

Florida relies to an unusually high degree on local option gasoline taxes, which have been adopted in every county in the state. Recently enacted matching grant programs and other incentives are prompting local governments to search for additional revenues so they can most effectively leverage state transportation resources. This has led to rising tax rates even among smaller counties that have traditionally had lower gas taxes.¹

We selected Florida as one of our survey states, because of its size, and because of its unusually high reliance on local option gas taxes. As part of our research, we supplemented the available data on local finance in Florida with surveys in all 67 counties and the state's 20 largest cities. We received responses from 14 counties (21% response rate) and 7 cities (35% response rate).²

1. Fuel and Vehicle Taxes

Florida has several forms of local motor fuel taxes. The oldest is a 1¢ per gallon county-option “Ninth-Cent Fuel Tax,” which required voter approval until 1992, but which may now be adopted by an extraordinary vote of a county’s legislative body. Revenues must be used for public transit operations and maintenance, road maintenance, debt service for road construction, traffic management, or street lighting.³ This tax has been adopted in 39 of the 67 counties across the state. Overall, it raises about \$48.5 million per year (about \$3.21 per capita).⁴

Statewide data is not available on how the revenues from this tax are used. Ten of the counties responding to our survey collect the Ninth-Cent Fuel Tax. Of these, all of the revenues in Broward and Seminole counties were committed to transit operations. Highlands County reported that it uses all revenues from this tax for local streets. Six counties (Citrus, Gilchrist, Hillsborough, Marion, St. Lucie, and Wakulla) used the funds for various proportions of road construction, maintenance, and paving projects. Alachua County reported that it split its expenditures among road bond debt service, transit operations, and local streets.

A second tax available to counties is a “Local Option Fuel Tax” up to 11¢ per gallon. This tax may be adopted either by a voter referendum or by a vote a board of commissioners. The state collects 7.3% of the revenues from this tax for its general fund; counties and cities share the remainder. Funds may be used for the same purposes as the Ninth Cent Fuel Tax, but this law allows small counties additional flexibility to use six cents of this tax for non-transportation capital improvements if all of their transportation needs are fully funded.⁵ Every county has adopted a Local Option Fuel Tax of at least 3¢

¹ Letter from Florida Department of Transportation (November 22, 2000).

² We received surveys from Alachua, Broward, Citrus, Gilchrist, Gulf, Highlands, Hillsborough, Marion, Okaloosa, Orange, Putnam, Seminole, St. Lucie, and Wakulla counties; and the cities of Coral Springs, Fort Lauderdale, Gainesville, Hialeah, Plantation, Tallahassee, and West Palm Beach.

³ Florida Statutes, §§ 206.41, 206.87, 336.021, and 336.025.

⁴ This revenue estimate is based on county-by-county revenue estimates from the Florida Department of Transportation (FDOT, Office of Management and Budget, “Florida’s Transportation Tax Sources: A Primer,” (2000), p. 7-5). We excluded diesel taxes, because these are imposed uniformly statewide; and also excluded state service charges and dealer collection allowances. The Department of Revenue publishes a somewhat higher estimate of \$57.8 million, but doesn’t break this down by county (FDOR, “State and Local Tax Receipts” (2000)).

⁵ Florida Statutes, §§ 206.41, 206.87, 336.025, and 336.026. Somewhat different rules govern the adoption of the first six cents and the next five cents of the tax.

per gallon, and eight have adopted the full 11¢ per gallon. Statewide, this tax raises about \$528 million (\$35 per capita).⁶

In their survey responses, most counties reported using their Local Option Fuel Tax revenues differently from their Ninth Cent Fuel Taxes. However, the overall pattern of their expenditures was similar. Two counties use this tax to fund transit operations (50% of revenues in Broward County, and 40% in Okaloosa County). Five counties (Alachua, Highlands, Orange, Seminole, and Wakulla) use at least half of their revenues for local streets and sidewalks. Two counties (Gulf and Hillsborough) report that revenues are used to fund a general capital improvements program. Eight counties (Alachua, Broward, Citrus, Gilchrist, Marion, Putnam, St. Lucie, and Wakulla) spend at least half of their revenues on road construction and maintenance.

