# Agenda Report

2725 Judge Fran Jamieson Way
Viera, FL 32940

Brevard COUNTY

## New Business - Miscellaneous

J.2. 2/24/2026

## Subject:
Board Consideration of Local Option Gas Tax Authority

## Fiscal Impact:
NA

## Dept/Office:
District 1

## Requested Action:
It is requested that the Board conduct discussion regarding local gas tax options to address identified transportation funding gaps.

## Summary Explanation and Background:
According to the SCTPO presentation, under current funding formulas Brevard County is projected to be able to finance approximately 9 percent of the $2.65 billion in identified transportation needs through 2050. Following the presentation, multiple elected officials in attendance expressed interest in pursuing additional local gas tax authority, indicating potential municipal support for expanded transportation funding.

In order to address local transportation funding needs, the County Attorney has defined the options and deadlines regarding exercising the "Second Local Option Five Cents Gas Tax" and the "Ninth Cent" penny tax as follows:

> Both the "Second Local Option Five Cents Gas Tax" authorized by section 336.025(1)(b), Florida Statutes, and the "Ninth Cent" penny tax authorized by section 336.021, Florida Statutes, may be levied by an ordinance adopted by a majority plus one vote of the Board <u>or</u> by referendum at a general election. The deadline to provide the Supervisor of Elections office with finalized referendum language is 78 days prior to each general election. <u>The deadline for 2026 is 5:00 p.m. on August 17th</u>.
>
> Either the Second Local Option or the Ninth Cent must be adopted on or before October 1 to be effective January 1 of the following year. Thus, if the Board imposes either gas tax by a majority plus one vote prior to October 1, 2026, it would be effective January 1, 2027. However, because a referendum at a general election would not occur until November, the imposition of either gas tax pursuant to referendum would not be effective until January 1, 2028.

The Board may consider the following options related to local gas tax authority:

- Take no action to address the identified and growing transportation funding gap.

- Provide direction on next steps for further evaluation of local gas tax options.
- Adopt the Five-Cent and/or Ninth-Cent local option gas taxes by supermajority vote, with an implementation deadline of October 1, 2026.
- Approve placement of one or more local gas tax measures on the ballot for voter referendum by majority vote, with an associated deadline of August 17, 2026.

**Resource Links:**

- **September 9, 2025 Commission Gas Tax Agenda Item:**
<https://share.google/kTM2ppIR9v0bppAfn>

- **"Funding the Future" - February 12, 2026 SCTPO Meeting Presentation:**
<https://www.youtube.com/live/JiQqwdH7-jM?si=KTCiKe4mEgm-bk3W&t=4119>

Reference agenda item E.4. for additional information.

## Clerk to the Board Instructions:

BREVARD County
BOARD OF COUNTY COMMISSIONERS

FLORIDA'S SPACE COAST

**Kimberly Powell,** Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Kimberly.Powell@brevardclerk.us

February 2**6**, 2026

MEMORANDUM

TO: Commissioner Katie Delaney, District 1

RE: Item J.2., Board Consideration of Local Option Gas Tax Authority

**This is to correction the memorandum dated February 25, 2026.** The Board of County Commissioners, in regular session on February 24, 2026, discussed local gas tax options to address identified transportation funding gaps**, but took no action.**

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

Donna Scott
for: Kimberly Powell, Clerk to the Board

cc: Commissioner Districts 2, 3, 4, and 5

SPACE COAST TPO TRANSPORTATION PLANNING ORGANIZATION

# Funding the Future

Board of County Commissioners | 2/24/26

# Agenda

- Introduction
- Current Local Revenue Sources
- Additional Revenue Options
- Next Steps

# Introduction

- Current revenues cannot keep pace with infrastructure needs

- Understanding the sources of existing revenue funding is essential for long-term transportation planning

- Opportunities exist to leverage potential future local revenue to maximize state and federal funding options

# From the SCTPO Board Strategic Plan

Expand and leverage regional and sustainable funding sources to increase priority project implementation

***Problem:*** The current gas tax revenue is not a sustainable long term transportation funding source

**Performance Measure:** Governing Board members took an active role on the local, state, and federal level to expand and leverage transportation funding

