Municipal Revenue Sharing in Miami-Dade County: Not Yet Ready for Prime Time

John Topinka, Associate Director, Institute of Government

Florida International University, Miami, Florida

Summary

The Board of County Commissioners (BCC) in Miami-Dade County has reviewed two major municipal revenue sharing proposals over the past two years, both in response to recent incorporations. One proposal used property taxes as a source for the revenue sharing pool; the other recommended a ½ cent sales tax with weighted distribution formulas. In December 1997, the BCC requested a study on creating one new city in the unincorporated area, tabling action on incorporation and revenue sharing until later in1998. Using history as a guide, it does not appear that decision-makers will be ready to create any revenue sharing program in the near future.

Introduction

This paper presents a brief, incomplete history of municipal revenue sharing in Miami-Dade County, an issue that first entered the public arena in the spring of 1996, and continues unresolved today. The first revenue sharing proposal was offered during a fevered movement for incorporation of predominantly wealthy, white neighborhoods as a means to help "poorer" neighborhoods to be included in the parade of new cities (Stearns, 1996, Dluhy, 1995 and Staff Report, 1996). The second proposal came from a Revenue Sharing Task Force appointed by the BCC in the fall of 1996 (Task Force, 1997). At a December 2, 1997, workshop the BCC delayed pending incorporations of several neighborhoods; voted to get out of the municipal service business in 10 years; directed staff to develop plans to create one large city in unincorporated Miami-Dade County; but took no action on revenue sharing.

In summarizing the history of revenue sharing in Miami-Dade County, this paper focuses on portions of a Staff Report issued in October 1996, which included the first revenue sharing proposal as well as several alternatives, and the Revenue Sharing Task Force Report issued in July 1997. In so doing it amplifies on how revenue sharing could help alleviate the fiscal crisis in the city of Miami, with a $50 million operating shortfall identified in the fall of 1996 (Stierheim, 1996). It is organized as follows: (1) a brief history of the county as it relates to the incorporation movement that led to proposals for revenue sharing; (2) demographic and fiscal data for the county and its existing cities; (3) details of the two main revenue sharing proposals with reference to less financially significant alternatives; and (3) prospects for the future.

Historical Perspective

There has been a long and somewhat distinguished record of accomplishment of the modified two-tiered form of government in Miami-Dade County, which began with passage of the County's Home Rule Charter in 1957 (Lotz, 1984). This form of government, its innovations and advantages still receive mention in major publications (Osborne and Gaebler, 1992, and Downs, 1994). Regional services such as transportation, jails, public health, social services, waste disposal and environmental protection are provided to all 2 million county residents by the Miami-Dade County government, the upper tier. Municipal services such as local police, parks and public works are provided to the 1 million residents of unincorporated Dade by the county government as well, with city residents receiving such services from their respective municipal governments, the lower tier.

From 1957 until 1993 only three requests for incorporation were submitted to the county and only one new city was formed, the Village of Key Biscayne. Since 1993, ten petitions for incorporation have been filed with several other neighborhoods in the planning stages. Three of these petitions have resulted in new cities being formed: Aventura, Pinecrest and Sunny Isles Beach (Staff Report, 1996, Task Force, 1997). As these areas have incorporated, they took with them property tax and other revenues but not an equal portion of service cost, thus creating a negative impact on the county's unincorporated municipal services area (UMSA) budget (Staff Report, 1995). Perhaps not coincidentally, the county shifted from 9 commissioners elected at large to 13 elected by districts in 1993. According to the County Manager's budget message for fiscal year 1997-98, a significant portion of a proposed 45 percent tax increase in the unincorporated area was due to the loss of revenues from the incorporation of Aventura and Pinecrest (County Manager, 1997). At the county mayor's request, the BCC approved only a 22 percent tax increase for property owners in unincorporated Miami-Dade County (Penelas, 1997).