Local governments also receive revenues from several other taxes directly imposed by the state. The state allocates a 2¢ per gallon “Constitutional Fuel Tax” and a 1¢ per gallon “County Fuel Tax” directly to the counties, and allocates a 1¢ per gallon “Municipal Fuel Tax” directly to the cities.⁷ All “local” diesel fuel taxes are set at a uniform rate statewide.

Florida also has a “State Comprehensive Enhanced Transportation System Tax,” that varies by county but is imposed by the state. The tax was initially set at a percentage of each county’s 1990 “Local Option Fuel Tax,” and is indexed for inflation. All revenues must be spent in the areas where they are raised.⁸ This tax is unusual in that the tax rate varies from county to county (rendering it a “local tax” according to the definition used in this study), but control over revenues remains with the state. All but four of Florida’s 67 counties currently impose the maximum rate of 5.1¢ per gallon.

According to the *National Transit Database*, transit operators serving the metropolitan areas of Ft. Lauderdale, Ft. Meyers, Gainesville, Melbourne, Miami, and West Palm Beach received a total of \$43.7 million in operating revenues and \$5.8 million in capital subsidies from local motor fuel taxes in 1998.⁹

2. Property Taxes and Assessments

A variety of transportation-related authorizations for property taxes exist under Florida law. First, with voter approval, regional transit authorities may levy a property tax up to 3 mills.¹⁰ Transit agencies in Daytona Beach, Lakeland, Palm Beach, St. Petersburg, and Tampa report receiving property taxes totaling \$29.3 million (about \$2 per capita statewide).¹¹

The state constitution generally permits local *ad valorem* property taxes for capital-intensive projects.¹² No centralized information is available on the extent to which these taxes have been adopted. In response to our survey questions, two of fourteen counties reported dedicated countywide tax levies for transportation purposes. Citrus County has a 1.3 mill levy for highway maintenance that we estimate raises \$6 million annually (\$52 per resident). Seminole County has a 0.46 mill tax that raises \$5.7 million (\$16 per county resident) for general transportation purposes (excluding additional revenues due to a higher tax rate in unincorporated areas).

⁶ See note 3 for the source of this estimate. The Florida Department of Revenue estimates the revenues from the Local Option Fuel Tax at \$562 million.

⁷ Florida Statutes, §§ 206.41, 206.60, and 206.605; Constitution of the State of Florida, § XII-9(c).

⁸ Florida Statutes, §§ 206.608; Florida Department of Transportation, Office of Management and Budget, “Florida’s Transportation Tax Sources: A Primer,” (2000), p. 1-3.

⁹ U.S. Department of Transportation, Federal Transit Administration. *National Transit Database 1998*.

¹⁰ Florida Statutes, § 163.570.

¹¹ U.S. Department of Transportation, Federal Transit Administration. *National Transit Database 1998*.

¹² Constitution of the State of Florida, § VII-9.

Counties may also establish community development districts, which may levy local property taxes (up to 5 mills) and special assessments to build sewers, streets, and other types of public works projects.¹³ In 1997, there were an estimated 61 community development districts across the state.¹⁴ Centralized data is not available on the finances of these districts, but several counties provided some in their survey responses. Highlands County listed 16 active taxing districts that collectively raised \$774,000 (\$10 per county resident) for street maintenance, road construction, and lighting improvements. Putnam County has a special taxing area with a 3 mill levy for road maintenance that raised \$54,700 in 1998, and 24 other special assessment districts for road maintenance. Seminole county collected \$152,000 in six road paving and drainage districts, and \$1.46 million for transportation projects for a community redevelopment agency.

3. Sales and Other Taxes

Florida also has several different local-option sales taxes which may be used by counties for transportation-related purposes. Each requires majority voter approval.

