



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |   |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

#### B. EFFECT OF PROPOSED CHANGES:

Fuel taxes are the oldest continuous sources of dedicated transportation revenues in Florida. The first state fuel tax was 1-cent-per-gallon, levied in 1921. By 1971, the state was levying 8 cents per gallon, with half of it being spent on local transportation projects. Florida's fuel taxes and how they are levied have undergone a number of changes since then, but remaining constant have been the 7<sup>th</sup>-cent county fuel tax and the 8<sup>th</sup>-cent municipal fuel tax. They are levied on both motor fuel and diesel.

The county fuel tax is distributed based on the formula in section 9(c)(4) of Article XII, Florida Constitution: the first call on the proceeds is to meet debt service requirements, if any, on local bond issues backed by the proceeds. The balance is credited to the counties' transportation trust funds. In FY 01-02, the county tax on motor fuel generated \$77.231 million and the county tax on diesel generated \$13.37 million. Less service charges and refunds, about \$81.5 million was returned for county use. The county fuel tax revenues may be used solely for the acquisition of right-of-way, the construction, reconstruction, operation, maintenance, and repair of transportation facilities, roads, and bridges in counties; or the reduction of bonded indebtedness incurred to build those aforementioned projects.

Revenues from the municipal fuel tax are deposited into the Revenue-Sharing Trust Fund for Municipalities, and distributed according to a complicated weighted formula explained in s. 218.245, F.S. Less service charges and refunds, about \$82.5 million was deposited in the trust fund for municipal use. Municipal fuel tax revenues may be used only to acquire transportation facilities or road rights-of-way; the construction, reconstruction, and maintenance of roads and streets; adjustment of city-owned utilities required by road or street projects; and the construction, reconstruction, transportation-safety related activities, maintenance and operation of transportation facilities.

HB 1813 proposes expanding the uses of these fuel-tax revenues to include construction, reconstruction, maintenance, and operation of bicycle paths and pedestrian pathways.

#### C. SECTION DIRECTORY:

Section 1: Amends s. 206.60, F.S., to add bicycle paths and pedestrian pathways to those projects for which the "1-cent county fuel tax," levied pursuant to s. 206.41(1)(b), F.S., may be spent, at the discretion of county commissions.

Section 2: Amends s. 206.605, F.S., to add to add bicycle paths and pedestrian pathways to those projects for which the "1-cent municipal fuel tax," levied pursuant to s. 206.41(1)(c), F.S., may be spent, at local discretion.

Section 3: Specifies this act shall take effect upon becoming a law.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

Indeterminate, because the decision to spend the county fuel tax and the municipal fuel tax revenues on bicycle paths and pedestrian pathways is at the discretion of local government.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None likely, since HB 1813 authorizes a diversion of local transportation funds that would have been spent on the private sector, anyway, to design and build transportation projects.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

### B. RULE-MAKING AUTHORITY:

Municipal and county governments are not subject to chapter 120, F.S.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

## IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES