

A PENNY AT WORK

HALF PENNY
(.5%)

To fund the countywide
transportation system



HALF PENNY
(.5%)

To fund your local
improvement projects

**VOTE ON
NOVEMBER 8**

Both must pass
or both will fail.

Frequently Asked Questions (FAQ)

There are two half percent sales tax questions on the November 8th ballot. One is to fund countywide transportation projects and the other is to fund infrastructure projects in Broward municipalities, including Fort Lauderdale. Together, the two proposals represent a one percent sales surtax, which is the equivalent of one penny per dollar spent. The proposed one-half percent sales surtax for infrastructure would be used to help Fort Lauderdale fund a public safety facility; bike, transit, and neighborhood mobility projects; the repair and replacement of roads, bridges, seawalls, and sidewalks; stormwater and drainage projects; pedestrian safety projects; and recreation and conservation projects. These two ballot questions are linked together, so both must pass or both will fail.

Below are frequently asked questions about the sales surtax ballot measures.

What is a surtax?

A surtax is generally assessed to fund a specific government program, whereas regular income or sales taxes are used to fund a variety of programs. A surtax can be calculated as a percentage of a certain amount or it can be a flat dollar amount. On the November 8, 2016 ballot, both proposed surtaxes are 0.5 percent or one-half percent.

Who will pay this tax?

Anyone who purchases taxable items or services within Broward County will pay this surtax. This includes residents, visitors, and businesses.

How much will this increase in sales tax cost me?

For every \$1 you spend on a taxable item, you will pay 1 cent more in sales tax. For example, if you go to a restaurant and spend \$25 on a meal, you will spend an additional 25 cents in sales tax.

What items are subject to the sales surtax? Is there a cap on the sales surtax?

Generally speaking, prepared ready-to-eat food (from restaurants or delis) and all tangible (meaning you can see and touch it) goods (for example clothing, appliances, electronics, and jewelry) are taxable. Groceries (if not prepared and sold for immediate consumption), medicines, and medical equipment are not currently taxed and would not be subject to the proposed surtaxes. The Florida Department of Revenue provides a list of the items that are EXEMPT and TAXABLE, which can be found here: <http://dor.myflorida.com/dor/rules/pdf/dr-46nt.pdf>.

From the Florida Department of Revenue, "A discretionary surtax is applied to the first \$5,000 of the sales amount on the sale, use, lease, rental, or license to use any item of tangible personal property. Tangible personal property is personal property that you can see, weigh, measure, or touch, or is in any manner perceptible to the senses, including electricity. The \$5,000 cap does not apply to rentals of real property, transient rentals, or services." <http://dor.myflorida.com/dor/taxes/discretionary.html>

When would these taxes go into effect if passed in November 2016?

If passed, these taxes would go into effect on January 1, 2017.

How much does a penny sales tax generate?

For the first year, the penny sales tax is estimated to raise approximately \$300 million. This estimate is provided by the Florida Department of Revenue in the 2015 Local Government Financial Information Handbook and is likely to vary based on a number of factors, including economic conditions.

How will the surtax-generated funds be used if both ballot measures pass?

The one-half percent sales surtax revenues for countywide transportation projects will go to Broward County for improvements to their system, including traffic signalization, county roadways, intersection improvements, senior mobility options and public transportation (buses and rail). The one-half percent sales surtax for infrastructure projects will go to the municipalities (cities, towns, villages, etc.) in Broward for the construction of capital improvements to public buildings and facilities, the purchase of equipment and public safety vehicles, local road and transportation projects and improvements, pedestrian safety projects, and recreation/conservation land acquisition. For the last 10 years of the 30 year infrastructure surtax, 60 percent will continue to go to municipalities for infrastructure while 40 percent of the infrastructure surtax funds will go to Broward County to assist in funding capital investments focused on the County's transportation system. For more information, visit the [Interactive Map](#) or [Proposed Projects](#).

What types of projects in Fort Lauderdale would be funded by the infrastructure surtax if both ballot measures pass?

In Fort Lauderdale, the half penny sales surtax would be used to help fund a public safety facility; bike, transit, and neighborhood mobility projects; repair and replacement of roads, bridges, seawalls, and sidewalks; stormwater and drainage projects; pedestrian safety projects; and recreation and conservation projects.

Who collects the money?

The Florida Department of Revenue will collect this tax and will distribute it to Broward County and the cities.

How is the amount each city receives from the infrastructure surtax determined?

It is based on population and will be readjusted each year to reflect population changes.

Who decides how the money gets spent?

