

# 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.)

Prepared By: Transportation Committee

BILL: SB 1940

SPONSOR: Senator Sebesta

SUBJECT: County Roads / Local Option Fuel Tax

DATE: March 23, 2005

REVISED: \_\_\_\_\_

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Eichin	Meyer	TR	<b>Favorable</b>
2. _____	_____	CA	_____
3. _____	_____	GA	_____
4. _____	_____	TA	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____

## I. Summary:

This bill changes the criterion by which a local option fuel tax may be levied by local ordinance from an extraordinary vote of the governing body to a simple majority.

This bill substantially amends section 336.025 of the Florida Statutes.

## II. Present Situation:

Section 336.025(1)(b), F.S., authorizes counties to impose a local option fuel tax, from 1 to 5 cents per gallon, by ordinance if approved by a majority plus one vote of the county commission or by referendum. This is also known as the ELMS nickel. Prior to levying this local option tax, the county may, through an interlocal agreement, establish a distribution formula for dividing the tax proceeds between the county and eligible municipalities. If a distribution formula is not established prior to the effective date of the tax, the proceeds will be distributed as provided by statute. Counties and municipalities must spend any proceeds from the ELMS nickel on transportation expenditures necessary to meet the requirements of the capital improvements element in the applicable comprehensive plan; to remedy local transportation problems; and for critical expenditures needed to build comprehensive roadway networks. Such expenditures include the construction of new roads, the reconstruction or resurfacing of existing paved roads, or the paving of existing graded roads, but these funds cannot be expended on routine road maintenance.

**III. Effect of Proposed Changes:**

Section 336.025(1)(b), F.S., is amended to allow the levy, by ordinance, of the Local Option Fuel Tax authorized in this paragraph by a simple majority vote of the governing body, rather than a majority plus one.

**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:**

To date, 17 counties have levied the ELMS nickel. Of those counties, 14 counties are levying the maximum 5-cent tax.

**B. Private Sector Impact:**

Indeterminate.

**C. Government Sector Impact:**

Indeterminate.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

## **VIII. Summary of Amendments:**

None.

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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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