



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Unfinished Business

I.2.

2/24/2026

Subject:

Modify Existing Legislative Intent and Staff Direction, Re: Save Our Indian River Lagoon (SOIRL) Infrastructure Sales Tax Renewal

Fiscal Impact:

To be determined

Dept/Office:

County Manager's Office

Requested Action:

It is requested that the Board of County Commissioners discuss the infrastructure funding options presented and provide staff direction, including approval of any Legislative Intent and authorization to proceed with any required statutory actions.

Summary Explanation and Background:

On November 18, 2025, the Board approved Legislative Intent to advertise an ordinance for a voter referendum to renew the 0.5 percent Local Government Infrastructure Surtax for the Save Our Indian River Lagoon (SOIRL) Program and directed staff to return to the Board for a Public Hearing in April or May. In January, the Board conducted two public workshops to receive input regarding renewal of the SOIRL infrastructure sales surtax and the associated Project Plan.

On February 10, 2026, the Board directed staff to bring forward an agenda item to consider funding options for additional infrastructure projects to address backlogs in public facilities, transportation, and drainage infrastructure.

Pursuant to Section 212.055(2), Florida Statutes, local governments may levy the Local Government Infrastructure Surtax at a rate of 0.5 percent or 1 percent by ordinance approved by a majority of the county governing body and approved by the voters in a countywide referendum. Surtax proceeds are distributed to the county and its respective municipalities either pursuant to an interlocal agreement or in accordance with the distribution formulas set forth in Section 218.62, Florida Statutes. Under the current 0.5 percent infrastructure surtax dedicated to the SOIRL program, the County receives and administers the full countywide revenue (estimated at approximately \$67 million annually), pursuant to the existing interlocal agreement.

If the surtax were increased to 1 percent, expanded to include non-SOIRL infrastructure projects, and distributed pursuant to the statutory formula, municipalities would receive approximately 44.72% (estimated at approximately \$60 million annually), and the County would receive approximately 55.28% (estimated at approximately \$74 million annually). Accordingly, under a 1 percent surtax distributed pursuant to the

statutory formula, the SOIRL Program could receive less dedicated funding than under the existing 0.5 percent structure.

Projected Annual Revenues Under Distribution Formula:

Surtax Rate	0.5 Percent	1 Percent
Total Countywide Estimated Revenue	\$67,073,410	\$134,146,820
Brevard County BOCC Distribution (55.28%)	\$37,078,181	\$74,156,362
Municipalities Distribution (44.72%)	\$29,995,229	\$59,990,458

Figures based on estimates prepared by Florida Department of Revenue's Office of Tax Research and published by the Office of Economic and Demographic Research in May 2025.

Increasing the infrastructure surtax to 1 percent or expanding the uses of the 0.5 percent surtax to encompass non-SOIRL infrastructure projects, would result in the surtax being treated as a new or modified surtax, rather than a renewal of the existing surtax. Prior to the adoption of a new or modified discretionary surtax under Section 212.055, Florida Statutes, a copy of the proposed ordinance must be provided to the Florida Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA), and an independent certified public accountant, procured by OPPAGA, must conduct a performance audit of the program associated with the proposed surtax. This audit must evaluate the economy, efficiency, and effectiveness of the program, as well as alternative methods of service delivery. There is a strict statutory timeline for completion of the performance audit prior to placement of the referendum on the ballot.

Pursuant to Section 212.055(10), Florida Statutes, a referendum to adopt, amend, or reenact a local government discretionary sales surtax must be held at a general election (i.e., the election held on the first Tuesday after the first Monday in November in even-numbered years). Such a referendum may appear on the ballot only once within the 48-month period.

Options for Board Consideration:

1. Preserve Existing SOIRL Renewal (0.5 Percent)

A. Preserve the existing Legislative Intent approved by the Board on November 18, 2025 for renewal of the SOIRL 0.5 percent infrastructure sales surtax, subject to voter approval, as currently structured. This option would allow the surtax to be considered as a renewal and would not require OPPAGA review.

B. Preserve the existing Legislative Intent for renewal of the SOIRL 0.5 percent infrastructure sales surtax, subject to voter approval, and direct staff to increase emphasis on wastewater, stormwater and septic system upgrades in annual project plan updates, as allowed by existing ballot and ordinance language. This option would allow the surtax to be considered as a renewal and would not require OPPAGA review.

2. Modify and Expand Infrastructure Surtax (Up to 1 Percent)

Modify the existing legislative intent to increase the infrastructure surtax referendum to 1 percent and expand eligible infrastructure projects beyond the project types currently included in the SOIRL Project Plan. This option would change the character of the surtax from a renewal to a new proposed tax and

would therefore trigger additional statutory requirements, including OPPAGA review.

Under this option, the following actions would be necessary: 1) Direct staff to work with municipalities to amend the existing sales tax use and distribution interlocal agreements to address increasing the surtax from 0.5 percent to 1 percent and expanding eligible infrastructure uses, subject to voter approval of the sales tax; and 2) Direct staff to identify infrastructure project types not currently included in the SOIRL Project Plan (such as public facilities, transportation, drainage, etc.); and 3) Conduct a Public Hearing to consider adoption of the ordinance on a date to be determined, but no later than April 21, 2026, to meet the OPPAGA review deadline.

3. Charter County Regional Transportation Surtax (Up to 1 Percent)

Provide Legislative Intent and permission to advertise an ordinance levying a Charter County Regional Transportation System Surtax. This surtax may be levied at a rate of up to 1 percent, and may be used for the development, construction, operation and maintenance of roads or bridges, and for the operation and maintenance of a bus system or transportation services. Pursuant to an interlocal agreement entered into pursuant to Chapter 163, the County may distribute proceeds from the surtax to a municipality to be expended for the purposes authorized under the statute. Depending on the rate levied, the surtax could generate between \$33.5 million (0.25 percent) and \$134 million (1 percent) annually. This option would require a separate referendum from the SOIRL 0.5 percent infrastructure sales surtax and would therefore trigger additional statutory requirements, including OPPAGA review.

Under this option, the following actions would be necessary: 1) Direct staff to identify eligible transportation expenditures; and 2) Conduct a Public Hearing to consider adoption of the ordinance on a date to be determined, but no later than April 21, 2026, to meet the OPPAGA review deadline.

4. Any additional option as directed by the Board.

If the Board provides no alternative direction, staff will proceed in accordance with the November 18, 2025 Board direction to place a referendum to reenact the SOIRL 0.5 percent infrastructure surtax on the ballot for November 3, 2026. The deadline to provide finalized referendum language to the Supervisor of Elections is 5:00 p.m. on August 17, 2026.

Clerk to the Board Instructions: