By Senator Brandes

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A bill to be entitled

An act relating to airports; amending s. 212.08, F.S.; revising the exemptions of people-mover systems and parts from certain taxes; conforming a crossreference; amending s. 332.004, F.S.; revising and defining terms; amending s. 332.006, F.S.; requiring the Department of Transportation to provide financial and technical assistance to sponsors that operate public-use airports by making department personnel and department-owned facilities and equipment available on a cost-reimbursement basis to such sponsors for special needs of limited duration; amending s. 332.007, F.S.; requiring federal funding of individual local public-use airport projects to be wholly between the airport sponsors and the appropriate federal agencies; authorizing the department to receive federal grants for both local and statewide public-use airport projects when no sponsor is available; requiring the department to prepare and continuously update an aviation and airport work program based on a collection of projects proposed by sponsors to be included in a certain work program of the department; requiring the department to provide priority funding in support of the planning, design, and construction of proposed projects by sponsors, with special emphasis on certain projects on public-use airport property; authorizing the department to participate in the capital cost of eligible public-use airport and aviation development projects in accordance with

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specified rates, under certain circumstances; revising the requirements of such rates; authorizing the department to participate in the capital cost of eligible public-use airport and aviation discretionary capacity improvement projects; revising the conditions under which the department provides priority funding; prohibiting a single public-use airport from securing discretionary capacity improvement project funds in excess of a specified percentage; authorizing the department to initially fund up to a specified percentage of the cost of land acquisition for a new public-use airport or for the expansion of an existing public-use airport that is owned and operated by a municipality, a county, an authority, or a sponsor; authorizing the department to fund eligible projects performed by not-for-profit organizations that represent a majority of public-use airports in this state; revising the requirements of such eligible projects; amending s. 332.06, F.S.; authorizing the cost of investigation, surveying, planning, acquiring, establishing, constructing, enlarging, or improving or equipping public-use airports to be paid for by appropriation or from the proceeds of municipal bonds; amending s. 332.07, F.S.; authorizing governing bodies that have the power to appropriate moneys within the municipalities in this state which are acquiring, establishing, constructing, enlarging, improving, maintaining, equipping, or operating public-use airports to appropriate and raise moneys in such

municipalities sufficient to administer specified provisions; amending s. 332.08, F.S.; authorizing additional powers to a municipality that has established or may establish public-use airports, instead of airports, or that has acquired, set apart, or may acquire or set apart real property for such purpose; revising the name of the Federal Aviation Administration's Airport Privatization Pilot Program to the Federal Aviation Administration's Airport Investment Partnership Program; amending s. 332.09, F.S.; authorizing a municipality or a sponsor to accept federal and other moneys for the acquisition, construction, enlargement, improvement, maintenance, equipment, or operation of public-use airports and other air navigation facilities and to comply with certain laws, rules, and regulations for the expenditure of federal moneys; amending ss. 196.012 and 334.27, F.S.; conforming cross-references; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Paragraph (zz) of subsection (7) of section 212.08, Florida Statutes, is amended to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this

chapter.

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(7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department or the entity obtains or provides other documentation as required by the department. Eligible purchases or leases made with such a certificate must be in strict compliance with this subsection and departmental rules, and any person who makes an exempt purchase with a certificate that is not in strict compliance with this subsection and the rules is liable for and shall pay the tax. The department may adopt rules to administer this subsection.

thereof, which are purchased or manufactured by contractors employed either directly by or as agents for the United States Government, the state, a county, a municipality, a political subdivision of the state, or the sponsor public operator of a public-use airport as defined in s. 332.004 (15) by s. 332.004(14) are exempt from the tax imposed by this chapter when the systems or parts go into or become part of the airport publicly owned facilities. In the case of contractors who manufacture and install such systems and parts, this exemption

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extends to the purchase of component parts and all other manufacturing and fabrication costs. The department may provide a form to be used by contractors to provide to suppliers of people-mover systems or parts to certify the contractors' eligibility for the exemption provided under this paragraph. As used in this paragraph, "people-mover systems" includes wheeled passenger vehicles and related control and power distribution systems that are part of a transportation system for use by the general public, regardless of whether such vehicles are operator-controlled or driverless, self-propelled or propelled by external power and control systems, or conducted on roads, rails, quidebeams, or other permanent structures that are an integral part of such transportation system. "Related control and power distribution systems" includes any electrical or electronic control or signaling equipment, but does not include the embedded wiring, conduits, or cabling used to transmit electrical or electronic signals among such control equipment, power distribution equipment, signaling equipment, and wheeled vehicles.

