

City of Tamarac
Interoffice Memorandum
Financial Services Department
ADMINISTRATION DIVISION

To: Michael C. Cernech, City Manager
From: Christine Cajuste, Interim Director of Financial Services
Date: April 28, 2020
Re: Amendment to Additional Local Option Gas Tax Agreement – TR#13424

Recommendation:

The Interim Director of Financial Services requests that the City Manager place the above-mentioned item on the consent agenda for the May 13, 2020 Commission meeting.

Issue:

This is for the approval and execution of the amendment to the Interlocal Agreement with Broward County providing for the division and distribution of the proceeds of the additional local option gas tax imposed by the Broward County local option gas tax ordinance.

Background:

Every year the Broward County Attorney's Office prepares the necessary amendment to the interlocal agreement, which provides the distribution formula for the above referenced tax proceeds. This amendment complies with the statutory requirement for the establishment of the distribution formula based on the latest population statistics prepared by the Bureau of Economic and Business Research of the University of Florida.

The 2019 amendment to the interlocal agreement, attached as Exhibit A, provides for the division and distribution of the proceeds of the additional local option gas tax; it requires an annual adjustment of the population of the individual municipalities and unincorporated Broward County. The percentage distribution for this tax over the past three years are as follows:

	Additional Local Option Gas Tax <u>Percent for Tamarac</u>
2020 Amendment	0.892594%
2019 Amendment	0.892919%
2018 Amendment	0.892594%

The attached letter from the Broward County Office of Budget Services, attached as Exhibit1, provides additional background and description information.

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Broward County has requested that the City Commission approve and execute this amendment and return it to Broward County by June 1, 2020, so that the final amendments can be transmitted to the Florida Department of Revenue for distribution of the proceeds.

Temporary Resolutions #13069 (R-2018-21 passed 3/1/18) and #13423 are related items amending agreements for the distribution of the local option gas tax on motor fuel and the fifth-cent additional tax on motor fuel for transportation.

Fiscal Impact:

The revenue from the local option gas tax has been anticipated and budgeted; no budget action is required. The impact of the adjusted distribution on the budget is as follows:

FY20 Budget	2020 Amendment	2019 Amendment	Net Change	Fiscal Impact
5th Cent	0.892594%	0.892919%	-0.000325%	
Additional Tax	1.760126%	1.760768%	-0.000642%	
6 Cent Tax	1.287395%	1.289230%	-0.001835%	
1,069,326.00	3.940115%	3.942917%	-0.002802%	\$ (29.96)

As a result of the changes in the distributions we anticipate a decrease in revenues of \$(29.96) overall.

The actual gas tax revenues received in FY2019 were just over \$1,087,260. During the first six months of FY2020, actual revenues were \$548,146 representing 51.5% of budget. Since revenues are based upon gallons sold and not the price of a gallon, it is estimated that FY2020 revenue will be significantly reduced as a result of the COVID-19 stay at home orders with far less driving and therefore far less gallons sold. With estimated population increases in future years likely as a result of new construction it is anticipated that future adjustments will be minimal.

Attachments