# Major Accomplishments – Last 25 Years

| Widening Projects | New Interchanges | Intersection Improvements | New Trail Facilities |
|---|---|---|---|
| I-95 6-Laning | I-95 @ SJHP | Babcock St. @ Malabar Rd. | Brevard Zoo Linear Trail |
| US 1 6-Laning | I-95 @ Ellis Rd. | Babcock St. @ US 192 | East Central Florida Regional Rail Trail |
| Palm Bay Rd. 6-Laning | I-95 @ Viera Blvd. | US 192 @ Wickham Rd. / Minton Rd. & Hollywood Blvd. | Space Coast Trail |
| Barnes Blvd. 4-Laning | I-95 @ Port St. John Parkway | Wickham Rd. @ NASA Blvd./Ellis Rd. | |
| Ellis Rd. 4-Laning (Upcoming) | I-95 @ Pineda Causeway | SR A1A @ SR 520 | |

# Major Accomplishments – Last 25 Years

| Design/PD&E Projects | Bridge Projects | Misc. Projects |
|---|---|---|
| SR 524 4-Laning Design | Pineda Causeway Bridge over FEC | SJHP New Alignment from Malabar Rd. to US 192 |
| Clearlake Rd. 4-Laning Design | SR 528 WB Bridge Replacement (New EB Bridge) | Apollo Blvd. Extension |
| Malabar Rd. 4-Laning Design | Max Brewer Bridge | Annual County ITS O&M Support & TMC (Upcoming) |
| Babcock St. PD&E | NASA Causeway Bridge (partnership w/USDOT) | Intermodal Rail Station Support (Potential Future Project) |

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**Over $1.1B Invested in Brevard County**

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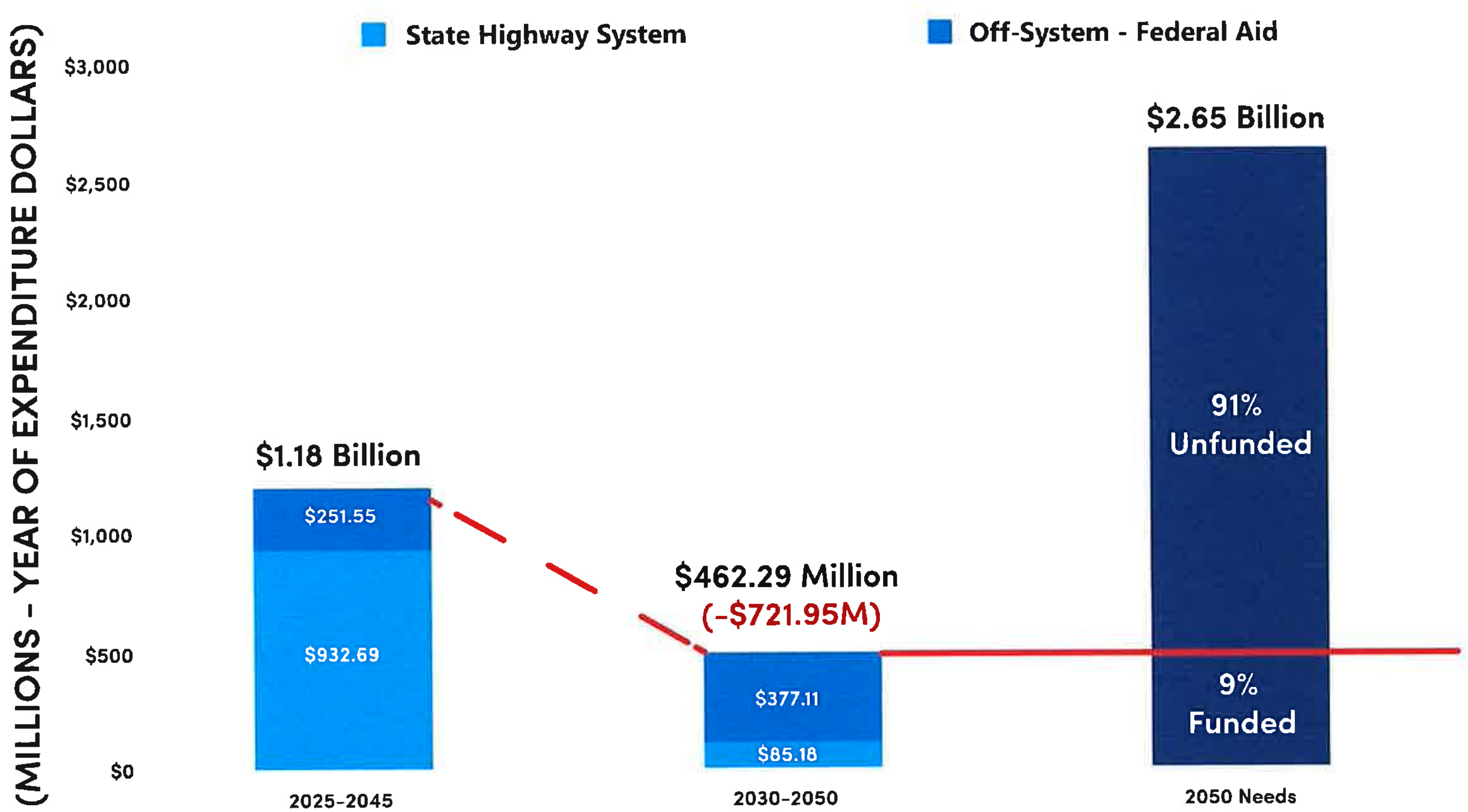
# Measuring Unfunded Need




