

MEMORANDUM

Agenda Item No. 5(D)

TO: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

DATE: (Public Hearing: 9-6-23)
July 18, 2023

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Ordinance relating to levy of the six-cent local option gas tax; relieving six-cent local option fuel tax for period of 30 years beginning January 1, 2024; providing for method of distribution of proceeds thereof between the County and eligible municipalities; creating Article XVIII of chapter 29 of the Code; providing for a certified copy to be sent to the State Department of Revenue

The accompanying ordinance was prepared by the Office of Management and Budget and placed on the agenda at the request of Prime Sponsor Vice Chairman Anthony Rodríguez.


Geri Bonzon-Keenan
County Attorney

GBK/uw

MDC001

Date: September 6, 2023

To: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

From: Daniella Levine Cava *Daniella Levine Cava*
Mayor

Subject: Ordinance to Relevy Local Option Gas Tax

Executive Summary

Pursuant to Section 336.025(1)(a), Florida Statutes, local counties are permitted to impose up to a six-cent local option gas tax (per gallon) of motor and diesel fuels sold in each such county and that are distributed to the local county and municipalities. The proceeds generated from this can be used towards transportation purposes, that include funding activities for the Department of Transportation and Public Works (DTPW) as well as municipal transportation functions. This item relevies the local option gas tax for an additional thirty (30) years.

Recommendation

In order to relevy the six-cent local option gas tax as authorized by Section 336.025(1)(a), Florida Statutes, it is recommended that the Miami-Dade County (County) Board of County Commissioners (Board) approve an ordinance to relevy the six-cent local option gas tax for 30 years from January 1, 2024, through December 31, 2053. While the local option gas tax expires August 31st, 2023, the Florida Department of Revenue has requested that the legislation relevying the tax be provided by September 31, 2023. The local option gas tax will be relevied effective January 1, 2024, which will create a four month lapse in collections. This lapse is being accounted for in the FY 2023-24 Proposed Budget.

Scope of Agenda Item

The impact of this item is countywide as the Six-Cent Local Option Gas Tax's eligible uses include funding public transportation operations and public works functions.

Fiscal Impact / Funding Source

The fiscal impact associated with a relevying of the six-cent local option gas tax is projected to be \$63.764 million in FY 2023-24 with the County receiving \$44.890 million and the municipalities receiving \$18.874 million. The relevy of the local option gas tax will be effective January 1, 2024, which will create a four month lapse in collections. This lapse is being accounted for in the FY 2023-24 Proposed Budget so that no budget gaps exist for the County and municipalities.

Delegation of Authority

This item does not delegate any authority to the Mayor or Mayor's designee.

Track Record / Monitor

The Miami-Dade Office of Management and Budget (OMB) will administer and oversee the distribution of these funds.

Background

State law permits counties to levy up to a six-cent local option gas tax on motor fuel and diesel fuels. Miami-Dade County levied a four-cent local option gas tax on September 1, 1983, and an additional two cents were levied in 1985 bringing the total tax collected to six cents. The current local option gas tax

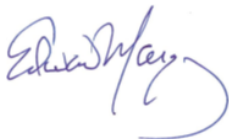
(Ordinance 93-53, as amended, and codified in 29-76 through 29-79 of the County Code) will expire on August 31st, 2023. Miami-Dade County and the municipalities within the County share approximately \$63.764 million generated by the six-cent local option gas tax. The county and cities rely on this revenue to support their respective roadway/public transportation expenditures. Permissible uses of the tax are:

- a. Public transportation operations and maintenance
- b. Roadway and right-of-way maintenance and equipment and structures used primarily for the storage and maintenance of such equipment
- c. Roadway and right-of-way drainage
- d. Street lighting
- e. Traffic signs, traffic engineering, signalization and pavement markings
- f. Bridge maintenance and operations
- g. Debt service and current expenditures for transportation capital projects in the above program areas, including construction or reconstruction of roads

