

# LOCAL GOVERNMENT TRANSPORTATION FUNDING OPTIONS SUBJECT BRIEF



FLORIDA DEPARTMENT OF  
TRANSPORTATION

## An Overview of the Local Funding Process

There are numerous local, state, and federal funding options available for local transportation-related projects. Local funding options that generate revenues for transportation projects include fuel taxes, sales taxes, development fees, special district funds, municipal service taxes, and tourist development taxes. If additional funding is required, local governments may partner with FDOT by applying for state and/or federal funding. Local funding options are available for transportation networks and facilities connected to Florida's Strategic Intermodal System (SIS) and networks that are not considered part of the SIS. SIS facilities can receive funding from local fuel taxes, state, and federal grant programs, and non-SIS facilities can be eligible for funding from local, state, and federal grant programs.

## Local Funding Strategies











































Local revenues sources, such as fuel and sales taxes, mobility and impact fees, and proportionate share payments, are a common approach to funding local transportation projects. Sales taxes may generate additional revenues; however, these are dependent on the passing of referendums. Locally imposed fuel taxes also have a large impact on funding for road infrastructure and maintenance needs, as the Ninth-Cent Fuel Tax and Local Option Fuel Taxes account for an estimated \$952 million per fiscal year in funding in the State of Florida. This means that many communities work with the FDOT and other state and federal sources to fund projects.



























## Partnering with FDOT

When a community leverages local funding options to the maximum extent possible, the local government improves the likelihood of receiving state funding. In addition, it is beneficial for the FDOT District Offices and local governments to coordinate early in the project development process so that the FDOT is aware of local initiatives and can provide technical support to facilitate a more efficient project delivery process.











## Local Funding Options for Generating Revenue

Program	Option	Rate/Cost Share	Established by:	Purpose	Requirements:	Statutory Reference
			City County State Federal		Population Vote Other	
Local Fuel Taxes	Constitutional Fuel Tax	2¢/gallon		<ul style="list-style-type: none"> <li>Debt service</li> <li>Transportation expenditures</li> </ul>		<a href="#">206.47, F.S.</a>
	County Fuel Tax	1¢/gallon		<ul style="list-style-type: none"> <li>Transportation facility expenses</li> <li>Bond repayment</li> </ul>		<a href="#">206.60, F.S.</a>
	Municipal Fuel Tax	1¢/gallon		<ul style="list-style-type: none"> <li>Transportation expenditures</li> </ul>		<a href="#">206.605, F.S.</a>
Local Option Fuel Taxes	Ninth-Cent Fuel Tax	1¢/gallon		<ul style="list-style-type: none"> <li>Any legitimate county or municipal transportation purpose</li> </ul>		<a href="#">336.021, F.S.</a>
	Local Option Fuel Tax	1-6¢/gallon		<ul style="list-style-type: none"> <li>Transportation expenditures</li> </ul>		<a href="#">206.41(1)(e), F.S.</a>
	Additional Local Option Fuel Tax	1-5¢/gallon		<ul style="list-style-type: none"> <li>Any legitimate county or municipal transportation purpose</li> </ul>		<a href="#">336.025(3)(b), F.S.</a>

