

**Responses to Questions and Inquiries
for Inquiries Received on March 24 from Steve Polzin
June 22, 2009**

1. What is the sales tax term does it sunset?

The statute does not limit the term for the Charter County Transit System Surtax. The working assumption currently being used is 30 years. This time frame parallels the Community Investment Tax.

2. What is the level? One percent is on the high end of successful referendums. If it is multi-modal then one percent is more justifiable.

The statute authorizes a levy of up to one percent. The Task Force has concurred that the “up to” one percent is a level appropriate for studying purposes and is looking at a multi-modal recommendation.

3. What will be the allocation by mode or agency (HART, County)?

This has not yet been determined but will ultimately be determined by the Board of County Commissioners. The Transportation Task Force may make a recommendation to the Board.

4. Is an allocation locked in? Will any go to the cities? If there are future windfalls as sales tax loopholes are closed will the allocation stay the same?

The statute allows the governing body (Hillsborough County) to remit some or all proceeds to other designated agencies (i.e. HART) created by law. The statute also allows for an interlocal agreement to distribute proceeds to such agencies. These interlocals have not yet been determined but will be necessary as the initiative moves forward.

5. How will this relate to any potential TBARTA revenues in the future?

For future discussion.

6. Should there be a formula to allocate new revenues between capital and operating? Some agencies limit the amount that can be spent on capital as there is a tendency in transit to starve areas for service but keep investing in capital as it is popular with decision makers. As areas mature in terms of transit service the subsidy needs for operations grows so the capital spending either needs to wind down or new revenues need to be found to sustain expanded operations. This can be impacted by bond debt as well.

For future discussion.

- 7. Would the tax be more palatable if it has an oversight panel, review board, annual report to public etc.? Miami had this (not that it worked).**

For future discussion.

- 8. Would one want to put any constraints on bonding?**

For future discussion.

- 9. Is any local equity required before entering into debt (Dallas for example had accumulated several hundred million before start of construction)?**

The statute permits debt and does not provide a local equity requirement. Such a requirement, imposed as a matter of policy, can be considered.

- 10. Does this replace Ad Valorem for HART?**

The Task Force has voted to assume HART millage remains intact for purposes of studying the issues. However, this is ultimately a HART decision.

- 11. Should revenues be available to support streetcar operating deficits and if so should the streetcar governance be centralized under HART (the current governance has operating subsidy responsibility falling on the city when/if the endowment fund runs dry)?**

For future discussion.

- 12. How is Plant City treated since they are part of the county but don't contribute Ad Valorem for HART and don't have service? Could they opt out of the sales tax as well? Could Temple Terrace?**

For future discussion.

- 13. What technical information (if any) does the TTF want regarding the cost effectiveness or impacts of the various elements of a spending program to be in a position to make a recommendation to BOCC (e.g. is there some level of cost or ridership that would make you support or not support a rail project or other capital element?)**

For future discussion.

- 14. Is there or should there be some performance specifically governing the spending (i.e., cost effectiveness for capital or operating expenditures)?**

For future discussion.

- 15. Can funds be spent on rail projects that don't receive a certain share or any federal and/or state funds? If we don't have evidence that a project is eligible/competitive for federal money should a referendum be postponed until that can be answered? Should funds be able to be spent on projects that don't receive new starts funding?**

For future discussion.

- 16. If the BOCC or individual commissioners are willing to put it on the ballot but not willing to advocate for it (support giving the public a right to vote but recommend a no vote or show indifference) is it still a good idea to go ahead with a referendum?**

For future discussion.

- 17. Could the referendum be structured such that the amount started at 0.5% (for example) and increased in the future tied to either a calendar (i.e. 5 years from now) or tied to receipt of a federal funding commitment for rail?**

For future discussion.

- 18. If there is a penny for education initiative, would that change plans?**

This item failed at the State Legislature. It may resurface at the next session. Additional discussion on this topic at a future date.

- 19. I have attached a clip from the transcription of the last HART Board meeting where Secretary Skelton talked about State funding availability for matching local guiding projects. In his comments and follow up question answers he noted the very limited availability of state capital match funds for guideway and noted that the local MPO would need to prioritize (and if guideway was a priority they would probably need to use some of their money that has traditionally gone to roadways).**

It is important for Task Force to understand that the vision of unlimited state match is not borne out by the FDOT work program funding availability and that we may well be taking about not building or fixing some roads so we can build some rail – particularly if our vision for guideway is a grand vision. Thus, local funds won't go as far and we need to be very careful about what we assume regarding leveraging both state and federal dollars with local dollars.

We will invite Secretary Skelton at a future meeting.

20. I would like to know what sales taxes are in the southeastern USA that has passed referendum for transit. What amount did they pass and how did they word their referendum? Was the transit system funded through sources other than sales tax? I would also like to know how much sales tax collected in Hillsborough County and how is it disseminated with the three cities and county. Could we get a 10 or 20-year graph showing the collections and a report on how the funds are spent?

For future discussion.

| <u>State</u> | <u>City</u> | <u>County</u> | <u>Transit Authority</u> | <u>Other</u> | <u>Total</u> | <u>Notes</u> |
|-------------------------|---|----------------------|--|----------------|--------------|---|
| Arizona 5.60% | Phoenix 2.00% | Maricopa 0.70% | NA 0.00% | NA 0.00% | 8.30% | Technically a "Transactions Privilege Tax" |
| Colorado 2.90% | Denver (consolidated) 0.00% 3.62% | | Regional Transportation District 1.00% | Other 0.20% | 7.72% | |
| North Carolina 4.50% | Charlotte 0.00% | Mecklenburg 2.75% | NA 0.00% | NA 0.00% | 7.25% | 0.5% of 2.75% Mecklenburg Local Sales Tax for public transportation |
| Texas 6.25% | Dallas 1.00% | Dallas 0.00% | Dallas MTA 1.00% | NA 0.00% | 8.25% | |
| Texas 6.25% | Dallas 1.00% | Collin 0.00% | Dallas MTA 1.00% | NA 0.00% | 8.25% | |
| Texas 6.25% | Dallas 1.00% | Denton 0.00% | Dallas MTA 1.00% | NA 0.00% | 8.25% | |
| Texas 6.25% | Dallas 1.00% | Kaufman 0.00% | Dallas MTA 1.00% | NA 0.00% | 8.25% | |
| Texas 6.25% | Dallas 1.00% | Rockwell 0.00% | Dallas MTA 1.00% | NA 0.00% | 8.25% | |

Sources: State, County and City Websites