased by 47% from September 2008.

The continued impact of the recession was evident early in the FY 2010 budget planning process. The Property Appraiser provided notification that property values were estimated to decline by \$1 billion or 7.7%. This decline would impact Leon County's ad valorem collections by \$8.8 million. State revenue estimating conferences continued to lower revenue forecasts for state share revenues, sales and gas taxes. From FY 2009 to FY 2010, budgeted state shared sales tax revenues declined by \$2.6 million.

Combined, the Board faced an \$11.4 million decline in revenues during the development of the FY 2010 budget. This required the Board to evaluate alternative revenues. In addition to the Fire Services Fee, the Board considered a number of options:

- *Increasing the solid waste or stormwater fees:* Both of these fees are not adequate to cover the current cost of services. Neither fee has been raised in over a decade. Both of these operations are intended to operate as businesses with their fees fully supporting the program. The Board decided not to raise these fees and continued to budget general revenue to support these service areas.
- *Imposition of an additional five cent gas tax:* Currently, gas taxes do not support the County's transportation program, which subsequently receives \$2.32 million in general revenue support. Due to the economic climate, the Board decided not to raise gas taxes.
- *Raising the millage rate to offset the \$1 billion (7.7%) decline in property values countywide:* The Board resolved that increasing the millage was not appropriate during the FY 2010 budget cycle. Current indications from the Property Appraisers Office are that valuations for the FY 2011 budget could decline by another 1% - 2%.

### Analysis

The Board has made a concerted effort over the past three years to minimize the impact of reduced resources by implementing expenditure reductions and reducing and/or restructuring services. Service areas affected include the library, solid waste, mosquito control, stormwater, management information, and county administration, some of which are described below.

- Implemented a hiring freeze and suspended the capital construction program for non mandatory projects.
- Restructured the capital program to fund mandatory and long term maintenance projects for a five to eight year period.
- Reduced hours of the branch library system from fifty-two to forty hours a week. This involved completely closing the branch locations on Mondays. Savings achieved are a recurring \$386,985 per year.
- Closed the Solid Waste Facility to the public for the disposal of Class III waste (generally waste not expected to produce leachate) and began contracting with a private vendor to recycle this waste stream. This change allowed the County to restructure landfill operations and eliminate seven positions at the solid waste facility for a savings of \$284,500. Furthermore, this effort will assist the County in reducing the amount of Class III waste disposed of at the solid waste facility, and expand the recycling and reuse of Class III waste.

- Reorganized the Public Works Department stormwater and mosquito control programs. Specifically, stormwater maintenance previously performed by two divisions is now being conducted by one. Not only has this produced service efficiencies, but \$214,054 in savings over the past two fiscal years.
- Restructured Management Information Services, resulting in a savings of \$181,997 for the current fiscal year. This involved the elimination of three technical positions, which has resulted in increased response times to technical calls; however, call times will remain within applicable industry benchmark standards.
- Streamlined County Administration in order to increase operational efficiencies. Part of this initiative involved eliminating the Management Services Support Services Division, for a net savings of \$176,980.
- Laid-off no county employees in the past three years; however, over the past two years 61 FTEs, or more than 5% of the Board's total work force, have been eliminated from the budget.

By these actions, the Board achieved stability in Leon County's ability to provide necessary services. By prioritizing services and taking actions to limit costs, the Board placed the community in a position to weather the current economic recession. Leon County has not added additional operating expenses, which has allowed the Board to provide adequate resources to established programs, without having to make drastic personnel reductions like other Florida local governments. Due to the continued ambiguity of when the economy will rebound to pre-recession levels, the Board is still faced with uncertainty relating to ad valorem collections, as a result of a continued decline in property valuations, and sales tax collections.

#### FY 2011 Expenditure and Revenue Considerations

##### **Expenditures**

In planning for the upcoming fiscal year, the Board will need to consider expenditure increases to the budget. As of December 2009, the annual consumer price index (CPI) was 2.7%, compared to the previous year when the CPI was 0.1%. The 2.6% increase is due to increases in energy costs, especially for gasoline.

Last year's flat CPI assisted the Board in holding down increases to the County operating budget. Further more the Board did not budget salary increase in FY 2010. The only personnel increases in the budget for FY 2010 were associated with retirement and health care costs.

Preliminary analysis indicates that overall, except for fuel cost, anticipated operating expenses should remain relatively flat for the upcoming fiscal year. The operating increases the Board needs to consider for FY 2011 are primarily associated with personnel. Early estimates indicate that a salary increase and associated increases in retirement and health care cost would impact the budget by an estimated \$5 million. Initial readings from the state indicate that the legislature will increase retirement rates, and health care cost increases could range from 6% to 10%.

Also, operating funds will need to be provided to cover the recurring expenses of bringing the expanded branch library system on line over the next two years. By FY 2011, total recurring costs for the system expansion are estimated at \$465,500. This includes \$238,600 in expenses associated with the Lake Jackson, Woodville, B.L. Perry and Northeast Libraries, and \$227,000 to open the Eastside Library.

### **Revenues**

Current state shared general revenue estimates indicate that the half-cent and state shared revenues will be within FY 2010 budget estimates. In addition, there are current economic indicators associated with consumer expenditures that show the recession economy is ebbing, which could allow for a slight increase in sales tax associated revenues in FY 2011. This picture will become clearer after the end of the second fiscal year quarter in March when sales tax collections from December and January are distributed by the state.

### *Property Taxes*

As stated previously, for the FY 2010 budget, Leon County's taxable values declined by \$1 billion. The Board maintained the FY 2009, 7.85 millage rate and took the full ad valorem reduction in property taxes totaling \$8.8 million in lost revenue. The rolled-back rate of 8.4998 could have been levied by a simple majority vote, keeping ad valorem tax collections at FY 2009 levels. By not levying the rolled-back rate, the Board passed the savings onto the community.

The Board needs to consider that when property tax reform legislation passed last year, the legislature implemented various voting thresholds to address property tax collections. Under the law, the Board (on a simple majority 4-3 vote) can establish a millage rate that enables the collection equal to the prior year plus the growth in per capita income and new construction. The intent allows for the collection of additional revenue to address the normal increase in costs for operating government (e.g. raises, healthcare, retirement, and inflation). **This process acknowledges that property values may not only decrease, but may increase over time.** The focus therefore is not on the property value or the millage rate, but on the amount of property taxes being collected, and how much is necessary to fund the operations of government. Higher voting thresholds allow for greater property tax collections, which could be utilized to support different levels of service or to offset other revenue declines.

The Property Appraiser's Office indicates that property tax valuations for the FY 2011 budget could further decline within a range of 0.50% to 2%. Formal preliminary valuations are provided by the Property Appraiser's Office by June 1 of each year. Table 1 shows the current ad valorem status and the impact of a continued decline in property values projections in half percent increments.

**Table 1**  
**Impact of Property Valuations on Ad Valorem Collections with**  
**A Constant 7.85 Millage Rate\***

| % Valuation Change | Revenue Decline | Millage Increase Off-set |
|--------------------|-----------------|--------------------------|
| -0.50%             | (\$545,474)     | 0.0373                   |
| -1.00%             | (\$1,090,948)   | 0.0746                   |
| -1.50%             | (\$1,636,421)   | 0.1119                   |
| -2.00%             | (\$2,181,895)   | 0.1492                   |

Note: Final valuations provided by the Property Appraiser in October 2009, were 0.36% lower than the valuations provided to develop the FY 2010 budget. This means that the County will collect \$398,872 less than projected; however, collections will remain above the statutory 95% budgeting requirements.

The tables demonstrates that holding the current 7.85 millage rate constant with declining valuations, there is a decrease of \$545,474 in revenue for each half percent reduction in value. In order to off-set the decline of a half percent in property value, and keep revenue at the FY 2010 level, the millage rate would need to be increased by .0373 mills. This amount of millage generates \$545,474. To recapture a 1% loss in valuation the millage rate would need to be adjusted by 0.0746; less than one-tenth of a mill.

Table 2 shows how much the millage rate would need to be increased to off-set the estimated \$5.5 million increase in library and personnel costs (cost of living adjustment, retirement and health insurance) with property valuations remaining flat, and the impact associated with a decline in valuations.

**Table 2**  
**Necessary Millage Rate Increase to Off-set Valuation Change and Increase in**  
**Personnel Expenses (retirement, health care and cost of living) and Libraries**

| Valuation Change | Required Millage Increase with estimated \$5.5 million expense increase and valuation decline |
|------------------|---|
| 0%               | .3418   |
| -0.5%            | .3810   |
| -1.0%            | .4206   |
| -1.5%            | .4606   |
| -2.0%            | .5010   |

Other Program Funding and Budget Considerations

In addition to ad valorem and other general revenues, the Board needs to be aware of the status of other special revenue funds, and their impact on general revenues. Currently, the transportation, stormwater, solid waste, and growth management receive general revenue subsidies. The Board has indicated through their "Guiding Principles" that "fees charged for enterprise operations will be calculated at a level that will support all direct and indirect costs of the enterprise."

Conclusion

Based on preliminary estimates, expenditures will increase a minimum of \$5.5 million and property tax collections may decrease an additional \$2.0 million for a total shortfall of \$7.5 million. In addition, beginning in FY2013, the County will have additional operating expenditure increases associated with the Public Safety Complex (i.e. joint dispatch). Attachment #1 includes a summary of operating expenditures associated with a facility of this nature. The amounts have not been finalized and are preliminary. Assuming a shared cost with the City, these expenditures are estimated at \$1.7 million annually; they include items such as utilities, custodial, and maintenance. Not included is any additional staff for MIS at this time. The cost of the actual dispatch function is not included as this is already being funded through the existing budget.

Given the projected nominal growth or decline in other revenues, such as sales tax and gas taxes, the County will need to consider either cutting expenditures or raising the property tax rate to offset the \$7.5 million. Regarding the millage rate, depending on the actual final values and the level of increase this may require either a majority or super-majority vote of the commission.

Regarding expenditure reductions, over the past two years, the County has eliminated 5% of its workforce and cut a number of programs. In addition, the County has sought ways to partner with the private sector (disposal of solid waste) and leverage the market through competition (purchase of insurance). However, during the past two years, the County has not reduced outside funded agencies. For purposes of balancing the FY2011 budget, the Board will need to consider reducing outside agency funding. The last budget discussion item being considered at the workshop will provide a framework for this effort.

The remaining portion of the workshop will focus on individual items regarding the status of these special revenue funds and other select items as follows;

1. Establishing the FY 2011 Budget Calendar
2. Implementation of the Business Tax as a Funding Source for Economic Development
3. Transportation Trust Fund – Fifth Cent Gas Tax
4. Solid Waste Non Ad Valorem Assessment
5. Stormwater Non Ad Valorem Assessment
6. Growth Management and Building Inspection Funds
7. Line Item Funding Agencies and Establishing the Maximum Funding Level
8. Medicaid Match and Substance Abuse Treatment Program

Options:

1. Accept staff's report on the budget.
2. Do not accept staff's report on the budget.
3. Board Direction

Recommendation:

Option #1

Attachment:

1. Summary of operating expenditures associated with a Public Safety Complex

| <b>CONTRACTUALS</b> |   |    | <b>Working Total</b> |
|---------------------|---|----|----------------------|
|                     | <b>Code/Definition</b>                        |    |                      |
|                     | 5675 Security                                 | \$ | 697,500              |
|                     | 5675 Security - System Maintenance            | \$ | 19,472               |
|                     | 5860 Services - Other                         | \$ | -                    |
|                     | 6121 911 Backup Center                        |    |                      |
|                     | 6124 Rental - Copy Machines                   | \$ | 10,000               |
|                     | 6160 Electric Services                        | \$ | 262,200              |
|                     | 6165 Water Service                            | \$ | 2,580                |
|                     | 6170 WW Service                               | \$ | 12,219               |
|                     | 6174 Drainage Fee Expense                     | \$ | 11,280               |
|                     | 6175 Garbage/Refuse Collection                | \$ | 7,611                |
|                     | 6203 Service Fees Storm & Fire                | \$ | 28,603               |
|                     | 6203 Telephone Support-shared ports           |    |                      |
|                     | 6203 Telephone Support shared EOC ports       |    |                      |
|                     | 6203 Telephone Support-direct prot costs      |    |                      |
|                     | 6203 Financial Support                        |    |                      |
|                     | 6327 Insurance - FireFlood Extended Covrg     | \$ | 64,500               |
|                     | 6383 Facility Management                      | \$ | 1,174,076            |
|                     | 6383 911 Backup Center Facility Management    |    |                      |
|                     | 6387 Maintenance Hardware - CTECC             | \$ | 128,078              |
|                     | 6387 Maintenance Hardware - 911 BUC           | \$ | 20,144               |
|                     | 6387 Maintenance Hardware - APD/AFD/EMS (COA) | \$ | 51,987               |
|                     | 6389 Maintenance Hardware - Video Wall        | \$ | 130,000              |
|                     | 6392 Premium Power Maintenance                |    |                      |
|                     | 6398 Chilled Water Maintenance                | \$ | 413,987              |
|                     | 6404 Telephone - Base Cost (CTECC)            | \$ | 227,755              |
|                     | 6404 Telephone - Base Cost (911 Backup)       |    |                      |
|                     | 6405 Telephone - Long Distance                | \$ | 10,210               |
|                     | 6406 Telephone - Equipment Maintenance        | \$ | 30,000               |
|                     | 6407 Telephone - Celluar Services             | \$ | 2,500                |
|                     | 6407 Telephone - Celluar Services             | \$ | 2,500                |
|                     | 6415 Postage                                  | \$ | 50                   |
|                     | 6416 Priority Mail/Parcel Services            | \$ | 50                   |
|                     | 6452 Printing/Binding/Photographic Repro.     | \$ | 250                  |
|                     | 6531 Seminar/Training Fees (Equal)            | \$ | 5,000                |
|                     | 6531 Seminar/Training Fees (Tech)             | \$ | 20,500               |
|                     | 6531 Seminar/Training (CAD)                   | \$ | 5,750                |
|                     | 6531 Seminar/Training (APD RMS)               | \$ | 18,250               |
|                     | 6531 Seminar Training (AFD/EMS RMS)           | \$ | 8,000                |
|                     | 6532 Travel - Training (Equal)                | \$ | 3,750                |
|                     | 6532 Travel - Training (Tech)                 | \$ | 11,500               |
|                     | 6532 Travel - Training (CAD)                  | \$ | 13,250               |
|                     | 6532 Travel - Training (APD RMS)              | \$ | 30,000               |
|                     | 6532 Travel - Training (AFD/EMS RMS)          | \$ | 10,000               |
|                     | 6551 Mileage Reimbursements                   | \$ | 625                  |
|                     | 6551 Mileage Reimbursements                   | \$ | 625                  |
|                     | 6558 Professional Registration                | \$ | 200                  |
|                     | 6561 Parking Costs                            | \$ | 100                  |
|                     | 6633 Subscriptions                            | \$ | 50                   |
|                     | TBD Lease Reimbursement                       |    |                      |
|                     | <b>Total: Contractuals</b>                    | \$ | <b>3,435,152.44</b>  |

# Board of County Commissioners

## Workshop Discussion Item

Date of Meeting: January 26, 2010

Date Submitted: January 20, 2010

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator *PA*  
Alan Rosenzweig, Assistant County Administrator *AR*  
Scott Ross, Director, Office of Management and Budget *SR*

Subject: Approval of the Fiscal Year 2011 Budget Calendar

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### Statement of Issue:

This item seeks Board approval of the tentative budget calendar for FY 2010 (Attachment #1).

### Background:

Chapters 129 and 200 of the Florida Statutes provide specific time frames and milestones necessary to complete the annual budget. In addition, Leon County Fiscal Planning Policy No. 93-44 requires that a budget calendar be adopted prior to March 1<sup>st</sup> of each year (Attachment #2). Leon County's budget calendar complies with the statutory requirements and incorporates all local policies and procedures. The calendar provides the detail in support of the applicable statutes and County process.

### Analysis:

Applicable statutes have been reviewed and a budget calendar created to maximize the use of the Board's time in developing the FY 2011 budget. The following provides significant dates for the Board:

**May 11, 2010, Board workshop (9:00 AM – 3:00 PM):** Staff will bring budget discussion items to the Board regarding any legislative changes that occurred during the FY 2010 session, and provide revenue estimates for the FY 2011 budget. Any other budget discussion items identified by the Board since the January 26, 2010 workshop will also be presented.

**May 11, 2010 Board meeting:** Staff will present the Mid-Year Financial Report to the Board. This will include preliminary revenue forecasts for the upcoming fiscal year and the status of the general and special revenue fund balances.

**June 22 and 23, 2010 Board budget workshops (Tuesday, 9:00 AM – 3:00 PM, and Wednesday 9:00AM – 5:00 PM. *Wednesday is scheduled if necessary*):** These workshops will provide the Board a complete package of anticipated expenditures for FY 2011. Property tax estimates will be based on the tentative certified taxable values from the Property Appraiser that will be provided June 1, 2010.