*It is anticipated that only 9% of the $2.65 billion in identified transportation needs will be funded within the Advance 2050 LRTP.*

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# Transportation Funding Sources

## Approved in SCTPO's LRTP & TIP

### FEDERAL FUNDS

- Federal Fuel Taxes
- Vehicle Sales
- Heavy Vehicle Use
- Tire Taxes

TPO

**PROJECT TYPES:**

Regional Roads | Technology | Safety | Sidewalks, Trails, & Complete Streets | Transit

### STATE FUNDS

- State Fuel Taxes
- Documentary Stamps
- Motor Vehicle Fees & Rental Car Surcharges

FDOT

**PROJECT TYPES:**

State Roads | Transit | Regional Roads | Maintenance & Resurfacing | Technology | Safety | Sidewalks, Trails, & Complete Streets

### LOCAL FUNDS

- Local Fuel Taxes
- Road Impact Fees

Brevard County & Municipalities

**PROJECT TYPES:**

Local Roads | Regional Roads | Safety | Maintenance & Resurfacing | Technology | Transit | Sidewalk, Trails, & Complete Streets

**Focus of Today's Presentation**

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# Current Local Revenue Sources

# Constitutional Gas Tax (2-Cent)

## 20% Portion

| Summary | |
|---|---|
| Amount | **0.4 Cents/Gallon** |
| Description | Collected Statewide. Distributed to each county based on population |
| Authorization | Constitution |
| Revenue Generated (FY25-26) | **$1.5M** |

## 80% Portion

| Summary | |
|---|---|
| Amount | **1.6 Cents/Gallon** |
| Description | Repays transportation bonds issued through FDOT |
| Authorization | Constitution |
| Revenue Generated (FY25-26) | **$6.9M** |

# Fuel Taxes

## Local Option Gas Tax (6-Cent)

| Summary | |
|---|---|
| Amount | **6 Cents/Gallon** |
| Description | Collected within Brevard County. Distributed to the County and municipalities based on interlocal agreement. |
| Authorization | Statute |
| Revenue Generated (FY25-26) | **$13.2M** |

## Local Option Gas Tax (9th-Cent)

| Summary | |
|---|---|
| Amount | **1 Cent/Gallon** |
| Description | Diesel portion collected statewide. Distributed to each county based on population. |
| Authorization | Statute |
| Revenue Generated (FY25-26) | **$2.2M (diesel only revenue)** |

