

**STORAGE NAME:** h0921.tr  
**DATE:** March 24, 2000

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
TRANSPORTATION  
ANALYSIS**

**BILL #:** House Bill 921  
**RELATING TO:** Local Option Fuel Taxes/Uses  
**SPONSOR(S):** Rep. K. Smith  
**TIED BILL(S):** N/A

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) TRANSPORTATION
  - (2) COMMUNITY AFFAIRS
  - (3) FINANCE & TAXATION
  - (4)
  - (5)
- 

I. SUMMARY:

This bill expands the allowable uses of revenues from the local option five cent gas tax (ELMS Nickel) to include paving of unpaved roads only when the paving is necessary to mitigate an adverse environmental impact. This will help some counties address environmental concerns raised by the Department of Environmental Protection concerning run-off from unpaved roads washing into rivers, creeks, and wetlands.

The bill does not have a fiscal impact on the state or local governments.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |                             |   |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Current law contains three local option fuel taxes which authorizes counties to impose a tax of one to six cents, one cent, or one to five cents (this latter five cents tax is also known as the ELMS Nickel) on each gallon of gasoline purchased in the county. The local option fuel tax on diesel fuel has been equalized statewide at seven cents per gallon. The one to six cents, and the one cent taxes may be imposed by a simple majority of the county commissioners or by referendum. The ELMS Nickel of up to five cents per gallon may be imposed by a majority plus one vote of the county commission or by referendum.

Revenues from these taxes, with limited exceptions, must be spent on transportation expenditures. The use of the revenues from the ELMS Nickel may only be used for transportation expenditures needed to meet the capitol improvement element of an adopted comprehensive plan, including construction of new roads, or resurfacing or reconstruction of existing paved roads.

As of January 1, 2000, all counties have adopted at least 3 cents per gallon of local fuel taxes. Also, 13 counties have adopted some portion or all of the ELMS Nickel: Broward, Charlotte, Collier, Dade, DeSoto, Hernando, Highlands, Lee, Martin, Palm Beach, Polk, St. Lucie, and Volusia.

C. EFFECT OF PROPOSED CHANGES:

This bill expands the allowable uses of revenues from the local option five cent gas tax (ELMS Nickel) to include paving of unpaved roads only when the paving is necessary to mitigate an adverse environmental impact. This will help some counties address environmental concerns raised by the Department of Environmental Protection concerning run-off from unpaved roads washing into rivers, creeks, and wetlands.

D. SECTION-BY-SECTION ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

The bill does not have a fiscal impact on the state or local governments. However, the bill will give some counties increased budgetary flexibility to address environmental concerns about run-off from unpaved roads.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

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V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

The 'ELMS Nickel' five cent local option gas tax was authorized in 1993 by the Legislature. This tax resulted from the recommendation of the Environmental Land Management Study (ELMS) Committee, which was created pursuant to Executive Order 91-291. The purpose of the ELMS Nickel was to provide local governments an additional revenue source to meet the requirements of the capital improvements element of local comprehensive plans.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

Prepared by:

Staff Director:

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Phillip B. Miller

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