**July 7-9, 2010 Board Budget Workshops - *if necessary* (Wednesday – Friday, 9:00AM – 5:00 PM)** These workshops will be conducted if necessary depending on Board direction provided at the June 22-23 workshops, and if final valuations provided by the Property Appraiser on July 1, significantly change from the June 1, 2010 valuations.

**July 15, 2010:** The County Administrator will provide the tentative budget to the Board.

**Tuesday, September 7 and Tuesday, September 21, 2010:** Two statutorily required public hearings on adopting the budget and millage rates. (The September 7, 2010 does not conflict with the currently published School Board meeting agenda. Pursuant to Florida Statutes, the Board of County Commissioners can not conduct a budget hearing on the same day as the School Board.)

**Options:**

1. Approve the Fiscal Year 2010/2011 Budget Calendar.
2. Do not approve the Fiscal Year 2010/2011 Budget Calendar.
3. Board Direction

**Recommendation:**

Options #1

**Attachment:**

1. FY 2011 Budget Calendar
2. Policy No. 93-44, Fiscal Planning



| <b>DECEMBER</b>          |                 |   |
|--------------------------|-----------------|---|
| <b>DATE</b>              | <b>ACTIVITY</b> | <b>PARTICIPANTS</b>                                     |
| Monday, December 7, 2009 | Board Retreat   | Board of County Commissioners (BOCC)<br>Executive Staff |

| <b>JANUARY</b>            |  |   |
|---------------------------|--|---|
| <b>DATE</b>               | <b>ACTIVITY</b>  | <b>PARTICIPANTS</b>   |
| Monday, January 7, 2010   | Internal Services Request Matrix Distributed to Departments and Constitutional/Judicial Officers | Facilities Management<br>Management Information Systems<br>Human Resources<br>Office of Management and Budget (OMB) |
| Tuesday, January 26, 2010 | BOCC Budget Workshop   | All Departments   |
| Friday, January 29, 2010  | Departments and Constitutional/Judicial Officers submit internal service requests                | Facilities Management<br>Management Information Systems<br>Human Resources<br>Office of Management and Budget (OMB) |

| <b>FEBRUARY</b>   |  |                                |
|---|--|--------------------------------|
| <b>DATE</b>   | <b>ACTIVITY</b>  | <b>PARTICIPANTS</b>            |
| Tuesday, February 9, 2010                                   | Ratification of Actions taken at the January 26, 2010 Workshop | BCC/ County Administration/OMB |
| Wednesday, February 17, 2010<br>Thursday, February 18, 2010 | Budget Training  | OMB/Departments                |
| Friday, February 19, 2010                                   | Deadline for New Capital Project Requests                      | OMB/Departments                |

| <b>MARCH</b>           |   |                     |
|------------------------|---|---------------------|
| <b>DATE</b>            | <b>ACTIVITY</b>   | <b>PARTICIPANTS</b> |
| Friday, March 19, 2010 | Deadline for Current Capital Project Requests   | OMB/Departments     |
| Monday, March 22, 2010 | Deadline for Departments to notify OMB for budget issues pertaining to required contract and state payment increases and submit requested budgets | OMB/Departments     |

| <b>MAY</b>            |                                       |                               |
|-----------------------|---------------------------------------|-------------------------------|
| <b>DATE</b>           | <b>ACTIVITY</b>                       | <b>PARTICIPANTS</b>           |
| Tuesday, May 11, 2010 | BOCC Budget Workshop                  | All Departments               |
| Tuesday, May 11, 2010 | Mid-Year Financial Report Agenda Item | BCC/County Administration/OMB |



**Leon County Government  
Fiscal Year 2011 Budget Calendar**

| <b>JUNE</b>  |  |                                       |
|--|--|---------------------------------------|
| <b>DATE</b>  | <b>ACTIVITY</b>  | <b>PARTICIPANTS</b>                   |
| Tuesday, June 1, 2010  | Receive Tentative Certified Values from Property Appraiser                                 | Property Appraiser                    |
| Tuesday, June 1, 2010  | Notice to Property Appraiser regarding possible non-ad valorem assessments for TRIM notice | Public Works, OMB, Property Appraiser |
| Tuesday, June 22, 2010 and Wednesday, June 22, 2010 (if necessary) | Budget Workshop - Guidance from BOCC for FY11 Tentative Budget                             | BCC/OMB/Departments                   |

| <b>JULY</b>  |  |                                       |
|--|--|---------------------------------------|
| <b>DATE</b>  | <b>ACTIVITY</b>  | <b>PARTICIPANTS</b>                   |
| Thursday, July 1, 2010   | Certified Taxable Values provided by Property Appraiser  | Property Appraiser                    |
| Thursday, July 1, 2010   | Non-ad valorem assessments to be included on TRIM due to Property Appraiser unless extension granted | Public Works, OMB, Property Appraiser |
| Wednesday, July 7, 2010<br>Thursday, July 8, 2010 (if necessary)<br>Friday July 9, 2010 (if necessary) | Final Tentative Budget Workshops   | BCC/OMB/Departments                   |
| Thursday, July 15, 2010  | Tentative Budget Submitted to BOCC   | County Administration/OMB             |

| <b>AUGUST</b>             |   |                         |
|---------------------------|---|-------------------------|
| <b>DATE</b>               | <b>ACTIVITY</b>   | <b>PARTICIPANTS</b>     |
| Wednesday, August 4, 2010 | TRIM Maximum Millage Notice due to Property Appraiser and Department of Revenue | OMB, Property Appraiser |
| Tuesday, August 24, 2010  | Last day for Property Appraiser to mails TRIM notice                            | Property Appraiser      |

| <b>SEPTEMBER</b>              |  |                                      |
|-------------------------------|--|--------------------------------------|
| <b>DATE</b>                   | <b>ACTIVITY</b>  | <b>PARTICIPANTS</b>                  |
| Tuesday, September 7, 2010    | BOCC – 1 <sup>st</sup> Public Budget Hearing on Adoption of Tentative Millage Rates and Tentative Budgets for FY 2010/2011 | BCC/County Admin./OMB/Dept./Citizens |
| Wednesday, September 15, 2009 | Certification of Non-Ad Valorem assessment roll due to Tax Collector   | Public Works                         |
| Tuesday, September 21, 2010   | BOCC – 2 <sup>nd</sup> Public Budget Hearing on Adoption of Tentative Millage Rates and Tentative Budgets for FY 2010/2011 | BCC/County Admin./OMB/Dept./Citizens |
| Friday, September 24, 2010    | Submit Adopted Budget Resolutions to Property Appraiser and Tax Collector  | OMB                                  |



Leon County Government  
Fiscal Year 2011 Budget Calendar

| <b>OCTOBER</b>             |  |                     |
|----------------------------|--|---------------------|
| <b>DATE</b>                | <b>ACTIVITY</b>  | <b>PARTICIPANTS</b> |
| Friday, October 1, 2010    | Beginning of New Fiscal Year   |                     |
| Thursday, October 21, 2010 | Final Day to Submit TRIM Compliance Certification to Department of Revenue (DOR) | OMB                 |

**Board of County Commissioners**  
Leon County, Florida

**Policy No. 93-44**

Title: Fiscal Planning  
Date Adopted: November 16, 2004  
Effective Date: November 16, 2004  
Reference: N/A  
Policy Superseded: Policy 93-44, adopted 8/10/93; Policy No. 92-3, "Fiscal Planning,"  
adopted 3/10/92

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It shall be the policy of the Board of County Commissioners of Leon County, Florida that:

Policy No. 93-44, adopted by the Board of County Commissioners on August 10, 1993, is hereby superseded, and a revised policy is hereby adopted in its place, to wit:

The County will establish fiscal planning practices to:

1. Provide that the annual operating and capital budget for Leon County shall be developed in conformity with the Tallahassee-Leon County Comprehensive Plan by the Office of Management and Budget, under the advisement of the County Administrator and adopted as provided in State law by a majority vote of the Board of County Commissioners presiding in a public hearing.
2. Provide for the development and annual review of a capital improvement budget. This budget shall contain a 5-year plan for acquisition and improvement of capital investments in the areas of facilities, transportation, equipment and drainage. This budget shall be coordinated with the annual operating budget.
3. Provide that the Board of County Commissioners will continue to reflect fiscal restraint through the development of the annual budget. In instances of forthcoming deficits, the Board will either decrease appropriations or increase revenues.
4. Provide that the County will strive to better utilize its resources through the use of productivity and efficiency enhancements while at the same time noting that the costs of such enhancements should not exceed the expected benefits.
5. Provide that expenditures which support existing capital investments and mandated service programs will be prioritized over those other supporting activities or non-mandated service programs.

6. Provide that the County Administrator shall be designated Budget Officer for Leon County and will carry out the duties as set forth in Ch.129, F.S.
7. Provide that the responsibility for the establishment and daily monitoring of the County's accounting system(s), shall lie with the Finance Division of the Clerk of the Circuit Court, and that the oversight of investment and debt management for the government of Leon County shall lie with the Board of County Commissioners.
8. Annually, prior to March 1, the Board of County Commissioners will:
  - A. Establish a budget calendar for the annual budget cycle.
  - B. Confirm the list of permanent line item funded agencies that can submit applications for funding during the current budget cycle.
  - C. Provide direction to staff on additional appropriation requests that should be considered as part of the tentative budget development process.
9. Provide that this policy shall be reviewed annually by the Board of County Commissioners to ensure its consistency and viability with respect to the objectives of the Board and its applicability to current state law and financial trends.

# Board of County Commissioners

## Budget Discussion Item

Date of Meeting: January 26, 2010

Date Submitted: January 20, 2010

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator *PA*  
Alan Rosenzweig, Assistant County Administrator *AR*  
Scott Ross, Director, Office of Budget and Management *WR*

Subject: Consideration of Reinstatement of the Local Business Tax

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**Statement of Issue:**

This Budget Discussion Item reviews funding local economic development through the reinstatement of the Local Business Tax.

**Background:**

During the December 7, 2009 Annual Retreat, the Board discussed exploring funding options for economic development. One option mentioned for consideration was reinstating the local business tax. The Board voted to abolish this tax during the June 9, 2009 budget workshop after receiving a letter from the Leon County Tax Collector (Attachment # 1) outlining concerns about the high number of delinquent business tax accounts in excess of \$400,000.

Chapter 205 of the Florida Statutes provides county and municipal governments' authority to levy a business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. Originally enacted in 1972 and later amended, Chapter 11, Article IV of the Code of Laws of Leon County authorized the Local Business Tax Receipt collection. Leon County Ordinance 09-31 (Attachment # 2) repealed the Local Business Tax in its entirety on October 1, 2009.

The prior local business tax receipt required a \$25 fee for any person engaged in or managing any business, profession, or occupation in Leon County and was collected by the Leon County Tax Collector. The disposition of collected revenues was shared between Leon County, the City of Tallahassee, and the Leon County Tax Collector. Business tax licensing fees generated within the incorporated area were apportioned between the county and the city by a ratio derived by dividing their respective populations by the total county population. In addition, the Tax Collector received a portion of the fee for administering the collection program.

**Analysis:**

Prior to its repeal, the Local Business tax generated a reliable source of revenue on a recurring annual basis. For the previous five years the tax brought in, on average, almost \$213,000 per year at the \$25 per business license rate. This represented roughly 1% of the non-countywide general revenue collected in 2008, the last full year of collection.

If the Board decides to reinstate the local business tax, a rate structure would need to be set pursuant to Chapter 205 of the Florida Statutes (Attachment # 3). A new ordinance would have to be drafted that complied with the Laws of Florida. Additionally, if this tax were to be reinstated, it is recommended that stricter collection enforcement authority be considered at this time to address the concerns of the Tax Collector.

**Options:**

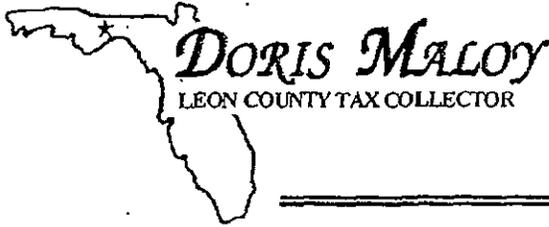
1. Do not reinstate the Local Business Tax Receipt.
2. Reinstatement of the Local Business Tax Receipt.
3. Board Direction.

**Recommendation:**

Option # 1

**Attachments:**

1. Original and follow up memorandum from Leon County Tax Collector.
2. Leon County Ordinance No. 2009-31, Repeal Article IV, Local Business Tax Receipt.
3. 2009 Florida State Statutes, Chapter 205, Local Business Taxes.



MAILING ADDRESS

Post Office Box 1835  
Tallahassee, Florida 32302-1835  
(850) 488-4735

OFFICE LOCATIONS

Downtown, 315 S. Callhoun St. • Carriage Gate, 3425 Thomasville Rd.  
Cross Creek, 1210 Capital Circle, SE • Heritage Plaza, 2810 Sharer Rd.  
Southside, 3477 S. Monroe St. • Westside, 870-1 Blountstown Hwy.

MEMORANDUM

To: Honorable Chairman and Members of the Board of County Commissioners  
From: Honorable Doris Maloy, *[Signature]* Leon County Tax Collector  
Date: March 16, 2009  
Re: Delinquent Business Tax Receipt Accounts for 2008 – 2009

The purpose of this memorandum is to advise the Board of the list of delinquent business tax receipt accounts for the 2008 – 2009 tax year that has been provided to Alan Rosenzweig, Assistant County Administrator. This list is being provided pursuant to Section 11-78 (4), of Ordinance No. 2007-09, Article IV, Local business Tax Receipt, which states that businesses and persons that fail to comply with the provisions of this Article, shall be reported annually to the Board for appropriate resolution. The list includes active businesses with delinquent accounts as well as businesses that are closed, but have outstanding balances.

By way of background, the business tax receipt year begins October 1 and ends September 30. The minimum annual business tax is \$25.00 for each unique and different type of business activity, and location. Business tax receipts that are not renewed by September 30 are delinquent and subject to penalties. The delinquency penalty is 25 percent of the business tax, and on February 1 of each year, a civil penalty of \$50.00 is applied to each unpaid account. Numerous accounts remain unpaid even after the penalties are applied. Ordinance Number 2007-09, Sec. 11-75 (3), provides for a penalty of up to \$250.00. This penalty amount was discussed and agreed upon by staff; but due to programming requirements, the penalty remained at \$50.00. However, there is no reason to believe that increasing the penalty would result in an increase in compliance; in fact, the increase in penalty may have an adverse impact.

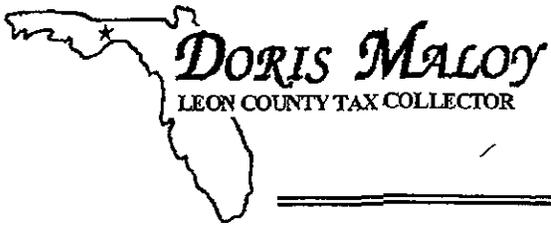
As of March 13, 2009, there were 20,690 accounts in the BTR database. Of this total, 4,384 accounts are delinquent. (Because the printed list contains more than 600 pages, it has been submitted to County Staff in PDF file format). This total includes 1,763 accounts that are more than one year delinquent resulting in a total of \$574,012.50 in unpaid taxes and penalties. If these delinquent accounts were successfully enforced and collected, approximately \$355,525.49 (including BTR excess fees) would be remitted to the County. This revenue loss to the County is critical.

Honorable Chairman and Members of the Board of County Commissioners  
Delinquent Business Tax Receipt Accounts for 2008 – 2009  
March 16, 2009  
Page Two

This Office's current procedure for collection and/or notification of account holders of delinquent accounts include, but are not limited to an attempt to contact the account holder by telephone and conduct a site visit as appropriate. While all delinquent accounts are enforced, enforcement efforts are concentrated primarily on accounts that are three or more years delinquent (\$243.75 or more). We emphasize that while our enforcement efforts have produced compliance in some cases, we are unable to obtain 100% compliance, primarily due to a lack of effective enforcement action(s) to be taken to bring about compliance.

If you have any questions or require additional information, please do not hesitate to call Ms. Brenda Sharpe, BTR Coordinator at 488-3886 or Ms. Connie L. McCaskill, Chief Deputy of Operations at 488-1797.

Cc: Herbert W.A. Thiele, Esq., County Attorney  
Parewz Alam, County Administrator  
Alan Rosenzweig, Assistant County Administrator



**DORIS MALOY**  
LEON COUNTY TAX COLLECTOR

Attachment # 1  
Page 3 of 4

Post Office Box 1835  
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**OFFICE LOCATIONS**

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**MEMORANDUM**

**To:** Commissioner Desloge, Chairman of the Board

**From:** Doris Maloy, Tax Collector *DM*

**Date:** May 18, 2009

**Re:** Business Tax Receipts

This memorandum is a follow-up to our meeting on May 5<sup>th</sup> regarding the business tax receipts accounts which my office collects on behalf of the Board. The issue is the number of unpaid and non registered accounts in which payments are (in reality) non-enforceable.

As requested, the attached schedule of uncollected tax receipts indicates the amount of lost revenues due to the "voluntary" nature of the business tax receipt.