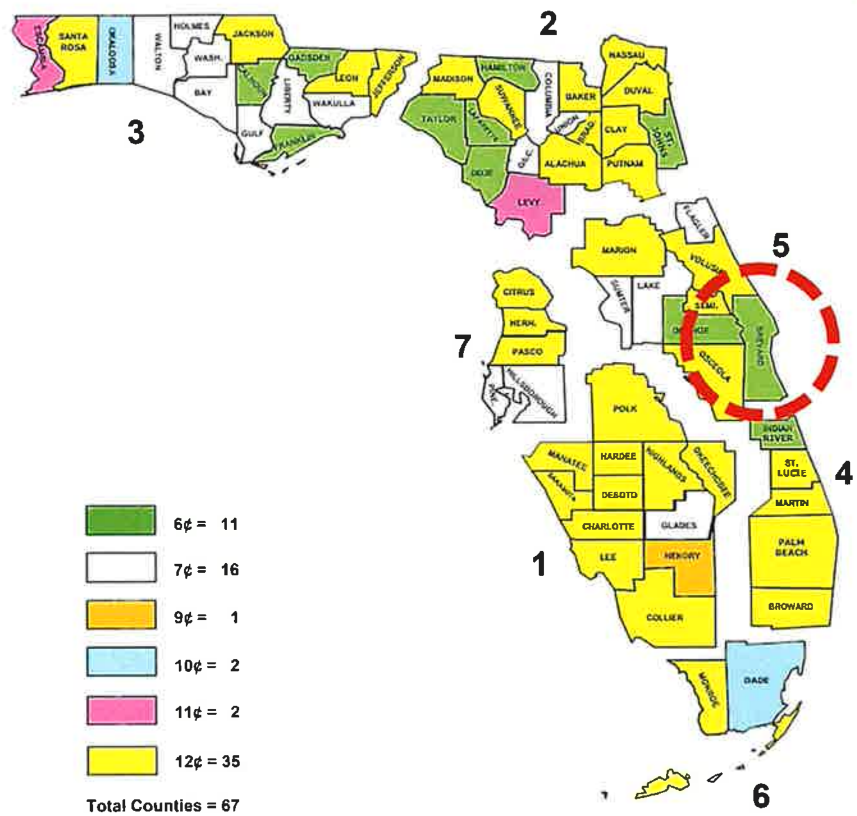
## County Motor Fuel Tax

| Summary | |
|---|---|
| Amount | **1 Cent/Gallon** |
| Description | Collected within Brevard County. Distributed entirely to Brevard County. |
| Authorization | Statute |
| Revenue Generated (FY25-26) | **$3.4M** |

# Locally Imposed Motor Fuel Taxes

- **35 counties** leveraging the max **12 cents** of fuel taxes
- Brevard is **one of 11 counties** only leveraging the minimum of **6 cents**

Tax Rates (¢/gal) as of January 1, 2026

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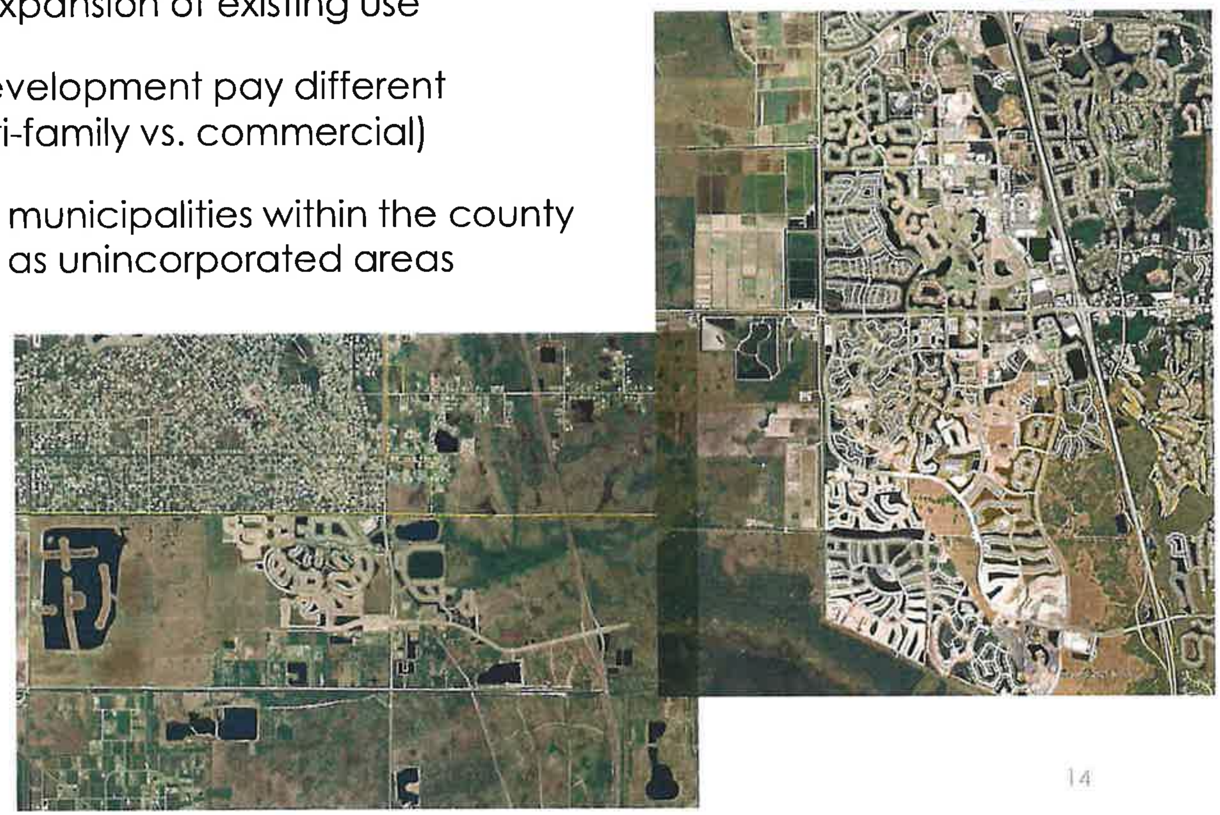
# Transportation Impact Fees

