

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: April 2, 1998 Revised: 4/07/98 _____

Subject: Taxation

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CA</u>	<u>Fav/2 amendments</u>
2.	_____	_____	<u>WM</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Senate Bill 2250 authorizes any charter county with a population of more than 1 million to use 1 cent per gallon of the local option fuel tax authorized under s. 336.025(1)(b), F.S., to fund homeless assistance programs.

This bill substantially amends section 336.025, Florida Statutes.

II. Present Situation:

Each county is authorized, pursuant to s. 206.41(1)(e), F.S., to levy up to 11 cents of local option fuel taxes. Pursuant to s. 206.87(1)(c), F.S., counties must levy a 6 cent per gallon diesel fuel tax. In addition, any county is authorized, pursuant to s. 206.41(1)(d), F.S., and s. 206.87(1)(b), F.S., to levy an additional 1-cent tax, known as the *ninth-cent fuel tax*, on each net gallon of motor and diesel fuels sold within the county’s jurisdiction. The “ninth-cent fuel tax” on diesel fuel is mandatory.

First Levy

The first levy is a tax of 1 to 6 cents on every net gallon of motor and diesel fuel sold in a county, pursuant to s. 336.025(1)(a), F.S. This tax may be authorized either by an ordinance adopted by a majority vote of the governing body or by voter approval in a county-wide referendum. The proceeds may be used to fund “transportation expenditures,” as defined in s. 336.025(7), F.S., to include expenditures for the following programs:

- ▶ Public transportation operations and maintenance;
- ▶ Roadway and right-of-way maintenance and equipment and structures used primarily for the storage and maintenance of such equipment;

- ▶ Roadway and right-of-way drainage;
- ▶ Street lighting;
- ▶ Traffic signs, traffic engineering, signalization, and pavement markings;
- ▶ Bridge maintenance and operation; and
- ▶ Debt service and current expenditures for transportation capital projects in the foregoing program areas, including construction or reconstruction of roads.

Chapter 92-309, Laws of Florida, authorized counties with a total population of 50,000 or less to also use the tax proceeds to fund infrastructure projects, if designated projects were consistent with the local government's comprehensive plan and all transportation needs as identified in the comprehensive plan had been met.

Second Levy

The second levy is a 1- to 5-cent tax on every net gallon of motor fuel sold in a county. Pursuant to s. 336.025(1)(b), F.S., this tax does not apply to diesel fuel, and may be levied either by an ordinance adopted by a majority plus one vote of the membership of the governing body or by voter approval in a county-wide referendum. Unlike the first levy, authorized expenditures of this tax are limited to transportation expenditures *needed to meet the requirements of the capital improvements element of an adopted local government comprehensive plan*.

This levy was enacted by chapter 93-206, Laws of Florida, upon the recommendation of the Third Environmental Land Management Study Committee (ELMS III). ELMS III was created by Governor Lawton Chiles, through Executive Order 91-291, to review the operation and implementation of Florida's growth management statutes and make recommendations for improvements in the state's system for managing growth. The final report of ELMS III recommended an increase in the fuel tax, the revenues of which should be distributed to the state and local governments to help meet the requirements of transportation concurrence.

The Ninth-Cent Fuel Tax

In addition to the local option fuel taxes, any county is authorized, pursuant to s. 206.41(1)(d), F.S., and s. 206.87(1)(b), F.S., to levy an additional 1-cent tax on each net gallon of motor and diesel fuels sold within the county's jurisdiction. Levy and expenditure of the ninth-cent fuel tax is governed by s. 336.021, F.S. The ninth-cent fuel tax may be levied either by an extraordinary vote of the membership of the county's governing body or by voter approval in a county-wide referendum. As a result of the Legislature's enactment of chapter 90-351, Laws of Florida, all counties are required to levy the tax at the rate of 1-cent per gallon on diesel fuel. Counties are not required to share the revenue received from the ninth-cent fuel tax with municipalities, however, a number of counties share the revenues pursuant to negotiated interlocal agreements.

Section 336.021(1)(a), F.S., authorizes the use of these revenues for paying the costs and expenses of establishing, operating, and maintaining a transportation system and related facilities, and the cost of acquisition, construction, reconstruction, and maintenance of roads and streets. The authorized uses of the ninth-cent fuel tax appear to overlap somewhat with the authorized uses of the first 6 cents of local-option fuel taxes, "transportation expenditures" as defined in s.

336.025(7), F.S. However, “transportation expenditures” include the broadest authorized use of any of the taxes discussed.

III. Effect of Proposed Changes:

This bill amends s. 336.025(1)(b), F.S., to authorize charter counties with populations over 1 million as of January 1, 1998, to levy 1 cent from the 5 cents authorized in this paragraph to fund homeless assistance programs that comply with the local comprehensive plan.

Subsection (7) defines the term “homeless persons” as those individuals or families who, due to external factors such as unemployment or other loss of income, personal or family-life crises, or the shortage of low-income housing, have a nighttime residence either:

- ▶ In a public or private emergency shelter, such as an armory, a school, a church, a government building, a homeless assistance center, or, where a temporary voucher is provided by a public or private agency, in a hotel, apartment, or boarding home; or
- ▶ On the streets, under a bridge or an aqueduct, or in a park, a subway, a bus terminal, a railroad station, an airport, an abandoned building, a vehicle, or any other public or private space that is not designed for shelter.

“Homeless assistance program” is defined as a program that involves the construction, renovation, rehabilitation, and operation of emergency shelters, homeless assistance centers, or other housing facilities for the purpose of assisting homeless persons and that provides two or more of the following services or facilities:

- ▶ Affordable permanent or temporary housing;
- ▶ Food assistance;
- ▶ Clothing;
- ▶ Medical care;
- ▶ Counseling;
- ▶ Alcohol and drug abuse treatment;
- ▶ Mental health treatment;
- ▶ Training and employment;
- ▶ Education;
- ▶ Transportation; and
- ▶ Case management.

Present subsection (9) of s. 336.025, F.S., is redesignated as subsection (10) and new subsection (9) is created to authorize counties levying this tax to address the needs of homeless people by using the proceeds of the tax to fund homeless assistance programs that are consistent with the local government’s comprehensive plan.

The bill takes effect upon becoming a law.

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:

Dade, Broward, and Palm Beach counties are currently the only charter counties with a population of more than one million, and thus would be eligible to use 1-cent motor fuel tax proceeds for homeless assistance programs. It is estimated that 1-cent of local option gas tax will raise \$8.1 million in Dade County, \$6.7 million in Broward County, and \$4.1 million in Palm Beach County.

B. Private Sector Impact:

Homeless persons in eligible counties choosing to use the 1-cent motor fuel tax proceeds for homeless services will benefit from this legislation.

C. Government Sector Impact:

Eligible counties choosing to use the 1-cent motor fuel tax proceeds for homeless services will also be able to use the funds as leverage for additional federal funds for homeless services in their county.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Community Affairs:

This amendment deletes the provision that allows a charter county to keep revenues from the 1-cent gas tax levied for homeless assistance programs, rather than sharing such revenue with cities within that county, and replaces it with a provision that allows the county to keep the tax revenue pursuant to an interlocal agreement.

#2 by Community Affairs:

This amendment provides that unless otherwise extended, the 1-cent gas tax levied for homeless assistance programs expires on September 30, 2005.

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