Please contact me if you have questions or need additional information.

DM/jc

Attachments: Schedule of Calculations of Uncollected Revenues  
Memorandum to the Board dated March 16, 2009

**CALCULATION OF UNCOLLECTED BUSINESS TAX RECEIPT REVENUES**

| <u>Date</u> | <u>Number<br/>Of<br/>Accounts</u> | <u>Amount</u>       | <u>Description</u>  |
|-------------|-----------------------------------|---------------------|---|
| 07/01/08    | 19,906                            |                     | Number of renewals mailed for 2008-2009   |
|             | <u>1,692</u>                      |                     | New accounts 7/1/08 – 3/13/09   |
|             | 21,598                            |                     | Total accounts 7/1/08 – 3/13/09   |
|             | <u>(584)</u>                      |                     | Exempt Accounts   |
|             | 21,014                            | \$525,350.00        | Current revenues due for renewal period at \$25 each (1)                          |
|             | <u>(908)</u>                      | <u>(22,700.00)</u>  | Accts. closed due to non-payment for 3 yrs. (principal and interest not included) |
| 03/13/09    | 20,106                            | \$502,650.00        | Net revenues due less penalties & late fees (1)                                   |
|             | <u>(15,722)</u>                   | <u>(393,050.00)</u> | Total current paid accounts (2)   |
| 03/13/09    | 4,384                             | \$109,600.00        | Total unpaid revenues (2008-2009)   |
|             |                                   | <u>246,600.00</u>   | Late fees and penalties   |
|             |                                   | \$356,200.00        | Total unpaid revenues including penalties and late fees (2008-2009)               |
|             | 1,763                             | <u>\$217,812.50</u> | Total unpaid accts. prior to 2008-2009 (3)  |
|             |                                   | <u>\$574,012.50</u> | Total uncollected revenues  |

(1) The total number of accounts does not include the 584 accounts that do not pay a fee because they are exempt.

(2) Does not include late fees and penalties collected totaling \$17,560.

(3) Includes late fees and penalties totaling \$150,762.50. These accounts may be two – three years delinquent.

ORDINANCE NO. 09- 31

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AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA, ELIMINATING THE LOCAL BUSINESS TAX RECEIPT; REPEALING CHAPTER 11, ARTICLE IV IN ITS ENTIRETY OF THE CODE OF LAWS OF LEON COUNTY, FLORIDA, ENTITLED "LOCAL BUSINESS TAX RECEIPT" PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Leon County presently imposes a tax on Local Business Tax Receipts,

15 pursuant to Sections 11-71-84, Leon County Code of Laws; and,

16 WHEREAS, the Board of County Commissioners, desires to eliminate said tax.

17 NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY  
18 COMMISSIONERS OF LEON COUNTY, FLORIDA, THAT:

19 Section 1. Chapter 11, Article IV of the Code of Laws of Leon County shall be, and  
20 the same is hereby repealed in its entirety.

21 Section 2. Conflicts. All ordinances or parts of ordinances in conflict with the  
22 provisions of this ordinance are hereby repealed to the extent of such conflict, except to the  
23 extent of any conflicts with the Tallahassee-Leon County 2010 Comprehensive Plan as amended,

24 which provisions shall prevail over any part of this ordinance which is inconsistent, either in  
25 whole or in part, with the said Comprehensive Plan.

26 Section 3. Severability. If any word, phrase, clause, section or portion of this  
27 ordinance shall be held invalid or unconstitutional by a court of competent jurisdiction, such  
28 portion or words shall be deemed a separate and independent provision and such holding shall  
29 not affect the validity of the remaining portions thereof.





Select Year:

## The 2009 Florida Statutes

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### CHAPTER 205

#### LOCAL BUSINESS TAXES

- 205.013 Short title.
- 205.022 Definitions.
- 205.023 Requirement to report status of fictitious name registration.
- 205.0315 Ordinance adoption after October 1, 1995.
- 205.032 Levy; counties.
- 205.033 Conditions for levy; counties.
- 205.042 Levy; municipalities.
- 205.043 Conditions for levy; municipalities.
- 205.045 Transfer of administrative duties.
- 205.053 Business tax receipts; dates due and delinquent; penalties.
- 205.0532 Revocation or refusal to renew; doing business with Cuba.
- 205.0535 Reclassification and rate structure revisions.
- 205.0536 Distribution of county revenues.
- 205.0537 Vending and amusement machines.
- 205.054 Business tax; partial exemption for engaging in business or occupation in enterprise zone.
- 205.063 Exemptions; motor vehicles.
- 205.064 Farm, aquacultural, grove, horticultural, floricultural, tropical piscicultural, and tropical fish farm products; certain exemptions.
- 205.065 Exemption; nonresident persons regulated by the Department of Business and Professional Regulation.
- 205.162 Exemption allowed certain disabled persons, the aged, and widows with minor dependents.
- 205.171 Exemptions allowed disabled veterans of any war or their unremarried spouses.

205.191 Religious tenets; exemption.

205.192 Charitable, etc., organizations; occasional sales, fundraising; exemption.

205.193 Mobile home setup operations; local business tax receipt prohibited; exception.

205.194 Prohibition of local business tax receipt without exhibition of state license or registration.

205.196 Pharmacies and pharmacists.

205.1965 Assisted living facilities.

205.1967 Prerequisite for issuance of pest control business tax receipt.

205.1969 Health studios; consumer protection.

205.1971 Sellers of travel; consumer protection.

205.1973 Telemarketing businesses; consumer protection.

205.1975 Household moving services; consumer protection.

**205.013 Short title.**--This chapter shall be known and may be cited as the "Local Business Tax Act."

**History.**--s. 1, ch. 72-306; s. 1, ch. 73-144; s. 1, ch. 2006-152.

**205.022 Definitions.**--When used in this chapter, the following terms and phrases shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning:

(1) "Business," "profession," and "occupation" do not include the customary religious, charitable, or educational activities of nonprofit religious, nonprofit charitable, and nonprofit educational institutions in this state, which institutions are more particularly defined and limited as follows:

(a) "Religious institutions" means churches and ecclesiastical or denominational organizations or established physical places for worship in this state at which nonprofit religious services and activities are regularly conducted and carried on, and also means church cemeteries.

(b) "Educational institutions" means state tax-supported or parochial, church and nonprofit private schools, colleges, or universities conducting regular classes and courses of study required for accreditation by or membership in the Southern Association of Colleges and Schools, the Department of Education, or the Florida Council of Independent Schools. Nonprofit libraries, art galleries, and museums open to the public are defined as educational institutions and eligible for exemption.

(c) "Charitable institutions" means only nonprofit corporations operating physical facilities in this state at which are provided charitable services, a reasonable percentage of which are without cost to those unable to pay.

(2) "Receipt" means the document that is issued by the local governing authority which bears the words "Local Business Tax Receipt" and evidences that the person in whose name the document is issued has complied with the provisions of this chapter relating to the business tax.

(3) "Classification" means the method by which a business or group of businesses is identified by size or type, or both.

(4) "Enterprise zone" means an area designated as an enterprise zone pursuant to s. 290.0065. This subsection expires on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

(5) "Local business tax" means the fees charged and the method by which a local governing authority grants the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. It does not mean any fees or licenses paid to any board, commission, or officer for permits, registration, examination, or inspection. Unless otherwise provided by law, these are deemed to be regulatory and in addition to, but not in lieu of, any local business tax imposed under the provisions of this chapter.

(6) "Local governing authority" means the governing body of any county or incorporated municipality of this state.

(7) "Person" means any individual, firm, partnership, joint adventure, syndicate, or other group or combination acting as a unit, association, corporation, estate, trust, business trust, trustee, executor, administrator, receiver, or other fiduciary, and includes the plural as well as the singular.

(8) "Taxpayer" means any person liable for taxes imposed under the provisions of this chapter; any agent required to file and pay any taxes imposed hereunder; and the heirs, successors, assignees, and transferees of any such person or agent.

**History.**--s. 1, ch. 72-306; s. 1, ch. 73-144; s. 5, ch. 82-75; s. 31, ch. 84-356; s. 50, ch. 91-45; s. 69, ch. 94-136; s. 18, ch. 2005-287; s. 2, ch. 2006-152.

**205.023 Requirement to report status of fictitious name registration.**--As a prerequisite to receiving a local business tax receipt under this chapter or transferring a business license under s. 205.033(2) or s. 205.043(2), the applicant or new owner must present to the county or municipality that has jurisdiction to issue or transfer the receipt either:

(1) A copy of the applicant's or new owner's current fictitious name registration, issued by the Division of Corporations of the Department of State; or

(2) A written statement, signed by the applicant or new owner, which sets forth the reason that the applicant or new owner need not comply with the Fictitious Name Act.

**History.**--s. 1, ch. 94-87; s. 3, ch. 2006-152.

**205.0315 Ordinance adoption after October 1, 1995.**--Beginning October 1, 1995, a county or municipality that has not adopted a business tax ordinance or resolution may adopt a business tax ordinance. The business tax rate structure and classifications in the adopted ordinance must be reasonable and based upon the rate structure and classifications prescribed in ordinances adopted by adjacent local governments that have implemented s. 205.0535. If no adjacent local government has implemented s. 205.0535, or if the governing body of the county or municipality finds that the rate structures or classifications of adjacent local governments are unreasonable, the rate structure or classifications prescribed in its ordinance may be based upon those prescribed in ordinances adopted by local governments that have implemented s. 205.0535 in counties or municipalities that have a comparable population.

**History.**--s. 1, ch. 93-180; s. 4, ch. 2006-152.

**205.032 Levy; counties.**--The governing body of a county may levy, by appropriate resolution or ordinance, a business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. However, the governing body must first give at least 14 days' public notice between the first and last reading of the resolution or ordinance by publishing a notice in a newspaper of general circulation within its jurisdiction as defined by law. The public notice must contain the proposed classifications and rates applicable to the business tax.

**History.**--s. 1, ch. 72-306; s. 1, ch. 73-144; s. 2, ch. 93-180; s. 5, ch. 2006-152.

**205.033 Conditions for levy; counties.**--

(1) The following conditions are imposed on the authority of a county governing body to levy a business tax:

(a) The tax must be based upon reasonable classifications and must be uniform throughout any class.

(b) Unless the county implements s. 205.0535 or adopts a new business tax ordinance under s. 205.0315, a business tax levied under this subsection may not exceed the rate provided by this chapter in effect for the year beginning October 1, 1971; however, beginning October 1, 1980, the county governing body may increase business taxes authorized by this chapter. The amount of the increase above the tax rate levied on October 1, 1971, for taxes levied at a flat rate may be up to 100 percent for business taxes that are \$100 or less; 50 percent for business taxes that are between \$101 and \$300; and 25 percent for business taxes that are more than \$300. Beginning October 1, 1982, the increase may not exceed 25 percent for taxes levied at graduated or per unit rates. Authority to increase business taxes does not apply to licenses or receipts granted to any utility franchised by the county for which a franchise fee is paid.

(c) A receipt is not valid for more than 1 year, and all receipts expire on September 30 of each year, except as otherwise provided by law.

(2) Any receipt may be transferred to a new owner, when there is a bona fide sale of the business, upon payment of a transfer fee of up to 10 percent of the annual business tax, but not less than \$3 nor more than \$25, and presentation of the original receipt and evidence of the sale.

(3) Upon written request and presentation of the original receipt, any receipt may be transferred from one location to another location in the same county upon payment of a transfer fee of up to 10 percent of the annual business tax, but not less than \$3 nor more than \$25.

(4) The revenues derived from the business tax, exclusive of the costs of collection and any credit given for municipal business taxes, shall be apportioned between the unincorporated area of the county and the incorporated municipalities located therein by a ratio derived by dividing their respective populations by the population of the county. This subsection does not apply to counties that have established a new rate structure under s. 205.0535.

(5) The revenues so apportioned shall be sent to the governing authority of each municipality, according to its ratio, and to the governing authority of the county, according to the ratio of the unincorporated area, within 15 days following the month of receipt. This subsection does not apply to counties that have established a new rate structure under s. 205.0535.

(6)(a) Each county, as defined in s. 125.011(1), or any county adjacent thereto may levy and collect, by an ordinance enacted by the governing body of the county, an additional business tax up to 50 percent of the appropriate business tax imposed under subsection (1).

(b) Subsections (4) and (5) do not apply to any revenues derived from the additional tax imposed under this subsection. Proceeds from the additional business tax must be placed in a separate

interest-earning account, and the governing body of the county shall distribute this revenue, plus accrued interest, each fiscal year to an organization or agency designated by the governing body of the county to oversee and implement a comprehensive economic development strategy through advertising, promotional activities, and other sales and marketing techniques.

(c) An ordinance that levies an additional business tax under this subsection may not be adopted after January 1, 1995.

(7) Notwithstanding any other provisions of this chapter, the revenue received from a county business tax may be used for overseeing and implementing a comprehensive economic development strategy through advertising, promotional activities, and other sales and marketing techniques.

**History.**--s. 1, ch. 72-306; s. 1, ch. 73-144; s. 1, ch. 77-55; s. 54, ch. 80-274; s. 1, ch. 82-72; s. 1, ch. 85-209; s. 1, ch. 86-298; s. 3, ch. 93-180; s. 12, ch. 97-95; s. 6, ch. 2006-152.

**205.042 Levy; municipalities.**--The governing body of an incorporated municipality may levy, by appropriate resolution or ordinance, a business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. However, the governing body must first give at least 14 days' public notice between the first and last reading of the resolution or ordinance by publishing the notice in a newspaper of general circulation within its jurisdiction as defined by law. The notice must contain the proposed classifications and rates applicable to the business tax. The business tax may be levied on:

(1) Any person who maintains a permanent business location or branch office within the municipality, for the privilege of engaging in or managing any business within its jurisdiction.

(2) Any person who maintains a permanent business location or branch office within the municipality, for the privilege of engaging in or managing any profession or occupation within its jurisdiction.

(3) Any person who does not qualify under subsection (1) or subsection (2) and who transacts any business or engages in any occupation or profession in interstate commerce, if the business tax is not prohibited by s. 8, Art. I of the United States Constitution.

**History.**--s. 1, ch. 72-306; s. 1, ch. 73-144; s. 4, ch. 93-180; s. 7, ch. 2006-152.

**205.043 Conditions for levy; municipalities.**--

(1) The following conditions are imposed on the authority of a municipal governing body to levy a business tax:

(a) The tax must be based upon reasonable classifications and must be uniform throughout any class.

(b) Unless the municipality implements s. 205.0535 or adopts a new business tax ordinance under s. 205.0315, a business tax levied under this subsection may not exceed the rate in effect in the municipality for the year beginning October 1, 1971; however, beginning October 1, 1980, the municipal governing body may increase business taxes authorized by this chapter. The amount of the increase above the tax rate levied on October 1, 1971, for taxes levied at a flat rate may be up to 100 percent for business taxes that are \$100 or less; 50 percent for business taxes that are between \$101 and \$300; and 25 percent for business taxes that are more than \$300. Beginning October 1, 1982, an increase may not exceed 25 percent for taxes levied at graduated or per unit rates. Authority to increase business taxes does not apply to receipts or licenses granted to any utility franchised by the municipality for which a franchise fee is paid.

(c) A receipt is not valid for more than 1 year and all receipts expire on September 30 of each year, except as otherwise provided by law.

(2) Any business receipt may be transferred to a new owner, when there is a bona fide sale of the business, upon payment of a transfer fee of up to 10 percent of the annual tax, but not less than \$3 nor more than \$25, and presentation of the original receipt and evidence of the sale.

(3) Upon written request and presentation of the original receipt, any receipt may be transferred from one location to another location in the same municipality upon payment of a transfer fee of up to 10 percent of the annual tax, but not less than \$3 nor more than \$25.

(4) If the governing body of the county in which the municipality is located has levied a business tax or subsequently levies such a tax, the collector of the county tax may issue the receipt and collect the tax thereon.

**History.**--s. 1, ch. 72-306; s. 1, ch. 73-144; s. 1, ch. 77-55; s. 55, ch. 80-274; s. 2, ch. 82-72; s. 5, ch. 93-180; s. 8, ch. 2006-152.

**205.045 Transfer of administrative duties.**--The governing body of a municipality that levies a business tax may request that the county in which the municipality is located issue the municipal receipt and collect the tax thereon. The governing body of a county that levies a business tax may request that municipalities within the county issue the county receipt and collect the tax thereon. Before any local government may issue receipts on behalf of another local government, appropriate agreements must be entered into by the affected local governments.

**History.**--s. 6, ch. 93-180; s. 9, ch. 2006-152.

**205.053 Business tax receipts; dates due and delinquent; penalties.--**

(1) All business tax receipts shall be sold by the appropriate tax collector beginning July 1 of each year, are due and payable on or before September 30 of each year, and expire on September 30 of the succeeding year. If September 30 falls on a weekend or holiday, the tax is due and payable on or before the first working day following September 30. Provisions for partial receipts may be made in the resolution or ordinance authorizing such receipts. Receipts that are not renewed when due and payable are delinquent and subject to a delinquency penalty of 10 percent for the month of October, plus an additional 5 percent penalty for each subsequent month of delinquency until paid. However, the total delinquency penalty may not exceed 25 percent of the business tax for the delinquent establishment.