Demographic Background of Miami-Dade County and its Cities

The 1990 census reported that Miami-Dade County's population of 2 million was 49.2 percent Hispanic, 20.5 percent Black with most of the balance non-Hispanic white, also known as Anglo (Metropolitan Dade County Planning Department, 1995). Recent data indicate that Miami-Dade County is also one of the poorest urban counties in the United States (Keating, 1997); yet within the county there are many wealthy neighborhoods and communities.

The population within the boundaries of the 29 active municipal governments and the governments themselves reflect differences in size, ethnic mix, taxation, household income (personal wealth) and per capita property tax base (municipal wealth). Studies have shown that wealthier communities spend more on municipal services on a per capita basis than their less wealthy counterparts (Becker and Dluhy, 1995). Table 1 on the next page summarizes key demographic data about cites in Miami-Dade County, listing cities in order from lowest per capita taxable value to highest.

Table 2 summarizes relevant data for recent incorporations and for areas with active incorporation movements. All four cities created in recent years have majority Anglo populations, including Sunny Isles Beach. Of the prospective six new cities (shown in italics in Table 2), three have Anglo populations exceeding 50 percent. Except for the retirement communities of Aventura and Sunny Isles Beach, all new and prospective cities have larger, in a few cases substantially larger, median household incomes than the current UMSA figure.

The three recent new cities have caused a 10.5 percent decline in the per capita property tax base of UMSA from $40,163 to $35,934. With the communities in queue, the UMSA per capita tax base would decline another 11 percent from $35,934 to $31,862. If these incorporations were to occur, it would likely mean (1) many of the remaining communities in unincorporated Dade would not have tax bases sufficient to become cities and provide a reasonable level of service at a reasonable rate of taxation and (2) continued tax increases in the remaining UMSA in order to maintain services at current levels (Task Force, 1997). Within this context, then, various revenue sharing proposals have been put forward.

Table 1. Municipal Governments in Miami-Dade County
Ranked from Highest to Lowest Per Capita Taxable Property Value

