

Memorandum



(Second Reading 7-1-08)

Date: April 8, 2008

To: Honorable Chairman Bruno A. Barreiro and
Members, Board of County Commissioners

Agenda Item No. 7(H)

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of the County Manager.

Subject: Deletion of Section 20-8.3 Retention of Cigarette Tax Revenues from the Miami-Dade
County Code

Recommendation

It is recommended that the Board of County Commissioners (BCC) adopt the attached ordinance relating to the retention of cigarette tax revenues by the County in areas annexed by municipalities. The ordinance deletes Section 20-8.3 which requires that the County retain cigarette tax revenues in annexed areas from the Miami-Dade County Code as this revenue is no longer directly distributed to counties or municipalities by the state.

Scope

The proposed ordinance deletes section 20-8.3 of the Code. The cigarette tax revenue is no longer distributed as a direct revenue from the state to counties or municipalities.

Fiscal Impact/Funding Source

This ordinance will not have a fiscal impact on Miami-Dade County. The County does not currently collect cigarette taxes directly from the state and therefore cannot currently retain cigarette tax revenues from annexation areas.

Track Record/Monitor

The adoption of this ordinance will not require any monitoring.

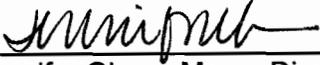
Background

The State of Florida began taxing cigarettes at three cents per pack in 1943. The tax was increased several times since then and a 25% tax on the wholesale price of chewing tobacco, snuff, and loose tobacco was imposed in 1985. The Cigarette Tax Revenue was directly distributed by the state to municipalities and counties. In 1985 the BCC approved Ordinance 70-85 codifying the retention of cigarette tax revenue for annexations as this revenue was directly distributed to counties and municipalities directly from the state.

Distribution of cigarette tax revenues have changed over time culminating on June 21, 2000, with the elimination of the direct distribution of this revenue to counties and municipalities. The cigarette tax revenue currently collected in the State of Florida is distributed to several other funds for use by the state or distribution to counties and municipalities along with other revenue sources. For example, the County receives distributions from the Revenue Sharing Trust Fund through the County Revenue Sharing Program, which includes among other revenues a small amount of cigarette taxes. The distribution of the County Revenue Sharing Program is not affected by the transfer of unincorporated

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land to a municipality. Because the cigarette tax revenue is no longer distributed as a direct revenue, it is no longer possible to retain this revenue as a result of an annexation, furthermore, the distributions to the County that contain a very small portion of cigarette tax revenue is not affected by a boundary change.



Jennifer Glazer-Moon, Director
Office of Strategic Business Management

cmo13008



MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: July 1, 2008

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 7(H)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor

Agenda Item No. 7(H)

Veto _____

7-1-08

Override _____

ORDINANCE NO. _____

ORDINANCE RELATING TO ANNEXATIONS; DELETING REQUIRED RETENTION OF CIGARETTE TAX REVENUES RESULTING FROM A MUNICIPAL DISTRICT BOUNDARY CHANGE; REPEALING SECTION 20-8.3 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA ("CODE"); PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

WHEREAS, from 1943 to 2000 the State of Florida levied a tax on the sale of cigarettes and distributed a portion of those revenues directly to counties and municipalities; and

WHEREAS, beginning in the year 2000 the State of Florida eliminated the direct distribution of cigarette tax revenues to counties and municipalities and distributed to counties revenue sharing from the Revenue Sharing Trust Fund that does not delineate cigarette tax revenue; and

WHEREAS, the County's revenue stream from the state's revenue sharing formula is not affected by any municipal boundary change; and

WHEREAS, Section 20-8.3 of the Code requires that the County continue to collect cigarette revenues accruing within unincorporated areas being annexed into existing municipalities,

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. Section 20-8.3 of the Code of Miami-Dade County, Florida, is hereby repealed in its entirety:¹

~~[[Sec. 20-8.3 Retention of cigarette tax revenues.~~

~~Any changes in the boundaries of municipalities involving the annexation of unincorporated areas of the County shall be made subject to the provisions of~~

¹ Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

~~Ordinance No. 69-7 [Sec. 29-2], imposing an excise tax on the retail sale of cigarettes in the unincorporated area of Miami-Dade County pursuant to the provisions of Article VIII, Section 6(f), Florida Constitution, and Section 210.03, Florida Statutes, and shall be effective only upon the condition and with the reservation that the County shall continue to collect and receive all cigarette tax revenues accruing within such annexed areas in the County. Every ordinance enacted to effectuate the annexation of unincorporated areas of the County to a municipality shall expressly set forth such condition.]]~~

Section 2. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 3. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 4. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as to form and legal sufficiency:



Prepared by:



Craig H. Coller