Florida Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

Counties have authority to:

• Levy real property taxes.

• Establish special taxing districts. Counties may establish municipal service taxing units that charge special assessments in unincorporated parts of their jurisdictions in order to fund programs such as fire protection, law enforcement, beach erosion control, water treatment, street maintenance, sewage treatment, transportation, various health care services, and others.

• Levy a tax on tangible personal property at the same rate that it taxes real property.

• Counties have discretion to impose specific taxes for purposes defined in state law. Generally, in order for these local option taxes to come into effect, two conditions must be met: voters must approve them on a special ballot, and the combined rate of the taxes usually may not exceed 1 percent. These taxes may be used for capital improvements to infrastructure.

• Levy taxes on motor fuels with a maximum combined rate of $0.12 per gallon of motor fuel and $0.07 per gallon of diesel fuel. The county must use the revenues from these taxes for transportation, and the county must share a portion of the revenues with appropriate municipalities.

Mandated/Authorized Transportation Services:

• The county has the authority to lay out, construct, and maintain county roads and to establish and maintain public transportation facilities.

• Counties have the authority to build a bridge over any navigable stream in the state.

• Counties may create regional transportation compacts to plan and oversee the construction of transportation networks regionally rather than merely in the county. Regional commissions may also develop ways to finance transportation improvements.

## **Funding Sources for County Transportation Projects:**

• Counties receive a portion of state severance taxes on oil, gas, sulfur, and phosphate rock.

• Local grant programs include the County Incentive Grant Program -$55 million, Small County Outreach Program -$21.3 million, Small County Road Assistance Program -$10 million.

• Fuel Tax Distribution: 36 cent total state fuel tax--counties may receive State Comprehensive Enhanced Transportation System (SCETS) Tax (state tax that, to the extent possible, must be spend in the transportation district and county it was collected, 4 cent/gal motor fuel tax to local governments (3 cents to counties, 1 to cities), Local Option Fuel Tax 5 cents - 11 cents/gal, Local Ninth-cent fuel tax 0 cent - 1 cent/gal.

## **Challenges in Funding and Financing Transportation Projects:**

• State forecasts anticipate a near doubling of both population and employment by 2060, to perhaps 34 million residents and 14 million jobs.

• Florida must address the increased demand for moving people and freight, including more specialized mobility options for groups such as older residents and disabled persons. Investments will also be needed to support key industry clusters and to provide more options for workers.

• Available funding will not be sufficient to pay for needed improvements to the transportation system – and the funding gap is likely to grow as travel demand increases, new initiatives are launched, and the value of the motor fuel tax erodes.

• The development of Florida’s mega-regions requires connectivity between its economic regions. There are few choices for moving people or freight between many of Florida’s regions today; highways often are the only option available. If current trends continue, most urban and interregional highway corridors will likely be heavily congested during peak periods by 2035.

## **Innovative Solutions to Funding and Financing Challenges:**