- Assessed at new development or expansion of existing use
- By land use, so different types of development pay different amounts (e.g., single-family vs. multi-family vs. commercial)
- Impact fees are collected for all 16 municipalities within the county (via inter-local agreements) as well as unincorporated areas
- $10.5M average annual revenue; FY24 balance: $15.9M
- Last adjusted for County in 2001
- Cities review and adjust their own



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# Additional Revenue Options

# Discretionary Sales Surtaxes

- **Charter County and Regional Transportation System Surtax** – Florida statute permits a sales surtax of up to 1.0%
  - Simple majority of Commissioners required for a referendum to be held at a general election
  - Can generate $25.1M – $100M (County Share) and $34.4M – $137.6M total
- **Local Government Infrastructure Surtax** – Florida statute permits a sales surtax of either 0.5% or 1.0%
  - Counties are only permitted one referendum
  - The Save Our Indian River Lagoon (SOIRL) Program (Lagoon Tax) currently levies 0.5%; scheduled to expire December 31, 2026. If the Lagoon Tax is renewed:
    - 0.5% still available to collect – would require modifying the above referendum
    - Can generate $37.1M (County Share) and $68.8M total

# Local Option Gas Tax

- Up To 5-Cents/Gallon on Both Gas and Diesel (Orange Highlight) –
  - Can be adopted in addition to the 6-Cent LOGT by BOCC super majority or referendum
  - Requirement to distribute to cities based on 5-year transportation expenditure formula
  - Revenues can only be spent on capital improvements, not operations or maintenance
  - Can generate $6.4M (County Share) annually
- 9th-Cent (1 Cent/Gallon) on Gasoline (Red Highlight) –
  - Counties can levy by local ordinance to support transportation expenditures
  - No requirement to distribute to Cities
  - Can generate $2.7M annually

| Cent | Levied for Gasoline | Levied for Diesel |
|---|---|---|
| 1-6 | Y | Y |
| 7th | N | N |
| 8th | N | N |
| 9th | N | Y |
| 10th | N | N |
| 11th | N | N |
| 12th | N | N |

# Other Revenue Sources

- Mobility Fees –
  - Alternative to traditional impact fees
  - Require a local mobility plan that identifies multimodal networks and priority projects across all travel modes
  - Provide greater flexibility to fund sidewalks, trails, transit, and complete streets projects
  - If implemented, a mobility fee would replace transportation impact fees; they cannot be charged together
- Public Services Tax –
  - 1–10% tax levied by counties and municipalities on purchase of electricity, natural gas, etc.
  - Provides long-term, reliable revenue source, as most residents pay utility bills
  - Revenue is deposited into the General Fund, but can be restricted for transportation projects if designated
  - Can generate $3.3M to $33.4M annually, depending on the adopted rate