(2) Any person who engages in or manages any business, occupation, or profession without first obtaining a local business tax receipt, if required, is subject to a penalty of 25 percent of the tax due, in addition to any other penalty provided by law or ordinance.

(3) Any person who engages in any business, occupation, or profession covered by this chapter, who does not pay the required business tax within 150 days after the initial notice of tax due, and who does not obtain the required receipt is subject to civil actions and penalties, including court costs, reasonable attorneys' fees, additional administrative costs incurred as a result of collection efforts, and a penalty of up to \$250.

**History.**--s. 1, ch. 72-306; s. 1, ch. 73-144; s. 40, ch. 83-204; s. 7, ch. 93-180; s. 10, ch. 2006-152; s. 1, ch. 2007-97.

**1205.0532 Revocation or refusal to renew; doing business with Cuba.**--Any local governing authority issuing a business tax receipt to any individual, business, or entity under this chapter may revoke or refuse to renew such receipt if the individual, business, or entity, or parent company of such individual, business, or entity, is doing business with Cuba.

**History.**--s. 4, ch. 93-218; s. 11, ch. 2006-152.

**<sup>1</sup>Note.**--Section 6, ch. 93-218, provides that "[t]he Governor may waive the requirements of this act in the event that there is a collapse of the existing regime in Cuba and there is a need for immediate aid to Cuba prior to the convening of the Legislature or for humanitarian reasons as a result of a national disaster on the Island of Cuba."

**205.0535 Reclassification and rate structure revisions.--**

(1) By October 1, 2008, any municipality that has adopted by ordinance a local business tax after October 1, 1995, may by ordinance reclassify businesses, professions, and occupations and may establish new rate structures, if the conditions specified in subsections (2) and (3) are met. A person who is engaged in the business of providing local exchange telephone service or a pay telephone service in a municipality or in the unincorporated area of a county and who pays the business tax under the category designated for telephone companies or a pay telephone service provider certified pursuant to s. 364.3375 is deemed to have but one place of business or business location in each municipality or unincorporated area of a county. Pay telephone service providers may not be assessed a business tax on a per-instrument basis.

(2) Before adopting a reclassification and revision ordinance, the municipality or county must establish an equity study commission and appoint its members. Each member of the study commission must be a representative of the business community within the local government's jurisdiction. Each equity study commission shall recommend to the appropriate local government a classification system and rate structure for business taxes.

(3)(a) After the reclassification and rate structure revisions have been transmitted to and considered by the appropriate local governing body, it may adopt by majority vote a new business tax ordinance. Except that a minimum tax of up to \$25 is permitted, the reclassification may not increase the tax by more than the following: for receipts costing \$150 or less, 200 percent; for receipts costing more than \$150 but not more than \$500, 100 percent; for receipts costing more than \$500 but not more than \$2,500, 75 percent; for receipts costing more than \$2,500 but not more than \$10,000, 50 percent; and for receipts costing more than \$10,000, 10 percent; however, in no case may the tax on any receipt be increased more than \$5,000.

(b) The total annual revenue generated by the new rate structure for the fiscal year following the fiscal year during which the rate structure is adopted may not exceed:

1. For municipalities, the sum of the revenue base and 10 percent of that revenue base. The revenue base is the sum of the business tax revenue generated by receipts issued for the most recently completed local fiscal year or the amount of revenue that would have been generated from the authorized increases under s. 205.043(1)(b), whichever is greater, plus any revenue received from the county under s. 205.033(4).

2. For counties, the sum of the revenue base, 10 percent of that revenue base, and the amount of revenue distributed by the county to the municipalities under s. 205.033(4) during the most recently completed local fiscal year. The revenue base is the business tax revenue generated by receipts issued for the most recently completed local fiscal year or the amount of revenue that would have been generated from the authorized increases under s. 205.033(1)(b), whichever is greater, but may not include any revenues distributed to municipalities under s. 205.033(4).

(c) In addition to the revenue increases authorized by paragraph (b), revenue increases attributed to the increases in the number of receipts issued are authorized.

(4) After the conditions specified in subsections (2) and (3) are met, municipalities and counties may, every other year thereafter, increase or decrease by ordinance the rates of business taxes by up to 5 percent. An increase, however, may not be enacted by less than a majority plus one vote of

the governing body. Nothing in this chapter shall be construed to prohibit a municipality or county from decreasing or repealing any business tax authorized under this chapter.

(5) A receipt may not be issued unless the federal employer identification number or social security number is obtained from the person to be taxed.

**History.**--s. 8, ch. 93-180; s. 60, ch. 98-419; s. 12, ch. 2006-152; s. 2, ch. 2007-97.

**205.0536 Distribution of county revenues.**--A county that establishes a new rate structure under s. 205.0535 shall retain all business tax revenues collected from businesses, professions, or occupations whose places of business are located within the unincorporated portions of the county. Any business tax revenues collected by a county that establishes a new rate structure under s. 205.0535 from businesses, professions, or occupations whose places of business are located within a municipality, exclusive of the costs of collection, must be apportioned between the unincorporated area of the county and the incorporated municipalities located therein by a ratio derived by dividing their respective populations by the population of the county. As used in this section, the term "population" means the latest official state estimate of population certified under s. 186.901. The revenues so apportioned shall be sent to the governing authority of each municipality, according to its ratio, and to the governing authority of the county, according to the ratio of the unincorporated area, within 15 days after the month of receipt.

**History.**--s. 9, ch. 93-180; s. 13, ch. 2006-152.

**205.0537 Vending and amusement machines.**--The business premises where a coin-operated or token-operated vending machine that dispenses products, merchandise, or services or where an amusement or game machine is operated must assure that any required municipal or county business tax receipt for the machine is secured. The term "vending machine" does not include coin-operated telephone sets owned by persons who are in the business of providing local exchange telephone service and who pay the business tax under the category designated for telephone companies in the municipality or county or a pay telephone service provider certified pursuant to s. 364.3375. The business tax for vending and amusement machines must be assessed based on the highest number of machines located on the business premises on any single day during the previous receipted year or, in the case of new businesses, be based on an estimate for the current year. Replacement of one vending machine with another machine during a receipted year does not affect the tax assessment for that year, unless the replacement machine belongs to a business tax classification that requires a higher tax rate. For the first year in which a municipality or county assesses a business tax on vending machines, each business owning machines located in the municipality or county must notify the municipality or county, upon request, of the location of such machines. Each business owning machines must provide notice of the provisions of this section to each affected business premises where the machines are located. The business premises must secure the receipt if it is not otherwise secured.

**History.**--s. 10, ch. 93-180; s. 14, ch. 2006-152.

**205.054 Business tax; partial exemption for engaging in business or occupation in enterprise zone.**--

(1) Notwithstanding the provisions of s. 205.033(1)(a) or s. 205.043(1)(a), the governing body of a county or municipality may authorize by appropriate resolution or ordinance, adopted pursuant to the procedure established in s. 205.032 or s. 205.042, the exemption of 50 percent of the business tax levied for the privilege of engaging in or managing any business, profession, or occupation in the respective jurisdiction of the county or municipality when such privilege is exercised at a permanent business location or branch office located in an enterprise zone.

(2) Such exemption applies to each classification for which a business tax receipt is required in the jurisdiction. Classifications shall be the same in an enterprise zone as elsewhere in the jurisdiction.

Each county or municipal business tax receipt issued with the exemption authorized in this section shall be in the same general form as the other county or municipal business tax receipts and shall expire at the same time as those other receipts expire as fixed by law. Any receipt issued with the exemption authorized in this section is nontransferable. The exemption authorized in this section does not apply to any penalty authorized in s. 205.053.

(3) Each tax collecting authority of a county or municipality which provides the exemption authorized in this section shall issue to each person who may be entitled to the exemption a receipt pursuant to the provisions contained in this section. Before a receipt with such exemption is issued to an applicant, the tax collecting authority must, in each case, be provided proof that the applicant is entitled to such exemption. Such proof shall be made by means of a statement filed under oath with the tax collecting authority, which statement indicates that the permanent business location or branch office of the applicant is located in an enterprise zone of a jurisdiction which has authorized the exemption permitted in this section.

(4) Any receipt obtained with the exemption authorized in this subsection by the commission of fraud upon the issuing authority is void. Any person who has fraudulently obtained such exemption and thereafter engages, under color of the receipt, in any business, profession, or occupation requiring the business tax receipt is subject to prosecution for engaging in a business, profession, or occupation without having the required receipt under the laws of the state.

(5) If an area nominated as an enterprise zone pursuant to s. 290.0055 has not yet been designated pursuant to s. 290.0065, the governing body of a county or municipality may enact the appropriate ordinance or resolution authorizing the exemption permitted in this section; however, such ordinance or resolution will not be effective until such area is designated pursuant to s. 290.0065.

(6) This section expires on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act; and a receipt may not be issued with the exemption authorized in this section for any period beginning on or after that date.

**History.**--s. 32, ch. 84-356; s. 46, ch. 87-224; s. 70, ch. 94-136; s. 19, ch. 2005-287; s. 15, ch. 2006-152.

**205.063 Exemptions; motor vehicles.**--Vehicles used by any person receipted under this chapter for the sale and delivery of tangible personal property at wholesale or retail from his or her place of business on which a business tax is paid may not be construed to be separate places of business, and a business tax may not be levied on such vehicles or the operators thereof as salespersons or otherwise by a county or incorporated municipality, any other law to the contrary notwithstanding.

**History.**--s. 3, ch. 72-306; s. 1, ch. 73-144; s. 1056, ch. 95-147; s. 16, ch. 2006-152.

**205.064 Farm, aquacultural, grove, horticultural, floricultural, tropical piscicultural, and tropical fish farm products; certain exemptions.**--

(1) A local business tax receipt is not required of any natural person for the privilege of engaging in the selling of farm, aquacultural, grove, horticultural, floricultural, tropical piscicultural, or tropical fish farm products, or products manufactured therefrom, except intoxicating liquors, wine, or beer, when such products were grown or produced by such natural person in the state.

(2) A wholesale farmers' produce market may pay a tax of not more than \$200 for a receipt that will entitle the market's stall tenants to engage in the selling of agricultural and horticultural products therein, in lieu of such tenants being required to obtain individual local business tax receipts to so engage.

**History.**--s. 1, ch. 74-271; s. 2, ch. 87-367; s. 17, ch. 2006-152.

**205.065 Exemption; nonresident persons regulated by the Department of Business and Professional Regulation.**--If any person engaging in or managing a business, profession, or occupation regulated by the Department of Business and Professional Regulation has paid a business tax for the current year to the county or municipality in the state where the person's permanent business location or branch office is maintained, no other local governing authority may levy a business tax, or any registration or regulatory fee equivalent to the business tax, on the person for performing work or services on a temporary or transitory basis in another municipality or county. Work or services performed in a place other than the county or municipality where the permanent business location or branch office is maintained may not be construed as creating a separate business location or branch office of that person for the purposes of this chapter. Any properly licensed contractor asserting an exemption under this section who is unlawfully required by the local governing authority to pay a business tax, or any registration or regulatory fee equivalent to a business tax, has standing to challenge the propriety of the local government's actions, and the prevailing party in such a challenge is entitled to recover a reasonable attorney's fee.

**History.**--s. 32, ch. 92-203; s. 11, ch. 94-218; s. 1484, ch. 95-147; s. 6, ch. 99-254; s. 18, ch. 2006-152.

**205.162 Exemption allowed certain disabled persons, the aged, and widows with minor dependents.**--

(1) All disabled persons physically incapable of manual labor, widows with minor dependents, and persons 65 years of age or older, with not more than one employee or helper, and who use their own capital only, not in excess of \$1,000, may engage in any business or occupation in counties in which they live without being required to pay a business tax. The exemption provided by this section shall be allowed only upon the certificate of the county physician, or other reputable physician, that the applicant claiming the exemption is disabled, the nature and extent of the disability being specified therein, and in case the exemption is claimed by a widow with minor dependents, or a person over 65 years of age, proof of the right to the exemption shall be made. Any person entitled to the exemption provided by this section shall, upon application and furnishing of the necessary proof as aforesaid, be issued a receipt which shall have plainly stamped or written across the face thereof the fact that it is issued under this section, and the reason for the exemption shall be written thereon.

(2) Neither this nor any other law exempts any person from the payment of any amount required by law for the issuance of a license to sell intoxicating liquors or malt and vinous beverages.

**History.**--s. 1, ch. 67-433; s. 1, ch. 85-159; s. 19, ch. 2006-152.

**205.171 Exemptions allowed disabled veterans of any war or their unremarried spouses.**--

(1) Any bona fide, permanent resident elector of the state who served as an officer or enlisted person during any of the periods specified in s. 1.01(14) in the Armed Forces of the United States, National Guard, or United States Coast Guard or Coast Guard Reserve, or any temporary member thereof, who has actually been, or may hereafter be, reassigned by the air force, army, navy, coast guard, or marines to active duty during any war, declared or undeclared, armed conflicts, crises, etc., who was honorably discharged from the service of the United States, and who at the time of his or her application for a business tax receipt is disabled from performing manual labor shall, upon sufficient identification, proof of being a permanent resident elector in the state, and production of an honorable discharge from the service of the United States:

(a) Be granted a receipt to engage in any business or occupation in the state which may be carried on mainly through the personal efforts of the receipt holder as a means of livelihood and for which the state license or county or municipal receipt does not exceed the sum of \$50 for each without payment of any business tax otherwise provided for by law; or

(b) Be entitled to an exemption to the extent of \$50 on any receipt to engage in any business or occupation in the state which may be carried on mainly through the personal efforts of the receiptholder as a means of livelihood when the state license or county or municipal receipt for such business or occupation is more than \$50. The exemption shall extend to and include the right of the receiptholder to operate an automobile-for-hire of not exceeding five-passenger capacity, including the driver, when such automobile is owned or contracted to be purchased by the receiptholder and is being operated by him or her as a means of livelihood and that the proper business tax for the operation of such motor vehicle for private use has been applied for and attached to the motor vehicle and the proper fees paid by the receiptholder.

(2) When such person applies for a receipt to conduct any business or occupation for which the county or municipal business tax exceeds \$50, the remainder of such tax in excess of \$50 shall be paid in cash.

(3) Each tax collecting authority of this state and of each county and each municipality shall issue to such persons as may be entitled hereunder a receipt pursuant to the foregoing provision and subject to the conditions thereof. Such receipt when issued shall be marked across the face "Veterans Exempt Receipt"--"Not Transferable." Before issuing the receipt, proof shall be duly made that the applicant is entitled under this law to receive the exemption. The proof may be made by establishing to the satisfaction of such tax collecting authority by means of certificate of honorable discharge or certified copy thereof that the applicant is a veteran within the purview of this section and by exhibiting:

(a) A certificate of government-rated disability to an extent of 10 percent or more;

(b) The affidavit or testimony of a reputable physician who personally knows the applicant and who makes oath that the applicant is disabled from performing manual labor as a means of livelihood;

(c) The certificate of the veteran's service officer of the county in which applicant lives, duly executed under the hand and seal of the chief officer and secretary thereof, attesting the fact that the applicant is disabled and entitled to receive a receipt within the meaning and intent of this section;

(d) A pension certificate issued to him or her by the United States by reason of such disability; or

(e) Such other reasonable proof as may be required by the tax collecting authority to establish the fact that such applicant is disabled.

All receipts issued under this section shall be in the same general form as other state, county, and municipal licenses and shall expire at the same time as such other licenses are fixed by law to expire.

(4) Receipts obtained by the commission of fraud upon any issuing authority are void. Any person who has fraudulently obtained a receipt, or who has fraudulently received any transfer of a receipt issued to another, and has thereafter engaged in any business or occupation requiring a receipt under color thereof is subject to prosecution for engaging in a business or occupation without having the required receipt under the laws of the state. Such receipt may not be issued in any county other than the county where the veteran is a resident citizen elector, unless such veteran produces a certificate of the tax collector of his or her home county to the effect that no exemption from taxation has been granted to such veteran in his or her home county under this section.

(5) Neither this nor any other law exempts any person from the payment of any amount required by law for the issuance of a license to sell intoxicating liquors or malt and vinous beverages.

(6) The unremarried spouse of a deceased disabled veteran of any war in which the United States Armed Forces participated is entitled to the same exemptions as the disabled veteran.

**History.**--s. 1, ch. 67-433; s. 38, ch. 71-355; s. 1, ch. 77-163; s. 93, ch. 79-400; s. 2, ch. 85-159; s. 1057, ch. 95-147; s. 32, ch. 95-280; s. 20, ch. 2006-152.

**205.191 Religious tenets; exemption.**--This chapter does not require a business tax receipt for practicing the religious tenets of any church.

