

ALACHUA COUNTY
LOCAL GOVERNMENT INFRASTRUCTURE DISCRETIONARY SALES TAX

Target: To expand affordable housing.

The Infrastructure Sales Tax, also commonly referred to as the Penny Sales Tax or the One-Cent Surtax, can only be used to support capital projects and infrastructure. A county may levy a discretionary sales surtax of 0.5 percent or 1 percent authorized by Florida Statute Section 212.055 (2) and pursuant to an Ordinance enacted by the Board of County Commissioners. The statute specifies the approved uses.

According to this Statute, the proceeds must be expended to finance, plan, and construct infrastructure; to acquire land for public recreation, conservation, or protection of natural resources; or to finance the closure of local government-owned solid waste landfills that have been closed or are required to be closed by order of the Department of Environmental Protection (DEP). A local government infrastructure surtax imposed or extended after July 1, 1998, may 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.

This funding request is several years in advance of implementation, as the lead time required for planning and approving capital improvement projects can take an extended period of time. By scheduling the referendum a few years in advance, there is time to plan and potentially design projects to be shovel-ready, thereby enabling the projects to provide an economic benefit to the community more quickly.

As it relates to the authorized uses of the surtax proceeds and any accrued interest, the term infrastructure related to housing structures has the following meanings according to FS 212.055:

(2)(d)1. e. Land Acquisition

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, if the land is owned by a local government or by a special district that enters into a written agreement with the local government to provide such housing. The local government or special district may enter into a ground lease with a public or private person or entity for nominal or other consideration for the construction of the residential housing project on land acquired pursuant to this provision.