



The Florida Metropolitan Planning Organization Advisory Council

*Mayor Richard J. Kaplan
Chairman*

September 28, 2012

The Honorable Rick Scott, Governor
Plaza Level 05, The Florida Capitol
400 South Monroe Street
Tallahassee, FL 32399-0001

Dear Governor Scott,

On behalf of the Florida Metropolitan Planning Organization Advisory Council (MPOAC), it is my honor to provide you with a copy of the **Florida MPOAC Transportation Revenue Study**. This research report, prepared by the Center for Urban Transportation Research (CUTR) at the University of South Florida (USF) and guided by a steering committee of transportation stakeholders from the public and private sectors, is the culmination of more than two years of effort to assess transportation funding in Florida. The report also includes legislative recommendations to provide a sustainable revenue stream for Florida's transportation infrastructure.

Florida's MPOs are responsible for planning and programming transportation investment in the metropolitan areas of Florida. MPOs are overseen by boards composed of more than 200 local elected officials, who know first-hand that urban areas throughout the state are struggling with congestion, unemployment, and inadequate infrastructure for economic growth. And while we recognize that the state is facing a difficult budget climate, we strongly believe that investment in transportation at all levels of government is the key to resolving the state's economic condition and returning Floridians to work.

Findings from the Revenue Study confirm the inflationary effects of Florida's reliance on a fixed "cents per gallon" fuel tax combined with an increasingly fuel-efficient vehicle fleet is placing significant downward pressure on the State Transportation Trust Fund (STTF) and resulting in reductions in projected revenue for transportation infrastructure. In fact, official projections for the post-recession period call for a return to steady growth in Florida resulting in an increase in vehicle miles travelled (VMT) of 82 percent for the period FY1999/2000 to FY2019/2020, while fuel tax revenues are projected to grow at an anemic 8 percent over the same time period. The Revenue Study found that an additional \$12.1 billion in additional investment in transportation would be needed to match the level of investment the state made in FY1999/2000 – a startling loss in purchasing power and detrimental to Florida's economic health.

In April 2012, the MPOAC Governing Board approved 14 revenue funding options to return the lost \$12.1 billion purchasing power and endorsed the top 6 for legislative action.

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Those include:

- Allow up to a 1-cent municipal optional sales tax
- Increase the local diesel tax by 5-cents
- Index all fuel taxes not currently indexed
- Implement a 2-cent fuel tax increase per year for 5 years (a total increase of 10 Cents), indexed for inflation
- Return motor vehicle license and registration and titling fee increases to the STTF
- Conduct a vehicle miles traveled (VMT) study

Further details on all 14 revenue funding options are contained in the attached report, as are draft legislative proposals to enact the top 6.

While we recognize the difficulty enacting new transportation funding legislation, we hope that we can all agree on the need to address the \$12.1 billion dollar loss in purchasing power and hope that these legislative proposals act as a catalyst for a broader discussion on the subject. The Administration has shown a commitment to increasing revenue for transportation infrastructure by expanding funding opportunities for Florida's ports and intermodal facilities and considering future transportation corridors in the state. The Florida Legislature has also shown a commitment to increasing revenue for transportation by redirecting some of the future revenue raised from tag and title fees to the State Transportation Trust Fund (STTF).

It's widely accepted that urban transportation systems are the building blocks of urban economies and that urban economies are the building blocks of state economies. With this in mind, we urge you to support the recommendations contained in the ***Florida MPOAC Transportation Revenue Study***.

Please contact Mr. Howard Glassman, MPOAC Executive Director at (850) 414-4062 should you have any questions.

Sincerely,



Mayor Richard J. Kaplan
Chairman

RJK/jk/hg
Enclosure

cc: MPOAC members
Secretary Ananth Prasad, P.E., FDOT