The “Transit System Surtax” may be adopted in Broward, Duval, Miami-Dade, Sarasota, and Volusia counties at a rate of up to 1%. Revenues may be used to develop rail transit systems (and associated bus services); remitted to an expressway or transportation authority; or to be used directly by the county for road or bridge maintenance or construction, or for transit services.¹⁵ The Transit System Surtax was initially intended to help build transit in the Miami region, but voters have consistently defeated proposals to adopt the tax. In 1999, voters strongly rejected a proposal for 20-year, 1% sales tax to expand the region’s highways and rapid rail system.¹⁶

So far, the transit sales tax has only been adopted in Duval County, where it was approved by the voters in 1989, and raises about \$55 million annually (\$75 per capita). The tax helps fund the Jacksonville Transportation Authority, which is responsible for the region’s bridge, highway, and transit system. The tax replaces revenue previously derived from tolls on the city’s bridges, and helps fund further road and bridge construction, as well as bus operations.¹⁷

Another important sales tax is “Local Government Infrastructure Surtax,” which can be adopted up to 1% for general infrastructure or certain non-transportation related purposes. Although counties often list projects in advance, these lists are not legally binding. The Infrastructure Surtax has been adopted in 27 of the state’s 67 counties.

No centralized information is available on which of these taxes are actually being used for transportation purposes. We have found just a few references in counties using these taxes in this manner. Sarasota County’s 1% infrastructure surtax was first approved by the voters for 10 years in 1989, and recently extended for another 10 years. About one-fourth of the funds (about \$5.8 million annually, or \$19 per capita) have been earmarked for county roads.¹⁸

Nearby, voters also approved a ten-year “Penny for Pinellas” in 1989. About one quarter of the funds from Pinellas County’s infrastructure tax has funded transportation projects, including road widenings, bridge improvements, and an extensive system of bicycle trails. However, some of the major promised projects weren’t completed because the county instead opted to use over \$100 million to remove tolls on

¹³ Florida Statutes, § 190.021.

¹⁴ U.S. Bureau of the Census, “1997 Census of Governments - Governments Integrated Directory” (1999).

¹⁵ Florida Statutes, § 212.055(1).

¹⁶ Seeman, “Metrorail in 21st Century: Tax Would Fund 90 New Miles,” *The Miami Herald* (July 26, 1999).

¹⁷ Jacksonville Transportation Authority, “Our History,” (2000).

¹⁸ County of Sarasota Clerk of Circuit Court, “Report on Major Revenue Sources, Year Ended September 30, 2000” (2001).

two existing bridges. In addition, when the tax was initially approved by the voters, the county eliminated its existing capital projects property tax, so the funding for these activities didn't rise as much as anticipated.¹⁹ Despite these concerns, voters showed strong support for the tax in 1997, when they approved a 10-year extension.

The responses to our surveys included three additional counties reporting using a share of their local infrastructure sales tax revenues for transportation projects. Highlands County reported using about 22% of its 1% tax for streets. Hillsborough County uses about 5% of its 1/2% tax for road improvements. Finally, Seminole County's ten-year program of road and transit construction projects uses the full 1% of its sales tax, raising about \$40.8 million per year (\$114 per capita).

Florida also authorizes a "Small County Surtax," up to 1% in a county with a population smaller than 50,000, which may be used for general government operations or to service bonded indebtedness (with voter approval).²⁰ The Small County Surtax has been adopted in 17 of the 29 eligible counties.²¹ The state also has a "Local Government Half-Cent Sales Tax" that is imposed at a uniform rate statewide, and is used for local fiscal relief.²²

¹⁹ Pilla, "Penny tax may be losing its luster," *St. Petersburg Times* (February 11, 1997); Pilla, "Officials tout value of 48,600,000,000 pennies," *St. Petersburg Times* (March 2, 1997).

²⁰ Florida Statutes, §§ 212.055(2) and 212.055(3).

²¹ Florida Legislative Committee on Intergovernmental Relations, "Levy of Discretionary Sales Surtaxes," (September, 2000).

²² Florida Statutes, § 212.20(6)(f).

