

**BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

Meeting Date: February 20, 2008 - KL Division County Attorney

Bulk Item: Yes  No  Staff Contact Person: Suzanne Hutton

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**AGENDA ITEM WORDING:**

Approval to advertise a public hearing for an Ordinance to impose a ninth-cent local option motor and special fuel ("gas") tax.

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**ITEM BACKGROUND:**

The County imposes a six-cent local option gas tax on motor fuel. The State mandates a County fuel tax on diesel fuel under FS 206.87 and the County gets a portion of that from the State. At the November 14, 2007 meeting of the BOCC, discussion was held concerning the depletion of the County's gas tax reserves due to increased costs, the state legislature's limitations on ad valorem taxation, and the inability of the County to continue to service the road and bridge system and to conduct critical renovations for bridges nearing their 50-year life span. Options were provided to the BOCC to increase the gas tax or to levy special assessments. The BOCC directed staff to pursue the gas tax increase.

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**PREVIOUS RELEVANT BOCC ACTION:**

Ordinance No. 16-1989 approving extension of the six-cent "gas" tax authorized by F.S. 336.025(1)(a). 12/19/2007 (Q-13) BOCC tabled to 2/20/2008 BOCC

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**CONTRACT/AGREEMENT CHANGES:**

N/A

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**STAFF RECOMMENDATIONS:**

Approval.

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**TOTAL COST:** \_\_\_\_\_

**BUDGETED:** Yes  No

**COST TO COUNTY:** None

**SOURCE OF FUNDS:** N

**REVENUE PRODUCING:** Yes  No   
\$500,000

**AMOUNT PER MONTH** \_\_\_\_\_ **Year**

**APPROVED BY:** County Atty  OMB/Purchasing \_\_\_\_\_ Risk Management \_\_\_\_\_

**DOCUMENTATION:** Included  Not Required \_\_\_\_\_

**DISPOSITION:** \_\_\_\_\_

**AGENDA ITEM #** \_\_\_\_\_

ORDINANCE NO. - 2008

**AN ORDINANCE IMPOSING A "NINTH-CENT" LOCAL OPTION MOTOR FUEL TAX, AS AUTHORIZED BY F.S. 206.41(1)(d) AND 336.021, UPON SUCH FUEL SALES IN ALL OF MONROE COUNTY, INCLUDING THE MUNICIPALITIES THEREIN, FOR A PERIOD OF THIRTY YEARS UNLESS EARLIER REPEALED BY THE BOARD OF COUNTY COMMISSIONERS; PROVIDING FOR A METHOD OF COLLECTION OF THE TAX AND REMISSION OF THE PROCEEDS; PROVIDING THAT THE PROCEEDS MAY ONLY BE SPENT FOR TRANSPORTATION EXPENDITURES AS DEFINED HEREIN; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE REPEAL OF ALL ORDINANCES INCONSISTENT HEREWITH; PROVIDING FOR INCORPORATION INTO THE MONROE COUNTY CODE OF ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, Florida Statute Section 206.41(1)(d) authorizes counties to impose a tax of one cent per net gallon on motor fuel, known as the "ninth-cent" fuel tax to be levied and used as provided in F.S. 336.021; and

WHEREAS, Florida Statute Section 206.87(1)(b) mandates a "ninth-cent" fuel tax to be levied on diesel fuel, to be levied and distributed according to F.S. 336.025; and

WHEREAS, the County has been receiving from the State a distribution of the mandate fuel tax on diesel fuel; and

WHEREAS, current gas tax expenditures cover Maintenance, Engineering, Street Lights and Traffic Signal, distribution to municipalities, 7-year plan and cost allocation;

WHEREAS, the gas tax fund balance has been steadily declining since FY 2001 due to annual expenditures exceeding annual revenues; and

WHEREAS, Monroe County maintains 389 miles of roads in the unincorporated county and resurfaces those roads as needed;

WHEREAS, there are 28 bridges in the unincorporated county which are maintained by the County and most of those bridges were built in the 1960s with a 50 year life span; and

WHEREAS, there are approximately 10 years left with no funds available for major renovations necessary to extend the useful lives of the bridges which are maintained by the County;

WHEREAS, drainage systems need to be added or restored, requiring reconstruction and resurfacing of roads; and

WHEREAS, road resurfacing has been temporarily delayed in some areas of the unincorporated county due to new sewer systems and resurfacing will be needed in the near future; and

WHEREAS, the County is seeking to enact an ordinance imposing an additional five (5) cents local option fuel tax to generate approximately \$250,000.00 per penny (or \$1,250,000.00) per year; and

WHEREAS, an additional ninth-cent local option fuel tax on motor fuel is needed to provide funding, particularly for the renovations of the bridges and other critical major renovations of roads; and

WHEREAS, an additional ninth-cent local option fuel tax on motor fuel can be accomplished by a majority plus one vote of the BOCC or by an ordinance creating a referendum on the November 2008 ballot; and

WHEREAS, implementation of an additional gas tax will spread the costs to both residents and visitors using the County's roads as opposed to special assessments which would place the full burden on County residents; and

WHEREAS, unless a revenue source additional to the existing local option fuel tax can be secured, the current level of services will have to be reduced and the delay for needed road restorations and reconstructions and necessary revitalization of bridges will continue; now therefore

**BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS for MONROE COUNTY, FLORIDA that:**

SECTION 1. Section 2-321, Monroe County Code is hereby created to read:

2-321. NINTH-CENT MOTOR FUEL TAX.

(a) IMPOSITION. Under the authority of F.S. 336.021(1)(A), effective January 1, 2009, there is hereby imposed a one cent gas tax, to be designated the "ninth-cent fuel tax," upon every gallon of motor fuel sold in the County and taxed under the provisions of part I or part II of Chapter 206, Fla.Stat.

(b) COLLECTION. The tax in this section shall be collected and remitted according to the procedure in F.S. 336.021.

(c) EFFECTIVE PERIOD. The tax levied in Section 2-321 shall commence on January 1, 2009, and be in effect for a period of thirty (30) years, unless repealed by the Board of County Commissioners, provided that no repeal shall in any circumstances materially or adversely affect the rights of the holders of bonds backed by the tax and outstanding on the effective date of the repeal.

(d) EXPENDITURES. The proceeds of the tax shall only be used for transportation expenditures as defined by Florida Statute Section 336.025(7) and which are:

- (1) Public transportation operations and maintenance;
- (2) Roadway and right-of-way maintenance and equipment and structures used primarily for the storage and maintenance of such equipment;
- (3) Roadway and right-of-way drainage;