# Additional Revenue Projections

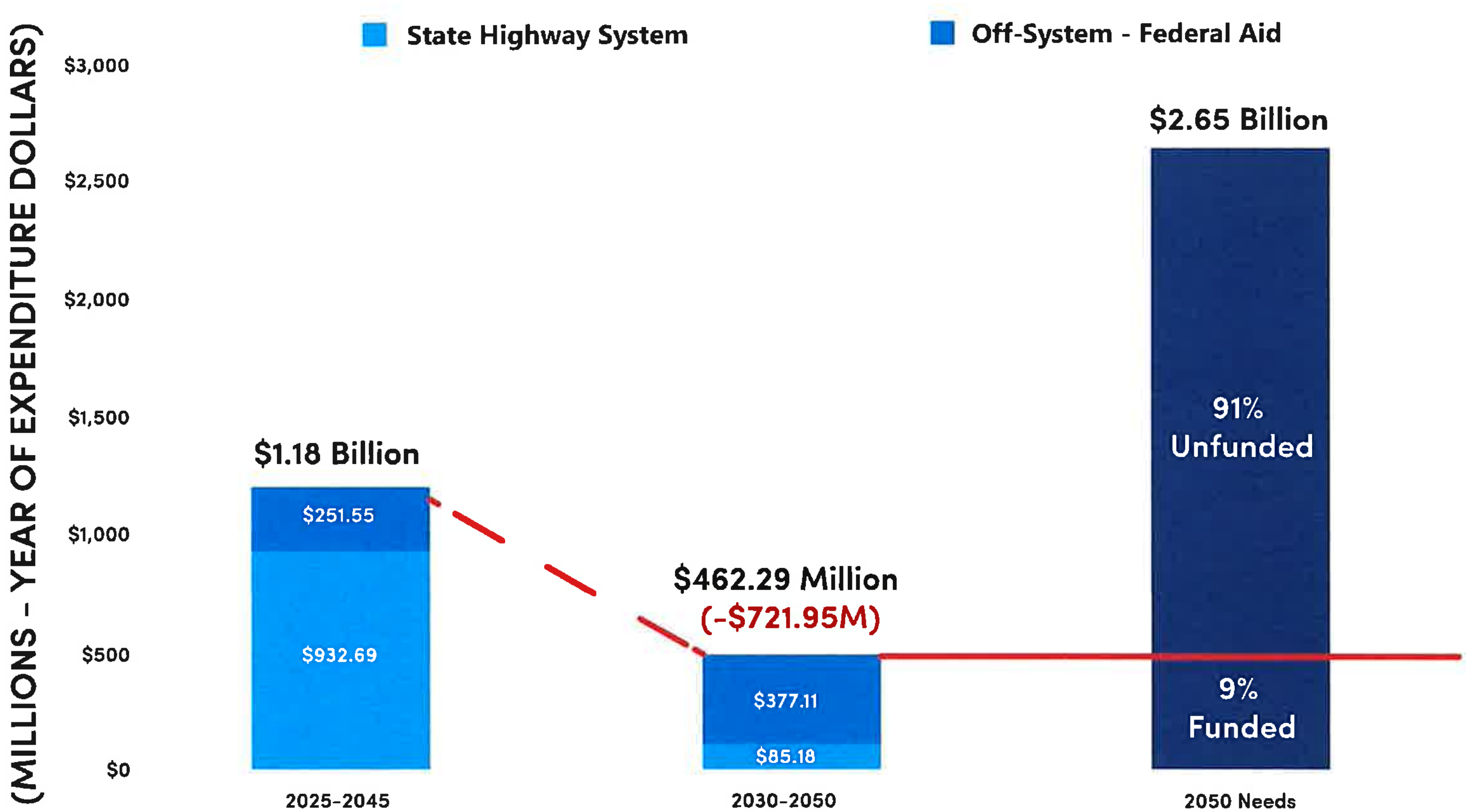
## From 2045 Long Range Transportation – Projections for New Revenue Sources

| Funding Source | 2026-2030 | 2031-2035 | 2036-2040 | 2041-2045 | Total |
|---|---|---|---|---|---|
| | | | Projected Revenues[1] | | |
| (Theoretical) Half Cent Sales Surtax[2] | $177.8 | $219.5 | $269.8 | $330.5 | $997.6 |
| (Theoretical) One Cent Sales Surtax[2] | $355.5 | $439.0 | $539.6 | $660.9 | $1,995.0 |
| (Theoretical) 1 to 5 Cent LOFT[3] | $36.0 | $41.5 | $47.7 | $54.6 | $179.8 |
| (Theoretical) Ninth-Cent Fuel Tax (on non-diesel fuel) | $16.3 | $18.9 | $21.7 | $24.8 | $81.7 |
| **Total** (Half Cent Surtax) | $230.0 | $279.9 | $339.2 | $409.9 | $1,259.0 |
| **Total** (One Cent Surtax) | $407.8 | $499.4 | $609.0 | $740.4 | $2,256.6 |