**History.**--s. 1, ch. 67-433; s. 21, ch. 2006-152.

**205.192 Charitable, etc., organizations; occasional sales, fundraising; exemption.**--A business tax receipt is not required of any charitable, religious, fraternal, youth, civic, service, or other similar organization that makes occasional sales or engages in fundraising projects that are performed exclusively by the members, and the proceeds derived from the activities are used exclusively in the charitable, religious, fraternal, youth, civic, and service activities of the organization.

**History.**--s. 1, ch. 70-400; s. 22, ch. 2006-152.

**205.193 Mobile home setup operations; local business tax receipt prohibited; exception.**--A county, municipality, or other unit of local government may not require a licensed mobile home dealer or a licensed mobile home manufacturer, or an employee of a dealer or manufacturer, who performs setup operations as defined in s. 320.822 to be a business tax receipt holder to engage in such operations. However, such dealer or manufacturer must obtain a local receipt for his or her permanent business location or branch office, which receipt shall not require for its issuance any conditions other than those required by chapter 320.

**History.**--s. 1, ch. 79-120; s. 1058, ch. 95-147; s. 23, ch. 2006-152.

**205.194 Prohibition of local business tax receipt without exhibition of state license or registration.**--

(1) Any person applying for or renewing a local business tax receipt for the period beginning October 1, 1985, to practice any profession regulated by the Department of Business and Professional Regulation, or any board or commission thereof, must exhibit an active state certificate, registration, or license, or proof of copy of the same, before such local receipt may be issued. Thereafter, only persons applying for the first time for a receipt must exhibit such certification, registration, or license.

(2) The Department of Business and Professional Regulation shall, by August 1 of each year, supply to the local official who issues local business tax receipts a current list of professions it regulates and information regarding those persons for whom receipts should not be renewed due to the suspension, revocation, or inactivation of such person's state license, certificate, or registration. The official who issues local business tax receipts shall not renew such license unless such person can exhibit an active state certificate, registration, or license.

(3) This section shall not apply to s. 489.113, s. 489.117, s. 489.119, s. 489.131, s. 489.511, s. 489.513, s. 489.521, or s. 489.537.

**History.**--s. 34, ch. 85-175; s. 1, ch. 85-278; s. 12, ch. 94-218; s. 24, ch. 2006-152.

**205.196 Pharmacies and pharmacists.**--A state, county, or municipal licensing agency may not issue a business tax receipt to operate a pharmacy unless the applicant produces a current permit issued by the Board of Pharmacy; however, no such receipt is required to practice the profession of

pharmacy.

**History.**--s. 2, ch. 79-226; s. 25, ch. 2006-152.

**205.1965 Assisted living facilities.**--A county or municipality may not issue a business tax receipt for the operation of an assisted living facility pursuant to chapter 429 without first ascertaining that the applicant has been licensed by the Agency for Health Care Administration to operate such facility at the specified location or locations. The Agency for Health Care Administration shall furnish to local agencies responsible for issuing business tax receipts sufficient instructions for making the required determinations.

**History.**--s. 16, ch. 87-371; s. 3, ch. 95-210; s. 20, ch. 99-8; s. 26, ch. 2006-152; s. 9, ch. 2006-197.

**205.1967 Prerequisite for issuance of pest control business tax receipt.**--A municipality or county may not issue a business tax receipt to any pest control business regulated under chapter 482 unless a current license has been procured from the Department of Agriculture and Consumer Services for each of its business locations in that municipality or county. Upon presentation of the requisite licenses from the department and the required fee, a business tax receipt shall be issued by the municipality or county in which application is made.

**History.**--s. 1, ch. 59-454; s. 1, ch. 65-295; ss. 19, 35, ch. 69-106; s. 3, ch. 76-168; s. 375, ch. 77-147; s. 1, ch. 77-457; ss. 2, 3, ch. 81-318; ss. 14, 15, ch. 82-229; ss. 31, 59, ch. 92-203; s. 27, ch. 2006-152.

**Note.**--Former s. 482.081.

**205.1969 Health studios; consumer protection.**--A county or municipality may not issue or renew a business tax receipt for the operation of a health studio pursuant to ss. 501.012-501.019 or ballroom dance studio pursuant to s. 501.143, unless such business exhibits a current license, registration, or letter of exemption from the Department of Agriculture and Consumer Services.

**History.**--s. 4, ch. 93-116; s. 28, ch. 2006-152.

**205.1971 Sellers of travel; consumer protection.**--A county or municipality may not issue or renew a business tax receipt to engage in business as a seller of travel pursuant to part XI of chapter 559 unless such business exhibits a current registration or letter of exemption from the Department of Agriculture and Consumer Services.

**History.**--s. 3, ch. 93-107; s. 7, ch. 95-314; s. 29, ch. 2006-152.

**205.1973 Telemarketing businesses; consumer protection.**--A county or municipality may not issue or renew a business tax receipt for the operation of a telemarketing business under ss. 501.604 and 501.608, unless such business exhibits a current license or registration from the Department of Agriculture and Consumer Services or a current affidavit of exemption.

**History.**--s. 3, ch. 93-235; s. 30, ch. 2006-152.

**205.1975 Household moving services; consumer protection.**--A county or municipality may not issue or renew a business tax receipt for the operation of a mover or moving broker under chapter 507 unless the mover or broker exhibits a current registration from the Department of Agriculture and Consumer Services.

**History.**--s. 16, ch. 2006-4; s. 17, ch. 2007-5.

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# Board of County Commissioners

## Workshop Item

Date of Meeting: January 26, 2010

Date Submitted: January 20, 2010

To: Honorable Chairman and Members of the Board

From:

Parwez Alam, County Administrator

Alan Rosenzweig, Assistant County Administrator

Scott Ross, Director, Office of Management and Budget

Subject: Transportation Trust Fund Subsidy and Gas Taxes

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### **Statement of Issue:**

This item considers the status of the Transportation Trust Fund and the possibility of implementing an additional 1 to 5 cent fuel tax as authorized by Florida Statute.

### **Background:**

The Transportation Trust Fund is a special revenue fund established by Florida Statute 129.02. Major revenue sources for the Transportation Fund include proceeds from state and local gas taxes. The fund is used to account for revenues and expenditures restricted to the maintenance and construction of roads and bridges.

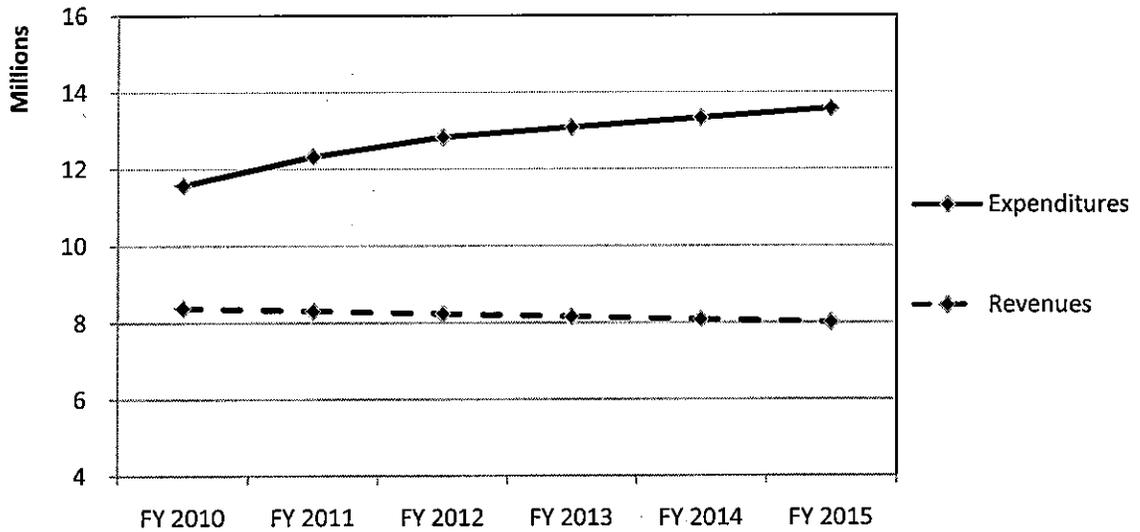
### **Analysis:**

Without additional resources, the Transportation Trust Fund cannot sustain the current level of operating expenditures. Current revenue generated through state and local gas taxes does not cover the cost of the program without a general revenue subsidy.

Until FY 2004, the Transportation Trust Fund was self-supporting with the revenues generated from State and local gas taxes; however, beginning in FY2005 the fund received \$154,000 in general revenue support, which increased to \$1.9 million in FY2007. For FY2008, the Board was able to reduce the subsidy to the fund by \$897,955 largely due to the elimination of the Tharpe Street capital project. This project cancellation allowed transportation fund dollars, previously used for capital projects, to fund operating expenditures, and allow for a reduction in the general revenue subsidy. Due to declining gas tax revenues associated with a recession economy, the subsidy was increased in FY 2009 to \$2.3 million a level sustained in the FY 2010 budget.

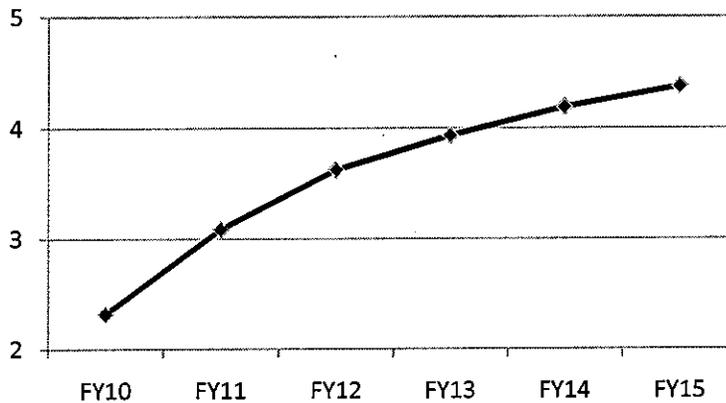
As reflected in Figure 1, revenues will not keep pace with expenditures projected from FY 2010 – FY 2015. The trend analysis shows gas tax revenues decreasing on average 1.5% per year, and expenditures increasing on average by 3.6%. This disparity in growth rates is largely due to the gas taxes being based on consumption (volume) instead of cost; while, expenditure increases are directly associated with the increased costs of personnel and road maintenance supplies.

**Figure 1**  
**Comparison of Transportation Revenues and Expenditures FY 2010 – FY 2015**



Without program changes, as reflected in **Figure 2**, it is projected that over the next 5 years, the general revenue subsidy will increase from the current \$2.3 to \$4.4 million by 2015 for a combined \$23.8 million over the next five years.

**Figures 2**  
**Projected General Revenue Transfer FY 2010 - FY 2015**  
**In Millions**



Alternative to increasing the gas tax or maintaining/increasing the general revenue subsidy, expenditure reductions could be considered. However, the Public Works department has already reorganized and eliminated staff as part of expenditure cuts over the past two years. In addition, the County is finding it difficult to maintain the current maintenance schedule of existing infrastructure. Further cuts will only increase the amount of time for planned maintenance as emergency work will continue to take precedence.

Transportation Trust Fund Authorized Gas Taxes

Currently, the fund is supported by four of the five authorized state and local gas taxes. Table 1 provides a summary of these taxes.

Table 1

| Authorized Gas Taxes                  | Levy Rate     | Authorization  | FY09 Budget *  |
|---------------------------------------|---------------|--|--|
| Constitutional Fuel Tax               | 2 Cents       | State Imposed  | \$2.7 million  |
| County Fuel Tax                       | 1 Cents       | State Imposed  | \$1.2 million  |
| 1 <sup>st</sup> Local Option Fuel Tax | 6 Cents       | Locally imposed. Shared with the City through interlocal ending 8/31/2015.   | \$3.2 million  |
| Ninth Cent Fuel Tax                   | 1 Cents       | Locally imposed. 100% to the County.   | \$1.2 million  |
| 2 <sup>nd</sup> Local Option Fuel Tax | Up to 5 Cents | Currently not imposed. Generates approximately \$1.1 million per penny. Shared with the City through interlocal agreement. | 1 Cents: \$1.1 million<br>2 Cents: \$2.2 million<br>3 Cents: \$3.3 million<br>4 Cents: \$4.4 million<br>5 Cents: \$5.5 million |

Florida Statute 336.025 allows county governments to impose up to 12 cents in local option fuel taxes, of which 7 cents are levied in Leon County through the 9<sup>th</sup> cent and the 1<sup>st</sup> local option fuel tax (1-6 cent). Leon County keeps 100 percent of the 9<sup>th</sup> cent, but shares the 6 cents with the City of Tallahassee at a 53.33% (City): 46.67% (County) ratio.

1 to 5 Cent Local Option Fuel Tax

One prospective means of strengthening the revenue stream for the fund would be to implement the 2<sup>nd</sup> local option tax, commonly referred to as the 1 to 5 cent fuel tax. All county governments are authorized to levy this tax. It must be levied by an ordinance adopted by a majority plus one vote of the BCC, or voter approval in a county-wide referendum. Like the 1 to 6 cent tax, the 1-5 cent tax also must be shared with the City of Tallahassee through an interlocal agreement. If an agreement cannot be reached, the state divides the tax through a statutory distribution formula. All tax impositions or tax rate changes must be levied before July 1<sup>st</sup> to be effective January 1<sup>st</sup> of the following year.

Projections indicate that the 1 to 5 cent local option fuel tax would generate approximately \$1.1 per levied cent. If an interlocal agreement were drafted between the City and County, with an equal distribution on the maximum levy, the estimated net revenue for both entities would be approximately \$2.75 million per year. The additional revenue would allow for a decrease in the general revenue subsidy. If enacted for FY2011, the tax would be in-place for 9 months (January 1, 2011 to September 30, 2011) resulting in \$2.06 million for each government.

For the Board to implement the tax effective for the FY 2011 budget, the County would need to enter an inter-local agreement with the city, and adopt an ordinance by July 1, 2010. This would require holding a public hearing by June 22, 2010. Given that the current recession appears to be ebbing, the Board may choose to implement this tax in future budget cycles.

**Options:**

1. Do not authorize staff to negotiate an interlocal agreement with the City of Tallahassee for the implementation of the 1 to 5 Cent Local Option Fuel Tax.
2. Direct staff to notify the City of Tallahassee of the County's intent to impose the 5<sup>th</sup> cent gas tax using a distribution formula as directed by the Board.
3. Based on the negotiations with the city, authorize staff to schedule the required public hearing to consider an ordinance to implement the 1 to 5 Cent Local Option Fuel Tax.
4. Board Direction.

**Recommendation:**

Option #1.

# Board of County Commissioners

## Workshop Discussion Item

Date of Meeting: January 26, 2010

Date Submitted: January 20, 2010

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator   
Alan Rosenzweig, Assistant County Administrator   
Scott Ross, Director, Office of Management and Budget 

Subject: Consideration of Eliminating the General Revenue Subsidy for Solid Waste Management

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### **Statement of Issue:**

This item considers eliminating the general revenue subsidy for solid waste management.

### **Background:**

On January 15, 2008, the Board ratified the actions taken during the December 10, 2007 Board retreat. This ratification included approving modifications to the Leon County Guiding Principles. Guiding Principle #12, refers to the operation of enterprise funds and states that Leon County will “provide that fees charged in enterprise operations will be calculated at a level which will support all direct and indirect costs of the enterprises” (attachment #1). This principle is also stated in County Policy No. 92-5. By definition an enterprise fund generates sufficient revenue to fund all operating and capital cost through fees and/or special assessments.

### **Analysis:**

The County’s intention has been for solid waste services to operate as an enterprise fund, which acts like a business by collecting enough revenue for service to fully fund the entire operation. The main revenue sources for solid waste are the tipping fees and the non-ad valorem waste disposal special assessment. However, the revenues generated through the non-ad valorem assessment and tipping fees are not enough to support the direct and indirect costs of the solid waste enterprise. Specifically, the non-ad valorem assessment is insufficient to cover the cost of disposal for the unincorporated area and the provision of the rural waste services as originally intended.

In order to ensure no interruption of rural waste services for the citizens, the County has subsidized the operations with general revenue. In FY10, solid waste is receiving a \$1,357,650 subsidy from general revenue in order to operate. Without an increase in the non-ad valorem assessment, the Solid Waste Division will require an estimated subsidy of \$1.4 million over the next three fiscal years. The subsidy reflects the cost to fund the rural waste service centers and a portion of the disposal costs for the unincorporated area. An increase in the non-ad valorem assessment is necessary in order to remain consistent with the Guiding Principles and Policy of Leon County.

*Increase Non-ad Valorem Assessment*

To cover the entire cost of providing solid waste services to the unincorporated area the total assessment for waste disposal and rural waste services should be \$69.65. This amount is an increase of \$29.65 over the current \$40.00 assessment. The \$40.00 assessment has been in effect since 1995; with no change in the rate for 14 years.