The elected officials of Broward County and the municipalities will decide how the respective sales surtax revenues will be spent. Broward County and each of the cities/municipalities have developed a plan for how the surtax revenues will be used. For more information, visit the [Interactive Map](#) or [Proposed Projects](#). If the surtax ballot measures both pass, all proposed projects will be subject to approval by an Oversight Board. For more information, visit the [Oversight page](#).

Who oversees the use of the money?

The County and municipalities have agreed, through an [Interlocal Agreement](#), to create a Transportation and Infrastructure Surtax Oversight Board (the "Oversight Board"). The purpose of this Oversight Board is to review each request for the use of sales surtax funds by both Broward County and the cities and determine whether the proposed expenditure is permissible under applicable law. If projects are approved by the Oversight Board, the Board will continue to monitor the progress of the projects funded by the sales surtax revenues. If the sales surtax ballot measures pass, this Oversight Board will be established by January 15, 2017. Members of the Oversight Board are appointed by a five member Appointing Authority. For more information, visit the [Oversight](#) page.

In addition to the Oversight Board, Broward County and the municipalities will each need to conduct an annual independent audit that includes an audit of the surtax revenues accounts. The Broward Office of Inspector General will also have the authority to investigate and issue reports on projects funded with sales surtax revenues.

How long would the taxes be in place?

If the sales surtax ballot measures are approved, the surtaxes will be in effect for 30 years.

What is the current sales tax in Broward County and how does it compare to neighboring counties?

The Broward County sales tax is currently 6%, which is the state sales tax rate. The Miami-Dade County sales tax rate is 7%, which includes surtaxes of 1%, and the Palm Beach County sales tax rate is currently 6%. Palm Beach County is also considering a 1% total additional surtax in November 2016, which if adopted would increase its sales tax rate to 7%.

Why does the County need additional money for transportation improvements?

The County funds its transportation programs through the gas tax revenues and general revenue funds (derived from property taxes and other sources). The federal gas tax, which is a flat amount that does not change with the price of gas, has not increased in 20 years and the amount of money generated by the gas tax has declined as a result of people driving less and cars being more fuel efficient. At the same time, the costs for operating and maintaining a fleet of public transit buses, traffic lights, and roads has increased. The County also seeks to dramatically improve rapid transit options, including rapid bus and light rail options, which would benefit not only transit riders but others through reduced road congestion.

Why do the cities need additional money for infrastructure improvements?

Many of our cities were developed during the late 60s and 70s so the existing water and sewer pipes and other similar public facilities are now 40-50 years old and in need of repair or replacement. As with transportation, the cost to operate and maintain all of these facilities has increased.

What are capital improvements?

A capital improvement is the construction or replacement of, or an upgrade or repair to, a public building or facility that increases its overall value, expands its useful life, or adapts it to a new use.

What is infrastructure?

Infrastructure, in terms of this ballot question, includes public buildings and facilities, the purchase of equipment and public safety vehicles, local road and transportation projects and improvements, pedestrian safety projects, and recreation/conservation land acquisition.

What is traffic signal synchronization?

Traffic signal synchronization is a traffic engineering technique of matching the green light times for a series of intersections to enable the maximum number of vehicles to pass through, thereby reducing stops and delays experienced by motorists.

What is an interlocal agreement?

An interlocal agreement is a written contract between local government agencies such as a city, a county, a school board or a constitutional office. These agreements allow agencies to share costs, work together to reach common goals, and combine resources to acquire items they would be unable to afford on their own.

How much money could be generated?

Projections of forecasted revenue were developed based on information provided by the Florida Department of Revenue's Local Government Financial Information Handbook for fiscal year ending September 30, 2016. These projections are shown in current year dollars, meaning they are not adjusted for inflation, and assume a 3.2 percent revenue escalation based on a 20-year history. These are projections provided for information purposes only; actual revenue collected may vary. Click [here](#) to download this information.

When would the taxes expire? Could they be renewed?

The ballot identifies a 30-year timeframe for the taxes to be in effect. After expiration of the 30 year term, the surtaxes could only be renewed by the voters of Broward County.

Where can I learn more about City of Fort Lauderdale infrastructure projects that could be funded if both ballot measures pass?

For additional information about Fort Lauderdale infrastructure projects that could be funded if voters approve both ballot measures, please visit www.fortlauderdale.gov.

Where can I learn more about the proposed sales surtax ballot measures?

For more details about the two half penny sales surtax questions, including a sample ballot, please visit www.APennyAtWork.com.

Get the facts on the proposed Penny Sales Tax

www.APennyAtWork.com