The proceeds from the existing tax are distributed based on a formula in an interlocal agreement originally established by the parties in substantially the form provided in Resolution No. R-903-98, which currently allocates 70.4 percent of the net proceeds to Miami-Dade and 29.6 percent to all eligible incorporated cities. The municipal share is distributed among cities based on a weighing of population (75 percent) and centerline miles of roadway maintained (25 percent) for each city as compared to the total population and centerline mile figures for the entire incorporated area. The County agrees to use its best efforts to spend two-thirds of its share within the incorporated area of the County. The current County share is approximately \$44.890 million programmed for FY 2023-24. Every year the County provides municipalities notices of estimates of the capital improvement local option gas tax and the six-cent local option gas tax for the following year. In April of 2023, the County provided these notices as detailed in Attachment A. This ordinance provides that proceeds of the relieved local option gas tax shall be divided and distributed among the County government and eligible incorporated municipalities by the State of Florida Department of Revenue pursuant to the interlocal agreement originally established by the parties in substantially the form provided in Resolution No. R-903-98 pursuant to Section 336.025(3)(a)1, Florida Statutes, as same may be amended, restated, or extended with approval of this Board.

It should be noted that the 1993 legislature authorized counties to levy an additional five-cent local option gas tax to support activities contained within the Capital Improvements Element of the Comprehensive Development Master Plan. We are discussing this additional potential revenue source with the cities but we are not prepared to offer a recommendation on the matter at this time.

Additionally, there is an accompanying resolution that amends and restates the interlocal agreement with municipalities to reestablish the distribution formula currently being used to distribute the six-cent local option gas tax between the County and eligible municipalities for the 30-year period including January 1, 2024 through December 31, 2053.



Edward Marquez
Chief Financial Officer

Memorandum



Date: September 6, 2023

To: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

From: Daniella Levine Cava *Daniella Levine Cava*
Mayor

Subject: Social Equity Statement for Ordinance Relating to Levy of the Six-Cent Local Option Gas Tax and for Redistribution of Proceeds Between the County and Eligible Municipalities

The proposed ordinance recommends to relevel the six-cent local option gas tax as authorized by Section 336.025(1)(a), Florida Statutes, for 30 years from January 1, 2024, through December 31, 2053. Additionally, it is recommended that the existing distribution method of proceeds between the County at a 70.4 percent share and Municipalities 29.6 percent share remain in place.

The total amount of proceeds generated on an annual basis is estimated at \$63.764 million. Based on the current distribution formula, the County would receive \$44.890 million, of which the municipalities would receive \$18.874 million, and is distributed based on population and lane miles. All the proceeds that the County receives are used towards mass transportation activities that alleviate traffic and pollution with the purpose of increasing the quality of life for the residents of Miami-Dade County.

The estimated impact of this levy to consumers of motor fuel and diesel is on average \$36 per year, or a half a tank of fuel at today's retail prices. There is a direct benefit of this levy on the community for the gas tax portion is used to fund mass transit activities that help reduce traffic congestion by providing transportation alternatives thus reducing the number of automobiles on the road. Fewer cars means improved commuting times with a positive environmental impact. The levy also enables citizens who depend on public transportation to have access to our exceptional system.

Should this item not be approved, the impact on the County's ability to provide timely, high quality, and accessible mass transit activities could be impacted.

A blue ink signature of Carladenise Edwards, consisting of a stylized 'C' followed by several loops.

