

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 332

SPONSOR: Senator Saunders

SUBJECT: Local Option Fuel Tax

DATE: April 9, 2003

REVISED: 04/14/03 \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>McAuliffe</u>	<u>Meyer</u>	<u>TR</u>	<u>Fav/1 amendment</u>
2.	_____	_____	<u>CP</u>	_____
3.	_____	_____	<u>FT</u>	_____
4.	_____	_____	<u>ATD</u>	_____
5.	_____	_____	<u>AP</u>	_____
6.	_____	_____	_____	_____

## I. Summary:

Section 336.025, F.S., is amended to expand how counties and municipalities may expend funds received from the local option gas tax. This bill authorizes funds from the last five cents of the 11 cent local option fuel tax to be expended for projects needed to meet immediate local transportation problems and for other transportation related expenditures critical for building comprehensive roadway networks by local governments. The section is further amended to provide proceeds from the 11 cents local option gas tax may be expended on debt service and current expenditures for transportation capital projects including construction or reconstruction of roads and sidewalks.

This bill substantially amends section 336.025 of the Florida Statutes.

## II. Present Situation:

Section 336.025, F.S., authorizes counties to levy a local option fuel tax of up to 11-cents. Subsection (1)(a) provides the first 6 cents of the tax may be levied on all motor fuel and diesel sold in the county. The first six cents of the tax may only be levied by a majority vote of the county commission or by referendum.

Section 336.025 (1)(b), F.S., provides for the levy of last five cents of the 11 cent local option fuel tax. This tax may only be levied by a majority plus one vote of the county commission or by referendum, and does not include diesel fuel. Paragraph (b) further provides counties and municipalities must expend funds received from the five cent local option gas tax on transportation projects needed to meet the requirements of the capital improvement element of an adopted comprehensive plan. Such projects include the construction of new roads, the

reconstruction or resurfacing of existing paved roads, or the paving of existing graded roads. Such funds may not be expended on routine road maintenance.

The section authorizes counties, prior to enactment of the 11 cent local option gas tax, to enter into interlocal agreements with one or more municipalities within the county representing a majority of the population of the incorporated area within the county, to provide a distribution formula for dividing the proceeds of the tax among the county and eligible municipalities.

For the purposes of both the 6 cent and 5 cent local option gas tax, "transportation expenditures" are defined as expenditures by the local government from local or state shared revenue sources, excluding expenditures of bond proceeds, for the following programs:

1. Public transportation operations and maintenance.
2. Roadway and right-of-way maintenance and equipment and structures used primarily for the storage and maintenance of such equipment.
3. Roadway and right-of-way drainage.
4. Street lighting.
5. Traffic signs, traffic engineering, signalization, and pavement markings.
6. Bridge maintenance and operation.
7. Debt service and current expenditures for transportation capital projects in the foregoing program areas, including construction or reconstruction of roads.

### **III. Effect of Proposed Changes:**

Section 336.025, F.S., is amended to expand how counties and municipalities may expend funds received from the local option gas tax. This bill authorizes funds from the last five cents of the 11 cent local option fuel tax to be expended for projects needed to meet immediate local transportation problems and for other transportation related expenditures critical for building comprehensive roadway networks by local governments. The section is further amended to provide proceeds from the 11 cents local option gas tax may be expended on debt service and current expenditures for transportation capital projects including construction or reconstruction of roads and sidewalks.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

This bill expands how counties and municipalities may expend funds received from the local option gas tax.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

#1 by Transportation:

Authorizes a municipality in a county with a population of 50,000 or less to use the proceeds from the first 6 cents of the 11 cent local option gas tax for infrastructure projects, provided such projects are consistent with the local government's comprehensive plan.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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