FLORIDA

Overview of County, District, and Local Transportation Tax Laws

Tax Type	State Statute	Tax Name	Areas	Statute Year	Permitted Rates	Maximum Duration	Purposes	Adoption Process
Sales	FS 212.055 (1)	Charter County Transit System Surtax	Broward, Duval, Dade, Sarasota, Volusia counties	1976	up to 1%	-	Transit/Roads	C
	FS 212.055 (2)	Local Government Infrastructure Surtax	Any County		.5% or 1%	-	Infrastructure	C
	FS 212.055 (3)	Small County Surtax	Counties (pop < 50,000)		.5% or 1%	-	Any	C
Gasoline	FS 206.41, 206.87, 336.021	"Ninth-Cent" Fuel Tax	Counties	1972	1¢/gal	-	Transportation Expenditures (FS 336.025(7))	B [1]
	FS 206.41, 336.025	1 to 6 Cent Local Option Fuel Tax	Counties	1983	Up to 6¢/gal	30 years	Transportation Expenditures (FS 336.025(7)) [2]	B or C
	FS 206.41, 206.87, 336.026	1 to 5 Cent Local Option Fuel Tax	Counties	1993	Up to 5¢/gal	-	Transportation Expenditures (FS 336.025(7))	B or C
	FS 206.41, Const./XII-9(c)	Constitutional Fuel Tax	Statewide		2¢/gal	-	Transportation facilities	A
	FS 206.41, 206.60	County Fuel Tax	Statewide	1941	1¢/gal	-	Transportation facilities	A
	FS 206.41, 206.605	Municipal Fuel Tax	Statewide		1¢/gal	-	Transportation facilities	A
	FS 206.608	State Comprehensive Enhanced Transport System (SCETS) Tax	Statewide	1990	varies by county	-	State Transportation Trust Fund	A
Property	Const./VII-9	Local Ad Valorem Taxes	Counties/Cities	1975			Capital Projects	C
	FS 163.570	Regional Transportation Authority Tax	Regional Transport Authorities	1971	Up to 0.3%		Transit	C
	FS 190.021	Community Development District Taxes	Community Dev. Districts	1980	Up to 0.5%		Roads, Sewers, and Water Projects	C

[1] Required voter approval until 1992.

[2] Counties with populations < 50,000 may use revenues for other capital expenditures if their transportation plans are fully funded.

