

Dealing with Revenue Reductions/New Revenue Opportunities

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Alternative Approaches to Funding Services

- Service-level reduction
- Governance alternatives
- Funding alternatives

Governance Alternatives - Legal Authority

- Chapter 163 Authority – Interlocal Agreement
- Dependent Special District - Ordinance
- Independent Special District – Special Act
- Independent Special District – Chapter 125, Florida Statutes
- Municipal Service Taxing Units (MSTUs)

FUNDING ALTERNATIVES

- Special Assessments
- Creative Revenues

Special Assessments

CASE LAW REQUIREMENTS

- Special Benefit to Property
- Fair and Reasonable Apportionment

EXAMPLES OF SPECIAL BENEFIT

- Fire Protection
- Road Improvements (Paving and O&M)
- Beautification
- Sidewalks
- Street lighting
- Parking Facilities
- Downtown Redevelopment
- Solid Waste
- Water and Sewer Improvements
- Stormwater

NO SPECIAL BENEFIT

Case Law:

- Public Hospitals
- Public Health Units
- Emergency Medical Services

Not litigated yet:

- Law enforcement
- Parks and Recreation

METHODS OF APPORTIONMENT

- Physical Use of Property
- Relative Proximity to Facility
- Amount of Service/Facility Required
- Linear Front Foot
- Per Parcel or Unit
- Square Footage of Improvements
- Relative Value of Property
- Trip Generation
- Combination of Factors

COLLECTION METHODS

- **Uniform Method**
 - Tax Bill - Section 197.3632, Fla. Stat.
- **Separate Bill**
 - Lien and Foreclosure Method
- **Utility Bill**
- **Combination of Methods**

Collection Methods – Pros and Cons

	Tax Bill	Separate. Bill	Utility Bill
Pro's	<ul style="list-style-type: none"> • Highest collection rate (95 – 98%) • One bill with all charges • Use tax roll data from PA 	<ul style="list-style-type: none"> • Deadlines set by local government • Time frame set by local government • Use tax roll from PA • Can use for government property 	<ul style="list-style-type: none"> • Deadlines set by local government • Time frame set by local government • Easier to charge exempt property • Can use for government
Con's	<ul style="list-style-type: none"> • Strict deadlines • Strict time frame • Exempt property information missing • Cannot use for government property 	<ul style="list-style-type: none"> • Lowest collection rate (70 – 90%) • More expensive to implement • No full picture of charges • Exempt property information missing 	<ul style="list-style-type: none"> • Collection issues regarding non-payment • Utility bill gets crowded • Difficult to correlate utility accounts to property uses (methodology issues) • May miss vacant property or those without an utility account.

TYPICAL PROCEDURES

- Notice of Intent (Uniform Method of Collection)
- Define benefit or service area
- Develop apportionment methodology
- Calculate rates
- Adopt procedural ordinance
- Adopt initial resolution
- Provide for public notice
- Adopt final rates
- Collect assessment (Uniform Method or Alternative)

Fire Assessment Issues

- Requirement to isolate costs above first responder services
- Availability and usability of call data
- Study results not acceptable for some property categories
- One rate for residential properties

Road Improvement Assessment Issues

- Local roads vs. collector and arterial roads
- Identifying benefited properties
- Availability of trip generation information
- Unimproved properties

Beautification, Sidewalks and Street Lighting Assessment Issues

- Service area definition
- Different levels of service (ex: ornamental vs. standard lighting)
- Mixed property use composition
- Identification of benefited properties

Stormwater Assessment Issues

- Availability of impervious area data
- Levels of service – capital projects
- Service Area Definition
- Undeveloped Land
- Private Subdivisions
- Credits
- Adjustments - Unique Site Conditions

Strategies for Success for Implementing Assessment Programs

- Not funding 100% of costs
- Briefing elected officials
- Identifying stake holders
- Public meetings/education
- Flexible methodology
- Roll back of millage or other fees

Strategies for Success (continued)

- Strategy for other government properties
- Exemptions for institutional, tax-exempt properties
- Hardship exemptions
- Economic development strategy

Why Use Assessments?

- Benefit based, not value based
- Tax equity tool
- Revenue diversification
- Dedicated revenue source
- Establishes cost per billing unit for services and facilities
- Annual decision
- Pledgeable for debt without referendum

Why Not Use Assessments?

- Regressive
- Initial year controversial
- Perceived as “tax”
- Administrative burden of maintaining program

Creative Revenue Sources

Creative Revenue Sources

- Capacity Assessments
- Interim Assessments
- Hurricane Debris Removal Assessments

QUESTIONS?