Program	Option	Rate/Cost Share	Established by:  City  County  State  Federal	Purpose	Requirements:  Population  Vote  Other	Statutory Reference
Local Sales Tax	Charter County and Regional Transportation System Surtax	up to 1%		<ul style="list-style-type: none"> <li>Transportation expenditures especially related to transit</li> </ul>	 	<a href="#">212.055(1), F.S.</a>
	Local Government Infrastructure Sales Tax	0.5% or 1%		<ul style="list-style-type: none"> <li>Infrastructure</li> <li>Land acquisition</li> <li>Closure of landfills</li> </ul>		<a href="#">212.055(2), F.S.</a>
	Small County Surtax	0.5% or 1%		<ul style="list-style-type: none"> <li>Infrastructure</li> <li>Land acquisition</li> </ul>	 	<a href="#">212.055(3), F.S.</a>
Concurrency		Proportionate Share		<ul style="list-style-type: none"> <li>Public facilities maintained at adopted service standard level</li> </ul>		<a href="#">163.3180, F.S.</a>
Impact/Mobility Fees		Fee-based	 	<ul style="list-style-type: none"> <li>Fund the public facilities required to serve development</li> </ul>		<a href="#">163.3180(4)(i), F.S.</a>
Special Districts	Community Development District		 	<ul style="list-style-type: none"> <li>Urban community development services</li> </ul>		<a href="#">190, F.S.</a>
	Community Redevelopment Agency		 	<ul style="list-style-type: none"> <li>Revitalization</li> <li>Historic preservation</li> </ul>		<a href="#">163.387, F.S.</a>
	Neighborhood Enhancement Divisions		 	<ul style="list-style-type: none"> <li>Enforce city codes, ordinances, regulations</li> <li>Maintenance</li> </ul>		<a href="#">163.524, F.S.</a>
	Neighborhood Improvement Districts		 	<ul style="list-style-type: none"> <li>Advocate for local businesses</li> <li>Collect an ad valorem tax for infrastructure</li> </ul>		<a href="#">163.511, F.S.</a>
Municipal Services Benefit Unit (MSBU)				<ul style="list-style-type: none"> <li>Fund municipal services</li> </ul>		<a href="#">125.01(1)(q), F.S.</a>
Municipal Parking Facility Space Surcharges				<ul style="list-style-type: none"> <li>Reduce ad valorem tax rate</li> </ul>		<a href="#">166.271, F.S.</a>
Tourist Development Tax	1 or 2 Percent Tax	1-2%		<ul style="list-style-type: none"> <li>Construction of tourist-related facilities</li> <li>Tourism promotion</li> <li>Beach and shoreline maintenance</li> </ul>		<a href="#">125.0104, F.S.</a>
	Additional 1 Percent Tax	1%		<ul style="list-style-type: none"> <li>Construction of tourist-related facilities</li> <li>Tourism promotion</li> <li>Beach and shoreline maintenance</li> </ul>		<a href="#">125.0104(3)(d), F.S.</a>
Tourist Development Tax	High Tourism Impact Tax	1%		<ul style="list-style-type: none"> <li>Maintaining/operating stadiums and convention centers</li> <li>Tourism advertisement</li> <li>Financing maintenance of public beach facilities</li> </ul>		<a href="#">125.0104(3)(l)(4), F.S.</a>

Program	Option	Rate/Cost Share	Established by:  City  County  State  Federal	Purpose	Requirements:  Population  Vote  Other	Statutory Reference
Taxing Authorities			 	<ul style="list-style-type: none"> <li>Support tentative budget and/or millage rate</li> </ul>	 	<a href="#">163.353, F.S.</a>
Federal Grants	<a href="#">Local Agency Program (LAP)</a>	<b>State:</b> Up to 20% soft match		<ul style="list-style-type: none"> <li>Safety improvements</li> <li>Resurfacing</li> <li>Bike/ped facilities</li> <li>Traffic calming</li> <li>Bridges and tunnels</li> <li>Infrastructure-based Intelligent Transportation Systems (ITS)</li> </ul>		N/A
State Grants	<a href="#">County Incentive Grant Program (CIGP)</a>	<b>State:</b> Up to 50% <b>Local:</b> Remaining portion (match waivers available)		<ul style="list-style-type: none"> <li>Improvements to transportation facilities, including transit, on the State Highway System or that relieves the State Highway System</li> </ul>		<a href="#">339.2817, F.S.</a>
	<a href="#">Small County Outreach Program (SCOP)</a>	<b>State:</b> Up to 75% <b>Local:</b> Remaining portion (match waivers available)		<ul style="list-style-type: none"> <li>Repairing or rehabilitating bridges and roads</li> <li>Drainage improvements</li> <li>Resurfacing or reconstructing roads</li> <li>Capacity or safety improvements</li> </ul>	 	<a href="#">339.2818, F.S.</a>
	<a href="#">Small County Outreach Program for Municipalities</a>	<b>State:</b> Up to 100% <b>Local:</b> None		<ul style="list-style-type: none"> <li>Repairing or rehabilitating bridges and roads</li> <li>Addressing drainage improvements</li> <li>Resurfacing or reconstructing roads</li> <li>Capacity or safety improvements</li> </ul>	 	<a href="#">339.2818(7), F.S.</a>
	<a href="#">Small County Road Assistance Program (SCRAP)</a>	<b>State:</b> Up to 100% <b>Local:</b> Remaining portion		<ul style="list-style-type: none"> <li>Resurfacing</li> <li>Reconstructing</li> </ul>	 	<a href="#">339.2816, F.S.</a>
	<a href="#">Transportation Regional Incentive Program (TRIP)</a>	<b>State:</b> Up to 50% <b>Local:</b> Remaining portion (match waivers available)		<ul style="list-style-type: none"> <li>Improvements to regionally significant transportation facilities</li> </ul>		<a href="#">339.2819, F.S.</a>