Section 2. Present subsections (12) through (15) of section 332.004, Florida Statutes, are redesignated as subsections (13) through (16), respectively, subsection (4) and present subsections (14) and (15) of that section are amended, and a new subsection (12) is added to that section, to read:

332.004 Definitions of terms used in ss. 332.003-332.007.— As used in ss. 332.003-332.007, the term:

(4) "Airport or aviation development project" or "development project" means any activity associated with the design, construction, purchase, improvement, or repair of a

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public-use airport or a portion thereof, including, but not limited to: the purchase of equipment; the acquisition of land, including land required as a condition of a federal, state, or local permit or agreement for environmental mitigation; offairport noise mitigation projects; the removal, lowering, relocation, marking, and lighting of airport hazards; the installation of navigation aids used by aircraft in landing at or taking off from an a public airport; the installation of safety equipment required by rule or regulation for certification of the airport under s. 612 of the Federal Aviation Act of 1958, and amendments thereto; and the improvement of access to the airport by road or rail system which is on airport property and which is consistent, to the maximum extent feasible, with the approved local government comprehensive plan of the units of local government in which the airport is located.

- (12) "Privatized airport" means any privately owned airport participating in the Federal Aviation Administration's Airport Investment Partnership Program pursuant to 49 U.S.C. s. 47134, as provided in s. 332.08(3).
- (15) (14) "Public-use airport" means any publicly owned airport that which is used or to be used for public purposes, or a privatized airport that is open to the public.
- (16) (15) "Sponsor" means any eligible agency or private owner of a privatized airport that which, either individually or jointly with one or more eligible agencies or private owners, submits to the department an application for financial assistance for an airport development project in accordance with this act.

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Section 3. Subsection (4) of section 332.006, Florida Statutes, is amended to read:

- 332.006 Duties and responsibilities of the Department of Transportation.—The Department of Transportation shall, within the resources provided pursuant to chapter 216:
- (4) Upon request, provide financial and technical assistance to sponsors that public agencies which operate public-use airports by making department personnel and department-owned facilities and equipment available on a cost-reimbursement basis to such sponsors agencies for special needs of limited duration. The requirement relating to reimbursement of personnel costs may be waived by the department in those cases in which the assistance provided by its personnel was of a limited nature or duration.
- Section 4. Subsection (1), paragraph (a) of subsection (2), paragraph (a) of subsection (4), and subsections (6) through (8) of section 332.007, Florida Statutes, are amended to read:
- 332.007 Administration and financing of aviation and airport programs and projects; state plan.—
- (1) Federal funding of individual local <u>public-use</u> airport projects <u>must</u> shall continue to be wholly between the local airport sponsors and the appropriate federal agencies; however, the Department of Transportation is authorized to receive federal grants for <u>both local and</u> statewide <u>public-use airport</u> projects when no local sponsor is available.
- (2)(a) The Department of Transportation shall prepare and continuously update an aviation and airport work program in accordance with subsections (6) and (7) based on a collection of the local sponsors' proposed projects to be included in the work

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program of the department developed pursuant to s. 339.135. The airport work program <u>must</u> shall separately identify development projects and discretionary capacity improvement projects.

- (4) (a) The annual legislative budget request for aviation and airport development projects <u>must shall</u> be based on the funding required for development projects in the aviation and airport work program. The department shall provide priority funding in support of the planning, design, and construction of proposed projects by local sponsors, with special emphasis on projects for runways and taxiways, including the painting and marking of runways and taxiways, lighting, other related airside activities, and airport access transportation facility projects on public-use airport property.
- (6) Subject to the availability of appropriated funds, the department may participate in the capital cost of eligible public-use public airport and aviation development projects in accordance with the following rates, unless otherwise provided in the General Appropriations Act or the substantive bill implementing the General Appropriations Act:
- (a) The department may fund up to 50 percent of the portion of eligible project costs which <u>is</u> are not funded by the Federal Government, except that the department may initially fund up to 75 percent of the cost of land acquisition for a new <u>public-use</u> airport or for the expansion of an existing <u>public-use</u> airport that which is owned and operated by a municipality, a county, or an authority, or a sponsor, and <u>must shall</u> be reimbursed to the normal statutory project share when federal funds become available or within 10 years after the date of acquisition, whichever is earlier. Due to federal budgeting constraints, the

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department may also initially fund the federal portion of eligible project costs subject to:

- 1. The department receiving adequate assurance from the Federal Government or local sponsor that this amount will be reimbursed to the department; and
- 2. The department having adequate funds in the work program to fund the project.

Such projects must be contained in the Federal Government's Airport Capital Improvement Program, and the Federal Government must fund, or have funded, the first year of the project.