Jurisdiction	1995 Population	1997 Taxable Value ($1,000)	Per Capita Taxable Value	Median Household Income	Percent of Population: Hispanic	Black	Other +	Millage Subject to 10 Mill Cap	Available Millage	Revenue Potential to 10 Mills	Potential Revenue Per Capita
Sweetwater	14,717	$208,116	**$14,141**	**$22,530**	93.0	1.0	6.0	3.5316	6.4684	1,346,178	91
El Portal	2,506	41,729	**16,652**	**26,173**	11.6	53.4	35.0	7.7000	2.3000	95,977	38
Homestead	30,712	576,505	**18,771**	**20,594**	35.3	23.0	41.7	8.6816	1.3184	760,064	25
North Miami	51,973	1,209,463	**23,271**	**24,898**	24.6	31.9	43.5	7.9310	2.0690	2,502,379	48
Biscayne Park	3,190	76,659	**24,031**	35,938	18.7	7.7	**73.6**	8.7600	1.2400	95,057	30
Florida City	6,290	151,345	**24,061**	**15,917**	17.7	61.0	21.3	7.1330	2.8670	433,906	69
Hialeah	195,750	4,827,463	**24,661**	**23,443**	87.6	1.9	10.5	7.4810	2.5190	12,160,379	62
Opa-locka	15,454	383,205	**24,796**	**15,099**	27.4	69.4	3.2	9.8000	0.2000	76,641	5
West Miami	5,751	166,862	**29,014**	**25,477**	79.4	1.1	19.5	8.4950	1.5050	251,127	44
North Miami Beach	36,227	1,064,108	**29,373**	**24,963**	22.1	21.8	**56.1**	7.6000	2.4000	2,553,859	70
Miami	364,075	11,823,832	**32,476**	**16,925**	62.5	27.4	10.1	9.5995	0.4005	4,735,445	13
Miami Shores	10,442	354,788	**33,977**	41,670	13.5	20.4	**66.1**	8.7400	1.2600	447,033	43
Virginia Gardens	2,197	76,064	**34,622**	28,269	50.6	1.1	48.3	3.2930	6.7070	510,161	232
Unincorporated Area	1,086,669	39,047,899	**35,934**	27,775	41.5	23.1	35.4	2.6830	7.3170	285,713,477	263
North Bay Village	5,535	221,774	40,068	**25,165**	26.1	4.2	**69.7**	4.8870	5.1130	1,133,930	205
Miami Springs	13,226	535,970	40,524	31,461	41.8	1.9	**56.3**	6.9500	3.0500	1,634,709	124
Hialeah Gardens	9,412	397,596	42,244	**24,120**	82.0	1.4	16.6	7.6650	2.3350	928,387	99
South Miami	10,514	570,794	54,289	31,741	23.8	29.6	46.6	6.5900	3.4100	1,946,408	185
Bay Harbor Islands	4,774	274,473	57,493	30,112	15.3	0.9	**83.8**	4.8627	5.1373	1,410,050	295
Miami Beach	93,366	6,463,735	69,230	**15,312**	46.8	5.2	48.0	7.4990	2.5010	16,165,801	173
Pinecrest	18,927	1,625,205	85,867	74,576	20.0	2.0	**78.0**	2.2770	7.7230	12,551,458	663
Surfside	4,170	416,742	99,938	32,349	30.0	1.3	**68.7**	5.6030	4.3970	1,832,415	439
Coral Gables	40,154	5,156,732	128,424	47,506	41.9	3.4	**54.7**	5.5090	4.4910	23,158,883	577
Aventura	16,655	2,771,785	166,424	31,901	7.5	0.5	**92.0**	2.2270	7.7730	21,545,085	1,294
Key Biscayne	9,333	2,003,049	214,620	61,293	42.8	0.4	**56.8**	3.6060	6.3940	12,807,495	1,372
Bal Harbour	3,091	862,957	279,184	39,773	9.6	1.0	**89.4**	3.3300	6.6700	5,755,923	1,862
Golden Beach	800	227,787	284,734	71,965	13.6	1.2	**85.2**	8.7377	1.2623	287,536	359
Medley	711	591,294	831,637	**24,750**	58.1	0.6	41.3	7.9230	2.0770	1,228,118	1,727
Indian Creek Village	45	105,311	2,340,244	150,001	15.9	2.3	**81.8**	9.9600	0.0400	4,212	94
Total or Average	2,056,666	$82,233,242	$39,984	$26,909	49.2	20.5	30.3	6.5191			$362

Source: Miami-Dade County Departments of Planning, Development and Regulation and Property Appraisal and 1990 census.
Figures in bold are below the county average. Population in bold shows a majority Anglo population. Cities in italics are newly incorporated.
City names in bold indicate that the city has both below average per capita assessed value and median household income.
+ Other is primarily non-Hispanic White, also referred to as Anglo in this paper.

Table 2. Per Capita Property Tax Base of New and Proposed Cities and UMSA, Major Population Group, and Median Household Income

Area	1997 Per Capita Tax Base	Times Larger than Current UMSA	Largest Population Group	Median Household Income	Times Larger than Current UMSA
Old" UMSA +	$40,163				
Key Biscayne	214,620	6.0	Anglo (57%)	$61,293	2.2
Aventura ^	166,424	4.6	Anglo (92%)	31,901	1.1
Pinecrest	85,867	2.4	Anglo (78%)	74,576	2.7
Current UMSA	35,934	1.0	Hispanic (42%)	27,775	1.0
Sunny Isles Beach ^	84,462	2.4	Anglo (97%)	22,116	0.8
East Kendall	63,188	1.8	Anglo (51%)	46,589	1.7
West Kendall	35,521	1.0	Hispanic (55%)	35,926	1.3
Palmetto Bay #	61,887	1.7	Anglo (74%)	64,239	2.3
Doral #	105,713	2.9	Hispanic (47%)	38,662	1.4
Miami Lakes #	79,301	2.2	Anglo (54%)	45,445	1.6
Country Club Lakes	52,067	1.4	Hispanic (46%)	42,022	1.5
"Revised" UMSA +	31,862		N/A	N/A	

Source: Miami-Dade County Department of Planning and Regulation and Task Force Report, July 1997, and communication with staff in the department. Author's calculations.

