



2019 Legislative Issue Briefs



Transportation Funding

Priority Statement:

The Florida League of Cities SUPPORTS legislation that preserves local control of transportation planning. The legislation should create an equitable transportation funding formula among the state, municipalities and counties, while providing for additional transportation revenue to support innovative infrastructure and transit projects to meet the surging transportation demands driven by dramatic growth throughout Florida.

Background:

Transportation infrastructure is paramount to the prosperity of all cities. It greatly affects quality of life by influencing peoples' decisions about where to live, work and spend their free time. In many Florida cities, roads have reached capacity and cannot be widened anymore. As the number of cars on Florida's roads increases, there needs to be a greater focus on alternative transportation.

With over a million visitors each year and more than 900 people moving to Florida each day, the state's transportation infrastructure is rapidly declining. Congestion is a growing problem, and the added wear and tear on our roads means more frequent and more costly repair or replacement. At the same time, highway construction costs continue to escalate. Some of this increase is directly attributable to technological advancements that are necessary to implement a "smart transportation infrastructure" where train stations, bus stops, airports, and car- and bike-sharing stations become integrated parts of one big open high-speed connected communications network.

To compound the problem, the federal gas tax was last increased in 1997, the state gas tax in 1943, the county gas tax in 1941 and the municipal gas tax in 1971. The Fuel Sales Tax and the State Comprehensive Enhanced Transportation System Tax, which are the State of Florida's portion of the motor fuel tax rates, are adjusted once a year to account for inflation. A major portion of transportation funding flows to municipalities through county, state and federal taxes on gasoline. Allowing municipalities the ability to index their local motor fuel tax rates is one way to provide greater flexibility to fund their unique transportation needs.

While the federal, state and county governments have a variety of tools available to address transportation funding, municipalities have limited revenue options for funding transportation projects. For example, charter counties may currently hold a referendum on whether to impose up to a 1 percent sales tax to fund transportation infrastructure projects. Recently, voters in Hillsborough County passed such a tax that will be in effect for 30 years and raise about \$9 billion over that time period. Giving municipalities the same transportation revenue options would create a new funding mechanism.

Transportation projects are often the catalyst for economic development and the result of growth within a community. As municipalities lack options to increase revenue and continue to struggle to fund local transportation projects, increased and alternative funding sources at the state level are a necessity.

Revised: 12/21/2018

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