A = State Law
 B = County/Local Law
 C = Popular Vote

FLORIDA
Adopted County, District, and Local Transportation Taxes

Jurisdictions	Population 1999	Sales Taxes (FY 1999)					Gas Taxes (2000)				
		Charter County Transit System	Local Gov't Infra. Surtax	Small County Surtax	Revenue for Trans. (\$1000s)	Revs per capita	"Ninth Cent" Rate (¢/gal)	"Local Option" Rate (¢/gal)	Total Revenues (\$1,000s)	Revs per capita	SCETS Tax Rate (¢/gal)
Counties:											
ALACHUA	198,484						1	6	6,808	\$34.30	5.1
BAKER	21,181			1.0%			1	6	926	\$43.72	5.1
BAY	147,958		0.5%					6	4,776	\$32.28	5.1
BRADFORD	24,872			1.0%				6	786	\$31.60	5.1
BREVARD	470,365							6	12,534	\$26.65	5.1
BROWARD	1,535,468						1	10	75,066	\$48.89	5.1
CALHOUN	12,436			1.0%				6	312	\$25.09	5.1
CHARLOTTE	136,992		1.0%					11	7,843	\$57.25	5.1
CITRUS	116,111							6	2,844	\$24.49	5.1
CLAY	141,353		1.0%				1	6	4,115	\$29.11	5.1
COLLIER	207,029						1	11	12,384	\$59.82	5.1
COLUMBIA	53,738			1.0%			1	6	2,884	\$53.67	5.1
DE SOTO	24,636		1.0%				1	11	1,026	\$41.65	5.1
DIXIE	12,919		1.0%					6	360	\$27.87	5.1
DUVAL	738,483	0.5%			55,000.0	\$74.48		6	20,394	\$27.62	5.1
ESCAMBIA	282,432		1.0%				1	6	9,085	\$32.17	5.1
FLAGLER	49,110		1.0%				1	6	1,393	\$28.36	5.1
FRANKLIN	9,978							5	300	\$30.07	4.3
GADSDEN	44,077			1.0%				6	1,380	\$31.31	5.1
GILCHRIST	14,056			1.0%			1	6	340	\$24.19	5.1
GLADES	8,693		1.0%				1	6	254	\$29.22	5.1
GULF	13,562							6	288	\$21.24	5.1
HAMILTON	12,785		1.0%					3	315	\$24.64	2.6
HARDEE	21,017			1.0%			1	6	693	\$32.97	5.1
HENDRY	29,463		1.0%				1	6	1,329	\$45.11	5.1
HERNANDO	128,482						1	8	4,916	\$38.26	5.1
HIGHLANDS	74,795		1.0%		1,308.3	\$17.49	1	9	3,484	\$46.58	5.1
HILLSBOROUGH	940,484		0.5%		5,010.6	\$5.33	1	6	31,278	\$33.26	5.1
HOLMES	18,761			1.0%				6	516	\$27.50	5.1
INDIAN RIVER	100,253		1.0%					6	3,084	\$30.76	5.1
JACKSON	44,549			1.0%			1	6	1,980	\$44.45	5.1
JEFFERSON	13,090		1.0%				1	6	622	\$47.52	5.1
LAFAYETTE	6,477		1.0%					6	138	\$21.31	5.1
LAKE	209,812		1.0%				1	6	6,491	\$30.94	5.1
LEE	400,542						1	11	23,911	\$59.70	5.1
LEON	215,926		1.0%		11,000.0	\$50.94		6	6,126	\$28.37	5.1
LEVY	32,386			1.0%				6	1,104	\$34.09	5.1
LIBERTY	6,703			1.0%			1	6	205	\$30.58	5.1
MADISON	17,919		1.0%					6	552	\$30.81	5.1
MANATEE	243,531						1	6	7,000	\$28.74	5.1
MARION	245,975						1	6	9,432	\$38.35	5.1
MARTIN	118,117		1.0%					8	4,920	\$41.65	5.1
MIAMI-DADE	2,175,634						1	9	81,125	\$37.29	5.1
MONROE	79,941		1.0%					6	3,138	\$39.25	5.1
NASSAU	56,811			1.0%			1	6	1,747	\$30.75	5.1
OKALOOSA	170,049							5	4,220	\$24.82	4.3
OKEECHOBEE	32,386			1.0%			1	6	1,641	\$50.67	5.1
ORANGE	817,206							6	26,724	\$32.70	5.1
OSCEOLA	150,596		1.0%				1	6	6,653	\$44.18	5.1
PALM BEACH	1,049,420						1	11	51,769	\$49.33	5.1
PASCO	330,704							6	7,794	\$23.57	5.1
PINELLAS	878,499		1.0%		28,000.0	\$31.87		6	20,460	\$23.29	5.1
POLK	457,347						1	11	25,830	\$56.48	5.1
PUTNAM	70,215							6	1,950	\$27.77	5.1
SAINT JOHNS	119,685							6	3,726	\$31.13	5.1
SAINT LUCIE	181,850						1	11	10,767	\$59.21	5.1
SANTA ROSA	120,952							6	3,150	\$26.04	5.1
SARASOTA	306,546		1.0%		5,800.0	\$18.92	1	6	9,636	\$31.43	5.1
SEMINOLE	357,390		1.0%		40,791.2	\$114.14	1	6	10,556	\$29.54	5.1
SUMTER	42,754			1.0%			1	6	2,269	\$53.07	5.1
SUWANNEE	32,972		1.0%					6	1,248	\$37.85	5.1
TAYLOR	19,049		1.0%				1	4	574	\$30.13	4.3
UNION	12,720			1.0%			1	5	237	\$18.63	5.1
VOLUSIA	425,601						1	11	24,116	\$56.66	5.1
WAKULLA	19,179		1.0%		0.0	\$0.00	1	6	742	\$38.69	5.1
WALTON	38,124			1.0%			1	6	1,873	\$49.13	5.1
WASHINGTON	20,614			1.0%			1	6	700	\$33.96	5.1
Total	15,111,244				146,910.1	\$9.72			576,839	\$38.17	