^ These communities have large retirement populations, which in part is reflected in the median household income figure. Sunny Isles Beach already is a new city, but has not yet levied a property tax.

+ "Old UMSA assumes new cities rolled back into UMSA; "Revised" UMSA assumes prospective cities have incorporated.

Most actively seeking incorporation.

The First Revenue Sharing Proposal

The first revenue sharing proposal surfaced in the spring of 1996. Known as the "Fair Share Municipal Revenue Sharing Amendment," an attorney prominent in the incorporation movement sent it to local decision-makers for debate (Stearns, March 1996). It had a simple premise. Each city would contribute 1 to 3 mills of its property tax revenue to a revenue sharing pool; this then would be distributed back to each city based on population. Since a mill is worth more in high value areas than low ones, the effect of would be to transfer revenue from wealthier to less wealthy cities.

Table 3 shows how this plan would have impacted cities in Miami-Dade County, assuming 3 mills of property tax revenue were contributed to the pool. Of the estimated $72 million placed in the pool, a net $32 million would have been redistributed from wealthier to poorer communities. Additionally, Table 3 shows to some degree what this might mean to each city government by showing each city's estimated per capita general expenditure, its per capita share from the revenue sharing pool and its revised per capita general expenditure figure. The city of Miami, for example, would have received a net $7.7 million additional dollars for its general services, which represents about 4 percent of the city's general fund budget. More interestingly, perhaps, is that this amount would have enabled the city to hire about 150 more police officers (author's calculations). This is not insignificant, although it is unlikely to have solved the city's greater fiscal problems.

The BCC placed this proposal on a primary election in November 1996, a straw ballot to gauge public opinion. In general this proposal was not well received. The Miami-Dade County League of Cities, for example, voted unanimously to oppose such a plan, and it was overwhelmingly defeated in the straw ballot, although the election was a Republican primary with low voter turnout, and no real effort was made to convince voters of the need for such a program (Task Force, 1997).

As identified in the 1996 Staff Report, this proposal had a number of positive as well as negative elements. On the positive side, this proposal (1) was easy to understand, (2) would be simple to implement, (3) would allow benefiting municipalities to raise the level of services without raising taxes, (4) would reduce fiscal disparity among cities to some extent, and (4) was truly a means for wealthy areas to share revenue with poorer areas.

On the negative side, this proposal (1) effectively preempted municipal taxing authority; (2) could reduce the level of services in wealthier cities near or at the constitutional 10 mill cap; (3) could lead to tax increases in contributor cities that seek to maintain or increase their own revenue as taxing authority is preempted; (4) gives revenue to areas regardless of tax effort; (5) does not ensure full mitigation of the fiscal impact of incorporation on unincorporated Miami-Dade County; (6) may have impacted the countywide millage of Miami-Dade County government, thus affecting county-wide revenue, spending and services.

The staff report also analyzed other revenue sharing options, including:

Fair Share with Limited Distribution. Staff suggested using the Fair Share concept of 1 to 3 mills but limiting distribution only to those cities with below average per capita property tax bases. This would have raised approximately $57 million for redistribution. It has similar pros and cons as the original proposal. The city of Miami would have netted $12.7 million using this methodology, about 7 percent of its general fund budget.

