



# Broward County

## Legislation Text

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### **Broward County Commission Regular Meeting**

**Director's Name:** Chris Walton

**Department:** Transportation

**Division:** Transit

### **Information**

#### **Requested Action**

MOTION TO NOTE FOR THE RECORD receipt of \$1,140,855 from the Alternative Fuel Excise Tax Credit program for the use of propane in the Transit Division's Paratransit fleet for calendar years 2018 and 2019.

#### **Why Action is Necessary**

Provides Notice to the Board of County Commissioners' (Board) of Alternative Fuel Excise Credits for the use of propane fuel.

#### **What Action Accomplishes**

Recognizes \$1,140,855 received from the Alternative Fuel Excise Tax Credit program by the County for the use of alternative fuels (propane) in the Paratransit fleet.

#### **Is this Action Goal Related**

Yes

#### **Previous Action Taken**

None.

#### **Summary Explanation/Background**

THE TRANSPORTATION DEPARTMENT AND TRANSIT DIVISION RECOMMEND APPROVAL OF THIS ITEM.

This item supports the Board's Vision and its Values of "Cooperatively Delivering An Efficient And Accessible Regional Intermodal Transportation Network", "Encouraging Investments in Renewable Energy, Sustainable Practices and Environmental Protection and "Consistently Delivering Responsive, Efficient, Quality Services to the Public and Internal Customers" by providing savings for the operation of Paratransit Fleet vehicles that run on an alternative fuel - propane.

The Alternative Fuel Excise Tax Credit program is a federal tax incentive that was made available for alternative fuels sold for use or used as a fuel to operate motor vehicles. Tax exempt entities such as state and local governments that dispense qualified fuel from an on-site fueling station for use in vehicles qualify for the incentive. The credit is approximately \$0.36 per gallon of propane. To receive the credit, eligible entities must register and apply to the IRS for the credit. The County retroactively applied for the credits in calendar years 2018 and 2019 for the purchase and use of propane and

received notification in September 2020 of a credit in the total amount of \$1,140,855.

As background, the Transit Division (BCT) began operating its Paratransit service with alternative fueled vehicles (propane) beginning in 2015. At that time, the initial purchase of 138 propane powered vehicles made the Paratransit fleet the largest propane fleet in the State of Florida, and one of the largest in the country. Since those initial purchases, the Paratransit Fleet has grown to a total of 337 vehicles with 271 vehicles powered by propane. The entire Paratransit fleet is expected to be propane powered by the year 2023.

Since January 2015, BCT has purchased 7.2 million gallons of propane at an average cost to the County of \$1.27 per gallon. This cost was further reduced by applying for and receiving a total of \$2,978,356 in alternative tax credit revenues over the past five years. This credit effectively reduced the average cost per gallon of propane to approximately \$0.91 per gallon. The average cost of gasoline for the same length of time was \$2.51 per gallon. That variance in cost combined with the alternative fuel credits received translates to approximately \$8.5 million in savings vs. operating Paratransit solely on gasoline.

Propane is not only less expensive and domestically produced, but its use also benefits our environment as it produces less harmful greenhouse gas emissions as compared to gasoline and diesel fuel. Over 35,000,000 miles have been driven on propane by the Paratransit fleet since 2015, and as a result approximately 23,000,000 fewer pounds of carbon dioxide, a greenhouse gas, were emitted into the atmosphere contributing to the County's Climate Change goals.

#### **Source of Additional Information**

Chris Walton, Director, Transportation Department, 954-357-8361

#### **Fiscal Impact**

##### **Fiscal Impact/Cost Summary**

The \$1,140,855 in funds received has been applied to reduce the Fiscal Year 2020 paratransit operating expenses.