LOCAL GOVERNMENT TRANSPORTATION FUNDING

SUBJECT BRIEF

Local governments in Florida rely on multiple funding mechanisms to meet their transportation needs. These include revenue-generating fuel and sales taxes, development fees, and municipal service taxes. If additional funding is required, local governments may partner with FDOT by applying for state and/or federal funding. When a community leverages local funding options to the maximum extent possible, they improve the likelihood of receiving state funding.

These mechanisms fall into several categories:

FUEL TAXES*

Local governments can impose several types of fuel taxes:

2¢ PER GALLON	Constitutional Fuel Tax
1¢ PER GALLON	County Fuel Tax
1¢ PER GALLON	Ninth-Cent Fuel Tax
1¢ PER GALLON	Municipal Fuel Tax
1-6¢ PER GALLON	Local Option Fuel Tax
1-5¢ PER GALLON	Additional Local Option Fuel Tax

These taxes fund transportation expenditures, debt service, and infrastructure operations and maintenance.

* FDOR Local Option Taxes, 2025

SALES TAXES*

Sales taxes require voter approval and can be used to support broader infrastructure and public transportation purposes:

UP TO 1%	Charter County and Regional Transportation System Surtax
.5% OR 1%	Local Government Infrastructure Sales Tax
.5% OR 1%	Small County Surtax

DEVELOPMENT-BASED FEES

These fees are used to ensure new development contributes to meeting infrastructure demands:

PROPORTIONATE SHARE (CONCURRENCY)

Ensures public facilities meet service standards.

IMPACT/ MOBILITY FEES

Funds facilities required to serve new development.

Office of POLICY PLANNING
Florida Department of Transportation

STATE & FEDERAL PROGRAMS

Local governments often partner with FDOT and federal agencies to access additional funding:

- **County Incentive Grant Program (CIGP)**
- **Small County Outreach Program (SCOP)**
- **Small County Road Assistance Program (SCRAP)**
- **Transportation Regional Incentive Program (TRIP)**
- **Local Agency Program (LAP)**
- **Federal Formula & Discretionary Grants**

USER-BASED FEES

These fees correspond to the distance, frequency, or type of vehicle a person drives on the transportation system:

MILEAGE-BASED USER FEE

Considers roadway impacts based on various factors such as location, nature of trip, type of vehicle, time of day, and costs imposed.

TOLLS

Allows upkeep of high-use and special facilities.

ANNUAL USER FEES

Provides alternative funds that can withstand fluctuations in roadway usage, including registration, license plate, title transfer, and similar fees.

SPECIAL DISTRICTS

These districts, geographically defined, can levy fees or taxes for specific purposes. These include:

1. Community Development Districts (CDDs)
2. Community Redevelopment Agencies (CRAs)
3. Neighborhood Improvement Districts (NIDs)
4. Municipal Services Benefit Units (MSBUs)
5. Municipal Parking Facility Surcharges

TOURIST DEVELOPMENT TAXES*

These taxes are used to support infrastructure that enhances tourism:

1-2%	1%	1%
Standard Tourist Development Tax	Additional 1% Tax	High Tourism Impact Tax

WHERE CAN I LEARN MORE?

- Federal Discretionary Grants
- State Grant Programs
- U.S. DOT Grant Navigator
- Local Programs Manual

Published 12/09/2025

FDOT