

# STAFF REPORT REGULAR MEETING

**AGENDA DATE:** March 18, 2025

**DEPARTMENT:** City Manager

**TITLE:**

Interlocal Agreement (ILA) with Palm Beach County (PBC) for the Six Cent Local Option Fuel Tax

**SUMMARY:**

The City has an existing Interlocal Agreement from 1995 with PBC regarding the six cent local option fuel tax which terminates on August 31, 2025. This ILA would continue the local option fuel tax for another 30 years.

**BACKGROUND AND JUSTIFICATION:**

According to Florida Statute 336.025(1)(a) and County Code Chapter 17, Article I, Section 17-3, a distribution formula was implemented by an ILA between PBC and various municipalities therein to divide the entire proceeds of the local option fuel tax levied upon the sale of every gallon of motor fuel and special fuel within PBC. The County wishes to re-levy and re-impose the tax for another 30 year term in accordance with the Statute and through this ILA, redetermine the distribution formula for dividing the entire proceeds of the tax among PBC and all eligible municipalities within the county.

Representatives of PBC and the Palm Beach County League of Cities (representing the municipalities) met and negotiated terms that would be mutually beneficial to all parties involved. All proceeds of the tax collected shall be divided between PBC and the municipalities, with the County receiving 66.5648 percent of the tax collected and the municipalities collectively receiving 33.4352 percent of the tax collected. The share formula is  $30\% \times \text{municipality's population} / \text{sum of all of municipalities' population} + 70\% \times \text{municipality's lane miles} / \text{sum of all of municipalities' lane miles} = \text{Municipality's Pro Rata Share}$ .

**MOTION:**

Move to approve/disapprove the Interlocal Agreement with Palm Beach County for the Six Cent Local Option Fuel Tax.

**ATTACHMENT(S):**

Fiscal Impact Analysis – N/A  
Interlocal Agreement