



## Cover Memorandum/Staff Report

File #: 25-152

Agenda Date: 3/11/2025

Item #: 6.D.

**TO:** Mayor and Commissioners  
**FROM:** Henry M. Dachowitz, Chief Financial Officer  
**THROUGH:** Terrence R. Moore, ICMA-CM  
**DATE:** March 11, 2025

REGARDING INTERLOCAL AGREEMENT TO REDETERMINE, RE-ADOPT AND RATIFY EXISTING DISTRIBUTION FORMULA FOR SIX CENT (6 ¢) LOCAL OPTION FUEL TAX

**Recommended Action:**

Motion to Approve the Interlocal Agreement to Redetermine, Re-Adopt and Ratify Existing Distribution Formula for Six Cent (6 ¢) Local Option Fuel Tax.

**Background:**

Pursuant to a Florida State Statute, in 1995 Palm Beach County re-levied the six-cent (6 ¢) local option fuel tax for a 30-year term. The County established by interlocal agreement with various municipalities the distribution formula for dividing the entire proceeds of this tax among the County and all eligible municipalities.

Because the Interlocal Agreement is terminating on August 31, 2025, the County and municipalities have agreed to utilize the same formula in a new agreement to also last 30 years.

It is requested that you approve this new agreement so that the City of Delray Beach may continue to participate for the next 30 years in receiving a portion of this six-cent (6 ¢) tax.

**City Attorney Review:**

Approved as to form and legal sufficiency.

**Funding Source/Financial Impact:**

The tax being re-levied by Palm Beach County Board of County Commissioners will be divide as follows: The County shall receive 66.5648 percent of the tax collected. Municipalities in Palm Beach County shall receive 33.4352 percent of the tax collected. The proceeds from the tax shall be collected and distributed to the respective parties as provided in Section 336.025(2), Florida Statutes.

**Timing of Request:**

The current interlocal agreement in place for this purpose terminates on August 31, 2025. Fifty percent of municipalities in Palm Beach County must be in support of this initiative for it to pass.