



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	February 21, 2018		Item Type: <small>(Enter X in box)</small>	Resolution(s) X	Ordinance	Other
Fiscal Impact: <small>(Enter X in box)</small>	Yes	No	Ordinance Reading: <small>(Enter X in box)</small>	1st Reading	2nd Reading	
	X			Public Hearing: <small>(Enter X in box)</small>	Yes	No
Funding Source:	Local Option Gas Tax		Advertising Requirement: <small>(Enter X in box)</small>	Yes	No	
					X	
Account Balance:	N/A		Quasi-Judicial: <small>(Enter X in box)</small>	Yes	No	
					X	
Project Number:	N/A		RFP/RFQ/Bid Number:	N/A		
Contract/P.O. Required: <small>(Enter X in box)</small>	Yes	No	Strategic Plan Priority Area: <small>(Enter X in box)</small> Safety <input type="checkbox"/> Quality <input checked="" type="checkbox"/> Vibrant Appeal <input type="checkbox"/>			
	X					
Sponsor Name:	Roger M. Carlton, City Manager		Department: Office of Budget and Program Monitoring	Marie M. Gouin, Director		

Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE INTERLOCAL AGREEMENT WITH BROWARD COUNTY TO REESTABLISH, REIMPOSE, AND RELEVY THE CURRENT SIX-CENT (\$0.06) LOCAL OPTION GAS TAX ON EVERY GALLON OF MOTOR FUEL AND SPECIAL FUEL SOLD IN BROWARD COUNTY, EFFECTIVE SEPTEMBER 1, 2018 THROUGH AND INCLUDING DECEMBER 31, 2047; PROVIDING FOR AN EFFECTIVE DATE.

Staff Summary:

BACKGROUND:

The cities within Broward County and Broward County have entered into three Interlocal Agreements (ILA's) for the distribution of the proceeds of the local option gas taxes levied by the County. The three ILA's include:

- 1) The "original" local option gas tax adopted in 1983 and renewed in 1988, which provides for cities throughout Broward County to receive 37.5% of the proceeds of six cents of gas tax; the FY 17/18 Budget for the City of Hallandale Beach (COHB) includes \$426,370 from this revenue source;
- 2) The "additional" local option gas tax levied in 1994, which provides for Broward County cities to receive 51.27% of three cents of gas tax; the FY 17/18 COHB Budget includes \$302,836 (including the proceeds from the transit gas tax below) from this revenue source; and
- 3) The "transit gas tax" levied in 2001, which provides for Broward County cities to receive 26% of the proceeds of one cent of gas tax.

The three ILAs provide for the distribution of gas tax among Broward County cities based on population figures published annually by the University of Florida Bureau of Economics Business Research (BEER). These agreements contemplate revision of the population numbers annually using the most current published figures. To that end, the ILA's were renewed by the Broward County and Broward County cities in May 2017.

This agenda item relates to the "original" local option tax (Item 1 above) which was adopted in 1988, and will expire August 31, 2018, unless re-established by the County.

Section 336.025, Florida Statutes, as amended (Exhibit 2), authorizes Broward County to establish a six cent (\$0.06) local option gas tax on every gallon of motor fuel and special fuel sold in the County and taxed under the provisions of Chapter 206, Florida Statutes, for a period not to exceed thirty (30) years. Proceeds are to be used solely for "transportation expenditures" as defined in Section 336.025(7), Florida Statutes, with distribution of the proceeds determined pursuant to an ILA between the County and the eligible municipalities representing a majority of the population of the incorporated area within the County.

On January 31, 2018 the Broward County Board of Commissioners directed staff to move forward with the re-establishment of the “original” six-cent local option gas tax through December 31, 2047. Accordingly, and pursuant to Section 336.025(1)(b)(1), Florida Statutes, a majority of the cities within Broward County must enter into an ILA establishing the method of distribution of the proceeds.

CURRENT SITUATION:

The City has received notification from Broward County of its intent to re-establish, reimpose and re-levy the “original” local option gas tax, and to renew the ILA (Exhibit 3). It also contains the percentage breakdown of the City's percentage share of the 37.5% based on the April 1, 2017 updated population figures published by the University of Florida Bureau of Economics and Business Research (BEBR).

The ILA (Exhibit 4) provides for cities to continue to receive 37.5% and the County to receive 62.5% of the proceeds of six cents of the local option gas tax. In addition, the ILA continues to provide for the distribution of gas taxes among the cities based on population figures published annually by BEBR. On an annual basis, this agreement will be administratively updated to adjust each City's percentage share of the 37.5% based on the updated population figures published annually by BEBR for the distribution of the gas taxes amount to the cities. The COHB receives .781605 percent of the total municipal share of 37.5 percent shared by the municipalities. The \$426,370 projected for FY 17/18 is fully allocated to the Transportation Fund to fund transportation related expenditures.

The "additional" three-cent gas tax and the "transit" one-cent gas tax (Items 2 and 3 above), which are not expiring this year, will continue the annual process of amending those ILAs until they expire in 2024 and 2031.

WHY ACTION IS NECESSARY:

The City has received notification from Broward County of its intent to re-establish, reimpose and re-levy the “original” local option gas tax, and to renew the ILA. Pursuant to Broward County and City Code, City Commission approval is required to execute the ILA.

FISCAL IMPACT:

The FY 17/18 Budget from the proceeds of the Six-Cent Local Option Gas Tax is \$426,370.

Proposed Action:

City Staff recommends approval of the attached resolution authorizing the City Manager to execute the ILA for the “original” local option gas tax.

Attachment(s):

Exhibit 1 – Resolution

Exhibit 2 – Florida Statute 336.025

Exhibit 3 – Notification from Broward County

Exhibit 4 – Interlocal Agreement

Prepared by:



Marie M. Gouin