Table 3: Fair Share Revenue Sharing Proposal at Three Mill Level

Net Recipients above the line; Net Donors Below the Line

Jurisdiction	1994 Population	1995 Assessed Value (1,000)	Per Capita Assessed Value	Three Mill Level			
				Net Revenue Distribution	Per Capita ^		Revised Per Capita Expenditures
					General Expenditures	Share Distribution	
Hialeah	202,904	$4,366,535	$21,520	$9,530,408	$379	$47	$426
Unincorporated Area	1,018,827	35,821,448	35,159	8,250,497	431	8	439
Miami	365,557	11,204,458	30,650	7,658,073	591	21	612
North Miami	50,405	1,165,411	23,121	2,137,571	617	42	659
Sweetwater	14,067	190,514	13,543	980,529	348	70	418
Homestead	22,067	497,170	22,530	972,978	710	44	754
North Miami Beach	35,596	1,019,107	28,630	950,684	737	27	764
Opa-locka	16,339	379,928	23,253	686,760	599	42	641
Hialeah Gardens	10,772	344,890	32,017	183,700	516	17	533
West Miami	5,742	156,407	27,239	176,115	456	31	487
El Portal	2,488	38,223	15,363	160,522	400	65	465
Biscayne Park	3,075	72,505	23,579	126,392	416	41	457
Florida City	4,552	130,021	28,564	122,433	945	27	972
Miami Shores	10,123	341,965	33,781	121,747	737	12	749
Virginia Gardens	2,260	73,113	32,351	36,393	481	16	497
North Bay Village	5,613	218,431	38,915	(14,627)	655	(3)	652
Miami Springs	13,343	516,097	38,679	(25,794)	655	(2)	653
Bay Harbor Islands	4,724	265,646	56,233	(245,470)	780	(52)	728
Indian Creek Village	52	94,674	1,820,658	(264,190)	17,640	(5,081)	12,559
South Miami	10,518	549,548	52,248	(427,084)	758	(41)	717
Golden Beach	820	212,029	258,572	(515,475)	2,349	(629)	1,720
Surfside	4,208	372,131	88,434	(604,836)	1,043	(144)	899
Medley	866	534,972	617,751	(1,430,881)	5,912	(1,652)	4,260
Bal Harbour	3,033	800,728	264,005	(1,953,594)	1,213	(644)	569
Pinecrest +	19,740	1,656,000	83,891	(2,581,706)		(131)	
Key Biscayne	8,847	1,767,457	199,780	(4,079,099)	902	(461)	441
Aventura +	19,400	2,600,000	134,021	(5,308,929)		(274)	
Miami Beach	93,681	5,741,087	61,283	(6,216,201)	782	(66)	716
Coral Gables	40,813	4,507,744	110,449	(8,426,917)	1,006	(206)	800
Total - Dade County	1,990,432	$75,638,239	$38,001	$32,094,802 Net Distributed to Recipient Cities			

Sources: Metro-Dade OMB. Population figures from Florida Estimates of Population, Bureau of Economic and Business Research, College of Business Administration, University of Florida, 1994. Property tax base and millage rates are from Property Appraiser.

+ Aventura and Pinecrest tax bases were estimates from the Property Appraiser. Aventura/Pinecrest millage used in this table is the same as the unincorporated millage, since neither city had levied a millage at the time these data were computed.

^ Includes fire and library district per capita expenditures of $104 and $17, respectively, for those jurisdictions in those districts. Data are based on 1994-95 budgets, and include only those services supported by general revenue -- police, parks, public works, library and general government. Costs for building and zoning, waste collection and other proprietary services were excluded from the per capita figure. Computed figures are subject to rounding.

Extraordinary Millage. City and county governments in Florida can levy a millage above the 10-mill cap for extraordinary purposes for up to two years with voter approval. Using this method for revenue sharing with a five-year pay out plan would raise approximately $30 million a year for distribution. The city of Miami would have received $6.2 million a year under this plan; however, voters would have to re-approve the extraordinary millage every 5 years.

Property Tax Base Sharing. This proposal was to use a portion of the growth in industrial and commercial tax base from year to year as the source of revenue for a revenue sharing pool. It would have raised only $5 million dollar in 1996, an amount insufficient to level the fiscal playing field for Miami-Dade's cities. From 1986 to 1996, the county's commercial/industrial tax base grew from approximately $22 billion to $29 billion, or about 3 percent per year. Within that ten-year period, however, two years actually showed a decline in value.

Property Tax Base Retention. This plan would prohibit certain commercial/industrial areas from being included in new incorporations, thus allowing the unincorporated area to retain valuable tax base that likely contributes more in revenue than it costs to serve. This proposal does not address fiscal disparity in existing cities, but helps to a small extent mitigate the negative impacts of incorporation on the unincorporated area. This concept is still being discussed by decision-makers. The city of Miami would not have benefited from this plan.

