



# SPEAK UP BROWARD

Transportation Choices.  Your Voice Counts.



## Funding THE Future We Want -

June 2014



broward **MPO**  
metropolitan planning organization

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## Overview

Speak Up Broward is currently in an exploratory phase that is engaged in fact finding and visioning to establish a basis for discussion of “possible futures” that Broward may wish to move towards. One component in this look to the future is determining the transportation investments that we are willing to make to support the possible futures we envision. A critical part of that equation is how we pay for that future. This report outlines the potential new revenue options we may consider in tandem with identified transportation needs.

Commitment 2040 (the MPO’s Long Range Transportation Plan (LRTP) Update) is the starting point for our purposes in envisioning the transportation future we want for Broward. Commitment 2040 was in progress at the time this report was prepared. The Financially Feasible Plan developed by Commitment 2040 sets priorities for specific projects that are then compared to available revenues to determine what we can afford. The revenues that are part of the Financially Feasible Plan are committed to that purpose and are therefore not part of this analysis. Speak-Up Broward has evaluated possible new revenue options that are above and beyond Commitment 2040 revenue sources.

Additionally, ongoing project studies such as University Drive and Tri-Rail Coastal Link, are completing their own financial analyses. Project specific funding sources include federal and state sources, such as New Starts funds, as well as a variety of other sources that are not applicable for a county-wide transportation system. For example, recent attention is focused on public private partnerships (PPP or P3s), which can be a good tool for a specific project; however, it is unlikely that such a venture would be used to fund on-going operations and development of a county-wide system. Instead, this is a tool for a specific project, provided it meets the criteria used for public private partnerships.

Regardless of the project-specific funding tool selected, there is a need for a local revenue source to pay project costs directly or service the bond debt, repay the private financier, or simply to cover the on-going operations and maintenance costs, as well as new capital costs that do not qualify for other types of funding. The focus of this report is on identifying those potential new revenues sources that could provide that local revenue source. The revenues considered are those that could be imposed by the governmental jurisdictions within Broward. This analysis contemplates testing a “short-list” of the most promising revenues and their potential through public outreach surveys, focus groups, and e-town hall meetings. As part of this process, the public will be asked to identify the “possible future” they most support and match that choice with the preferred funding option(s).



## Initial Revenue List

There is a lengthy list of potential revenue sources that could be considered, but an extensive list without a related assessment is of little value. However, the scope for revenue analysis as part of this study is limited and does not permit preparing detailed revenue calculations for all possible sources. Therefore, this initial list of potential revenues was categorized and evaluated against certain criteria (See Page 6) to determine which showed the most promise. A fundamental premise to this analysis is that we are assessing the potential for generating new revenues for transportation purposes; therefore we have not contemplated re-allocating existing revenues currently available for non-transportation purposes to transportation uses.

### **Florida Revenue Framework**

As a starting point, we reviewed the current framework for raising revenues within the state of Florida, with a particular focus on the possible revenues that can be raised by local governments. The ability of local governments to raise revenue is narrowly constrained by the state constitution. Specifically, Florida's constitution does not permit the imposition of a tax without the enactment of a legal statute. There are three major categories of revenue that local governments can raise:

- Ad valorem (property) taxes;
- Fees based on Home Rule authority; and
- Legislatively authorized revenues.

Each of these is discussed briefly in the following sections.

### Revenue Source Authorized By Constitution: Ad Valorem Authority

Although local governments can levy ad valorem (property) taxes, this authority is narrowly constrained by the constitution. In sum, local governments may levy ad valorem taxes subject to the following limitations:

- Ten mills for county purposes.
- Ten mills for municipal purposes
- Ten mills for school purposes.
- A millage fixed by law for a county furnishing municipal services.
- A millage authorized by law and approved by voters for special districts.

The state's constitution provides two exceptions to the ten-mill cap—a voted debt service millage and a voted millage not to exceed a period of two years. These restrictions effectively limit the available funding options for local governments.

### Revenue Sources Based on Home Rule Authority

Under the state's Constitution, local governments possess expansive home rule powers, which confer the authority to impose proprietary fees, regulatory fees and special assessments. Examples of proprietary fees include admissions fees, franchise fees, user fees, and utility fees. Regulatory fees include building permit fees, impact fees, inspection fees, and stormwater fees. A regulatory fee is restricted to not exceeding the regulated activity's cost and is generally required to be applied solely to the activity that is being regulated. Special assessments are used to construct and maintain capital facilities. To impose a special assessment, it must be determined that the assessed properties derive a special benefit from the improvement or service provided. These restrictions severely limit the potential amount of revenues that Broward can generate from proprietary fees, regulatory, and special assessments.

Because all taxes require general law authorization, Broward must generally look to generate new revenues from fees unless they wish to submit the potential funding source for voter and legislative approval. If a new revenue source is imposed by ordinance, then the question is whether or not the charge meets the legal sufficiency test for a valid assessment or fee. If the new revenue source does not meet this test, then it is considered to be a tax and requires general law authorization. If the new revenue source is not determined to be a tax, then the imposition of the assessment or fee is within the constitutional and statutory home rule powers of county and municipal governments.



### WHAT'S A MILL?

Millage is a rate of taxation expressed in mills per dollar. It is the amount per \$1,000 used to calculate taxes on property. Millage is often expressed as a percent, such as 0.1%.

(Sources: Merriam-Webster Online and Investopedia.com)



### Revenue Sources Authorized By the Legislature

In addition to constitutionally authorized and home rule revenue sources, local governments have other available revenue sources that have been authorized by the Legislature. These revenue sources can be grouped into two categories: (1) state-imposed fees or taxes shared with local governments or school districts, or (2) other local revenue sources. While state law restricts the use of several shared revenues, proceeds derived from other shared revenues may be used for the general revenue needs of local governments. Exhibit 1 below provides examples of shared and other revenues sources.

### Exhibit 1: Shared and Other Revenue Source Examples

Shared Revenue Sources	Other Revenues
Alcoholic Beverage License Tax	Communication Services Tax
Cardroom Revenues	Convention Development Taxes
Constitutional Fuel Tax	Discretionary Surtax on Documents
County Fuel Tax	Green Utility Fee
County Revenue Sharing Program	Gross Receipts Tax on Commercial
Distribution of Sales & Use Taxes to Counties	Hazardous Waste Facilities
Emergency Management Assistance	Highway Safety Fees - Red Light Cameras
Enhanced 911 Fee	Insurance Premium Tax
Fuel Tax Refunds & Credits	Local Business Tax
Indian Gaming Revenues	Local Discretionary Sales Surtaxes
Insurance License Tax	Local Option Food & Beverage Taxes
Intergovernmental Radio Communication Program	Motor Fuel & Diesel Fuel Taxes (Ninth-Cent & Local Options)
Local Government Half-cent Sales Tax Program	Municipal Pari-mutuel Tax
Mobile Home License Tax	Municipal Parking Facility Space Surcharges
Municipal Revenue Sharing Program	Municipal Resort Tax
Oil, Gas, & Sulfur Production Tax	Public Service Tax
Phosphate Rock Severance Tax	Tourist Development Taxes
State Housing Initiatives Partnership Program	Tourist Impact Tax
Support for School Capital Outlay Purposes	
Vessel Registration Fee	

A number of the revenue sources listed above have legal restrictions that preclude Broward from imposing these fees and/or using these funds for transportation improvements. Based on this and the analysis of the existing Commitment 2040 revenues, a list of possible revenue sources to evaluate was developed. The focus of this list was on revenues that could be implemented and collected within Broward, not expanding statewide fees that would be allocated across the state. The list is organized into the five different categories shown below.

1. **Expanding or Increasing Existing Fees** - By their nature, expanding or increasing existing fees means that an existing framework is in place and that these are actions that can be taken by local governments.
2. **Expanding or Increasing Existing Taxes** - This category includes taxes that are currently being collected but do not have remaining capacity for increases. Therefore, by the nature of Florida's statutory framework all of these would require, at a minimum, action by the state legislators. They are expected to be permissive and therefore would require action by the local governmental entity as well. Further, depending on the nature of the enabling legislation they may also require voter approval.
3. **Revenues Not Currently Authorized in Florida** – This category includes revenue sources that are not currently authorized by the Florida Legislature.
4. **Revenues Authorized But Not Currently Implemented in Broward** – These are revenue sources that are authorized for use by the Florida Legislature but that have not been implemented by local legislation.
5. **Project or Geographically Concentrated Revenue Sources** – These are revenues that are applied to a specifically defined area, such as along a corridor or within a special district.

Exhibit 2 is the initial list of potential revenue sources that meet the criteria of being able to be implemented and collected in Broward.

### Exhibit 2: Initial List of Potential Revenue Sources for Broward County

Category	Revenue Source
Expanding/ Increasing Existing Fees	Driver's License Fee
	Motor Vehicle License Fee and Surcharge
Expanding/ Increasing Existing Taxes	Tourism Taxes
	New Vehicle Sales Tax
	Property Tax
	Rental Car Tax/Fees
	Motor Fuel Taxes
Revenues Not Currently Authorized	Auto Insurance Tax
	Business Parking Fee
	Income Tax
	Carbon Tax/Vehicle Emissions Fee
	Cordon Charge
	Mileage Based User Fee (MБУF)
	Parking Surcharge
Authorized But Not Implemented	Discretionary Surtax
Project or Geographically Concentrated	Air Rights
	Development Charges
	Land Value Capture/Tax Increment Financing
	Toll Road





## Revenue Screening

After the revenues were categorized, an assessment was made on the most promising revenues within these categories based on their:

1. Potential to generate revenue and
2. The complexity of implementation

### Screening Criteria

#### A. Estimated Revenue Potential

The Estimated Revenue Level is rated Green, Yellow or Red based on an initial assessment of the ability for that source to generate revenues in Broward County.

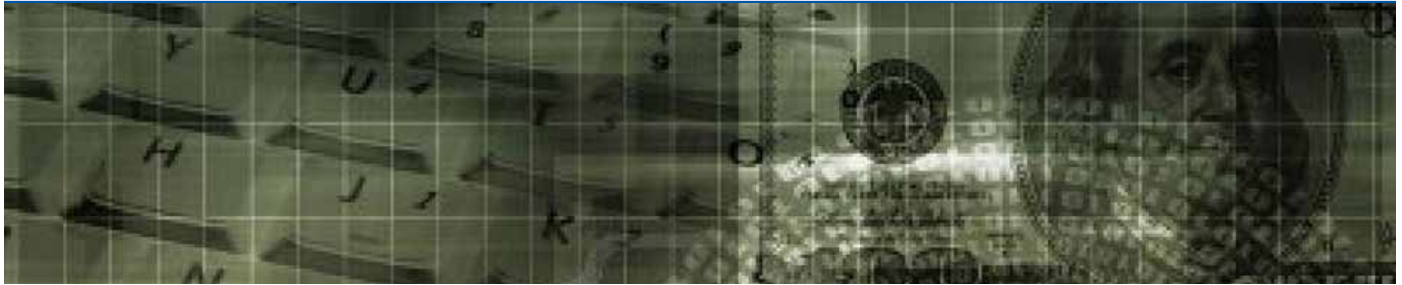
- GREEN ●:** Estimated revenue generation would be \$40 million or more per year. This also assumes that there is a reasonably straightforward basis on which to make an initial estimation of revenues.
- YELLOW ●:** Estimated revenue generation would range from \$10 million to as much as \$30 million per year. Also, by making some high-level assumptions it is possible a reasonable estimation of revenues can be made.
- RED ●:** Estimated revenue generation would not yield more than \$10 million per year or it is not practicable to estimate the level of revenues that would be generated without extensive analysis beyond the scope of this study.

#### B. Implementation Complexity

This screening criterion assesses what level of action is necessary to implement this revenue source. This would include activities such as new legislation or a public vote. It also could require agreement of property owners such as a special district. In some cases the revenue source could it be implemented via action by a local governing body such as a city council.

- GREEN ●:** The revenue source could be implemented via action of a local governing body or any other required action is considered likely to be obtained.
- YELLOW ●:** It is considered possible to implement the necessary authorization action although it is expected to require a considerable level of effort to put it in place. For instance, if a vote of the public is required it is considered a reasonable possibility that a favorable vote could be achieved.
- RED ●:** The level of action required to implement the necessary authorization is considered to be exceptionally difficult and has a low probability of being put in place.

***If a potential revenue source received a Red rating for either estimated revenue or implementation complexity, it was not deemed viable for further evaluation.***



## Assessment by Revenue Category

The following is a brief overview of the assessment of each of the potential revenue sources from Exhibit 2, by category, using the above-described criteria.

### Expanding or Increasing Existing Fees

#### A. Driver's License Fee

This is contemplated as an additional fee on the issuance of driver's licenses, both initial issuance and all renewals.