## Other State and Federal Programs

Program	Agency	Source:  State  Federal	Purpose
<a href="#"><u>Areas of Critical State Concern</u></a>	<a href="#"><u>Florida Department of Economic Opportunity</u></a>		Protecting public transportation facilities in Florida's designated areas of concern.
<a href="#"><u>Community Development Block Grant - Disaster Recovery Program</u></a>			Addressing long-term recovery needs for transportation infrastructure in collaboration with the U.S. Department of Housing and Urban Development (HUD).*
<a href="#"><u>Regional Rural Development Grants</u></a>			Assisting rural communities in their efforts to attract new businesses, grow existing businesses, and increase innovation among community leaders.
<a href="#"><u>Rural Community Development Revolving Loan Fund</u></a>			Providing term loans to local governments and economic development organizations in rural communities.
<a href="#"><u>Rural Infrastructure Fund</u></a>			Planning, preparing, and financing economic development and tourism-based infrastructure projects.
<a href="#"><u>Small Cities CDBG</u></a>		 	Funding units of local government in small urban and rural areas for projects such as street and sidewalk improvements, downtown revitalization, park facilities, and others in collaboration with HUD.*
<a href="#"><u>Office of Resilience and Coastal Protection</u></a>	<a href="#"><u>Florida Department of Environmental Protection</u></a>		Preparing the transportation systems of coastal communities for sea level rise, flooding, erosion, and ecosystem changes.
<a href="#"><u>Post-Disaster Redevelopment Planning</u></a>	<a href="#"><u>Florida Division of Emergency Management</u></a>		Helping communities prepare post-disaster redevelopment plans for their transportation networks in collaboration with the Florida Division of Emergency Management and National Ocean and Atmospheric Administration.
<a href="#"><u>Brownfields</u></a>	<a href="#"><u>Environmental Protection Agency</u></a>		Supporting Brownfield redevelopment with loans, training, and other resources.
<a href="#"><u>Funding Opportunities for Non-Disaster Grants</u></a>	<a href="#"><u>Federal Emergency Management Agency</u></a>		Helping communities prepare for and protect against disasters, improving response abilities to disasters, and providing infrastructural needs to high risk transit systems and emergency routes.
<a href="#"><u>Funding Opportunities for Grants</u></a>	<a href="#"><u>Department of Housing and Urban Development</u></a>		Assisting communities with local housing needs, community and economic development, and environmental and energy preservation.
<a href="#"><u>Coastal Resilience Grant Program</u></a>	<a href="#"><u>National Ocean and Atmospheric Administration</u></a>		Assisting coastal communities and ecosystems in their preparation and recovery efforts from damages caused by natural disasters and flooding.
<a href="#"><u>Better Utilizing Investments to Leverage Development Transportation Discretionary Grant Program (BUILD)</u></a>	<a href="#"><u>U.S. Department of Transportation</u></a>		Investing in road, rail, transit, and ports that reach national objective criteria.
<a href="#"><u>Infrastructure for Rebuilding America Grant Program (INFRA)</u></a>	<a href="#"><u>U.S. Department of Transportation</u></a>		Supporting freight and highway projects that are significant at a regional and national level when it comes to factors such as efficiency, economic benefits, and resiliency.

\*DEO is the governor-designated state authority responsible for administering all U.S. Department of Housing and Urban Development (HUD) long-term recovery funds awarded to the state.