Police District. This plan would create a police district for specialty police services that all cities would have to join. Such services could include SWAT, special investigations, helicopter, and homicide. It was assumed that wealthier cities would contribute more than poorer cities to funding this service because of their larger per capita tax bases. The city of Miami could benefit from this plan by reducing its own police operating costs to the extent they were picked up by the new police district. Fiscal data on the impact on cities were not prepared.

The Second Major Municipal Revenue Sharing Proposal

Created by the BCC in the fall of 1996, the Revenue Sharing Task issued its report in July 1997. The Task Force recommended two countywide revenue sharing plans. They had three common components (1) a new source of countywide revenue, (2) a weighted formula to determine municipal eligibility and amounts to distribute, and (3) an oversight committee with strict program application and evaluation criteria.

The sales tax offers several important benefits, but also has several barriers inhibiting implementation. The six major benefits of a half-cent sales tax are (1) it raises $100 to $110 million annually, an amount that was deemed sufficient for a revenue sharing program to be effective; (2) it is a recurring source of revenue; (3) while sales taxes normally are considered regressive in nature, Florida's sales tax excludes food and medicine, and if the revenue sharing program targets poorer cities, the residents there would receive a greater benefit, helping to negate the regressive aspects of this tax; (4) tourists and visitors pay an estimated 30 to 35 percent of sales taxes; (5) as a new revenue source, no city would contribute any of its existing revenue; and (6) no property tax revenues or tax rates would be negatively affected.

The four major barriers to using this revenue source are (1) it requires a change in state law in order for revenue sharing to be an eligible use of sales tax; (2) it likely requires a referendum of the voters to implement a revenue sharing program, if state law allowed such a use for sales tax; (3) it is a tax increase on consumption; and (4) it precludes the county from using this revenue for other purposes currently allowed under state law.

Eligibility and Distribution Formula. Rather than relying solely on a population based formula for distributing revenue sharing funds as the Fair Share proposal recommended, the Task Force identified two different options. Each has a unique distribution formula that determined eligibility of a city to participate in revenue sharing and how much each eligible city was to receive, subject to meeting other application and evaluation criteria. Table 4 summarizes the hypothetical distribution results for each plan.

Option 1. All cities are eligible to receive a portion from the revenue sharing pool (for political acceptance). The distribution formula, however, enables cities with higher tax efforts and lower median household incomes to receive more revenue on a per capita basis than cities with lower tax efforts and higher median household incomes (for equity). (See Table 4 for a definition of tax effort.) This option achieves two major goals: all municipalities receive some revenue, but the "poorer" cities, as measured by tax effort and median household income, receive relatively greater amounts as measured in per capita terms.

Data reflecting a hypothetical distribution with total and per capita results are shown under Option 1 in Table 4. The distribution assumes $100 million in the pool. If all $100 million were distributed to every municipal government based on population alone, the per capita value each city would receive would be approximately $49. Thus, by reviewing the Per Capita column of Table 4, Option 1, one can deduce that cities receiving more than $49 per capita exhibit higher tax efforts or lower median household incomes, or both. Those cities with a per capita revenue sharing value less than $49 reflect lower tax efforts or higher median household income, or both. The re-distributive result comes from formula weighting. Under this plan the city of Miami would have received $25 million, or $69 per capita. This represents approximately 12 percent of its general fund budget and would go a long way in helping the city solve its financial crisis.

Option 2. Funds would be distributed only to those cities that have below average per capita taxable values, and more funds would be awarded to eligible cities that exhibit higher tax efforts. Option 2 achieves one overarching goal: to help "poorer" cities, as defined by below average per capita property tax base, to achieve a level of services more similar to wealthier cities by providing them substantial revenue sharing funds. Secondly, the distribution formula also rewards those with higher tax efforts -- those that are trying harder -- with more funds on a per capita basis than other eligible cities would receive. Fourteen cities would be eligible under this option. The city of Miami would receive $27 million under this plan, about $2 million more than under Option 1.