#### ESTIMATED REVENUE:

**YELLOW ●**: An increase in the Driver's License Fees, depending on the fee assessed, could deliver a medium range level of revenues.

#### IMPLEMENTATION COMPLEXITY:

**GREEN ●**: An ordinance or resolution from the Broward County Commission would be necessary to authorize a countywide increase Driver's License Fees and renewals.

#### B. Motor Vehicle License Fee and Surcharge

This is contemplated as an additional registration fee/surcharge for vehicles.



#### ESTIMATED REVENUE:

**YELLOW ●**: Depending on the fee assessed there could be a medium level of revenues generated.

#### IMPLEMENTATION COMPLEXITY:

**GREEN ●**: The increase would require an action, e.g. an ordinance or a resolution, from the Broward County Commission to implement a countywide fee.

#### EVALUATION:

Even though these fees are estimated to only generate a medium level of revenue, the fact that they could be used to supplement other revenue sources and could be implemented by local government without state action make these two fees good candidates for further assessment.

## Expanding or Increasing Existing Taxes

This category includes Tourism Taxes, New Vehicle Sales Tax, Property Tax, Rental Car Taxes/Fees, and Motor Fuel Taxes.

### A. Tourism Taxes

This would impose additional tourism taxes dedicated to transportation. There are a several existing taxes that could fall into the category of Tourism Taxes:

- **Local Option Food and Beverage Taxes** – This is only authorized in Miami-Dade at this time. A two percent tax may be imposed by ordinance on the sale of food, beverages, and alcoholic beverages in hotels and motels. The proceeds are used for promoting the county and its constituent municipalities as a destination site for conventions, trade shows, and pleasure travel. With some exceptions, a one percent tax may be imposed on the sale of food, beverages, and alcoholic beverages in establishments that are licensed by the state to sell alcoholic beverages for consumption on the premises. Not less than 15 percent of the proceeds are used for construction and operation of domestic violence centers. The remainder is used for programs to assist the homeless or those about to become homeless.
- **Tourist Development Taxes** – Section 125.0104, F.S., authorizes five separate tourist development taxes that county governments may levy. Depending on a county's eligibility to levy, the tax rate applied to transient rental transactions varies from a minimum of three percent to a maximum of six percent. The levies are by vote of the county's governing body or referendum approval. The tax proceeds are used generally for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance; however, the specific authorized uses vary according to the particular levy. According to the state revenue office, during the 2013-14 local fiscal year the 62 counties currently levying a tourist development tax will realize an estimated \$638 million in revenue. The 47 counties not currently levying all possible tourist development taxes will allow an estimated \$48 million to go unrealized.

Broward County Currently Imposes two percent under 125.0104(3)(c), F.S. and one percent under 125.0104(3)(d), F.S. which is the maximum allowable.

- **Tourist Impact Tax** – Any county creating a land authority pursuant to s. 380.0663(1), F.S., may levy a one percent tax subject to referendum approval on transient rental facilities within the county area designated as an area of critical state concern pursuant to Chapter 380, F.S. If the area(s) of critical state concern are greater than 50 percent of the county's total land area, the tax may be levied countywide. The tax proceeds are used to purchase property in the area of critical state concern and offset the loss of ad valorem taxes due to those land purchases.



### ESTIMATED REVENUE:

- **RED ●**: For the Fiscal Year ending September 30, 2014 Broward County generates \$9.4 million in Tourist Development Taxes for each one percent of tax. However, these taxes are not authorized for transportation purposes. Further, Broward County is collecting the maximum of five percent in Tourist Development Taxes at this time. Given the existing tourism taxes it is unlikely that an increase dedicated to transportation could be set at a level to raise significant revenues.

### IMPLEMENTATION COMPLEXITY:

- **YELLOW ●**: To create a tourism tax dedicated to transportation it would require state legislative action to permit the local option, an action by the local jurisdiction and potentially a voter referendum. There would be substantial competition from the current benefactors of these taxes.

### B. New Vehicle Sales Tax

This would create an additional sales tax on new vehicles dedicated to transportation. This is contemplated as a permissive tax that would be authorized and the state level and implemented at the county level at the county's discretion. There is an existing Motor Vehicle License Tax at the state level that is dedicated to school districts and community colleges (District Capital Outlay and Debt Service Trust Fund)



#### ESTIMATED REVENUE:

**RED ●:** This would only be applied to new vehicles and is unlikely to be assessed at a high enough level to generate substantial revenues

#### IMPLEMENTATION COMPLEXITY:

**RED ●:** If this were to be specially authorized independent from the Discretionary Sales Surtax it would require state legislative action and potentially additional local action or even a voter referendum.

### C. Property Tax

This would be a redirection and/or increase in property tax for dedicated transportation purposes.



#### ESTIMATED REVENUE:

**RED ●:** Due to the fact that there are already Property Taxes in place for a variety of uses it is not likely that a dedication of existing revenues or imposition of a special district could generate meaningful revenues.

#### IMPLEMENTATION COMPLEXITY:

**RED ●:** It would require the County or municipalities to divert currently authorized millage to transportation purposes or create a special district and hold a vote.

#### D. Rental Car Tax/Fees

As rental cars fees are in existence, this is contemplated as an increase in rental car fees and/or taxes dedicated to transportation projects in Broward.

##### ESTIMATED REVENUE:

**RED ●:** It is estimated that an additional car rental tax or fee has a fairly minimal level of revenue potential as it only impacts car rentals and the levels would need to be modest given the existing rental car charges already in place.

##### IMPLEMENTATION COMPLEXITY:

**YELLOW ●:** Implementing a new tax would likely require legislative approval, Broward County approval and potentially a vote if they were taxes. There would be considerable competition from the existing beneficiaries of the rental car fee income stream as well as resistance from the rental car companies to implementation for non-airport uses.

#### E. Motor Fuel Taxes

This would impose additional motor fuel taxes dedicated to transportation. Commonly referred to as gas taxes, these are fixed amounts paid on each gallon of gasoline purchased. Broward receives existing revenues from motor fuel taxes levied at both the state and local levels. In addition to statewide motor fuel taxes, Florida also authorizes county governments to levy local option motor fuel taxes of up to 12 cents. Broward currently levies the maximum 12 cents allowed by existing legislation.

##### Current State Imposed Levies:

- Constitutional Motor Fuel Tax (2 cents)
- County Motor Fuel Tax (1 cent)
- Municipal Motor Fuel Tax (1 cent)

##### Current Local Option Levies:

- Ninth Cent Motor Fuel Tax (1 cent)
- 5-Cent Motor Fuel Tax (5 cents)
- 6-Cent Motor Fuel Tax (6 cents)

##### ESTIMATED REVENUE:

**GREEN ●:** Because current motor fuel tax levels produce just over \$100 million in average annual revenue, it is estimated that an increase in the amount levied could generate substantial new revenues depending on the level of the tax.

##### IMPLEMENTATION COMPLEXITY:

**RED ●:** An increase in motor fuel taxes would require local or state legislative authorization. Even increasing the local option levies would require the state to increase its maximum allowance of 12 cents, as Broward already utilizes the full amount.

#### EVALUATION:

All of the items in this category require new authorization by legislation and with the exception of motor fuel taxes, would likely face substantial competition from the existing sources receiving the funds to any proposed redirection of an increase for dedicated transportation purposes. Therefore, none of these items were carried forward for further evaluation.

## Revenues Not Currently Authorized in Florida

### A. Auto Insurance Tax

This is a tax paid by vehicle owners when making auto insurance payments.

#### ESTIMATED REVENUE:

**YELLOW ●:** It is expected that an auto insurance tax would have the potential to generate a modest amount of revenue within Broward depending on the level of the tax. The easiest implementation would be a fixed amount per year per vehicle that would be collected on a pro rata basis as insurance premiums were collected. The fee could be \$5 – 10/month.

#### IMPLEMENTATION COMPLEXITY:

**RED ●:** Because this is a new tax it is likely that authorizing legislation would be required to make it available across the County and require the auto insurance companies to impose and collect the fee. The County would then need to take action to implement. There is likely to be a strong lobby against this legislation, and Broward currently has some of the highest insurance rates in the state. It is expected that there would be a requirement for a public vote as well since it would be a tax on all drivers.



### B. Business Parking Fee

This would be a fee imposed on off-street, non-residential parking throughout Broward. This could be at a variable rate, based on relative current value assessments or simply a flat fee per parking space for each business.

#### ESTIMATED REVENUE:

**YELLOW ●:** Depending on the structure of the fee and whom it was applied to, this fee could potentially generate a medium level of revenues. Without further refinement of the specific structure it would be challenging to estimate.

#### IMPLEMENTATION COMPLEXITY:

**RED ●:** If this can be justified as a fee, it is assumed that the County could impose this fee. If it were considered a tax, it would need to be authorized by the legislature as well as the County and probably would require a vote as is required for the Municipal Parking Facility Space Surcharges. It is unlikely to pass at this time given the car-oriented nature of Broward with limited alternatives, but may be a good mechanism for reducing the amount of parking once more transportation options become available.



### C. Income Tax

This would be a monthly payroll tax paid by all employees or both employers and employees. It could be a flat fee or a percentage of income.

#### ESTIMATED REVENUE:

**GREEN ●**: This tax has the potential to generate a substantial level of new revenues depending on the level of tax.

#### IMPLEMENTATION COMPLEXITY:

**YELLOW ●**: This will require state legislative approval as well as County approval and potentially a voter referendum.



### D. Carbon Tax/Vehicle Emissions Fee

This would be a fee on emissions of carbon dioxide created from use of fossil fuels; likely to be charged based on a price per ton of emitted carbon dioxide or per gallon of fuel.

#### ESTIMATED REVENUE:

**YELLOW ●**: To have this as a dedicated transportation revenue source, it would be best to limit it to emissions associated with vehicles. Depending on the level of fee this could both generate substantial revenue and encourage transit usage. However, determining a valid calculation method and implementing a tracking mechanism could be challenging.

#### IMPLEMENTATION COMPLEXITY:

**RED ●**: This will require new legislation and is likely to generate considerable controversy and be very difficult to put in place in the short run.



### E. Cordon Charge

This would be a fee charged as an "entry" (or exit) fee to access set County perimeters. The major issue with this source is that it would require a major infrastructure investment to track and charge these fees.

#### ESTIMATED REVENUE:

**YELLOW ●**: Due to the fact that Broward is not highly urban and particularly because it is more residential than employment centered, a cordon charge would not generate as much revenue as it would in a more urban area such as London.

#### IMPLEMENTATION COMPLEXITY:

**RED ●**: This is an entirely new concept and would likely require state legislative approval as well as County approval unless it was determined that it could be treated as a toll.



### F. Mileage Based User Fee (MBUF)

This would be a fee charged per mile traveled for all miles driven in Broward.

#### ESTIMATED REVENUE:

**GREEN ●**: Depending on the level of fee a MBUF could generate substantial revenues.

#### IMPLEMENTATION COMPLEXITY:

**YELLOW ●**: A MBUF fee would likely require an action from the Broward County Commission, a voter referendum, and a majority "yes vote" to go into effect. However, it is a new type of transportation fee that is being considered across the country as a new or replacement revenue source.



### G. Parking Surcharge

This would add a new surcharge to be implemented on parking charges. Currently authorized are Municipal Parking Facility Space Surcharges for municipalities with a resident population of 200,000 or more, which has more than 20 percent of its real property exempt from ad valorem taxation, and is located in a county with a population greater than 500,000. The proceeds are used to reduce the municipality's ad valorem tax millage rate or eliminate non-ad valorem assessments and improve transportation in downtown or urban core areas.

#### ESTIMATED REVENUE:

**RED ●**: Due to the fact that there is not a substantial amount of paid parking in Broward it is not likely that this fee would generate substantial revenues.

#### IMPLEMENTATION COMPLEXITY:

**YELLOW ●**: Since the Municipal Parking Facility Space Surcharges have specific legislative authorization it is likely that state legislation would be necessary to implement these as well.



### EVALUATION:

These are all new revenues with their own unique authorization and/or implementation challenges. The Parking Surcharge has low revenue potential. The Carbon Emission Fee could generate high levels of revenues but it has considerable calculation and implementation challenges and is one likely to generate a broad range of competitors for use of the fee. The Auto Insurance Tax, Business Parking Fee and Cordon Charge each are rated YELLOW/RED having both revenue and implementation challenges. The two in this category that rise to the top are:

- **Mileage Based User Fee (MBUF) and**
- **Income Tax**

Both of these items have a GREEN rating for revenue generated with a YELLOW for implementation making them excellent candidates for further analysis .



## Revenues Authorized But Not Currently Implemented in Broward

### A. Discretionary Surtax

There could be up to two percent available in Broward for a Local Discretionary Surtax dedicated to transportation purposes: up to one percent for Charter County and Regional Transportation System Surtax plus up to one percent for a Local Government Surtax . More information about this surtax is included in Appendix A.

