



## Legislation Text

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**File #: 060834., Version: 2**

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### Local Option Fuel Tax (B)

**On Tuesday, April 17, 2007, the Alachua County Commission approved authorization for the County Manager and County Attorney to prepare an Interlocal Agreement between Alachua County and the City of Gainesville that would provide a distribution formula for an additional five cent local option fuel tax of 52.15% to the unincorporated Alachua County and 38.65% to the City of Gainesville. The balance is distributed to the remaining cities.**

Florida Statutes 336.025 (1)(b) states "In addition to other taxes allowed by law, there may be levied as provided in s. [206.41 \(1\)\(e\)](#) a 1-cent, 2-cent, 3-cent, 4-cent, or 5-cent local option fuel tax upon every gallon of motor fuel sold in a county and taxed under the provisions of part I of chapter 206. The tax shall be levied by an ordinance adopted by a majority plus one vote of the membership of the governing body of the county or by referendum." The additional tax must be levied prior to July 1 to be effective January 1 and that an interlocal agreement must be established prior to levy of the tax. If an interlocal agreement is not adopted prior to the effective date of the tax the revenue "shall be distributed among the county government and eligible municipalities based on the transportation expenditures of each for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the county and all municipalities within the county."

There are currently two separate interlocal agreements between Alachua County and the City of Gainesville for distribution of local option fuel tax. The first three cents are distributed based on 43.940% to Alachua County and 43.940% to City of Gainesville; the second three cents are distributed based on 60.360% to Alachua County and 33.330% to City of Gainesville. The average of these two distribution formulas is 52.150% to Alachua County and 38.635% to City of Gainesville.

There are various formulas that have been discussed as a means of distributing revenue. Based on an average of mileage of roadway and population distribution Alachua County would receive 51.884% and the City of Gainesville 37.468%. If the formula was based on percentage of road mileage, the distribution would be 62.023% to Alachua County and 25.141% to the City of Gainesville. Using just population the distribution is 41.745% to Alachua County and 49.795% to the City of Gainesville. Using the default formula of transportation expenditures the City of Gainesville distribution is approximately 50%.

Subsection 3. states that this particular five cents must be used "for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted comprehensive plan or for expenditures needed to meet immediate local transportation problems and for other transportation-related expenditures that are critical for building comprehensive roadway networks by local governments. For purposes of this paragraph, expenditures for the construction of new roads, the reconstruction or resurfacing of existing paved roads, or the paving of existing graded roads shall be deemed to increase capacity and such projects shall be included in the capital improvements element of an adopted comprehensive plan. Expenditures for purposes of this paragraph shall not include routine maintenance of roads."

On April 17, the Alachua County Commission approved a motion to "direct the County Manager to prepare a program for the use of Alachua County's share of the gas tax for allocation to maintenance projects including alternative surface treatment projects and to allocate ten percent of the County's share of the proceeds to bicycle/pedestrian projects in accordance with the prioritized work program developed by the Department of Public Works."

Based on information provided by the State of Florida, an additional 5-cents local option fuel tax generate approximately \$5,500,000 annually in Alachua County.

The City Commission hear a brief update on the local option fuel tax.