Oversight Committee. The Revenue Sharing Task Force strongly recommended that an oversight committee be established to administer either option. Thus, under either countywide revenue sharing program, the allocation of funds to jurisdictions based on a pre-established formula would further be limited to specific service enhancements subject to oversight review and approval. This committee would have the authority to approve funding, evaluate programs, and withhold future funding if programs were poorly managed or did not achieve intended results. The program would be tied to an annual application process, specific municipal services and a set of service objectives and performance measures.

Weighting Distribution Formulas. The formulas in Options 1 and 2 use "weighting" factors to control dollar amounts awarded. The formulas serve as a partial means test, rewarding some cities with relatively more funds than other cities. The formula for option 1 used population, median household income, and tax effort (a function of millage rates and per capita taxable values) to determine distribution. Option 2 uses the same factors, excluding median household income, and uses average per capita tax value as the cut off for participating in program.

Prospects for the Future

The Miami-Dade County Board of County Commissioners has the power to take the necessary steps to begin creating a revenue sharing program in this community, although state legislative action would likely be required to complete the process. Both the staff and citizens' Task Force reports (1) documented that fiscal disparities do indeed exist among cities and in the unincorporated area as well, (2) recommended two possible revenue sources, ad valorem and sales tax, and (3) identified a method of implementation to ensure integrity and fairness in the program and a means to monitor use of the funds. Never the less, political and popular support for revenue sharing remains consistently absent. Fundamentally, three barriers appear to be holding back BCC action (1) no champion politically powerful enough to lead the way; (2) strong anti-tax sentiment among the voters; and (3) general distrust of government.

In the spring of 1998 the BCC will be faced with various incorporation alternatives. One, as mentioned previously, is to form a single large city in the unincorporated area. If this were to happen, the original problem that led to the first revenue sharing proposal, the negative impact on the unincorporated area, would disappear. Without this significant problem, it is doubtful that revenue sharing would remain a public policy issue in this community. On the other hand, if the BCC follows its past behavior patterns and allows piecemeal incorporation of wealthy neighborhoods to continue, the issue may become more politically significant since the remaining unincorporated area will grow increasingly Hispanic, Black and poorer. Hispanic elected officials wield the greatest political power in Miami-Dade County, holding a majority of seats on the county commission and in the city of Miami. As well, the mayors of the county and the city of Miami are both Hispanic and newly elected as strong mayors. As these constituencies become more fiscally and otherwise negatively affected, someone may step forward to assume a leadership position.

Finally, in spite of two major revenue sharing studies, the greatest barrier may simply be that the problem revenue sharing is supposed to address has not been sufficiently articulated. It may not be enough merely to show that some communities have low per capita property tax bases and median household incomes, while others enjoy greater wealth, lower taxes (at least as measured by millage rate) and perhaps better services. More research may be needed to establish linkages between municipal "poverty" and such things as public safety, economic development, job creation, and quality of life services. Until these barriers are eliminated or more persuasive evidence points to the need for municipal revenue sharing in Miami-Dade County, this community and its leaders are not ready to embrace such programs.

Acknowledgement

Several county staff members helped write the two revenue sharing reports summarized in this paper, including the author, who as county budget coordinator was one of a handful of people working on incorporation and revenue sharing issues prior to accepting his current position in August 1997. Key staff, all from the Miami-Dade Department of Planning, Development and Regulation were: Allan Bly, assistant director (now retired), Dr. Barbara Falsey, senior planner, and Dr. Charles W. Blowers, chief of the Research Division who created the weighted formulas used in the Task Force report.