#### ESTIMATED REVENUE:

**GREEN ●**: The Discretionary Surtax could generate substantial revenues with two categories of potential taxes.

#### IMPLEMENTATION COMPLEXITY:

**YELLOW ●**: Implementing this new tax would require action by the County and a voter referendum.



## Project or Geographically Concentrated Revenue Sources

### A. Air Rights

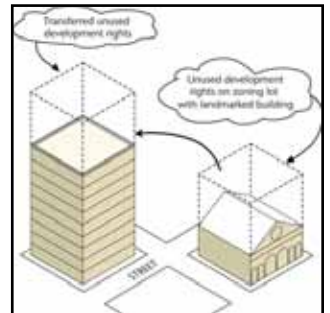
These are payments made by private developers for the rights to use publicly owned air rights.

#### ESTIMATED REVENUE:

**RED ●**: Air rights have a very limited applicability, particularly in non-urban areas. While there may be specific situations where revenue could be generated, it is likely to be in conjunction with a specific project and would only generate minimal revenues.

#### IMPLEMENTATION COMPLEXITY:

**YELLOW ●**: The ability to authorize Air Rights would rest with each individual governmental jurisdiction



### B. Development Charges

Development Charges would be one-time charges levied on new developments and eligible redevelopments with the proceeds dedicated to related transportation purposes.

#### ESTIMATED REVENUE:

**RED ●**: Development Fees only will be relevant to specific projects and are unlikely to generate large amounts of revenue.

#### IMPLEMENTATION COMPLEXITY:

**GREEN ●**: Development Fees are normally controlled by the local jurisdictions.



### C. Land Value Capture/Tax Increment Financing (TIF)

Value Capture, and the related financing mechanism of TIF, constitutes capturing increased property tax value based on transportation improvements and then dedicating the resulting value to repay the transportation improvements.

#### ESTIMATED REVENUE:

**RED ●:** While this revenue source can be valuable for specific projects it is difficult to generate substantial quantities of funds **to cover a county-wide transportation system.**

#### IMPLEMENTATION COMPLEXITY:

**GREEN ●:** The appropriate local jurisdiction must authorize this revenue source.



### D. Toll Roads

This would be an imposition of new tolls on new facilities or increasing tolls on existing facilities to dedicate for transportation purposes in Broward.

#### ESTIMATED REVENUE:

**RED ●:** There is a wide range of revenues that could be generated, as this is dependent on the facility. The ability to raise tolls on existing facilities will be a function of whether there is any remaining ability to raise tolls without decreasing revenues.

#### IMPLEMENTATION COMPLEXITY:

**YELLOW ●:** The implementation of tolling, what regulations govern, and who is responsible for what would be dependent on the location of the tolling facility. For example, if the toll road is on a state highway, it is controlled by FDOT. If the toll road is on a federal Interstate, Federal Highway Administration regulations control the facility and FDOT is the primary applicant. If the toll road is on a non-state highway, then the applicable jurisdiction for that area would control and that jurisdiction might need authorizing legislation to establish their role and responsibilities. The ability to redirect tolls for an existing facility will be a function of existing agreements and obligations.



### E. Special Assessment Districts

A Special Assessment District is formed and fees are charged to businesses in the district in order to finance infrastructure improvements in a specific area.

#### ESTIMATED REVENUE:

**RED ●:** While this revenue source can be valuable for specific projects it is difficult to generate substantial quantities of funds **to cover a county-wide transportation system.**

#### IMPLEMENTATION COMPLEXITY:

**YELLOW ●:** The appropriate local jurisdiction must authorize this revenue source and often the businesses in the area must approve it as well. This would require individual authorization for each assessment district.



### EVALUATION:

All of the above are tied to specific projects or geographic areas, and the Speak Up Broward visioning process will not be project specific. Therefore, it was determined that none of the above category of revenues would be carried forward to prepare an estimate. These revenues still have potential value for contributing to specific projects once they are identified.

Appendix B below provides a summary of the assessment of each potential new revenue source as previously discussed.

## Findings

Based on the assessment, the following potential revenue sources are recommended for further analysis, including estimates of revenue that could be generated by each:

- Driver's License Fee
- Motor Vehicle License Fee and Surcharge
- Income Tax
- Mileage Based User Fee (MBUF)
- Discretionary Surtax
- Motor Fuel Tax

The next step will provide estimates of potential revenue that could be generated by the sources selected through this initial analysis, as well as review various financing and debt service options.

## Estimation of New Transportation Revenue Sources in Broward

For the short-list of revenues selected, a more detailed revenue estimate was conducted of the potential new revenue sources that could be used to fund and finance transportation projects in Broward. This section provides the revenue estimates and further describes the methodologies that were used to calculate those estimates. These are preliminary estimates meant to give an idea of the level of revenue that could be generated. If one or more of these are selected for further consideration, a more detailed analysis of potential revenue is necessary.

Exhibit 3 summarizes the potential amount of new revenue that could be generated using the short-listed sources. High and low ranges are provided for each potential revenue source. Detailed tables that show estimates for each revenue source by year are provided in Appendix C.

**Exhibit 3: Summary of Potential New Revenue Sources, 2015 - 2040 (in millions)**

POTENTIAL REVENUE SOURCE		2015	2020	2025	2030	2035	2040	TOTALS
Motor Vehicle License Fees	Low	5% increase in registration fees						
		\$6.26	\$6.39	\$6.55	\$6.70	\$6.78	\$6.86	\$171.50
	High	10% increase in registration fees						
		\$12.35	\$12.60	\$12.93	\$13.23	\$13.39	\$13.54	\$338.45
Driver's License Fees	Low	\$5 per license						
		\$1.34	\$1.38	\$1.42	\$1.43	\$1.45	\$1.47	\$36.81
	High	\$10 per license						
		\$2.68	\$3.31	\$3.40	\$4.58	\$4.63	\$4.69	\$98.37
Mileage Based User Fee (MBUF)	Low	Low VMT growth and 1/4 cent per mile						
		\$38.59	\$36.14	\$33.85	\$31.71	\$29.70	\$27.82	\$855.97
	High	High VMT growth and one cent per mile						
		\$171.50	\$191.50	\$213.83	\$238.75	\$266.59	\$297.67	\$5,955.29
Pax (Income Tax)	Low	0.25%						
		\$83.00	\$90.18	\$97.99	\$106.47	\$115.68	\$125.68	\$2,676.18
	High	0.5%						
		\$166.00	\$180.37	\$195.97	\$212.93	\$231.35	\$251.37	\$5,352.36
Discretionary Surtax (After Municipal Allocation)	Low	1/4 cent						
		\$31.49	\$35.64	\$40.32	\$45.62	\$51.61	\$58.39	\$1,134.29
	High	One cent						
		\$125.99	\$142.55	\$161.28	\$182.47	\$206.45	\$233.58	\$4,537.18
Discretionary Surtax (If County Maintains 100%)	Low	1/4 cent						
		\$78.11	\$88.38	\$99.99	\$113.13	\$127.99	\$144.81	\$2,812.91
	High	One cent						
		\$312.44	\$353.50	\$399.95	\$452.51	\$511.98	\$579.25	\$11,251.64
Motor Fuel Tax (Gas Tax)	Low	3 cents per gallon						
		\$24.55	\$22.99	\$21.54	\$20.17	\$218.90	\$17.70	\$2,178.36
	High	12 cents per gallon						
		\$98.20	\$91.98	\$86.15	\$80.70	\$75.59	\$70.80	\$24.55



## Description of Revenue Estimates

### Motor Vehicle License Fee and Surcharges

The Florida Department of Highway Safety Motor Vehicles reports on its website that motor vehicle license fees and surcharges are currently \$225 annually for new passenger vehicles (e.g. automobiles, pickups, motorcycles, and motor homes). Renewal fees for passenger vehicle licenses, commercial vehicles, and private-use trucks, are as follows:

- Up to \$1,999 lbs.: \$46.15
- 2,000 lbs. to 3,000 lbs.: \$57.15
- 3,001 lbs. to \$5,000 lbs.: \$70.65

Revenue estimates below are based on the currently assessed fees and surcharges. Although Governor Rick Scott has recently signed a bill that will decrease these fees, the new rates have not taken effect yet. Of course any reduction of the fees would need to be added to the range of increases below to achieve the same amounts of projected revenue.

To calculate the revenues, five years of historical data on the number of licenses by vehicle type was used to develop a forecast from Fiscal Year (FY) 2015 to FY 2040. Forecasted average annual population growth rates<sup>1</sup> were used to estimate the number of passenger vehicles for each forecast year, except for mobile homes. Annual growth rates applied for each time period are as follows:

- 2010-2020 - 0.38 percent
- 2020-2030 - 0.54 percent
- 2030-2040 - 0.24 percent

Due to the irregular purchase history of mobile homes, half of the annual average growth rate for population was used to develop this forecast. Additionally, a three-year historical average from FY 10 to FY 12, corresponding to 0.14 percent per year, was used to forecast the number of commercial vehicles. Exhibit 4 summarizes the historical number of motor vehicle licenses by vehicle type for the last five years, forecasted number of motor vehicle licenses for selected years, and the annual average growth rates used to develop the forecast.

<sup>1</sup>Source: *Speak Up Broward Fact Files Report, March 2014*

**Exhibit 4: Historical, Forecast, and Annual Growth Rate of Vehicles in Broward County**

Vehicle Registration	FY08	FY09	FY10	FY11	FY12	FY13	Growth Rates FY13-19	FY20	Growth Rates FY20-29	FY30	Growth Rates FY30-40	FY40
Auto & Pickups	1,211,030	1,207,440	1,187,096	1,187,172	1,192,641	1,197,210	0.38%	1,231,576	0.54%	1,295,508	0.24%	1,326,703
Motorcycles	42,059	41,634	40,404	40,219	40,146	40,300	0.38%	41,457	0.54%	43,609	0.24%	44,659
Mobile Homes	21,869	21,953	22,025	21,732	22,107	22,149	0.19%	22,465	0.27%	23,042	0.12%	23,569
Heavy Trucks	64,826	61,768	60,672	61,583	62,739	62,825	0.14%	63,434	0.14%	64,314	0.14%	65,206
Travel Trailers	3,887	3,731	3,576	3,492	3,454	3,459	0.14%	3,492	0.14%	3,541	0.14%	3,590
Vessels	44,455	43,083	41,888	41,115	40,429	40,485	0.14%	40,877	0.14%	41,444	0.14%	42,019
Trailers	63,986	60,625	59,765	59,979	59,560	59,642	0.14%	60,220	0.14%	61,055	0.14%	61,902
Buses & Tools	5,088	5,168	5,072	5,104	5,304	5,311	0.14%	5,363	0.14%	5,437	0.14%	5,513
<b>Total</b>	<b>1,457,200</b>	<b>1,445,402</b>	<b>1,420,498</b>	<b>1,420,396</b>	<b>1,426,380</b>	<b>1,431,381</b>	<b>N/A</b>	<b>1,468,884</b>	<b>N/A</b>	<b>1,537,950</b>	<b>N/A</b>	<b>1,573,160</b>

Source: Florida Department of Highway Safety and Motor Vehicles

**LOW RANGE ESTIMATE:**

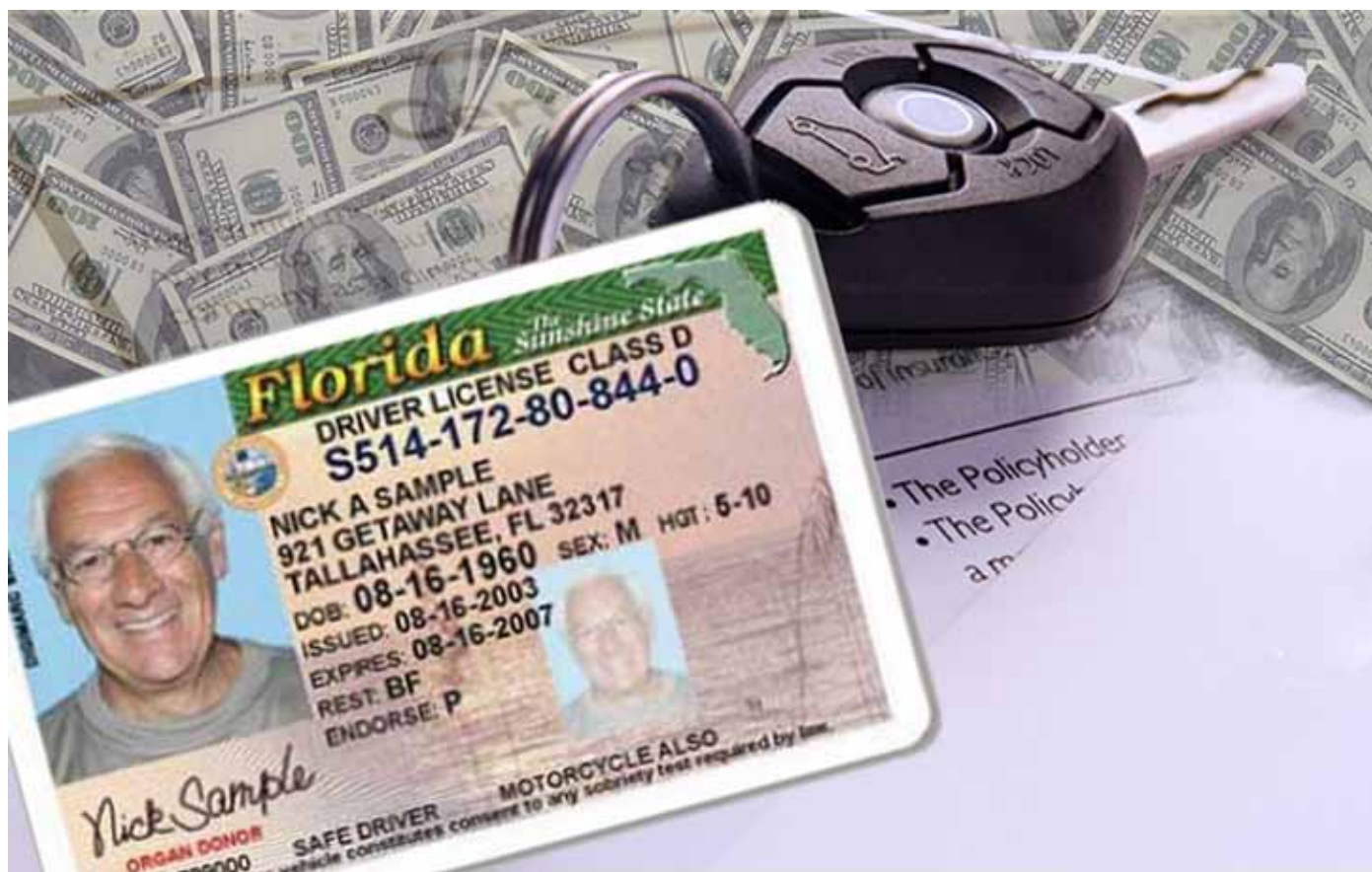
A five percent increase on new passenger vehicles and renewals would generate an additional \$11.25/vehicle and \$3.00/vehicle, respectively in 2015. For commercial vehicles, a five percent increase on renewals would generate an estimated \$2.31/vehicle to \$3.53/vehicle depending on the weight of the vehicle. Based on the limited availability of the number of commercial vehicles by weight, it was determined that a \$4.00/vehicle fee was a reasonable estimate of the amount of revenues that could be generated from commercial vehicles. This percentage increase could generate an estimated total of \$172 million from 2015 to 2040.

**HIGH RANGE ESTIMATE:**

A 10 percent increase on new passenger vehicles and renewals would generate an additional \$22.50/vehicle and \$6.00/vehicle, respectively in 2015. For commercial vehicles, a 10 percent increase on renewals would generate an estimated \$4.62/vehicle to \$7.07/vehicle depending on the weight of the vehicle. Based on the limited availability of the number of commercial vehicles by weight, it was determined that a \$7.00/vehicle fee was a reasonable estimate of the amount of revenues that could be generated from commercial vehicles. This percentage increase could generate an estimated total of approximately \$339 million in new revenues.

**IMPLEMENTATION:**

A percentage increase in motor vehicle license fee, surcharges, and annual renewals would require an action, such as an ordinance or a resolution, from the Broward County Commission. A voter referendum and/or state legislative action would not be necessary.



### Drivers' License Fee

This analysis projected the amount of additional revenues that could be generated from an additional drivers' license fee on top of existing fees for the issuance of new licenses and renewals. Historical data regarding the total number of licensed drivers by age group (under and over the age 21) compiled by the Florida Department of Highway Safety and Motor Vehicles was used as a basis for the forecast. FY 12 data was increased using the annual average growth rates in population for Broward County. It was assumed that the 15-21 age group, first time licensed drivers, would remain constant as a percentage of total drivers between now and 2040. Renewals are required every eight years, impacting one in eight drivers in any given year. The Florida Department of Highway Safety Motor Vehicles reports that the fee for obtaining a new driver's license and renewing an existing license is \$48. Exhibit 5 illustrates the historical and forecast number of licensed drivers.

### Exhibit 5: Historical and Forecast Number of Licensed Drivers

Licensed Drivers	2008	2009	2010	2011	2012	2013	2020	2030	2040
First Time Licensed Drivers	97,524	93,654	90,328	87,971	87,469	87,804	90,324	95,013	97,301
21+	1,303,520	1,297,109	1,294,013	1,290,061	1,298,595	1,303,570	1,340,989	1,410,601	1,444,567
<b>Total</b>	<b>1,401,044</b>	<b>1,390,763</b>	<b>1,384,341</b>	<b>1,378,032</b>	<b>1,386,064</b>	<b>1,391,374</b>	<b>1,431,313</b>	<b>1,505,615</b>	<b>1,541,868</b>
First Time Licensed Drivers as a % of Total	6.96%	6.73%	6.52%	6.38%	6.31%	6.31%	6.31%	6.31%	6.31%

Source: Florida Department of Highway Safety and Motor Vehicles

To a lesser extent, the number of new drivers’ licenses issued is also a function of population migration to (and from) Broward County. This was determined by multiplying the annual change in the number of total licensed drivers by 83.5 percent, which corresponds to the percentage of population growth in Broward that can be attributed to population migration<sup>2</sup>. The number of new drivers’ licenses issued to adults moving to Broward was estimated to be 4,434 in FY 13. This amount was added to the number of first time drivers.

#### LOW RANGE ESTIMATE:

For the lower revenue estimate, this analysis assumed that both the new and renewal license fees would increase by \$5.00. It assumes this rate continues through 2040. This increase could generate approximately \$37 million from 2015 to 2040.

#### HIGH RANGE ESTIMATE:

For a higher estimate, the analysis assumes the following increases for both the new and renewal license fees.

- From 2015 to 2019: \$10.00
- From 2020 to 2029: \$12.00
- From 2030 to 2040: \$16.00

This new fee starts at double the low range estimate and increases over time to roughly approximately a three percent inflation rate, as shown for each time period. At this rate, the increase in Drivers’ License Fees could generate \$98 million between 2015 and 2040.

#### IMPLEMENTATION:

An ordinance or resolution from the Broward County Commission would be necessary to increase drivers’ license fees and renewals.

<sup>2</sup>Source: Office of Economic and Demographic Research, Florida Legislature.





### Mileage Based User Fee (MBUF)

A mileage based user fee (MBUF), or vehicle miles traveled fee, is a user charge based on miles driven in a specific vehicle, as opposed to the current excise tax on fuel consumed. At its simplest, the fee would be cents per mile. More sophisticated systems could assess different mileage fees based on factors like location, congestion, emissions, and type of vehicle. The effort to bolster the user-pays principle for infrastructure improvements, coupled with the search for more stable revenue sources, has led to calls for a MBUF approach. The biggest merit of a MBUF is that it brings this much closer to a user-pay system, by charging drivers directly for the miles they travel and the resulting wear and tear on the roads. It also addresses the declining revenue yield from of the gas tax.

While many feel that a MBUF is a strong possibility for the future, there are some administrative and policy issues that would need to be resolved before implementation. This includes addressing how the information would be gathered and the fee collected. It is generally viewed that in the future, the vehicles themselves will contain the necessary technology to enable this form of fee collection. There is currently a pilot program underway in Oregon to test various strategies, but a MBUF program has not been implemented. Therefore, it is unlikely that any MBUF program could be implemented in the immediate future. While many view a MBUF as a replacement for the fuel tax, for purposes of this analysis a MBUF is being treated as an additional revenue source collected only in Broward.

This estimate of revenue generation from a MBUF is based on a forecast of annual amount of vehicle miles traveled (VMT). This was determined by taking historical data relating to average Daily Vehicle Miles Traveled compiled by the Florida Department of Transportation (FDOT), annualizing this data for a full year, and developing a forecast from 2015 to 2040. Sensitivity analyses were conducted using a low, medium, and high annual growth rates corresponding to the expected growth in fuel tax revenues, 10 year change in VMT, and FDOT forecast in VMT. A range of analysis was conducted using a MBUF of ¼ cent, one cent, and two cents.

The results of these analyses are listed in Exhibit 6.

**Exhibit 6: Mileage Based User Fee**

	Compound Annual Growth Rate	1/4 Cent	1 Cent	2 Cents
<b>Low<sup>3</sup></b>	-1.30%	<b>\$855,966,000</b>	\$3,423,875,000	\$6,847,749,000
<b>Medium</b>	0.06%	\$1,053,161,000	\$4,212,645,000	\$8,425,289,000
<b>High</b>	2.23%	\$1,488,818,000	<b>\$5,955,285,000</b>	\$11,910,567,000

*Low and high range estimates are in bold.*

**LOW RANGE ESTIMATE:**

The low Compound Annual Growth Rate (CAGR) and ¼ cent rate was used for the low range. An estimated \$856 million could be generated between 2015 and 2040.

**HIGH RANGE ESTIMATE:**

Due to the fact that the numbers for the two cent MBUF were exceptionally large, the high Compound Annual Growth Rate (CAGR) one cent numbers were used for the high range revenue estimates. Over the 25 year period, this combination could generate \$5.96 billion.

**IMPLEMENTATION:**

In addition to the complex administrative issues discussed above, because it is a fee, it was assumed that a MBUF would likely require an action from the Broward County Commission, a voter referendum, and a majority “yes” vote to go into effect. Privacy concerns could also be an impediment to implementation as some citizens have raised concerns about the government tracking their movements, which may be necessary for a MBUF to be collected accurately.

<sup>3</sup>Compound Annual Growth Rate (CAGR) for the low range estimate was provided by the Commitment 2040 team.



### **Business Payroll Tax (Income Tax)**

Florida does not have an income tax. In order to estimate the amount of revenues that could be generated from one, it was necessary to develop a forecast of total number of employees and income. Employment was increased by 0.31 percent per year which corresponds to approximately of the average annual growth rate in employment from 2003 to 2012. Income was increased by 1.35 percent or about half of the average annual increase during this period. This lower growth rate takes into account the recent growth in income during the last five years in the United States as a whole. The assumed start date is 2015. Exhibit 7 provides detailed estimates and projections of numbers of employees, average salaries and total wages for each year from 2012 to 2040.

It should be noted that an income tax could be instituted so that the employee pays the 100% of the tax, the employer pays 100% of the tax, or the two parties pay a combination of the contributions. In any case, the potential revenues would not change.

#### **LOW RANGE ESTIMATE:**

A 0.25 percent income tax would generate \$2.68 billion from 2015 to 2040.

#### **HIGH RANGE ESTIMATE:**

A 0.5 percent income tax would provide \$5.35 billion during the 25 year period.

#### **IMPLEMENTATION:**

The introduction of an income tax would require a voter referendum and/or state legislative action. These obstacles along with historically strong resistance to an income tax in Florida would make it politically challenging to enact.

**Exhibit 7: Historical and Forecast Number of Employees and Wages**

	Year	Total Employees	Average Annual Wage & Salaries	Total Wages and Salaries	Potential Revenue (at 0.25%)	Potential Revenue (at 0.50%)
<b>HISTORICAL</b>	2002	673,157	\$34,475	\$23,207,087,575	N/A	N/A
	2003	679,649	\$35,911	\$24,406,875,239	N/A	N/A
	2004	692,531	\$37,905	\$26,250,387,555	N/A	N/A
	2005	731,941	\$39,378	\$28,822,372,698	N/A	N/A
	2006	747,163	\$41,276	\$30,839,899,988	N/A	N/A
	2007	751,629	\$42,087	\$31,633,809,723	N/A	N/A
	2008	736,490	\$42,718	\$31,461,379,820	N/A	N/A
	2009	686,146	\$43,159	\$29,613,375,214	N/A	N/A
	2010	677,659	\$43,811	\$29,688,918,449	N/A	N/A
	2011	685,170	\$44,469	\$30,468,824,730	N/A	N/A
	2012	701,317	\$45,042	\$31,588,720,314	N/A	N/A
	2013	703,521	\$45,652	\$32,117,333,006	N/A	N/A
	2014	705,733	\$46,271	\$32,654,791,620	N/A	N/A
	<b>FORECAST</b>	2015	707,951	\$46,898	\$33,201,244,187	\$83,003,000
2016		710,176	\$47,533	\$33,756,841,213	\$84,392,000	\$168,784,000
2017		712,409	\$48,177	\$34,321,735,724	\$85,804,000	\$171,609,000
2018		714,648	\$48,830	\$34,896,083,305	\$87,240,000	\$174,480,000
2019		716,894	\$49,491	\$35,480,042,147	\$88,700,000	\$177,400,000
2020		719,148	\$50,162	\$36,073,773,087	\$90,184,000	\$180,369,000
2021		721,408	\$50,841	\$36,667,439,652	\$91,669,000	\$183,337,000
2022		723,676	\$51,530	\$37,291,208,108	\$93,228,000	\$186,456,000
2023		725,951	\$52,228	\$37,915,247,503	\$94,788,000	\$189,576,000
2024		728,232	\$52,936	\$38,549,729,712	\$96,374,000	\$192,749,000
2025		730,521	\$53,653	\$39,194,829,488	\$97,987,000	\$195,974,000
2026		732,818	\$54,380	\$39,850,724,507	\$99,627,000	\$199,254,000
2027		735,121	\$55,117	\$40,517,595,420	\$101,294,000	\$202,588,000
2028		737,432	\$55,864	\$41,195,625,900	\$102,989,000	\$205,978,000
2029		739,750	\$56,621	\$41,885,002,692	\$104,713,000	\$209,425,000
2030		742,075	\$57,388	\$42,585,915,670	\$106,465,000	\$212,930,000
2031		744,408	\$58,165	\$43,298,557,882	\$108,246,000	\$216,493,000
2032		746,747	\$58,953	\$44,023,125,608	\$110,058,000	\$220,116,000
2033		749,095	\$59,752	\$44,759,818,412	\$111,900,000	\$223,799,000
2034		751,449	\$60,651	\$45,508,839,197	\$113,772,000	\$227,544,000
2035	753,811	\$61,382	\$46,270,394,263	\$115,676,000	\$231,352,000	
2036	756,181	\$62,214	\$47,044,693,362	\$117,612,000	\$235,223,000	
2037	758,558	\$63,056	\$47,831,949,754	\$119,580,000	\$239,160,000	
2038	760,942	\$63,911	\$48,632,380,271	\$121,581,000	\$243,162,000	
2039	763,334	\$64,777	\$49,446,205,370	\$123,616,000	\$247,231,000	
2040	765,733	\$65,654	\$50,273,646,200	\$125,684,000	\$251,368,000	
<b>TOTAL</b>				<b>\$2,676,182,000</b>	<b>\$5,352,363,000</b>	

Source: U.S. Bureau of Labor Statistics, U.S. Department of Labor



## Discretionary Sales Surtax

Florida law currently provides for a county to adopt eight separate kinds of Local Discretionary Sales Surtaxes. Two of these Local Discretionary Sales Surtaxes are specifically available for transportation purposes:

- 1) Charter County and Regional Transportation System Surtax and
- 2) Local Government Infrastructure Surcharge Tax.

Broward does not currently impose either of these taxes. To impose either of these taxes requires approval by a majority vote of the electorate. Each of these two surtaxes could be for up to one percent for a maximum of two percent if both were implemented. Since both require a separate public vote, it is unlikely that both would be implemented at the same time.

Discretionary sales surtax applies to the first \$5,000 of any single taxable item, when sold to the same purchaser at the same time. Single items include items normally sold in bulk and items assembled to comprise a working unit. The \$5,000 limitation does not apply to the rental of commercial real property, transient rentals, or services. With regard to the sale of motor vehicles, mobile homes, boats, or aircraft, the surtax applies only to the first \$5,000 of the total sales price. On the sale of a motor vehicle or mobile home, the tax rate is determined by the county where the purchaser resides as shown on the title or registration. On the sale of a boat or aircraft, the tax rate is determined by the county where the boat or aircraft is delivered. The local discretionary sales surtax applies to communications services as broadly defined in Ch. 202, F.S. Because the new communications services tax base is much larger than the base under prior law, discretionary sales surtax conversion rates are specified in law. For any county or school board that levies the surtax, the tax rate on communications services as authorized by s. 202.19(5), F.S., is expressed in law.

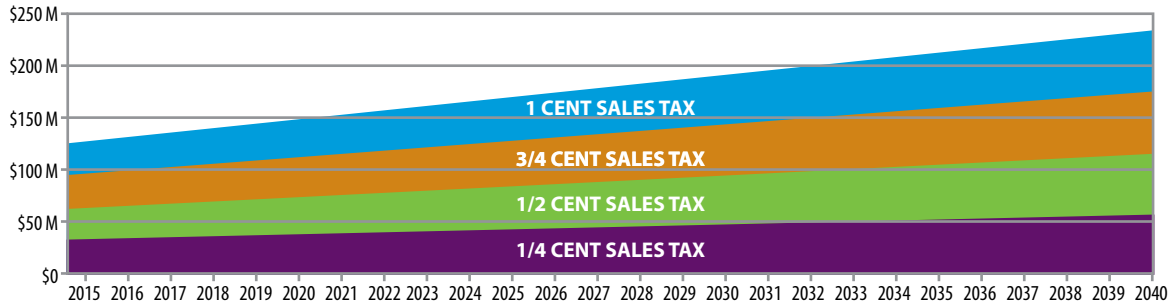
The Department of Revenue (DOR) administers, collects, and enforces the surtaxes. The governing body of any county levying a local discretionary sales surtax enacts an ordinance levying the surtax. The DOR is authorized to take an administrative cost deduction not to exceed 3 percent of the total surtax revenue generated by all levying counties. The administrative cost deduction is used only for those costs solely and directly attributable to the surtax, and the costs are prorated among those counties levying the surtax on the basis of the amount collected for a particular county to the total amount collected for all counties.

Projections of potential sales tax revenues are based on the estimate<sup>4</sup> by the Florida DORs Office of Tax Research as to the share to Broward County on a one percent Local Discretionary Sales Surtax for fiscal year ending September 30, 2014, with a 2.5 percent annual increase thereafter. This growth factor corresponds to the percentage amount to the historical increase in the Consumer Price Index (CPI). This analysis estimated the amount of new revenues from a ¼ cent, ½ cent, ¾ cent, and one cent sales tax. Each of the potential discretionary surtaxes has a one cent limit. Appendix A further describes the statutory purposes for which each of the discretionary surtax can be utilized.

The estimates of potential sales tax revenues are presented as two different ranges of projections based on assumptions about how these revenues would be shared among Broward County and its different municipalities. The first range of estimates assumes that the County would be required to allocate a set percentage of the revenues to the municipalities. Exhibit 8 delineates the potential local discretionary surtax revenues, ranging from ¼ cent to one cent from 2015 through 2040, which Broward County would likely generate after each municipality was given its share. The second range of estimates assumes that the County would maintain all revenues, and allow the municipalities to obtain a share on a competitive basis. Exhibit 9 delineates the potential local discretionary surtax revenues, again ranging from ¼ cent to one cent from 2015 through 2040, which Broward County would likely generate if it received 100 percent of the amount levied.

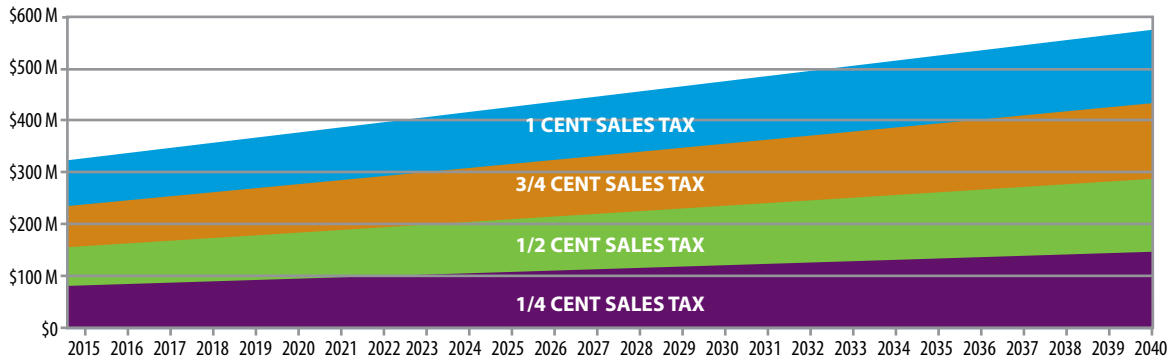
<sup>4</sup>Florida Department of Revenue's Office of Tax Research –  
Local Discretionary Sales Surtax Estimates for the Local Fiscal Year Ending September 30, 2014

**Exhibit 8: Potential Local Discretionary Surtax Revenues (After Municipal Allocation)**



Additional Sales Tax	1/4 Cent	1/2 Cent	3/4 Cent	1 Cent
2015	\$31,498,000	\$62,996,000	\$94,494,000	\$125,992,000
2016	\$32,285,000	\$64,571,000	\$96,856,000	\$129,142,000
2017	\$33,093,000	\$66,185,000	\$99,278,000	\$132,370,000
2018	\$33,920,000	\$67,840,000	\$101,759,000	\$135,679,000
2019	\$34,768,000	\$69,536,000	\$104,303,000	\$139,071,000
2020	\$35,637,000	\$71,274,000	\$106,911,000	\$142,548,000
2021	\$36,528,000	\$73,056,000	\$109,584,000	\$146,112,000
2022	\$37,441,000	\$74,882,000	\$112,323,000	\$149,765,000
2023	\$38,377,000	\$76,754,000	\$115,132,000	\$153,509,000
2024	\$39,337,000	\$78,673,000	\$118,010,000	\$157,346,000
2025	\$40,320,000	\$80,640,000	\$120,960,000	\$161,280,000
2026	\$41,328,000	\$82,656,000	\$123,984,000	\$165,312,000
2027	\$42,361,000	\$84,722,000	\$127,084,000	\$169,445,000
2028	\$43,420,000	\$86,840,000	\$130,261,000	\$173,681,000
2029	\$44,506,000	\$89,012,000	\$133,517,000	\$178,023,000
2030	\$45,618,000	\$91,237,000	\$136,855,000	\$182,474,000
2031	\$46,759,000	\$93,518,000	\$140,277,000	\$187,035,000
2032	\$47,928,000	\$95,856,000	\$143,783,000	\$191,711,000
2033	\$49,126,000	\$98,252,000	\$147,378,000	\$196,504,000
2034	\$50,354,000	\$100,708,000	\$151,063,000	\$201,417,000
2035	\$51,613,000	\$103,226,000	\$154,839,000	\$206,452,000
2036	\$52,903,000	\$105,807,000	\$158,710,000	\$211,613,000
2037	\$54,226,000	\$108,452,000	\$162,678,000	\$216,904,000
2038	\$55,582,000	\$111,163,000	\$166,745,000	\$222,326,000
2039	\$56,971,000	\$113,942,000	\$170,913,000	\$227,885,000
2040	\$58,395,000	\$116,791,000	\$175,186,000	\$233,582,000
<b>TOTAL</b>	<b>\$1,134,294,000</b>	<b>\$2,268,589,000</b>	<b>\$3,402,883,000</b>	<b>\$4,537,178,000</b>

**Exhibit 9: Potential Local Discretionary Surtax Revenues (If County Maintains 100%)**



Additional Sales Tax	1/4 Cent	1/2 Cent	3/4 Cent	1 Cent
2015	\$78,111,000	\$156,222,000	\$234,333,000	\$312,444,000
2016	\$80,064,000	\$160,127,000	\$240,191,000	\$320,255,000
2017	\$82,065,000	\$164,131,000	\$246,196,000	\$328,261,000
2018	\$84,117,000	\$168,234,000	\$252,351,000	\$336,468,000
2019	\$86,220,000	\$172,440,000	\$258,660,000	\$344,880,000
2020	\$88,375,000	\$176,751,000	\$265,126,000	\$353,502,000
2021	\$90,585,000	\$181,170,000	\$271,754,000	\$362,339,000
2022	\$92,849,000	\$185,699,000	\$278,548,000	\$371,398,000
2023	\$95,171,000	\$190,341,000	\$285,512,000	\$380,683,000
2024	\$97,550,000	\$195,100,000	\$292,650,000	\$390,200,000
2025	\$99,989,000	\$199,977,000	\$299,966,000	\$399,955,000
2026	\$102,488,000	\$204,977,000	\$307,465,000	\$409,953,000
2027	\$105,051,000	\$210,101,000	\$315,152,000	\$420,202,000
2028	\$107,677,000	\$215,354,000	\$323,030,000	\$430,707,000
2029	\$110,369,000	\$220,738,000	\$331,106,000	\$441,475,000
2030	\$113,128,000	\$226,256,000	\$339,384,000	\$452,512,000
2031	\$115,956,000	\$231,912,000	\$347,869,000	\$463,825,000
2032	\$118,855,000	\$237,710,000	\$356,565,000	\$475,420,000
2033	\$121,826,000	\$243,653,000	\$365,479,000	\$487,306,000
2034	\$124,872,000	\$249,744,000	\$374,616,000	\$499,488,000
2035	\$127,994,000	\$255,988,000	\$383,982,000	\$511,976,000
2036	\$131,194,000	\$262,388,000	\$393,581,000	\$524,775,000
2037	\$134,474,000	\$268,947,000	\$403,421,000	\$537,894,000
2038	\$137,835,000	\$275,671,000	\$413,506,000	\$551,342,000
2039	\$141,281,000	\$282,563,000	\$423,844,000	\$565,125,000
2040	\$144,813,000	\$289,627,000	\$434,440,000	\$579,253,000
<b>TOTAL</b>	<b>\$2,812,909,000</b>	<b>\$5,625,821,000</b>	<b>\$8,438,727,000</b>	<b>\$11,251,638,000</b>