The \$69.65 assessment is comprised of two parts: \$44.00 for the disposal fee and \$25.65 for the rural waste service centers. This rate would be in effect for the next three fiscal years (FY11 – FY13). The rate would be evaluated for adjustment as part of the FY2014 budget cycle. The assessment is being calculated to contemplate future disposal fee increases and projected increased costs of operating the rural waste service centers. The calculation is based on the following:

Disposal Costs:

- 1.06 tons average annual solid waste per household
- Average per ton tipping fee for next three years is \$43.14 per ton
- As non-ad valorem assessments are collected on the tax bill, individuals can receive a 4% discount for payment in November, 3% in December, 2% in January and 1% in February; Florida Statutes dictates that the budget be developed on 95% of projected collections
- The Tax Collector charges 2% for collection of the assessment revenue
- Based on the above, the disposal component of the assessment should be \$44.00; this contemplates tipping fee increases for the next three years

Rural Waste Collection Center Costs:

- The projected average cost to operate the RWSC is \$942,680 per year over the next five years
- As noted above, the non-ad valorem assessment is collected on the tax bill and is subject to early payment; the Florida Statutes dictates the budget be developed on 95% of projected collections
- The Tax Collector charges 2% for collection of the assessment revenue
- Based on the above, the RWSC component of the assessment should be \$25.65

The total non-ad valorem assessment will be \$69.65. This contemplates “rate stabilization” for future increases in the tipping fee and the cost to operate the RWSCs.

*Assessment Process:*

In order to increase the current assessment, the Board would need to schedule a public hearing. This would be done as follows:

1. In accordance with Florida Statute, separate first class notification to property owners would be mailed 20 days prior to the required public hearing. Due to the requirement of the first class notice, the assessment will not appear on the TRIM notice.
2. The Board would conduct a public hearing to consider the proposed increase.

Workshop Item: Consideration of Eliminating the General Revenue Subsidy for Solid Waste Management

January 26, 2010

Page 3

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*Conclusion:*

Due to current economic conditions, staff recommends that the Board continue to fund the Solid Waste Management Fund through a general revenue subsidy for the next fiscal year. However, staff recommends that the Board consider increasing the non-ad valorem assessment during the FY 2012 budget cycle in order bring the Solid Waste Management Fund into compliance with the County's Guiding Principals.

**Options:**

1. Develop the FY2011 budget utilizing a subsidy to the Solid Waste Fund.
2. Direct staff to:
  - a. Schedule a public hearing to consider increasing the Solid Waste Non-Ad Valorem Assessment from \$40 to \$69.65 thereby maintaining the current level of service while eliminating the general revenue subsidy.
  - b. Direct staff to prepare and send the required fist class notices prior to the public hearing.
3. Board Direction.

**Recommendation:**

Option #1

**Attachments:**

1. Leon County Guiding Principles

## Leon County Guiding Principles

1. The Board of County Commissioners upholds the importance of the Leon County Home Rule Charter allowing citizen involvement and flexibility in shaping government to best meet the County's unique and changing needs.
2. The County budget will always be balanced, with available revenues equal to appropriations.
3. The County will strive to maintain the lowest dollars spent per County resident, as compared to like-size counties, while retaining the maximum level of service possible.
4. Through citizen input and Commission deliberation, core functions for County government will be identified and the dollars will be allocated accordingly during the budget process.
5. The County will continue to explore opportunities with its governmental counterparts for functional consolidation and/or shared efficiencies.
6. The County will continue to enhance our cooperation and coordination with our Universities and Community College to promote, strengthen, and sustain our community's intellectual capital.
7. The County Administrator will require Program Managers to conduct an annual review and scrutiny of their base budgets when preparing budgets for future years.
8. Consistent with best practices and the Florida Statutes, Leon County will retain an emergency reserve fund of not less than 5%, but not more than 10% of the general operating budget (Policy No. 07-2).
9. Consistent with best practices and the Florida Statutes, Leon County will retain an operating cash reserve fund of not less than 10% but not more than 20% of the general operating budget (Policy No. 07-2).
10. Cash reserves in excess of reserve policies will be utilized to support one time capital projects and/or other one-time expenditures to address unforeseen revenue shortfalls (Policy No. 07-2).
11. Leon County will continue to ensure the useable and safe life of existing infrastructure by providing funding for proper maintenance (Policy No. 93-44).
12. Provide that fees charged in enterprise operations will be calculated at a level which will support all direct and indirect costs of the enterprise (Policy No. 92-5).
13. Ensure that capital projects financed through the issuance of bonds will not be financed for a period that exceeds the useful life of the project or the life of the supporting revenue source (Policy No. 93-47), and support conduit financing to promote the economic health of the community.
14. Maintain accounting and reporting practices in conformance with the Uniform Accounting System of the State of Florida and Generally Accepted Accounting Principles (GAAP) (Policy No. 92-4).
15. Ensure that the annual financial and compliance audit of the County's financial records is conducted by an independent firm of certified public accountants whose findings and opinions are published and available for public review (Policy No. 92-4).
16. Will optimize return on investments within the constraints of safety and liquidity through an adopted Investment Policy.
17. Shall establish formal policies and procedures to address amending the budget while allowing the organization to function and react to changing conditions (Policy No. 97-11).
18. The County shall provide a meaningful public input process during the annual budget review which shall, at a minimum, include at least one Board Workshop and two Public Hearings.
19. The County will fully research and employ technology to improve the personal and collective efficiency of county employees.
20. The County will continue to enhance our culture of performance, as we maintain a very low employee per 1,000 population and a "flat" organizational structure, and hold individual employees to high expectations and performance standards. Employees are entrusted with broad authority in their functional areas, expected to respond quickly to requests for service, explore and pursue alternatives to assist the citizenry, attempt to deliver more than what is expected, and are empowered to use professional discretion on the spot to resolve issues and reduce "bureaucracy." These employees are valued and compensation and benefits are commensurate with their responsibilities and competitive in the industry.
21. The County will continue to improve our efforts to promote employee innovation, through incentives, recognition and rewards for identifying and implementing program and process improvements that add value to services while producing cost savings.
22. The County will continue to leverage Leon County tax payer dollars to attract federal and state appropriations, reimbursements, and matching grants to realize revenue maximization for the purpose of funding priority projects and programs.

# Board of County Commissioners

## Workshop Discussion Item

Date of Meeting: January 26, 2010

Date Submitted: January 20, 2010

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator *PA*  
Alan Rosenzweig, Assistant County Administrator *AR*  
Scot Ross, Director, Office of Management and Budget *WR*

Subject: Stormwater Non Ad Valorem Assessments

### Statement of Issue:

This item requests Board guidance regarding increasing the stormwater non ad valorem assessment.

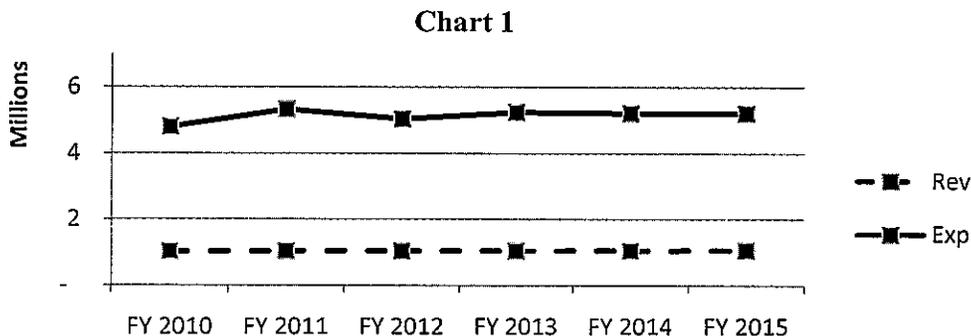
### Background:

The current \$20 non ad valorem assessment levied to fund the County's stormwater program does not generate enough revenue to operate the program. To address this short fall, the program is supported by general revenue. The Board's adopted guiding principles provides that fees charged in enterprise operations will be calculated at a level which will support all direct and indirect costs of the enterprise (Attachment #1).

### Analysis:

For several years, the Board has been evaluating the necessity to increase the stormwater non ad valorem assessment. The \$20 annual assessment for the service per year has remained the same since its inception in the early 1990s. Due to the recession economy, the Board decided not to increase these fees during the FY 2010 budget process.

Chart 1 reflects the current projected revenues and expenses for stormwater services from FY 2010 to FY 2015. Revenue projections estimate a 1% annual increase while expenditures indicate an estimated 1-2 % increase per annum. The variance in expenditures is associated with the variable funding of the capital program over this period.



Based on the current five-year plan, the Stormwater program will require an average general revenue subsidy of approximately \$4 million. The subsidy is the direct result of insufficient revenue being generated by the \$20 fee. Table 1 provides a summary of the current rate and the rate required to make the stormwater operating and capital program fund self supporting.

| <b>Stormwater</b> | <b>Fee</b> | <b>FY 2011 Revenue Comparison</b> |
|-------------------|------------|-----------------------------------|
| Current           | \$20       | \$930,050                         |
| Proposed*         | \$112      | \$5,137,457                       |

\* Could be phased in over a number of years

There are a number of options to consider as part of the development of the FY 2011 budget.

- Maintain the current level for the Stormwater assessments
- Authorize increasing the Stormwater assessments to the maximum rate over a period of three years
- Authorize increasing the Stormwater assessments to the maximum rate next year

#### *Assessment Process*

In order to increase the current assessment, the Board would need to schedule a public hearing. This could be done as follows:

1. In accordance with Florida Statute, separate first class notification to the property owners would be mailed 20 days prior to the required public hearing. Due to the requirement of the first class notice, the assessment would not appear on the TRIM notice.
2. The Board would conduct a public hearing to consider the proposed increase.

Due to the current economic conditions, staff recommends that the Board continue to fund the Stormwater Fund through a general revenue subsidy in FY 2011. It is recommended that the efficacy of raising this fee be reviewed in future budget cycles.

#### **Options:**

1. Direct staff to not contemplate raising the stormwater non ad valorem assessment for the FY 2011 budget cycle.
2. Direct staff to proceed with developing the FY 2011 budget, maintaining the current stormwater assessments and providing a general revenue subsidy to support fund expenditures.
3. Direct staff to:
  - a. Schedule a public hearing to consider raising the Stormwater Non Ad Valorem Assessment for \$20 to a maximum of \$112, thereby, maintaining the current level of service and eliminating the general revenue subsidy. The fee could be phase in over a three year period.
4. Board Direction

#### **Recommendation:**

Option #1

#### **Attachments:**

1. Board Guiding Principles

## Leon County Guiding Principles

1. The Board of County Commissioners upholds the importance of the Leon County Home Rule Charter allowing citizen involvement and flexibility in shaping government to best meet the County's unique and changing needs.
2. The County budget will always be balanced, with available revenues equal to appropriations.
3. The County will strive to maintain the lowest dollars spent per County resident, as compared to like-size counties, while retaining the maximum level of service possible.
4. Through citizen input and Commission deliberation, core functions for County government will be identified and the dollars will be allocated accordingly during the budget process.
5. The County will continue to explore opportunities with its governmental counterparts for functional consolidation and/or shared efficiencies.
6. The County will continue to enhance our cooperation and coordination with our Universities and Community College to promote, strengthen, and sustain our community's intellectual capital.
7. The County Administrator will require Program Managers to conduct an annual review and scrutiny of their base budgets when preparing budgets for future years.
8. Consistent with best practices and the Florida Statutes, Leon County will retain an emergency reserve fund of not less than 5%, but not more than 10% of the general operating budget (Policy No. 07-2).
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10. Cash reserves in excess of reserve policies will be utilized to support one time capital projects and/or other one-time expenditures to address unforeseen revenue shortfalls (Policy No. 07-2).
11. Leon County will continue to ensure the useable and safe life of existing infrastructure by providing funding for proper maintenance (Policy No. 93-44).
12. Provide that fees charged in enterprise operations will be calculated at a level which will support all direct and indirect costs of the enterprise (Policy No. 92-5).
13. Ensure that capital projects financed through the issuance of bonds will not be financed for a period that exceeds the useful life of the project or the life of the supporting revenue source (Policy No. 93-47), and support conduit financing to promote the economic health of the community.
14. Maintain accounting and reporting practices in conformance with the Uniform Accounting System of the State of Florida and Generally Accepted Accounting Principles (GAAP) (Policy No. 92-4).
15. Ensure that the annual financial and compliance audit of the County's financial records is conducted by an independent firm of certified public accountants whose findings and opinions are published and available for public review (Policy No. 92-4).
16. Will optimize return on investments within the constraints of safety and liquidity through an adopted Investment Policy.
17. Shall establish formal policies and procedures to address amending the budget while allowing the organization to function and react to changing conditions (Policy No. 97-11).
18. The County shall provide a meaningful public input process during the annual budget review which shall, at a minimum, include at least one Board Workshop and two Public Hearings.
19. The County will fully research and employ technology to improve the personal and collective efficiency of county employees.
20. The County will continue to enhance our culture of performance, as we maintain a very low employee per 1,000 population and a "flat" organizational structure, and hold individual employees to high expectations and performance standards. Employees are entrusted with broad authority in their functional areas, expected to respond quickly to requests for service, explore and pursue alternatives to assist the citizenry, attempt to deliver more than what is expected, and are empowered to use professional discretion on the spot to resolve issues and reduce "bureaucracy." These employees are valued and compensation and benefits are commensurate with their responsibilities and competitive in the industry.
21. The County will continue to improve our efforts to promote employee innovation, through incentives, recognition and rewards for identifying and implementing program and process improvements that add value to services while producing cost savings.
22. The County will continue to leverage Leon County tax payer dollars to attract federal and state appropriations, reimbursements, and matching grants to realize revenue maximization for the purpose of funding priority projects and programs.

# Board of County Commissioners

## Workshop Item

Date of Workshop: January 26, 2010

Date Submitted: January 20, 2010

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator *PA*  
Vincent S. Long, Deputy County Administrator *VL*  
Alan Rosenzweig, Assistant County Administrator *AR*  
Scott Ross, Director, Office of Management and Budget *SR*  
David McDevitt, Growth and Environmental Management Director *DM*

Subject: Current Status of Revenue Projections and Fund Balance for the Building Inspection and Growth and Environmental Management Funds

### Statement of Issue:

This item provides the Board an update on revenue projections and fund balance for the Building Inspection and Growth and Environmental Management Funds.

### Background:

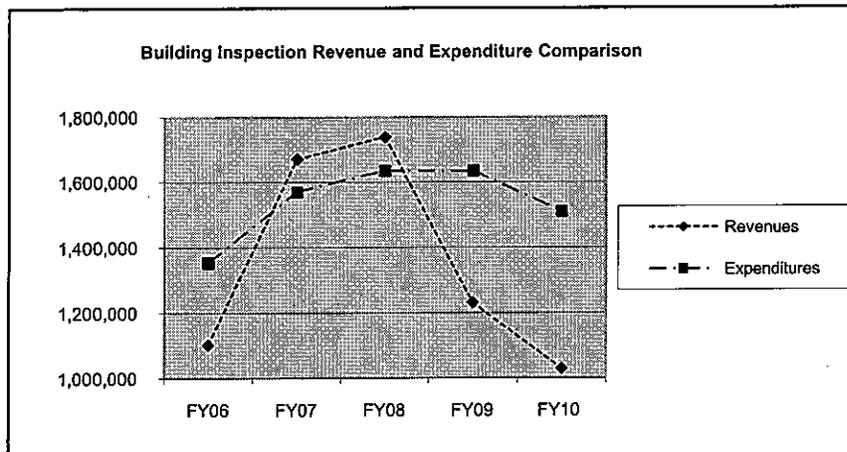
Due to the current economic recession and an associated decline in permitting activity, the Building and Growth Management funds have experienced a significant decline in revenue collections. In order to offset revenue reductions and maintain current service levels, the funds have had to utilize fund balance.

### Analysis:

#### Building Inspection Fund

Since its inception the Building Inspection Fund has been fully funded and does not receive any general revenue support. Chart 1 illustrates the recent revenue and expenditure trends for the fund.

Chart 1



Workshop Item: Current Status of Revenue Projections and Fund Balance for the Building Inspection and Growth and Environmental Management Funds

January 26, 2010

Page 2

In FY 2007, the Board implemented the first of a three stage fee increase for building inspection fees. This was the first fee increase since 1994. Prior to the increase, if expenses exceeded revenues, the appropriation of accumulated building inspection fund balance allowed the fund to remain self sustaining. For two years after the fee increase, revenues exceeded expenditures, and the fund was able to replenish some fund balance.

With the onset of the recession and the collapse of the housing market, building permit activity for new construction slowed, and revenues likewise declined. As the chart clearly shows that while expenditures did not increase, revenues declined. This decline in revenues required the utilization of the newly replenished fund balance to meet expenses. During FY 2009, \$404,181 in fund balance was used to cover expenses for FY 2009, leaving an estimated \$236,432 in remaining fund balance beginning in FY 2010. In an effort to further reduce expenses, two positions were eliminated in 2010 and a hiring freeze remains in effect.

