

# OVERVIEW OF THE FY16 BUDGET

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## Unincorporated Area Municipal Services Taxing Unit (MSTU)

The Municipal Services Taxing Unit (MSTU) is the part of the County budget that is devoted to providing services that are delivered to our unincorporated residents. These services, such as law enforcement and building permitting, are similar to those most cities provide. Florida Statutes require that MSTU services are provided "from funds derived from service charges, special assessments, or taxes within such unit only" {F.S. 125.01(1)(q)}. The Pinellas MSTU was established in 1975 and is codified as Chapter 114, Article X of the County Code.

The general operating revenue and expenditures for the MSTU funded primarily by property taxes are part of the County's General Fund. Two funds, the Building Services Fund and the Surface Water Utility Fund, are entirely devoted to unincorporated area programs. The budget presented below does not include all MSTU-related expenditures budgeted. Examples include traffic sign and signal maintenance and capital improvement expenditures such as Penny for Pinellas projects.

### ***MSTU Revenues***

MSTU Revenues consist of the following:

- Property Taxes: A millage rate is adopted by the Board of County Commissioners and collected in the unincorporated area to support MSTU services. The millage rate for FY16 is 2.0857 mills. This rate has remained the same since FY08. The tax base for the MSTU increased by 5.0% compared to FY15 due to increasing property values.
- Revenues Totally Generated by the MSTU: There are a number of County revenues that are totally generated by activity in the unincorporated area that have traditionally been credited to the Pinellas MSTU. In FY16, these revenues include: communications services taxes; fees for building permits, tree removal, lot clearing, and zoning; surface water utility fees; and mobile home licenses.
- Revenues Specifically Allowed by State Law: Chapter 218.64 of the Florida Statutes authorizes the County to allocate a portion of the One-Half Cent Sales Tax state shared revenue to the MSTU. Sales tax support for the MSTU is \$3.8M, which is based on the MSTU's percentage of total General Fund operating expenses.
- Other Revenues: Pinellas County has traditionally assigned a portion of other revenue sources to the MSTU, generally based on the ratio between the MSTU budget and the overall County General Fund budget. In FY16, those revenues include interest income and excess fees for the Tax Collector and Property Appraiser. These revenues are related to specific MSTU expenditures or to the other MSTU revenues previously identified.

Unlike many cities, the County does not impose utility taxes or franchise fees in unincorporated Pinellas. Most city residents pay up to a 10% utility tax and a 6% franchise fee on their electricity bills.

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## ***MSTU Expenditures***

MSTU Expenditures include both direct and indirect costs and consist of the following activities:

- Sheriff's Office Law Enforcement: The Sheriff provides law enforcement services (road patrol) to the unincorporated area. The budget is determined by the Sheriff's Office based on an analysis of the resources (patrol officers, vehicles, etc.). The methodology for this allocation was reviewed and revised by an independent consultant in 2003. Historically, approximately one-third of the Sheriff's law enforcement activity is dedicated to the MSTU.
  - Departments or Programs entirely dedicated to the MSTU: Several agencies are engaged in providing services exclusively to the unincorporated area. In the FY16 Budget, these activities are building inspection, development review services, code enforcement, surface water, and lot clearing.
  - Departments or Programs partially dedicated to the MSTU: Departments whose services, and therefore costs, are allocated between countywide and MSTU activities include zoning services and Economic Incentive Grants for job creation.
  - Activities associated with revenue collection: The budgets for the elected Property Appraiser and Tax Collector are determined by statutory formulas that spread their costs in proportion to the property tax and other revenue they are responsible for supporting. Their budgets are approved by the State Department of Revenue. At the end of the fiscal year, any charges in excess of what these agencies actually required to operate are returned in the same manner.
  - The FY16 Proposed Budget for the MSTU includes several enhancements:
    - An appropriation of \$220,000 will support various projects within the MSTU unincorporated areas to enhance quality of life within unincorporated communities.
    - In the Parks and Conservation Resources budget, \$100,000 is included to support not-for-profit youth sports organizations operating on County-owned property or solely within unincorporated areas of the county to maintain safe and attractive youth sports facilities. Funding will initiate support for each organization and allow evaluation of needs in future years.
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- In June, the Board of County Commissioners established a community redevelopment area (CRA) within Lealman to dedicate property tax value increases in this community to programs that will improve opportunities for residents and businesses. Seed money (\$50,000) for public outreach and engagement is included in the FY16 Proposed Budget.

The following table summarizes the MSTU budget\*:

Program	Fund	FY15 Budget	FY16 Budget
Sheriff	General	36,670,850	39,010,630
Surface Water	Surface Water	19,126,400	20,052,380
Building Permits	Building Services	5,211,390	5,559,720
Development Review Services	General	2,254,420	2,728,440
Environmental Code Enforcement	General	1,792,050	1,922,270
Planning / Economic Development	General	1,719,730	2,141,320
Local Road Program	General & Capital Projects	650,000	650,000
MSTU Projects / Lealman CRA	General	0	370,000
Tax Collector & Property Appraiser Fees	General & Surface Water	1,228,280	1,252,070
<b>Total</b>		<b>68,653,120</b>	<b>73,686,830</b>

*\*Note: Budget does not include Reserves associated with General, Building Services, and Surface Water Utility funds.*

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