Potential revenues that could be generated between the years of 2015 to 2040 from a sales tax vary considerably from a low of \$1.1 billion for a ¼ cent to a high of \$4.5 billion for a full one cent sales tax assuming a municipal share and from a low of \$2.8 billion for a ¼ cent to a high of \$11.3 billion for a full one cent sales tax assuming the County receives 100 percent. These do not take into consideration any collection costs from DOR, but this is consistent with other revenue estimates. Annual revenues could net the following:

Assuming mandatory allocation to municipalities:

- 2020 - \$36 million (¼ cent) to \$143 million (one cent)
- 2030 - \$46 million (¼ cent) to \$182 million (one cent)
- 2040 - \$58 million (¼ cent) to \$234 million (one cent)

Assuming Broward County maintains 100% of revenues:

- 2020 - \$88 million (¼ cent) to \$354 million (one cent)
- 2030 - \$113 million (¼ cent) to \$453 million (one cent)
- 2040 - \$145 million (¼ cent) to \$579 million (one cent)

### **LOW RANGE ESTIMATE:**

A ¼ cent local discretionary surtax would generate \$1.13 or \$2.81 billion from 2015 to 2040 depending on how the revenues were allocated.

### **HIGH RANGE ESTIMATE:**

A one cent increase would provide \$4.54 or \$11.25 billion during the 25 year period depending on how the revenues were allocated.

### **IMPLEMENTATION:**

Imposing a discretionary surtax would require an action from the County Commission, as well as a voter referendum. However, state legislative action would not be necessary as these are currently authorized. Since they are separate taxes, they would each require a separate action and voter referendum. Therefore it is expected that, in a single vote, it would only be possible impose a discretionary surtax of a maximum of one percent.



### **Motor Fuel Tax (Gas Tax)**

In addition to federal and statewide taxes on motor fuel purchased, the state of Florida currently authorizes each county to levy local-level taxes up to a maximum amount of twelve cents per gallon. This twelve-cent allowance includes the potential for three separate charges:

- Six-Cent Fuel Tax - a maximum of six cents
- Five-Cent Fuel Tax - a maximum of five cents
- Ninth-Cent Fuel Tax - a maximum of one cent

Because Broward currently takes advantage of all twelve cents allowed under existing Florida statutes, any increase in local gas taxes would require this limit to be raised at the State level. For the purposes of these estimates, it was assumed that the Ninth-Cent Fuel Tax could be raised by various amounts to demonstrate a range of potential revenues. It is important to distinguish which specific taxes would be increased because all three have different revenue potential due to different administrative costs and collection fees. A one-cent increase in the Five-Cent Fuel Tax would generate different amounts of revenue than a one-cent increase in the Ninth-Cent Fuel Tax, for example.

Information from Commitment 2040's Financial Resources Report (February 2014) was used to develop estimates of the potential revenues that could result from motor fuel tax increases over the next twenty-five years. Broward's Ninth-Cent Fuel Tax revenues from the one cent charged in FY 2013 are estimated to be \$8.4 million. Using the assumption that these revenues will decline by a Compound Annual Growth Rate (CAGR) of -1.3% through 2040, each one-cent increase in motor fuel taxes would result in an additional \$184 million in revenue from 2015 to 2040.

#### **LOW RANGE ESTIMATE:**

A 3-cent increase in the Ninth-Cent Motor Fuel tax would generate \$545 million from 2015 to 2040.

#### **HIGH RANGE ESTIMATE:**

A 12-cent increase in the Ninth-Cent Motor Fuel tax would generate \$2.18 billion from 2015 to 2040.

#### **IMPLEMENTATION:**

Increasing local gas taxes would require an action from the County Commission. A voter referendum would likely not be required. However, State legislative action would also be necessary for Broward to implement any additional gas taxes. Because Broward currently levies the maximum allowable local gas taxes, the state of Florida would need to raise the amount that each county is permitted to levy at the local level before any increase could occur. This legislation may or may not mandate that any increases above the current allowable amount be approved by a referendum.



## Financing Options

Once one or more potential revenue sources are implemented, options for financing specific projects become available. This is beneficial because it allows transportation projects to be completed entirely, and paid for incrementally after implementation as opposed to waiting until all the needed funding is acquired before beginning construction. Dedicated revenues sources provide reliable, long-term funds for paying back different financing options. This is similar to a person being allowed to finance a house or vehicle that he or she cannot afford to purchase outright by proving a steady source of income with which to make incremental payments in the future.

A brief review of these different financing options is provided in this section, with a summary of each in Exhibit 10. Several of these options are also addressed by the University Drive Alternatives Analysis and Tri-Rail Coastal Link studies.

### Exhibit 10: Summary of Financing Options

FINANCING OPTION	DESCRIPTION
Debt Financing	Long-term payment of project costs using bonds or loans
General Obligation Bonds	Local Government or agency issued; backed by its taxation ability
Commercial Paper	Local government or agency issued; tax-exempt and short-term (up to 270 days)
Revenue Bonds	Local government or agency issued; backed by a secure, dedicated revenue source
GARVEE Bonds	State issued; backed by future federal highway funding
TIFIA Loans and Credit	Federally issued; offers credit assistance, but with specific stipulations and requirements
Certificates of Participation	State issued; tax exempt and secured with revenue from an equipment or facility lease
Tax Increment Financing	Freezes tax rates at pre-project levels, and uses the increase in property value over time
Public Private Partnerships	Agreement of private financing and delivery; can speed project implementation

## Debt Financing

Debt financing can be obtained through bonds or loans. The primary advantage of debt financing for transportation is that it spreads out the payment for the project over a longer period of time and can therefore accelerate project delivery because there is not the need to accumulate all needed funds prior to construction. The use of debt financing does add the cost of interest to the project. Recent history of transportation financing in the United States has been via tax-exempt municipal bonds issued by public entities. Even more recently, some jurisdictions have sought to attract private equity in the development of transportation projects.

Prior to issuing most bonds, they must be evaluated with respect to their relative credit quality. The major rating agencies (Standard & Poor's, Moody's Investors Service, and Fitch Ratings) provide guidance to bond issuers, as well as on specific bonds regarding their potential level of credit risk—the possibility that an issuer will default by failing to repay principal and interest as scheduled. The critical hurdle for most tax-exempt bonds is to receive, at minimum, an investment grade rating which permits most institutional investors to purchase the bonds for their portfolio. Higher risk securities would receive a non-investment grade rating. This will impact borrowing costs as the best ratings receive the lowest interest rates while investors will require higher interest rates for lower rated securities to compensate for the greater risk.



## General Obligation Bonds

General Obligation (G.O.) bonds are debt instruments that are issued by state and local governments and are backed by the “full faith and credit” and taxing authority of a public agency. This means that the governmental entity commits its full resources to paying bondholders, including general taxation and the ability to raise more funds through credit. G.O. bonds are secured by the tax revenues received by a public agency. Property tax, sales tax, income tax, permitting fees, registration fees, and other G.O. bonds are tax-exempt, which provides lower borrowing and financing costs to the issuer and due to the nature of the credit, they tend to have more reliable revenues streams and are generally considered to be lower risk for investors compared to other debt instruments. Consequently, G.O. bonds are typically more highly rated than revenue bonds. In a number of states, the issuance of G.O. bonds is governed by that state’s constitution, which may require legislative approval for issuance. Florida only requires approval in the form of a local referendum for a governing body to issue G.O. bonds.



## Commercial Paper

Tax-exempt commercial paper is an unsecured, short-term debt instrument issued by a public agency. Commercial paper issues are typically used to finance short-term liabilities, which can include accounts receivables, inventories, and the current portion of long-term construction projects. Maturities on commercial paper are limited to 270 days. Due to the lower perceived risk, commercial paper issues typically have lower interest costs, compared to fixed-rate, long-term bonds. Commercial paper also provides the flexibility to refinance or to renew the commercial paper issue at the end of the term, subject to prevailing market conditions. Commercial paper issues can be adjusted in size and can be drawn down or repaid as needed. Because commercial paper is not usually backed by any form of collateral, only entities with high-quality credit ratings can find buyers without needing to offer a discount.



## Revenue Bonds

Revenue bonds are debt instruments that are payable from a specifically pledged revenue source or pooled revenues that have been drawn from various sources. Issuance of revenue bonds is contingent on the ability to obtain and demonstrate the availability of a stable and predictable revenue source that is sufficient to cover principal and interest payments during the entire bond term. Revenue bonds can be backed by various types of revenues, which include, but are not limited to, motor fuel taxes, sales taxes, lease payments, parking fees, vehicle registration fees, permits, and tolls. Bonds secured using project-based revenue, such as tolls, are considered to be relatively riskier due to greater uncertainty associated with future revenue streams. As a result, project-based revenue bonds typically have slightly higher issuance, coverage ratios, insurance, and underwriting costs compared to G.O. bonds. There are also stricter and more extensive tiered requirements that govern the use of toll revenues, including setting aside funds in a debt service reserve account.



## GARVEE Bonds

Grant Anticipation Revenue Vehicle (GARVEE) Bonds allow states to pledge future Federal Highway Administration (FHWA) funds toward the payment of debt service on a long-term bond issue. Notwithstanding, securitizations that rely on a pledge of future grants or reimbursements can be a useful tool for advancing funds. GARVEEs have been used by states to develop projects in which federal, state, or local grant funds are anticipated. The current level of uncertainty on federal transportation funding levels has increased the challenges to issuing GARVEE bonds.



## TIFIA Loans and Credits

The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) authorized the U.S. Department of Transportation to provide credit assistance for surface transportation projects of national or regional significance. Credit assistance is available to highway, transit, passenger rail and multimodal projects, intercity passenger rail or bus projects, publicly owned intermodal facilities on or adjacent to the National Highway System, and transportation projects that provide ground access to airports or seaports. TIFIA credit assistance programs include the following:

- Direct loans that are secured by a stable revenue source
- Loan guarantees
- Standby lines of credit

A specific goal of the TIFIA program is to leverage private co-investment. Because the program offers credit assistance, rather than grant funding, potential projects must be capable of generating stable revenue streams through user charges or other dedicated sources. TIFIA loans have maturities of up to 35 years. To be eligible for TIFIA assistance, project senior debt must receive an investment grade rating from a major credit rating agency. The Moving Ahead for Progress in the 21st Century Act (MAP-21) authorized up to \$750 million and \$1.0 billion in TIFIA loans for 2013 and 2014, respectively. MAP-21 also increased the maximum up to 49 percent for allowable loans and combined total grants and TIFIA loans up to 80 percent of total project cost.



## Certificates of Participation (COPs)

COPs are tax-exempt bonds issued by state entities, usually secured with revenue from an equipment or facility lease. COPs enable governmental entities to finance capital projects without technically issuing "long-term debt". This approach can be advantageous, as the issuance of long-term debt is commonly subject to voter approval, as well as state constitutional and statutory requirements. A public entity issues tax-exempt bonds with maturities that match the lease term of assets that are purchased by the entity with the proceeds from the bond issue. The underlying lease or installation sales agreement furnishes the revenue stream necessary to secure the bond. The resulting lease payments, most often made with a combination of formula grant funds and local match, are then "passed through" to the bondholders by the public entity. Although COPs have been used primarily for transit investments, they may also present creative financing options for certain highway-related investments, such as toll collection systems or Intelligent Transportation Systems (ITS) equipment.