Carladenise Edwards
Chief Administrative Officer



MEMORANDUM
(Revised)

TO: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

DATE: September 6, 2023

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 5(D)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 5(D)
9-6-23

ORDINANCE NO. _____

ORDINANCE RELATING TO LEVY OF THE SIX-CENT LOCAL OPTION GAS TAX; RELEVYING SIX-CENT LOCAL OPTION FUEL TAX FOR PERIOD OF 30 YEARS BEGINNING JANUARY 1, 2024; PROVIDING FOR METHOD OF DISTRIBUTION OF PROCEEDS THEREOF BETWEEN THE COUNTY AND ELIGIBLE MUNICIPALITIES; CREATING ARTICLE XVIII OF CHAPTER 29 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA; PROVIDING FOR A CERTIFIED COPY TO BE SENT TO THE STATE DEPARTMENT OF REVENUE; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

WHEREAS, Section 336.025, Florida Statutes, authorizes county governments to levy various local option fuel taxes upon every gallon of motor fuel and diesel fuel sold in the county and taxed under the provisions of Part I or Part II of Chapter 206 of the Florida Statutes pursuant to an ordinance enacted by the Board of County Commissioners; and

WHEREAS, in 1993, the Board of County Commissioners of Miami-Dade County, Florida ("Board"), levied a six-cent (\$0.06) local option gas tax on every gallon of motor fuel and diesel fuel sold in Miami-Dade County ("1993 Local Option Gas Tax"); and

WHEREAS, in 1997, this Board extended the imposition of the 1993 Local Option Gas Tax that began on September 1, 1993, for a maximum period of 30 years through Ordinance No. 97-156; and

WHEREAS, pursuant to Resolution No. R-903-98, Miami-Dade County and eligible municipalities entered into an interlocal agreement in accordance with Section 336.025(3)(a)(1), Florida Statutes, establishing the method of distributing the proceeds of the six-cent (\$0.06) local

option gas tax within Miami-Dade County for the remainder of the 1993 Local Option Gas Tax's term; and

WHEREAS, the proceeds of the 1993 Local Option Gas Tax have been distributed in accordance with the terms of that interlocal agreement; and

WHEREAS, this Board desires to relevel the six-cent local option fuel tax authorized by Section 336.025(1)(a), Florida Statutes and to reestablish the distribution formula currently being used to distribute local option fuel tax proceeds between the County and eligible municipalities for the 30-year period including January 1, 2024 through December 31, 2053,

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. Article XVIII of Chapter 29 of the Code of Miami-Dade County, Florida, is hereby created to read as follows:¹

>>Article XVIII. 2024 Local Option Gas Tax

Sec. 29-135. Short Title.

This article shall be known as the "Miami-Dade County 2024 Local Option Gas Tax Ordinance."

Sec. 29-136. Tax Levied.

Pursuant to Section 336.025, Florida Statutes, the Miami-Dade County Board of County Commissioners hereby relevels and imposes a tax of six cents (\$0.06) on every gallon of motor and diesel fuel sold in Miami-Dade County, Florida and taxed under the provisions of Chapter 206, Florida Statutes. This tax shall be known as the "2024 Local Option Gas Tax," and shall be imposed as of January 1, 2024, for a period of thirty (30) years.

¹ Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

Sec. 29-137. Relationship to State Law.

This article is adopted and shall be subject to the provisions of Section 336.025, Florida Statutes, as may be amended from time to time.

Sec. 29-138. Distribution of Proceeds.

Proceeds of the 2024 Local Option Gas Tax hereby imposed shall be divided and distributed among the County government and eligible incorporated municipalities by the State of Florida Department of Revenue pursuant to the interlocal agreement originally established by the parties in substantially the form provided in Resolution No. R-903-98 pursuant to Section 336.025(3)(a)1, Florida Statutes, as same may be amended, restated, or extended with approval of this Board. If, for any reason, the interlocal agreement herein referred to shall be terminated or deemed of no force and effect, the local option gas tax shall continue to be imposed and upon notification by the County, the Florida Department of Revenue shall distribute the proceeds of said tax to the County and eligible municipalities within the County in accordance with the method set forth in Section 336.025(4)(a), Florida Statutes, as may be amended from time to time.

Sec. 29-139. Reserved.<<

Section 2. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 3. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 4. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override

by this Board. A certified copy of this Ordinance shall also be furnished to the State of Florida
Department of Revenue.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

Gerald K. Sanchez

GKS for GBK

GKS