(1) Dollar values are in Millions, inflated for Year of Expenditure
(2) Sales surtax based on distribution to County (not municipal) of current half cent distributed to all counties in Florida. The revenue currently distributed to Brevard County is not reflected in actual revenue estimates, as it is not committed to transportation expenditures.
(3) 1 to 5 cent LOFT reflects County share (net of municipal share).
Totals may not sum perfectly due to rounding.

Note: Projected revenues do not include Mobility Fees or Public Services Tax. Half Cent or One Cent sales surtax could apply to either the Charter County and Regional Transportation System Surtax or the Local Government Infrastructure Surtax.

# Measuring Unfunded Need




*It is anticipated that only 9% of the $2.65 billion in identified transportation needs will be funded within the Advance 2050 LRTP.*

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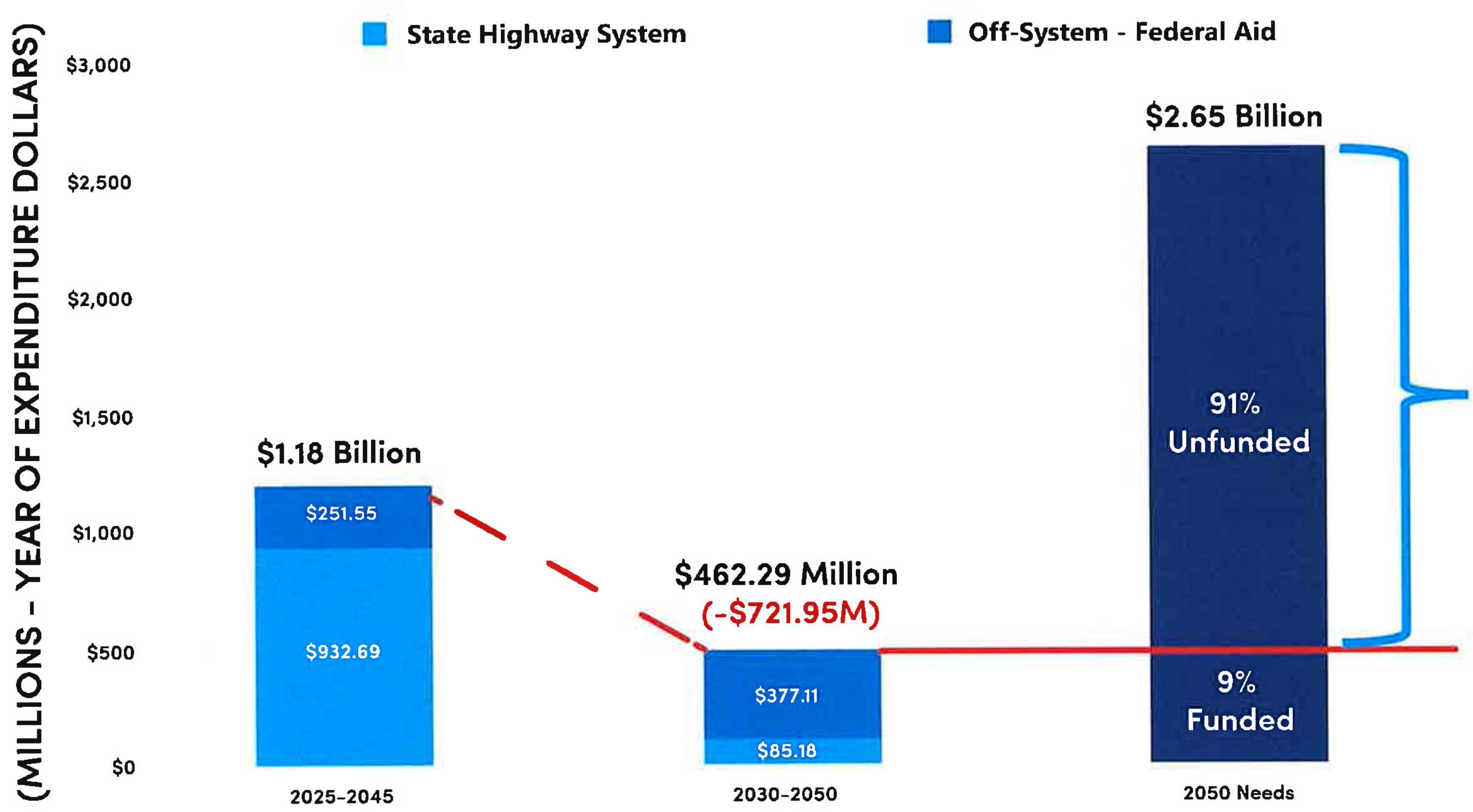
# Measuring Unfunded Need