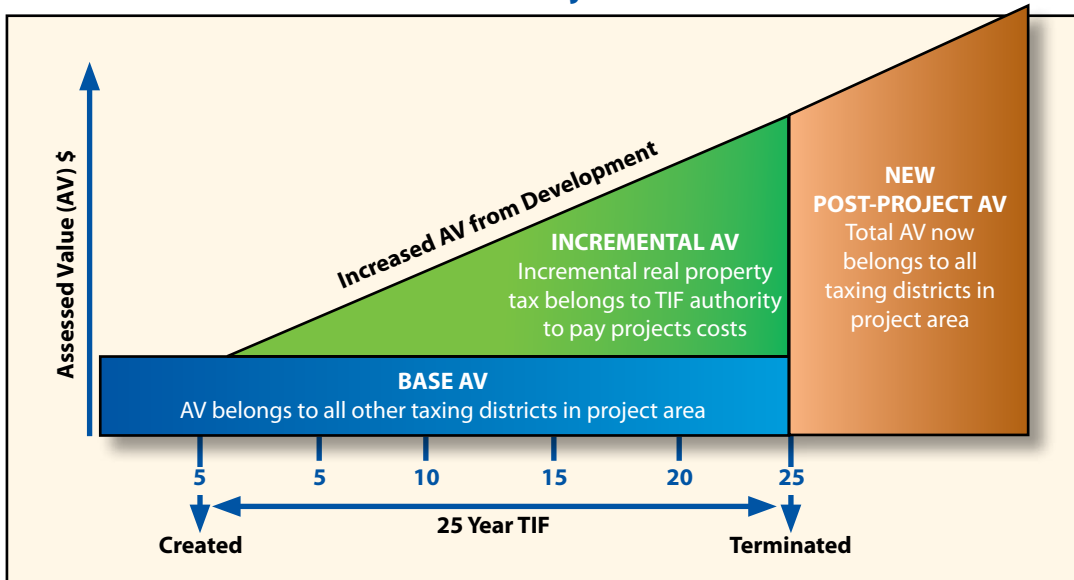


### Tax Increment Financing

Debt funding can also be obtained through Tax Increment Financing (TIF). Although the guidelines for TIF financing can vary from state to state, it generally works by freezing property tax rates at pre-project levels and then using the expected increases in taxes generated after the transportation project has been completed to pay back bonds. Exhibit 11 summarizes how TIFs function.



**Exhibit 11: TIF Assessed Value Over Project Life**



### Public Private Partnerships – Private Dept

A Public-Private Partnership (P3) uses private financing as both a financing and a delivery mechanism. Under this approach, a public agency enters into a contract with a private developer who, depending on the contract type, can assume responsibility over the design, construction, financing, operations, and maintenance of a transportation facility. This approach can help reduce public funding shortfalls and accelerate project development. Under a concession contract, a private developer not only provides debt and equity funding, they also take on negotiated project risks, including development, revenue, and financing. Concession contracts can range from 30 to 99 years.



### **A. Concession Contracts with Tolling**

Long-term cost recovery and developer profit is achieved through the imposition and collection of tolls which allows a private developer to obtain a reasonable rate of return commensurate with the risk undertaken. Under a concession contract, the private partner arranges independent financing by leveraging its own equity and issuing debt backed by toll revenues. Some of the key issues that have surfaced with respect to concession contracts with tolling include the existence and coverage area of non-compete clauses, toll rate indexation and escalation policies, revenue sharing formulas and up-front payments, reconstruction and level of service triggers, toll systems, and enforcement. At the end of the contract term, the facility is returned to the public agency at pre-determined standards, which are negotiated as part of the contract.



### **B. Concession Contracts with Availability Payments**

Under this approach, a private entity arranges independent financing by leveraging its own equity and issued debt backed by the future availability payments pledged by the sponsoring agency. The developer is then repaid based on its ability to operate and maintain the facility during the term of the contract. Since there are no tolling points, the public agency makes annual or monthly payments to the concessionaire based on traffic volumes and service levels. Lane availability contracts can include performance incentives, if service and safety standards are exceeded. At the end of the contract term, the availability payments end and the responsibility for maintaining and operating the road reverts to the public agency.







## New Transportation Revenue Sources for MetroQuest

After reviewing the various potential revenue sources with the Technical Coordinating Committee, Community Involvement Roundtable, MPO Board, and the Broward Partners Group, a decision was made to replace the Business Payroll (Income) Tax with an increase in the Motor Fuel (Gas) Tax. The revenue projection methodology and results for the Motor Fuel (Gas) Tax were previously described in this report. In addition to making this switch in revenue sources, additional modifications were necessary to:

1. Comply with the programming requirements of MetroQuest and
2. Make the implications of each revenue source relatable to the individual.

### Programming Requirements

The MetroQuest tool being utilized for funding, the sliding bar, requires that the increments used as the tick marks have consistent intervals. For example, the revenue projections developed for the Mileage Based User Fee utilized ¼, ½, one, and two cents for its increments. To comply with the requirements of MetroQuest, these intervals had to be changed to ½, one, 1 ½, and two cents so that the increment in between each tick mark was consistently ½ cent. Exhibit 12 below provides the increments utilized for each of the potential revenue sources within the MetroQuest site.

**Exhibit 12: MetroQuest Revenue Sources and Increments**

Revenue Source	MetroQuest Name	Increment 1	Increment 2	Increment 3	Increment 4	Increment 5
Vehicle Registration Fees	License Plate Fee	2%	4%	6%	8%	10%
Driver's License Fees	Driver's License Fee	8%	16%	24%	32%	N/A
Mileage Based User Fees	Mileage Fee	1/2 Cent	1 Cent	1 1/2 Cent	2 Cents	N/A
Motor Fuel Tax	Gas Tax	3 Cents	6 Cents	9 Cents	12 Cents	N/A
Discretionary Surtax	Sales Tax	1/4 Cent	1/2 Cent	3/4 Cent	1 Cent	N/A

### Individualizing Revenues

For the public to truly understand what MetroQuest is showing, it was decided that the revenue sources needed to be put into the individual perspective. For example, a two percent increase in license plate renewal fees doesn't mean much to most people, so this was converted to the actual dollar cost of \$1 per renewal. In instances where a flat fee is the revenue source, this conversion was the simple calculation as just described. For the other revenue sources, some additional information and assumptions were necessary. This section of the report explains how these conversions were made. Exhibit 13 provides a summary of the information that was provided to MetroQuest for the funding screen.

### Vehicle Registration Fees

Applied the proposed percent increase to the average vehicle renewal fee of \$60. Although this fee applies to both new and renewal registrations, it was decided to utilize the renewal fee since most of the people participating in MetroQuest already live in Broward and would likely be renewing their registration as opposed to applying for a new one.

### Driver’s License Fees

Applied the proposed percent increase to the actual renewal and issuance fee of \$48. In this case, since the fee is the same for both renewals and new license applications, there was not a need to assume one over the other as for vehicle registration fees.

### Mileage Based User Fees

To make this meaningful on an individual level it was necessary to identify how much the average person in Broward drives. Using information from FDOT, the average annual mileage per registered vehicle (13,500) in Broward was obtained. This average annual mileage was then multiplied by the proposed mileage fee to arrive at a range of amounts expressed as cost per vehicle per year.

### Motor Fuel Tax

As with the Mileage Based User Fee, some additional information was needed to calculate the impact of this potential revenue source on an individual basis. Using the same average annual mileage per vehicle from FDOT (13,500), the average mileage per gallon (24.8) for vehicles in the US was also obtained from the Environmental Protection Agency. The average annual mileage was divided by this average mileage per gallon to arrive at the average motor fuel purchase of 544 gallons per year per vehicle. The incremental increase in gas tax was then multiplied by this average fuel purchase to arrive at the additional tax that can be anticipated for the average vehicle each year.

### Discretionary Surtax

To determine the amount that the average person pays in sales tax each year, the IRS sales tax deduction tables were consulted. Using the average annual income for Broward (\$45,000), the IRS tables indicate \$562 is paid in sales tax at the current six percent rate. Using this information, the average income spent on taxable items was determined to be \$9,336.67 for an individual earning \$45,000 per year, which represents 1.25 percent of the average income being used for sales tax. Assuming that the average amount an individual spends on taxable items would not change, the difference in the amount of sales tax paid per year was then calculated using the different increments shown in Exhibit 12.

### Exhibit 13: MetroQuest Individualized Cost Information

Revenue Source	Tick Mark #1	Tick Mark #2	Tick Mark #3	Tick Mark #4	Tick Mark #5	Total Potential Revenue Generated
License Plate Fees	\$1 per renewal	\$2.50 per renewal	\$3.50 per renewal	\$5 per renewal	\$6 per renewal	\$338,451,000
Driver’s License Fees	\$4 per renewal	\$8 per renewal	\$12 per renewal	\$16 per renewal	N/A	\$117,779,000
Sales Tax	\$23 per year	\$47 per year	\$70 per year	\$94 per year	N/A	\$11,251,638,000
Mileage Fee	\$68 per year	\$135 per year	\$203 per year	\$270 per year	N/A	\$8,429,292,000
Gas Tax	\$16 per year	\$33 per year	\$49 per year	\$65 per year	N/A	\$2,178,360,000

## Appendix A

### DISCRETIONARY SALES TAX SUMMARY OF STATUTORY REQUIREMENTS

2013 Florida Statutes

Title X14: Taxation and Finance

Chapter 212: Tax on Sales, Use, and Other Transactions

#### CHARTER COUNTY AND REGIONAL TRANSPORTATION SYSTEM SURTAX —

**Eligibility:** Each charter county that has adopted a charter, each county the government of which is consolidated with that of one or more municipalities, and each county that is within or under an interlocal agreement with a regional transportation or transit authority created under chapter 343 or chapter 349 may levy a discretionary sales surtax, subject to approval by a majority vote of the electorate of the county or by a charter amendment approved by a majority vote of the electorate of the county.

**Rate:** The rate shall be up to one percent.

**Use of Proceeds:**

1. Development, construction, equipment, maintenance, operation, supportive services, including a countywide bus system, on-demand transportation services, and related costs of a fixed guideway rapid transit system. No more than 25 percent can be used for non-transit uses.
2. Remitted to an expressway, transit, or transportation authority to be used for the following:
  - a. Planning, development, construction, operation, or maintenance of roads or bridges in the county,
  - b. expansion, operation, and maintenance of bus and/or fixed guideway systems;
  - c. operation and maintenance of on-demand transportation services (service between flexible points of origin and destination selected by individual users at an agreed-upon time – not fixed-schedule or fixed-route),
  - d. payment of principal and interest on existing bonds issued for the construction of such roads or bridges, and,
  - e. pledge for bonds issued to refinance existing bonds or new bonds issued for the construction of fixed guideway rapid transit systems, bus systems, roads or bridges;
  - f. payment of principal and interest on bonds issued for the construction of fixed guideway rapid transit systems, bus systems, roads, or bridges
  - g. bonds issued to refinance existing bonds or new bonds issued for the construction of such fixed guideway rapid transit systems, bus systems, roads, or bridges

#### **LOCAL GOVERNMENT INFRASTRUCTURE SURTAX —**

**Eligibility:** The levy of the surtax shall be pursuant to ordinance enacted by a majority of the members of a county governing authority and approved by a majority of the electors of the county voting in a referendum on the surtax. *If the governing bodies of the municipalities representing a majority of the county's population adopt uniform resolutions establishing the rate of the surtax and calling for a referendum on the surtax, the levy of the surtax shall be placed on the ballot and shall take effect if approved by a majority of the electors of the county voting in the referendum on the surtax.* Such ballot shall include a brief general description.

**Rate:** one-half percent or one percent, up to a maximum of one percent

**Allocation of Proceeds:** Pursuant to an interlocal agreement between the county governing authority and the governing bodies of the municipalities representing a majority of the county's municipal population. If there is not an interlocal agreement, proceeds are allocated according to the formula provided in s. 218.62.

**Use of Proceeds:**

1. Finance, plan, and construct infrastructure
2. Acquire land for public recreation, conservation, or protection of natural resources
3. Provide loans, grants, or rebates to residential or commercial property owners who make energy efficiency improvements to their residential or commercial property, if a local government ordinance authorizing such use is approved by referendum
4. Finance the closure of county-owned or municipally owned solid waste landfills that have been closed or are required to be closed by order of the Department of Environmental Protection.

For the purposes of this paragraph, the term "infrastructure" means:

- a. Any fixed capital expenditure or fixed capital outlay associated with the construction, reconstruction, or improvement of public facilities that have a life expectancy of five or more years and any related land acquisition, land improvement, design, and engineering costs.
- b. A fire department vehicle, an emergency medical service vehicle, a sheriff's office vehicle, a police department vehicle, or any other vehicle, and the equipment necessary to outfit the vehicle for its official use or equipment that has a life expectancy of at least five years.
- c. Any expenditure for the construction, lease, or maintenance of, or provision of utilities or security for, facilities, as defined in s. 29.008.
- d. Any fixed capital expenditure or fixed capital outlay associated with the improvement of private facilities that have a life expectancy of five (5) or more years and that the owner agrees to make available for use on a temporary basis as needed by a local government as a public emergency shelter or a staging area for emergency response equipment during an emergency officially declared by the state or by the local government under s. 252.38.
- e. Any land acquisition expenditure for a residential housing project in which at least 30 percent of the units are affordable to individuals or families whose total annual household income does not exceed 120 percent of the area median income adjusted for household size.

It is allowable to allocate up to 15 percent of the surtax proceeds for deposit into a trust fund within the county's accounts created for the purpose of funding economic development projects having a general public purpose of improving local economies, including the funding of operational costs and incentives related to economic development. The ballot statement must indicate the intention to make an allocation under the authority of this subparagraph.

## Appendix B SUMMARY OF ASSESSMENT OF POTENTIAL NEW REVENUES

Revenue Sources	Description	Estimated Revenue	Implementation Complexity	Approval Required	Recommended for Further Analysis	Comments
<b>Expanding/Increasing Existing Fees</b>						
Driver's License Fee	Additional fee on driver's licenses – new and renewal	●	●	LB	Yes	Ease of implementation
Motor Vehicle License Fee & Surcharge	Additional registration fee/surcharge for vehicles	●	●	LB	Yes	
<b>Expanding/Increasing Existing Taxes</b>						
Tourism Taxes	Imposing additional tourism taxes dedicated to transportation	●	●	LB, LPV, SA	No	Low revenue generation
New Vehicles Sales Tax	Additional sales tax on new vehicles	●	●	LB, LPV, SA	No	
Property Tax	Redirect/increase property tax for transportation purposes	●	●	LB, LPV	No	
Rental Car Tax/Fees	Increase rental car fees/taxes	●	●	LB, LPV, SA	No	
Motor Fuel Tax	Imposing additional motor fuel taxes	●	●	LB, SA	No	Complexity of implementation
<b>Revenues Not Currently Authorized</b>						
Auto Insurance Tax	Tax paid by vehicle owners when making auto insurance payments	●	●	LB, LPV, SA	No	Complexity of implementation
Business Parking Fee	Fee assessed on off-street non-residential parking	●	●	LB, LPV, SA	No	Complexity of implementation
Income Tax	Monthly payroll tax paid by all employees	●	●	LB, SA	Yes	Potential for substantial revenue
Carbon Tax/Vehicle Emissions Fee	Fee on emissions of carbon dioxide created from use of fossil fuels	●	●	SA	No	Complexity of implementation
Cordon Charge	Charging an "entry" (or exit) fee to access set County perimeters	●	●	LB, SA	No	Complexity of implementation
Mileage Based User Fee (MBUF)	Charge per mile fee for all miles driven in the county	●	●	LB, LPV	Yes	Potential for substantial revenue
Parking Surcharge	Surcharge imposed on all parking charges in Broward	●	●	LB, SA	No	Complexity of implementation
<b>Authorized But Not Implemented</b>						
Discretionary Surtax	Up to two percent discretionary surtax – one percent Charter County and Regional Transportation System Surtax and one percent Local Government	●	●	LB, LPV	Yes	Potential for substantial revenue
<b>Project or Geographically Concentrated</b>						
Air Rights	Payment for publicly owned air rights to use for private development	●	●	LB	No	These sources have potential for project or geographic-specific uses but based on this requirement are not useful for the purposes of Speak Up Broward.
Development Charges	One-time charges levied on new developments and eligible redevelopments.	●	●	LB	No	
Land Value Capture/Tax Increment Financing	Capturing increased property tax value based on transportation improvements	●	●	LB	No	
Special Assessment Districts	Fee to finance infrastructure improvements in specific area	●	●	LB	No	
Toll Road	Imposing tolls on new facilities or increasing tolls on existing facilities	●	●	LB, SA	No	

**LEGEND - ESTIMATED REVENUE (POTENTIAL/YEAR)**

- \$40 MILLION PLUS
- \$10 MILLION - \$30 MILLION
- LESS THAN \$10 MILLION

**LEGEND - IMPLEMENTATION COMPLEXITY**

- EASY
- REASONABLE
- DIFFICULT

**LEGEND - APPROVAL REQUIRED**

- LOCAL BOARD (LB)
- LOCAL PUBLIC VOTE (LPV)
- STATE ACTION (SA)

## Appendix C

### Summary of Potential New Revenue Sources Estimated Revenue, 2015-2040, Low Range

Low Range	Motor Vehicle	Driver's License	Mileage Based User Fee (MBUF)	Payroll Tax (Income Tax)	Discretionary Surtax		Motor Fuel Tax (Gas Tax)
	5% Registration	\$5 License	Low VMT Growth and 1/4 Cent	0.25%	1/4 Cent (After Municipal Allocation)	1/4 Cent (If County Maintains 100%)	3 Cents
2015	\$6,263,000	\$1,341,000	\$38,586,000	\$83,003,000	\$31,498,000	\$78,111,000	\$24,549,000
2016	\$6,286,000	\$1,346,000	\$38,084,000	\$84,392,000	\$32,285,000	\$80,064,000	\$24,230,000
2017	\$6,309,000	\$1,351,000	\$37,589,000	\$85,804,000	\$33,093,000	\$82,065,000	\$23,915,000
2018	\$6,332,000	\$1,356,000	\$37,101,000	\$87,240,000	\$33,920,000	\$84,117,000	\$23,604,000
2019	\$6,355,000	\$1,362,000	\$36,618,000	\$88,700,000	\$34,768,000	\$86,220,000	\$23,297,000
2020	\$6,388,000	\$1,378,000	\$36,142,000	\$90,184,000	\$35,637,000	\$88,375,000	\$22,994,000
2021	\$6,420,000	\$1,386,000	\$35,673,000	\$91,669,000	\$36,528,000	\$90,585,000	\$22,695,000
2022	\$6,453,000	\$1,393,000	\$35,209,000	\$93,228,000	\$37,441,000	\$92,849,000	\$22,400,000
2023	\$6,486,000	\$1,400,000	\$34,751,000	\$94,788,000	\$38,377,000	\$95,171,000	\$22,109,000
2024	\$6,519,000	\$1,408,000	\$34,299,000	\$96,374,000	\$39,337,000	\$97,550,000	\$21,822,000
2025	\$6,552,000	\$1,416,000	\$33,853,000	\$97,987,000	\$40,320,000	\$99,989,000	\$21,538,000
2026	\$6,586,000	\$1,423,000	\$33,413,000	\$99,627,000	\$41,328,000	\$102,488,000	\$21,258,000
2027	\$6,620,000	\$1,431,000	\$32,979,000	\$101,294,000	\$42,361,000	\$105,051,000	\$20,982,000
2028	\$6,653,000	\$1,438,000	\$32,550,000	\$102,986,000	\$43,420,000	\$107,677,000	\$20,709,000
2029	\$6,687,000	\$1,446,000	\$32,127,000	\$104,713,000	\$44,506,000	\$110,369,000	\$20,440,000
2030	\$6,703,000	\$1,431,000	\$31,709,000	\$106,465,000	\$45,618,000	\$113,128,000	\$20,174,000
2031	\$6,718,000	\$1,434,000	\$31,297,000	\$108,246,000	\$46,759,000	\$115,956,000	\$19,912,000
2032	\$6,734,000	\$1,438,000	\$30,890,000	\$110,058,000	\$47,928,000	\$118,855,000	\$19,653,000
2033	\$6,750,000	\$1,441,000	\$30,489,000	\$111,900,000	\$49,126,000	\$121,826,000	\$19,397,000
2034	\$6,765,000	\$1,445,000	\$30,092,000	\$113,772,000	\$50,354,000	\$124,872,000	\$19,145,000
2035	\$6,781,000	\$1,448,000	\$29,701,000	\$115,676,000	\$51,613,000	\$127,994,000	\$18,869,000
2036	\$6,797,000	\$1,452,000	\$29,315,000	\$117,612,000	\$52,903,000	\$131,194,000	\$18,651,000
2037	\$6,813,000	\$1,455,000	\$28,934,000	\$119,580,000	\$54,226,000	\$134,474,000	\$18,408,000
2038	\$6,828,000	\$1,459,000	\$28,558,000	\$121,581,000	\$55,582,000	\$137,835,000	\$18,169,000
2039	\$6,844,000	\$1,462,000	\$28,187,000	\$123,616,000	\$56,971,000	\$141,281,000	\$17,933,000
2040	\$6,860,000	\$1,465,000	\$27,820,000	\$125,684,000	\$58,395,000	\$144,813,000	\$544,580,000
<b>TOTAL</b>	\$171,502,000	\$36,805,000	\$855,966,000	\$2,676,182,000	\$1,134,294,000	\$2,812,909,000	\$544,580,000

### Summary of Potential New Revenue Sources Estimated Revenue, 2015-2040, High Range

Low Range	Motor Vehicle	Driver's License	Mileage Based User Fee (MBUF)	Payroll Tax (Income Tax)	Discretionary Surtax		Motor Fuel Tax (Gas Tax)
	10% Registration	\$10 License	High VMT Growth and 1 Cent	0.5%	1 Cent (After Municipal Allocation)	1 Cent (If County Maintains 100%)	12 Cents
2015	\$12,354,000	\$2,682,000	\$171,504,000	\$166,006,000	\$125,992,000	\$312,444,000	\$98,196,000
2016	\$12,400,000	\$2,692,000	\$175,329,000	\$168,784,000	\$129,142,000	\$320,255,000	\$96,920,000
2017	\$12,445,000	\$2,703,000	\$179,238,000	\$171,609,000	\$132,370,000	\$328,261,000	\$95,660,000
2018	\$12,491,000	\$2,713,000	\$183,235,000	\$174,480,000	\$135,679,000	\$336,468,000	\$94,416,000
2019	\$12,538,000	\$2,723,000	\$187,322,000	\$177,400,000	\$139,071,000	\$344,880,000	\$93,189,000
2020	\$12,602,000	\$3,308,000	\$191,499,000	\$180,369,000	\$142,548,000	\$353,502,000	\$91,977,000
2021	\$12,667,000	\$3,325,000	\$195,769,000	\$183,337,000	\$146,112,000	\$362,339,000	\$90,782,000
2022	\$12,732,000	\$3,343,000	\$200,135,000	\$186,456,000	\$149,765,000	\$371,398,000	\$89,601,000
2023	\$12,798,000	\$3,361,000	\$204,598,000	\$189,576,000	\$153,509,000	\$380,683,000	\$88,437,000
2024	\$12,864,000	\$3,379,000	\$209,160,000	\$192,749,000	\$157,346,000	\$390,200,000	\$87,287,000
2025	\$12,930,000	\$3,397,000	\$213,825,000	\$195,974,000	\$161,280,000	\$399,955,000	\$86,152,000
2026	\$12,997,000	\$3,416,000	\$218,593,000	\$199,254,000	\$165,312,000	\$409,953,000	\$85,032,000
2027	\$13,064,000	\$3,434,000	\$223,468,000	\$202,588,000	\$169,445,000	\$420,202,000	\$83,927,000
2028	\$13,131,000	\$3,452,000	\$228,451,000	\$205,978,000	\$173,681,000	\$430,707,000	\$82,836,000
2029	\$13,199,000	\$3,471,000	\$233,545,000	\$209,425,000	\$178,023,000	\$441,475,000	\$81,759,000
2030	\$13,230,000	\$4,579,000	\$238,754,000	\$212,930,000	\$182,474,000	\$452,512,000	\$80,696,000
2031	\$13,260,000	\$4,590,000	\$244,078,000	\$216,493,000	\$187,035,000	\$463,825,000	\$79,647,000
2032	\$13,291,000	\$4,601,000	\$249,521,000	\$220,116,000	\$191,711,000	\$475,420,000	\$78,612,000
2033	\$13,323,000	\$4,612,000	\$255,085,000	\$223,799,000	\$196,504,000	\$487,306,000	\$77,590,000
2034	\$13,354,000	\$4,623,000	\$260,773,000	\$227,544,000	\$201,417,000	\$499,488,000	\$76,581,000
2035	\$13,385,000	\$4,634,000	\$266,589,000	\$231,352,000	\$206,452,000	\$511,976,000	\$75,585,000
2036	\$13,416,000	\$4,645,000	\$272,534,000	\$235,223,000	\$211,613,000	\$524,775,000	\$74,603,000
2037	\$13,448,000	\$4,656,000	\$278,611,000	\$239,160,000	\$216,904,000	\$537,894,000	\$73,633,000
2038	\$13,479,000	\$4,667,000	\$284,824,000	\$243,162,000	\$222,326,000	\$551,342,000	\$72,676,000
2039	\$13,511,000	\$4,678,000	\$291,176,000	\$247,231,000	\$227,885,000	\$565,125,000	\$71,731,000
2040	\$13,542,000	\$4,690,000	\$297,669,000	\$251,368,000	\$233,582,000	\$579,253,000	\$70,798,000
<b>TOTAL</b>	<b>\$338,451,000</b>	<b>\$98,374,000</b>	<b>\$5,955,285,000</b>	<b>\$5,352,363,000</b>	<b>\$4,537,178,000</b>	<b>\$11,251,638,000</b>	<b>\$2,178,322,000</b>



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