Table 4. Task Force Computations of Hypothetical Countywide Revenue Sharing Distribution of a 1/2 Cent Sales Tax

Distributed by Population	Option 1		Option 2	
Jurisdiction	Weighted by Tax Effort * and Median Household Income to All Cities		Weighted by Tax Effort Only to Below Average Per Capita Tax Base Cities	
	Total	Per Capita	Total	Per Capita
Aventura	$407,716	$24		
Bal Harbour	61,608	20		
Bay Harbor Islands	183,645	38		
Biscayne Park	255,196	80	$527,348	$165
Coral Gables	755,138	19		
El Portal	270,681	108	556,268	222
Florida City	615,679	98	923,434	147
Golden Beach	12,150	15		
Hialeah	10,053,669	51	11,423,534	58
Hialeah Gardens	584,452	62		
Homestead	3,543,058	115	6,822,568	222
Indian Creek Village	245	5		
Key Biscayne	123,402	13		
Medley	21,456	30		
Miami	25,094,023	69	27,223,445	75
Miami Beach	5,406,908	58		
Miami Shores	647,616	62	1,289,454	123
Miami Springs	677,436	51		
North Bay Village	276,956	50		
North Miami	4,534,950	87	8,388,352	161
North Miami Beach	2,676,208	74	4,527,494	125
Opa-locka	1,758,023	114	2,838,898	184
Pinecrest	262,011	14		
South Miami	460,583	44		
Surfside	131,185	31		
Sweetwater	1,123,654	76	1,816,367	123
Virginia Gardens	90,114	41	96,856	44
West Miami	451,662	79	801,080	139
Unincorporated Area	$39,520,576	$36	$32,764,901	$30

Sources: Miami-Dade County departments of Property Appraisal, Planning, Development and Regulation, and Office of Management and Budget

Notes:

Cities in bold have below average taxable values; italics: below average household incomes; shading: relatively high tax efforts.

* Tax Effort: a city's millage rate divided by its per capita taxable value, which is then divided by the average municipal millage rate in the county divided by the average taxable value in the county to get relative weighting. Using these ratios to create a weighting factor helps delineate the relationship between value and millage rate to more accurately define tax effort.

References

Becker, F. & Dluhy, M. (1995). Service Delivery in Dade County: Which Jurisdiction Should Provide Which Services? Research Report. Miami: Institute of Government, Florida International University

County Manager. (1997). 1997-98 Proposed Operating Budget. Miami: Metro-Dade County.

Dluhy, M. (1995, April 9). Dade's Incorporation Fever. Miami Herald: pp. 1b, 5b.

Downs A. (1994). New Visions for Metropolitan America. Washington, DC: The Brookings Institution and Cambridge, MA: Lincoln Institute of Land Policy.

Keating, D. (1997, April 2). Dade is Growing Poorer Faster. Miami Herald.

Staff Report. (1996). Municipal Revenue Sharing and Other Fiscal Equity Options. Staff Report. Miami: Metropolitan Dade County Office of Management and Budget and Department of Planning, Development and Regulation, Metro-Dade County.

Staff Report. (1995). Estimated Budget Impacts of Proposed Incorporation. Staff Report. Miami: Office of Management and Budget, Metro-Dade County.

Penelas, Alex. (1997). Budget Message — FY 1997-98. Mayor's Memorandum. Miami: Metro-Dade County

Lotz, A. (1984). *Metropolitan Dade County: Two-tiered Government in Action*. Boston: Allyn and Bacon.

Osborne, D. and Gaebler, T. (1992). *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*. Reading, MA: Addison-Wesley Publishing Company, Inc.

Revenue Sharing Task Force. (1997). Final Report. Miami: Metro-Dade County.

Stearns, Eugene. (1996). Municipal Revenue Sharing for Dade County: A Proposal to Fairly Share the Burden Among the 'Halves' to Provide Basic Municipal Government to the 'Have Nots': The Fair Share Municipal Revenue Sharing Amendment. Miami: Proposal attached to memo from the law firm of Stearns Weave Miller Weissler Hadeff & Sitterson, PA.

Stierheim, M. (1996). Strategic Financial Recovery Plan. City of Miami Staff Report. Miami: City Manger's Office.

Note: In November 1997 voters in the county approved a name change from Dade County to Miami-Dade County, and the county government changed its name as well from Metropolitan Dade County or Metro-Dade County to Miami-Dade County.