**$2.3B** funding gap could be closed with the additional **$1.3B-$2.3B** from other revenue sources

# The Cost of Inaction

- **SR 524 Widening**
  - London Boulevard to Industry Road in the 2036 – 2040 time band is the only segment fully funded in the 2050 LRTP
  - With inflation construction is estimated to be $4M more
- **A1A Cape Canaveral Complete Street**
  - Not funded until 2046 – 2050 time band
  - With inflation construction is estimated to be $26M more
- **Hollywood Boulevard Widening** (unfunded need only)
- **Minton Road Intersection Improvements**
  - Not funded until 2046 – 2050 time band
  - With inflation construction is estimated to be $11M more
- **Malabar Road Widening**
  - Construction is not funded in 2050 LRTP
- **S. Babcock Street Widening**
  - Convair Street SE to Malabar Road SE is the only segment fully funded in the 2050 LRTP
- **Micco Road Widening** (unfunded need only)

# Thank You!

# FUNDING & REVENUE REFERENCES FOR THE SCTPO *FUNDING THE FUTURE* PRESENTATION

The following links provide reference information for the funding sources discussed in the *Funding the Future* presentation provided to the SCTPO Governing Board, Technical Advisory Committee, and Citizen Advisory Committee in February 2026.

## State Managed Funding

### Transportation Regional Incentive Program (§339.2819)

https://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0300-0399%2F0339%2FSections%2F0339.2819.html

https://www.fdot.gov/programmanagement/lp/trip/default.shtm

### County Incentive Grant Program

https://www.fdot.gov/programmanagement/lp/cigp/default.shtm

https://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0300-0399/0339/Sections/0339.2817.html

## TPO Managed Funding

### Surface Transportation Block Grant

https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/planning/policy/metrosupport/mpo-program-management-handbook/fdot-mpo-program-management-handbook_ch-3.pdf

https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/stbg.cfm

### Transportation Alternatives – Set Aside

https://www.fhwa.dot.gov/environment/transportation_alternatives/

## Current Local Revenue Sources

### Constitutional Gas Tax (§206.41)

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0200-0299/0206/Sections/0206.41.html

### First Local Option Gas Tax (1–6 Cents) (§336.025) and (1–5 Cents) (§336.025(1)(b))

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0300-0399/0336/Sections/0336.025.html

**Ninth-Cent Gas Tax (§336.021)**

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0300-0399/0336/Sections/0336.021.html

**County Motor Fuel Tax (§206.60)**

https://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0200-0299/0206/Sections/0206.60.html

**Motor Fuel Use Tax (§207.003 and §207.004)**

https://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0200-0299/0207/Sections/0207.003.html

https://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0200-0299/0207/Sections/0207.004.html

Florida Impact Fee Act (§163.31801)

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0100-0199/0163/Sections/0163.31801.html

https://www.brevardfl.gov/PlanningAndDevelopment/ImpactFees/ImpactFeesHome

**Brevard County Budget (FY25-26 Local Revenues)**

https://www.brevardfl.gov/docs/default-source/budget/fy-2025-2026/board-agencies-2026/public-works-department-fiscal-year-2025-2026-proposed-line-item-budget.xlsx?sfvrsn=ba0d9b3_1

## Additional Revenue Options

**Florida Local Option Sales Surtaxes (§212.055)**

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0200-0299/0212/Sections/0212.055.html

**Mobility Fees (§163.3180(5)(i))**

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0100-0199/0163/Sections/0163.3180.html

**Local Option Gas Tax**

Includes the references in the Current Local Revenue Sources section, as well as the following:

https://www.edr.state.fl.us/Content/local-government/data/county-municipal/2025LOFTrates.pdf