



# TRANSPORTATION FUNDING

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## **STATEMENT:**

The Florida League of Cities SUPPORTS legislation that will provide local governments with new and innovative revenue options and resources to finance critical infrastructure, maintenance and construction needs to meet the ever-changing transportation demands driven by dramatic population growth and new technology (autonomous vehicles) 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. For more than 60 years, the federal government has helped states pay for highway repair and construction through the Highway Trust Fund (HTF), which relies primarily on federal gas tax revenue. But in recent years, inflation and the growth in the number of both electric and more fuel-efficient gas-powered vehicles means that drivers are buying less gasoline and paying less gas tax.

Declining gas tax revenue is not only affecting solvency of the HTF but also the State Transportation Trust Fund (STTF) in Florida. Recently, Florida economists have predicted \$120 million

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decline in funding going into the STTF over the next five years.

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. 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. Giving municipalities the same transportation revenue options and/or indexing their local motor fuel tax rates are ways to provide greater flexibility to fund their unique transportation needs.

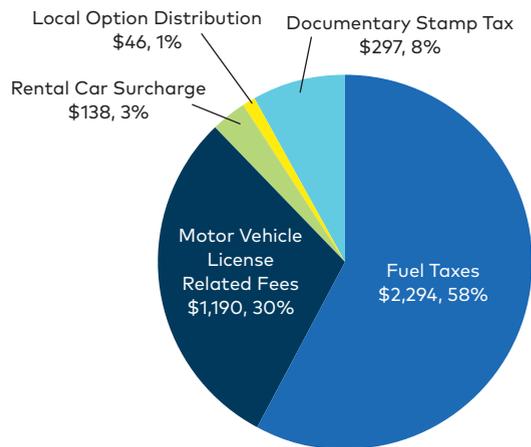
With over 126 million visitors each year and more than 900 people moving to Florida each day, the state's transportation infrastructure is rapidly declining. Our roads and bridges are getting older and falling into disrepair, costing more to maintain and improve. Some of these increased costs are directly 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.

Additionally, Florida's crumbling infrastructure and long traffic drive times affect public safety. Roads filled with potholes or instances where traffic is at a standstill directly impact the ability of police and firefighters to respond to accidents or crime scenes.

Transportation projects are often the catalyst for economic development and the result of growth within a community. Florida's municipalities need a transportation program that adequately funds our state's transportation needs, takes a smart approach to all forms of transportation, and provides local governments with the certainty they need for planning and funding transportation projects. ■

### STATE TAXES AND FEES DEPOSITED IN STATE TRANSPORTATION TRUST FUND FISCAL YEAR 2018

(Amount in Millions)



**Source:** Transportation Revenue Estimating Conference (12/06/18), Documenting Stamp Tax Revenue Estimating Conference (12/18/18).