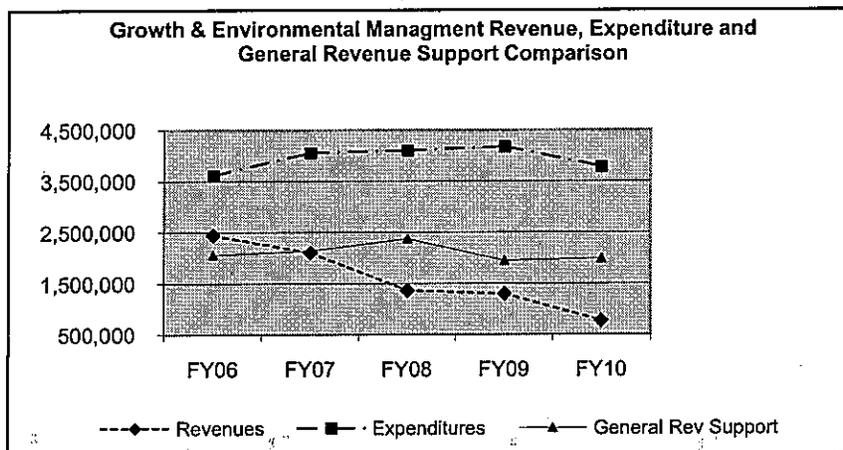
During the FY 2010 budget process, \$262,128 of fund balance was used to balance the budget. Since this time, two vacancies have occurred, and the Department started providing temporary building inspection services to Wakulla County. The vacant positions will save an estimated \$188,570 during the fiscal year, and the services to Wakulla County will bring in a nominal amount of revenue (\$5,870 from November – December 2009).

If revenues remain within budgeted projections, and the hiring freeze is maintained, these accumulated savings should be available to support the fund through the remainder of FY 2010. Revenue projections based on 1<sup>st</sup> quarter collections indicate that revenues may not meet budgeted projections and at some point in FY 2011 either a general revenue subsidy will be required or further expenditure reductions including personnel will need to be made. Staff will continue to monitor the situation throughout the fiscal year and will provide another update at the May 11, 2010 budget workshop.

Growth and Environmental Management

Currently the Growth Management Fund receives approximately 50% of its funding from general revenue. This funding covers the cost of non-fee related program activities. Due to the current recession, development permitting activity has declined along with associated permitting fee revenue. Chart 2 shows the recent activity of growth management expenditures compared to revenues including the amount of general revenue support provided to the fund.

Chart 2



The chart indicates that in 2006, revenues were exceeding the amount of general revenue support provided to the fund. This relationship leveled in FY 2007. Since FY 2008, the growth management fund has had to rely on fund balance to off-set the decline in revenue.

In order to maintain the general revenue subsidy at 50%, the department has reduced expenditures by eliminating seven positions and continuing a hiring freeze. Even with this expenditure reduction, the department used \$960,087 in fund balance during FY 2009. Table 1 details the preliminary estimate of the remaining fund balance beginning in FY 2010, and the amount available for utilization in FY 2011 and FY 2012.

**Table 1**  
**Remaining Fund Balance Utilization for Growth Management**

| Fiscal Year | Projected Fund Balance | Projected Utilization |
|-------------|------------------------|-----------------------|
| FY 2010     | \$1,014,867            | \$988,869             |
| FY 2011     | \$25,988               | \$25,998              |
| FY 2012     | \$0                    | \$0                   |

Current revenue and expenditure trends indicate that the fund balance will be depleted at the end of the 4<sup>th</sup> quarter of FY 2010. This leaves an estimated balance of \$25,988 to be budgeted for FY 2011. Unless, permitting activities and associated revenues increase, options to address this shortfall are to further reduce expenditures including personnel, or increase general revenue support by a like amount. Staff will provide an updated analysis of this fund at the May 11, 2010 budget workshop.

**Options:**

1. Accept staff's summary report regarding the status of revenue collections and fund balance for the Building Inspection and Growth Management Funds.
2. Do not accept staff's report regarding the status of revenue collections and fund balance for the Building Inspection and Growth Management Funds.
3. Board Direction.

**Recommendation:**

Option 1.

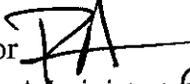
# Board of County Commissioners

## Workshop Discussion Item

Date of Meeting: January 26, 2010

Date Submitted: January 20, 2010

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator   
Alan Rosenzweig, Assistant County Administrator   
Scott Ross, Director, Office of Management and Budget 

Subject: Setting the FY 2011 Maximum Discretionary Funding Levels for Outside Agencies

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### Statement of Issue:

This item seeks Board approval in the setting of maximum funding levels for outside agencies as required by Ordinance 2006-34 "Discretionary Funding Guidelines" (Attachment #1).

### Background:

This agenda item addresses the specific requirements of County Ordinance No. 2006-34 "Discretionary Funding Guidelines", which requires that, prior to March 1, the Board of County Commissioners will:

1. Determine the maximum amount of line item funding to be considered for the budget.
2. Determine the list of permanent line item funded agencies that can submit applications for funding during the current budget cycle.
3. Provide direction to staff on additional appropriation requests that should be considered as part of the tentative budget development process.

### Analysis:

Based on the Discretionary Funding Ordinance, the Board is to establish maximum funding levels for a series of categories. In addition, the Board is to determine which agencies are to receive applications for funding requests.

Table 1 shows the amount of discretionary funding allocated during the past three fiscal years, FY 2008 thru FY 2010. Except for the Commissioner District budget fund (not shown and currently set at \$9,500 per Commissioner) and special event funding, the categories in the table are covered by Ordinance 2006-034.

Table 1: FY 2008 – FY 2010 Adopted Discretionary Funding

| Discretionary Funding Category/Fiscal Year | FY 2008            | FY 2009            | FY 2010            |
|--|--------------------|--------------------|--------------------|
| Community Human Service Partnership (CHSP) | \$750,000          | \$ 750,000         | \$750,000          |
| Line Item Agency Funding                   | 1,185,159          | 1,357,809          | \$986,559          |
| Event Sponsorships                         | 20,000             | 21,500             | 22,000             |
| Youth Sports Teams                         | 4,750              | 4,750              | 4,750              |
| Economic Development Council               | 199,500            | 199,500            | 199,500            |
| Tallahassee Memorial Trauma Center         | 300,000            | 300,000            | 300,000            |
| <b>Total</b>                               | <b>\$2,459,409</b> | <b>\$2,633,559</b> | <b>\$2,262,809</b> |

*Community Human Service Partnership (CHSP) Funding*

In FY 2008, the Board increased the CHSP funding to \$750,000. As stated in Ordinance 2006-034, “Non-profits eligible for CHSP funding are not eligible for funding in any other county government funding category, except when requesting funding for an activity that is not CHSP eligible, such as a capital improvement.”

*Line Item Agency Funding*

Table 2 depicts agencies that received line item funding during FY10 and were projected to receive funding in out-year budgets. With the enactment of Ordinance 2006-034, agencies that provide human services that are eligible for CHSP funding, cannot receive line item funding, unless the funding is for an activity that is not CHSP eligible, such as capital projects.

In addition, the proposed expenditure impact depending whether the agency is categorized in the human service, cultural, or other category is reflected in the table. Staff is prepared to send line-item funding applications to these agencies for FY 2011, with the caveat that the funding levels may be reduced as part of the budget process.

*Table 2: FY2010 Adopted Funding and FY 2011 Funding Levels To Be Determined  
 (Note: The amounts to be determined for FY2011 are not commitments to fund specific agencies. The amounts are being utilized to establish a base level for the entire category. All agencies will be required to submit an application and proceed through the normal budgetary process.)*

| <b>Permanent Line Item Funding</b>   | <b>Adopted FY10</b> | <b>FY11 TBD*</b> |
|--|---------------------|------------------|
| <i>Human Services Funding</i>  |                     |                  |
| DISC Village   | 185,759             |                  |
| Whole Child Leon (United Way of the Big Bend) (1)                            | 38,000              |                  |
| United Partners for Human Services (UPHS) (1)                                | 23,750              |                  |
| Subtotal – Human Services  | \$247,509           |                  |
| <i>Cultural Services Funding</i>   |                     |                  |
| Keep Tallahassee-Leon County Beautiful                                       | 21,375              |                  |
| Tallahassee Trust for Historic Preservation                                  | 63,175              |                  |
| Cultural Resource Commission/Local Arts Agency (2)<br>--Administrative Costs | 150,000             |                  |
| Subtotal Cultural and Other Services   | \$234,550           |                  |
| <b>Total General Revenue Permanent Funding</b>                               | <b>\$482,059</b>    |                  |
| <i>Other Non-General Revenue Line Items (TDC)</i>                            |                     |                  |
| Cultural Resource Commission - Grant Program (2)                             | 504,500             |                  |
| <b>Total Other Non-General Revenue Line Items Funding</b>                    | <b>\$504,000</b>    |                  |
| <b>Grand Total</b>   | <b>\$986,559</b>    |                  |

\*To be determined by the Board of County Commissioners

- (1) Whole Child Leon and UPHS are not 503(c) organizations and are not eligible for CHSP money. These agencies are coalition organizations that refer clients for services to other human service agencies.
- (2) FY 2010 funding for the Cultural Resource Grant Program included \$150,000 in general revenue funding and \$504,500 in Tourist Development funding from the 3-cent portion of the bed tax. In FY 2009 all COCA funding was provided by the TDC.

*Special Event, and Youth Sports Funding*

During the FY 2010 budget process, the Board allocated funding for special events as detailed in Table 3. The following events are not required to submit applications, but are included in the budget as direct event sponsorships at the direction of the Board.

*Table 3: Proposed FY 2010 Maximum Event Sponsorship Funding  
 (Amounts Based on Historical Level of Board Support)*

| <b>Event Sponsorships(Organization)</b>  | <b>FY 10 Funding</b> | <b>FY 11 Funding Level<br/>TBD*</b> |
|--|----------------------|-------------------------------------|
| Celebrate America 4 <sup>th</sup> of July Celebration<br>(Celebrate America)                   | 2,500                |                                     |
| Dr. Martin Luther King Celebration<br>(Inter Civic Southern Leadership Council of Tallahassee) | 4,500                |                                     |
| Capital City Classic<br>(Capital City Classic)   | 5,000                |                                     |
| Friends of the Leroy Collins Public Library<br>(The Friends of the Library)                    | 3,000                |                                     |
| NAACP Freedom Funds Award<br>(Tallahassee Branch NAACP)  | 1,000                |                                     |
| After School Jazz Jam (The Women's Club)   | 2,000                |                                     |
| Soul Santa (Frenchtown \$2,500 and Walker Ford \$1,500)  | 4,000                |                                     |
| <b>Total</b>   | <b>\$22,000</b>      |                                     |

\* To be determined by the Board of County Commissioners

Additional Policy Guidance

Staff is also recommending the following to be considered as part of the budget process of the FY 2011 tentative budget; where appropriate, applications will be sought from the outside agency:

1. Request Tallahassee Memorial Hospital submit an application for the operation of the regional trauma center. Since FY 2008, the Board has provided \$300,000 towards the operation of the trauma center.
2. Request the Economic Development Council (EDC) submit an application for funding. Since FY 2008, the Board has provided \$199,500 for the EDC contract.

**Options:**

1. Establish discretionary funding levels for the FY 2011 at a level to be determined by the Board.

| <b>Agency/Category</b>  | <b>FY 2009</b>     | <b>FY 2010</b>     | <b>FY 2011-TBD*</b> |
|---|--------------------|--------------------|---------------------|
| <b>Human Services Funding</b>   |                    |                    |                     |
| Community Human Service Partnership   | \$750,000          | \$750,000          |                     |
| DISC Village  | 185,759            | 185,759            |                     |
| Whole Child Leon  | 38,000             | 38,000             |                     |
| United Partners for Human Services  | 23,750             | 23,750             |                     |
| <i>Subtotal Human Services Funding</i>  | <i>\$997,509</i>   | <i>\$997,509</i>   |                     |
| <b>Cultural Funding</b>   |                    |                    |                     |
| Keep Tallahassee-Leon County Beautiful  | 21,375             | 21,375             |                     |
| Tallahassee Trust for Historic Preservation   | 63,175             | 63,175             |                     |
| Cultural Resource Commission/Local Arts Agency --Administrative Costs                       | 150,000            | 150,000            |                     |
| <i>Subtotal Cultural Funding</i>  | <i>\$234,550</i>   | <i>\$234,550</i>   |                     |
| <b>Other Cultural Funding</b>   |                    |                    |                     |
| Cultural Resource Commission - Grant Program  | 504,500            | 504,500            |                     |
| <i>Subtotal Other Non-General Revenue</i>   | <i>\$504,500</i>   | <i>\$504,500</i>   |                     |
| <b>Special Event Funding</b>  |                    |                    |                     |
| Celebrate America 4 <sup>th</sup> of July Celebration (Celebrate America)                   | \$2,500            | \$2,500            |                     |
| Dr. Martin Luther King Celebration (Inter Civic Southern Leadership Council of Tallahassee) | 4,500              | 4,500              |                     |
| Capital City Classic (Capital City Classic)   | 5,000              | 5,000              |                     |
| Friends of the Leroy Collins Public Library (The Friends of the Library)                    | 2,500              | 3,000              |                     |
| NAACP Freedom Funds Award (Tallahassee Branch NAACP)  | 1,000              | 1,000              |                     |
| After School Jazz Jam (The Women's Club)  | 2,000              | 2,000              |                     |
| Soul Santa (Frenchtown \$2,500 and Walker Ford \$1,500)                                     | 4,000              | 4,000              |                     |
| <i>Subtotal Special Event Funding</i>   | <i>\$21,500</i>    | <i>\$22,000</i>    |                     |
| <b>Other Discretionary Funding</b>  |                    |                    |                     |
| Youth Sports Teams  | \$4,750            | \$4,750            |                     |
| Economic Development Council  | 199,500            | 199,500            |                     |
| Tallahassee Memorial Trauma Center  | 300,000            | 300,000            |                     |
| <i>Subtotal Other Discretionary Funding</i>   | <i>\$504,250</i>   | <i>\$504,250</i>   |                     |
| <b>Grand Total</b>  | <b>\$2,262,309</b> | <b>\$2,262,809</b> |                     |

**Recommendation:**

Options #1

**Attachments:**

1. Leon County Ordinance 2006-34, Discretionary Funding Guidelines

**ARTICLE XI. DISCRETIONARY FUNDING GUIDELINES****Sec. 2-600. Application of article.**

This article shall govern the allocation of discretionary funds and provide the board a maximum amount of annual funding available in each of the following fund categories:

- (a) Community human services partnership fund;
- (b) Community human services partnership--Emergency fund;
- (c) Commissioner district budget fund;
- (d) Midyear fund;
- (e) Non-departmental fund; and
- (f) Youth sports teams fund.

(Ord. No. 06-34, § 1, 11-14-06)

**Sec. 2-601. Annual appropriation.**

Funding for the purposes set forth in this article shall be subject to an annual appropriation by the board in accordance with this article.

(Ord. No. 06-34, § 1, 11-14-06)

**Sec. 2-602. Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

*Community human services partnership fund* shall mean funds eligible for allocation to social service programs.

*Community human services partnership--Emergency fund* shall mean funds eligible for allocation for one time funding to meet an emergency situation.

*Commissioner district budget fund* shall mean funds eligible for allocation to each commissioner for activities relating to his or her district or the county at large.

*Emergency situation* shall mean those exigent circumstances that would prohibit or severely impact the ability of a currently funded community human services partnership (CHSP) agency to provide services.

*Midyear fund* shall mean funds eligible for allocation for requests that occur outside of the regular budget process.

*Non-departmental fund* shall mean funds eligible for allocation for non-profit entities that are included, by direction of the board, as part of the regular adopted budget.

*Non-profit* shall mean an entity that has been designated as a 501(c)(3) eligible by the U.S. Internal Revenue Services and/or registered as a non-profit entity with the Florida Department of State.

*Youth sports teams fund* shall mean funds eligible for allocation for temporary and nonrecurring youth sporting events such as tournaments and playoffs, and events recognizing their accomplishments.

(Ord. No. 06-34, § 1, 11-14-06)

### **Sec. 2-603. Application process.**

(a) The county administrator or his designee is authorized to develop forms and procedures to be used by a non-profit, group or individual when submitting a request for funding consistent with the provisions herein.

(b) The county administrator or his designee shall establish a process for evaluating requests for funding made pursuant to this article.

(Ord. No. 06-34, § 1, 11-14-06)

### **Sec. 2-604. Funding category guidelines.**

(a) *Community human services partnership program fund.*

(1) Non-profits eligible for community human service partnership (CHSP) funding are not eligible for funding in any other county government funding category, except when requesting funding for an activity that is not CHSP eligible, such as capital improvements.

(2) Annually, as part of the budget process, the board shall confirm the allocation of funding set aside for the community human services program.

(b) *Community human services partnership program--Emergency fund.*

(1) Non-profits that are funded through the CHSP process are eligible to apply for emergency, one time funding through the community human services partnership program--Emergency fund.

(2) Annually, as part of the budget process, the board shall confirm the allocation of funding set aside for the community human services partnership program--Emergency fund.

(3) These funds are available to any agency that is currently funded through the CHSP process.

(4) The request for emergency funding shall be made at a regular meeting of the board. If deemed appropriate, the request for emergency funding shall then go before a CHSP sub-committee consisting of members from the CHSP review boards of each of the partners (Leon County, the City of Tallahassee, and the United Way of the Big Bend). The sub-committee shall determine if the situation would qualify as an emergency situation and what amount of financial support would be appropriate. The CHSP shall then make a recommendation to the county administrator, who is authorized to approve the recommendation for funding.

(5) In the event the board does not meet in a timely manner, as it relates to an agency's request, the county administrator shall have the authority to appropriate expenditures from this account.

(c) *Commissioner district budget fund.*

(1) Annually, as part of the budget process, the board shall determine the allocation of

funding set aside for the commissioner district budget fund.

(2) Expenditures shall only be authorized from this account at a regular meeting of the board.

(d) *Midyear fund.*

(1) Non-profits, groups or individuals that do not fit into any of the other categories of discretionary funding as outlined in this article are eligible to apply for midyear funding.

(2) Annually, as part of the budget process, the board shall determine the allocation of funding set aside for the midyear fund.

(3) In the event the board does not meet in a timely manner, as it relates to a funding request, the county administrator shall have the authority to appropriate expenditures from this account. Such action is thereafter required to be ratified by the board.

(e) *Non-departmental fund.*

(1) Non-profits eligible for non-departmental funding are not eligible for funding in any other category. Eligible funding activities in this category are festivals and events and outside service agencies.

(2) Annually, as part of the budget process, the board shall determine the allocation of funding set aside for the non-departmental fund.

(3) Non-profits eligible for funding through the cultural resources commission (CRC) Leon County Grant Program (funded through the non-departmental process) are not eligible for funding in any other category.

(f) *Youth sports teams fund.*

(1) Non-profits or athletic teams of the Leon County School System that are eligible for the county's youth athletic scholarship program are not eligible for funding pursuant to this article.

(2) Annually, as part of the budget process, the board shall determine the amount of funding pursuant to this article.

(3) The award for youth sports teams shall not exceed \$500.00 per team.

(4) Youth sports teams requesting funding from the Board shall first submit their requests in writing to the county administrator or his or her designee for review and evaluation. The request must include certified documentation establishing the legitimacy of the organization.

(5) Funding will be allocated on a first-come, first-served basis. In the event that more than one request is received concurrently when the fund's balance is reduced to \$500.00, the remaining \$500.00 will be divided equally among the applicants meeting the evaluation criteria.

(6) Applicants must have participated in a city, county, or school athletic program during the year in which funding is sought.

(7) Team participants must be 19 years of age or younger.

(8) The requested funding shall support post-season activity, e.g., tournaments, playoffs, or awards banquets associated with extraordinary performance.

(9) In the event the board does not meet in a timely manner, as it relates to a youth sports teams' request, the county administrator shall have the authority to appropriate expenditures from this account. Such action is thereafter required to be ratified by the board.

(g) *Appropriation process.* Annually, prior to March 1, the board shall:

- (1) Determine the amount of funding set aside for each funding category identified in this article;
- (2) Determine the list of permanent line item funded entities that can submit applications for funding during the current budget cycle; and
- (3) Provide direction to staff on additional appropriation requests that should be considered as part of the tentative budget development process.

(Ord. No. 06-34, § 1, 11-14-06)

Secs. 2-605--2-699. Reserved.

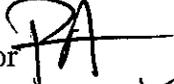
# Board of County Commissioners

## Budget Discussion Item

Date of Meeting: January 26, 2010

Date Submitted: January 20, 2010

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator 

Vincent S. Long, Deputy County Administrator 

Alan Rosenzweig, Assistant County Administrator 

Scott Ross, Director, Office of Budget and Management 

Candice Wilson, Director, Health and Human Services 

Subject: Board Consideration to Participate in the Medicaid Substance Abuse Local Match Certification Program

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### Statement of Issue:

This agenda item seeks Board consideration of participation in the Medicaid Substance Abuse Local Match Certification Program (Attachment #1).

### Background:

During the October 27, 2009 Board meeting, Commissioner Thaelle asked that staff bring back an agenda item for Board consideration to participate in the Medicaid Substance Abuse Program. Staff has determined that during a previous session of the Florida Legislature, approval was given to add three new service codes to the State Medicaid Plan which expanded the Plan to include substance abuse treatment. The Medicaid Substance Abuse Local Match Certification Program was established as a result of this legislation.

Due to the efforts of the Florida Legislature to control Medicaid budgetary increases, there is little support for initiatives to expand Medicaid services through the utilization of State funding. The revised plan focuses on counties to expand services with the subsequent ability to draw down of federal Medicaid match funding. Florida's Agency for Healthcare Administration (AHCA) manages the State's Medicaid program and supports these initiatives.

The Medicaid Substance Abuse Local Match Certification Program is available to counties that agree to commit county tax dollars or other public dollars that are not already matched to funding sources provided for substance abuse treatment services. If a county has committed local public funds to substance abuse treatment, that county may opt to redirect all or a portion of the committed funding to the designated services for citizens who are Medicaid enrolled. Potentially, a county could draw down from federal Medicaid more than double the amount committed.

Table 1 details the three new Medicaid substance abuse services that were approved by the 2005 Florida Legislature for initiation through a Local Medicaid Match Certification program are listed below:

**Table 1**

| SERVICE TYPE  | UNIT OF SERVICE | COST PER UNIT                     | SERVICE MAXIMUM  | ANNUAL COST PER PATIENT               |
|---|-----------------|-----------------------------------|--|---------------------------------------|
| Alcohol and/or Drug Intervention Services (Master's Degree Level) | 15 Minutes      | \$15.00                           | 120 Units per recipient annually. Services may not be reimbursed on the same day as Community Support Services | \$1,800 Annually                      |
| Peer Recovery Support (Bachelor Degree Level)                     | 15 Minutes      | 9.75 (Individual)<br>2.44 (Group) | 120 Units per recipient annually. Services may not be reimbursed on the same day as Intervention Services      | \$1,170 (Individual)<br>\$293 (Group) |
| Aftercare Services (Bachelor Degree Level)                        | 15 Minutes      | \$15.00                           | 120 Units per recipient annually. Services may not be reimbursed on the same day as Intervention Services      | \$1,800 Annually                      |

All counties are eligible and encouraged to apply for enrollment into the program; however, only counties participating in the Program through the provision of local match dollars may offer the new substance abuse treatment services. Providers that do not participate in the local match program and who are not authorized as an eligible agency by the participating county may not bill for the new services. In addition, all local and federal dollars committed to these services will not be added to Health Maintenance Organizations or other managed care contracts under Florida Medicaid reform, and they will remain fee-for-service.

**Analysis:**

The current reimbursement rate is 67.64% due to the federal stimulus program. Essentially, the Federal Government will reimburse 67.64% of the total cost of the program based on the County's initial \$100,000 investment. Reimbursement at the current rate is anticipated to continue through 2010. Afterwards, the rate will be based upon Florida's Federal Match rate (between 55% and 59%). The rate is set each year; however, Florida's rate has been within this percentage range for several years.

For FY 2010-2011, the federal matching rate will be a dollar plus 61.54%, which is a blended rate because the match rate is scheduled to be reduced to a dollar plus 55.45% on January 1, 2011. The County would receive \$1.61 from the federal government for every \$1 the put into program for a total of \$2.61 in services. Even when the matching rate returns to a post recession normal of about 56%, the federal government will still give the county \$1.24 for every \$1.00 it spends, for a total program of \$2.24, basically more than doubling the county's dollars for future years. Table 2 provides an example of how \$100,000 in county funds could be leveraged.

**Table 2**

| Fiscal Year | County Contribution | Federal Reimbursement | Total Program |
|-------------|---------------------|-----------------------|---------------|
| 2010        | \$100,00            | \$209,023             | \$309,023     |
| 2011        | \$100,00            | \$160,010             | \$260,010     |
| 2012        | \$100,00            | \$127,273             | \$227,273     |

If the Board approves Leon County's participation in the Medicaid Substance Abuse Local Match Certification Program, a Florida Medicaid Provider Enrollment Application (Attachment #1) must be completed. Currently only Lake County is participating in the program. Hillsborough and Citrus counties are working through the application process.

Additionally, due to the Program not being established in the State Plan to provide cost-based reimbursement directly to a County, Leon County must designate a community provider for substance abuse services through a request for qualifications. A plan must be developed, identifying the services to be offered and the target populations to be served, in cooperation with the provider network or treatment agencies. The target populations for Intervention Services may include children or adolescents with substance abuse issues in foster care, families in protective services, and families identified by schools. Intervention Services may be delivered at community sites, such as schools, recreation centers, and public health departments. Recovery Support Services may be provided to any population during or after treatment and are quite similar to case management services. Aftercare Services may support co-occurring clients in re-entry status from jails, prisons, juvenile justice facilities and institutions, and also clients completing treatment.

Documentation of program compliance will be the responsibility of the treatment agency. The maintenance of an audit trail to demonstrate that the federal match is paid with local public funds is the responsibility of Leon County. Furthermore, Leon County has the option of utilizing a billing agent or designating a treatment provider as the billing agent due to the County being required to pay 100% for services rendered by treatment providers prior to being reimbursed by AHCA. Leon County submits claims to AHCA and the total of the claims submitted will not exceed the amount of local match available. AHCA will reimburse Leon County for the Federal portion of certified expenditures. Details regarding which billing reimbursement model will used will be finalized if the Board approves participating in this program.

#### Conclusion

This new matching program will provide substantial additional resources for the County; however, the program will require the use of existing County resources. These expenditures will be in addition to the \$7.5 million shortfall already discussed in the overview workshop item. The following is provided as additional information that was included in the overview.

Based on preliminary estimates, expenditures will increase a minimum of \$5.5 million and property tax collections may decrease an additional \$2.0 million for a total shortfall of \$7.5 million. In addition, beginning in FY2013, the County will have additional operating expenditure increases associated with the Public Safety Complex (i.e. joint dispatch). The amounts have not been finalized and are preliminary. Assuming a shared cost with the City, these expenditures are estimated at \$1.7 million annually; they include items such as utilities, custodial, and maintenance. Not included is any additional staff for MIS at this time. The cost of the actual dispatch function is not included as this is already being funded through the existing budget.

Given the projected nominal growth or decline in other revenues, such as sales tax and gas taxes, the County will need to consider either cutting expenditures or raising the property tax rate to offset the \$7.5 million. Regarding the millage rate, depending on the actual final values and the level of increase this may require either a majority or super-majority vote of the commission.

Regarding expenditure reductions, over the past two years, the County has eliminated 5% of its workforce and cut a number of programs. In addition, the County has sought ways to partner with the private sector (disposal of solid waste) and leverage the market through competition (purchase of insurance). However, during the past two years, the County has not reduced outside funded agencies. For purposes of balancing the FY2011 budget, the Board will need to consider reducing outside agency funding. The last budget discussion item being considered at the workshop will provide a framework for this effort.

**Options:**

1. Approve Leon County's participation in the Medicaid Substance Abuse Local Match Certification Program.
2. Establish budget in the amount of \$100,000 for the Medicaid Substance Abuse Local Match Certification Program to be taken from the General Fund Contingency.
3. Approve the submission of the enrollment application for Florida Medicaid Provider Enrollment Application and authorize the County Administrator to execute.
4. Direct staff to include additional funding for the program in the FY 2011 budget.
5. Board Direction.

**Recommendation:**

Board Direction

**Attachments:**

1. Florida Medicaid Provider Enrollment Application

**CERTIFIED MEDICAID MATCH AGREEMENT BETWEEN  
THE AGENCY FOR HEALTH CARE ADMINISTRATION  
AND \_\_\_\_\_ COUNTY FOR THE REIMBURSEMENT OF  
SPECIFIED SUBSTANCE ABUSE TREATMENT SERVICES  
FOR MEDICAID RECIPIENTS**

The Agency for Health Care Administration (AHCA) and \_\_\_\_\_ County hereby agree to the principles, terms and effective dates specified in this Certified Medicaid Match Agreement and its Attachments. This Agreement is set forth to define each party's responsibilities in order to effectively administer the provision of, and reimbursement for, specified Medicaid substance abuse treatment activities and is necessary to implement parts of the Medicaid State Plan under Title XIX of the Social Security Act. AHCA is the single state Medicaid agency in Florida under Title XIX of the Social Security Act. Additionally, specific Federal regulations authorizing the use of certified public funds are found in 42 CFR, Subpart B, General Administrative Requirements State Financial Participation, Section 433.51. This initiative is authorized by the Florida Legislature in section 202, Chapter 2007-72, Laws of Florida.

**I. General Principles**

This Agreement is based on the following general principles:

- 1) The aforementioned parties have a common and concurrent interest in providing and reimbursing Medicaid substance abuse treatment services, within parameters set by the federal Centers for Medicare and Medicaid Services (CMS) and AHCA, and only as approved by CMS. Any changes in the program required by CMS are to be implemented by both of the aforementioned parties.
- 2) This Agreement is in no way intended to modify the responsibilities or authority delegated to the parties.
- 3) This Agreement is in no way intended to override or render obsolete any other agreements or memoranda of understanding which may already exist between these parties.
- 4) Any sub-contractors involved with specified Medicaid funded substance abuse treatment services are bound by this agreement with regard to administrative policies and procedures.

- 5) A lead County representing one or more other counties within the state for the purposes of billing Medicaid for specified substance abuse treatment services, shall also comply with the provisions of this agreement.
- 6) This Agreement provides a mechanism for payment of federal funds from CMS, and the parties agree that it in no way creates a requirement for AHCA to reimburse any County from AHCA state funds.

## II. Terms

AHCA agrees to the following terms:

- 1) AHCA will develop a list and description of specified Medicaid reimbursable substance abuse treatment services to be performed by County-contracted providers. Specified substance abuse treatment services are found in Attachment I of this agreement. (The services and service requirements are formatted for inclusion in the Medicaid Community Behavioral Health Services Coverage and Limitations Handbook).
- 2) AHCA will reconcile all specified substance abuse treatment service claims submitted by the county for Medicaid reimbursement on a quarterly basis.
- 3) AHCA will reimburse the County for the federal portion of certified expenditures for specified substance abuse treatment services delivered to Medicaid eligible recipients.
- 4) AHCA will periodically monitor the participating providers for compliance with service provision.
- 5) AHCA will produce any Medicaid specific reports it deems necessary for the participating counties.
- 6) AHCA will develop procedures for recoupment of funds from the participating counties if warranted by AHCA or CMS monitoring.
- 7) AHCA will notify the participating counties in the event of any changes made by CMS to federal matching percentages or costs eligible for match.
- 8) AHCA will designate an employee to act as a liaison for the participating counties and providers for the Medicaid Match Program.

**This space was intentionally left blank**

The County agrees to the following terms:

- 1) To reimburse the contracted providers 100% of the rate for services rendered under the Medicaid Match program.
- 2) Funds used for reimbursement of providers will be comprised exclusively of locally generated unmatched tax revenues and will in no way be comprised of any grants, donations, or other monies originating from a federal, state or private source.
- 3) The County agrees to enroll in Medicaid as a Community Behavioral Health Services Provider (Type 05) for reimbursement purposes and participate in the Medicaid Match program by contracting for the provision of selected services to Medicaid recipients in compliance with all relevant requirements in Medicaid's Community Behavioral Health Coverage and Limitations Handbook.
- 4) The County will maintain an ongoing management information systems capability to ensure accountability, provide information necessary to support quarterly verifications and AHCA audit requirements, and account for county funds disbursed to participating providers.
- 5) Any recoupment of funds due to an audit exception, deferral or denial deemed as appropriate by CMS or AHCA will be the responsibility of the county and its identified participating providers.
- 6) The County must submit a quarterly certification report that identifies the local funds that have been used as match and which identifies the reimbursement to each participating substance abuse treatment provider for the specified substance abuse treatment services.
- 7) The County and its designated participating providers shall maintain and be able to produce within a specified time frame other requested records and material for CMS and/or AHCA audits.
- 8) The County will designate an employee to act as a liaison with AHCA for issues concerning this agreement.

### **III. Confidentiality**

The County and the identified providers agree to safeguard the use and disclosure of information pertaining to current or former Medicaid recipients and comply with all state and federal laws pertaining to confidentiality of patient information.

### **IV. Effective Date, Changes, Life of this Agreement**

1. The effective date of this Agreement will be the date it is signed by both parties.

2. Changes may be made to the Agreement in the form of amendments and must be signed by all parties. Attachment # 1  
Page 4 of 4
3. Changes in the CMS matching percentage or costs eligible for match will not be made via this agreement, but will be applied pursuant to changes in applicable Medicaid federal regulations and effective the date specified by CMS.
4. This Agreement will continue in effect until terminated by AHCA or the county. AHCA or the county may terminate this agreement without cause by providing a thirty (30) day written notification to the other party.

This document consists of the Certified Match Agreement, pages 1 through 4; Attachment I, Service Descriptions.

**SIGNATORIES:**

\_\_\_\_\_  
Authorized County Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
County

\_\_\_\_\_  
Authorized AHCA Representative

\_\_\_\_\_  
Date