- (b) The department may retroactively reimburse cities, counties, or airport authorities, or sponsors, up to 50 percent of the nonfederal share for land acquisition when such land is needed for <u>public-use</u> airport safety, expansion, tall structure control, clear zone protection, or noise impact reduction. No Land purchased prior to July 1, 1990, or purchased prior to executing the required department agreements <u>is not shall be</u> eligible for reimbursement.
- (c) When federal funds are not available, the department may fund up to 80 percent of master planning and eligible aviation development projects at <u>public-use publicly owned</u>, <u>publicly operated</u> airports. If federal funds are available, the department may fund up to 80 percent of the nonfederal share of such projects. Such funding is limited to <u>public-use</u> airports that <u>do not</u> have <u>any</u> no scheduled commercial service.
- (d) The department is authorized to fund up to 100 percent of the cost of an eligible project that is statewide in scope or that involves more than one county where no other governmental

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entity or appropriate jurisdiction exists.

- (7) Subject to the availability of appropriated funds in addition to aviation fuel tax revenues, the department may participate in the capital cost of eligible <u>public-use public</u> airport and aviation discretionary capacity improvement projects. The annual legislative budget request <u>must shall</u> be based on the funding required for discretionary capacity improvement projects in the aviation and airport work program.
- (a) The department shall provide priority funding in support of:
- 1. Land acquisition that which provides additional capacity at the qualifying international public-use airport or at that airport's supplemental air carrier public-use airport.
- 2. Runway and taxiway projects that add capacity or are necessary to accommodate technological changes in the aviation industry.
- 3. <u>Public-use</u> airport access transportation projects that improve direct airport access and are approved by the airport sponsor.
- 4. International terminal projects that increase international gate capacity.
- (b) \underline{A} No single <u>public-use</u> airport <u>may not shall</u> secure discretionary capacity improvement project funds in excess of 50 percent of the total discretionary capacity improvement project funds available in any given budget year.
- (c) Unless prohibited by the General Appropriations Act or by law, the department may transfer funds within each category of the airport and aviation discretionary capacity improvement program to maximize the aviation services or federal aid

available to this state.

- (d) The department may fund up to 50 percent of the portion of eligible project costs which <u>is</u> are not funded by the Federal Government except that the department may initially fund up to 75 percent of the cost of land acquisition for a new <u>public-use</u> airport or for the expansion of an existing <u>public-use</u> airport that which is owned and operated by a municipality, a county, or an authority, or a sponsor, and <u>must shall</u> be reimbursed to the normal statutory project share when federal funds become available or within 10 years after the date of acquisition, whichever is earlier.
- (8) The department may also fund eligible projects performed by not-for-profit organizations that represent a majority of <u>public-use</u> <u>public</u> airports in this state. Eligible projects may include activities associated with aviation master planning, professional education, safety and security planning, enhancing economic development and efficiency at <u>public-use</u> airports in this state, or other planning efforts to improve the viability of public-use airports in this state.

Section 5. Subsection (1) of section 332.06, Florida Statutes, is amended to read:

332.06 Preliminary costs and expenses.-

(1) The cost of investigation, surveying, planning, acquiring, establishing, constructing, enlarging, or improving or equipping <u>public-use</u> airports and other air navigation facilities, and the sites therefor, including structures and other property incidental to their operation, in accordance with the provisions of ss. 332.01-332.12, may be paid for by appropriation of moneys available therefor, or wholly or partly

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from the proceeds of bonds of the municipality, as <u>determined by</u> the governing body of the municipality shall determine.

Section 6. Section 332.07, Florida Statutes, is amended to read:

332.07 Appropriations.— The governing bodies having power to appropriate moneys within the municipalities in this state acquiring, establishing, constructing, enlarging, improving, maintaining, equipping, or operating <u>public-use</u> airports and other air navigation facilities under the provisions of ss. 332.01-332.12 are hereby authorized to appropriate and cause to be raised by taxation or otherwise in such municipalities moneys sufficient to <u>administer</u> <u>carry out therein the provisions of</u> ss. 332.01-332.12.

Section 7. Subsections (1) and (3) of section 332.08, Florida Statutes, are amended to read:

332.08 Additional Powers.-

- (1) In addition to the general powers in ss. 332.01-332.12 conferred and without limitation thereof, a municipality that has established or may hereafter establish <u>public-use</u> airports, restricted landing areas, or other air navigation facilities, or that has acquired or set apart or may hereafter acquire or set apart real property for such purposes, is authorized:
- (a) To vest authority for the construction, enlargement, improvement, maintenance, equipment, operation, and regulation thereof in an officer, a board or body of such municipality by ordinance or resolution which shall prescribe the powers and duties of such officer, board or body. The expense of such construction, enlargement, improvement, maintenance, equipment, operation, and regulation shall be a responsibility of the

municipality.

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(b) To adopt and amend all needful rules, regulations, and ordinances for the management, government, and use of any properties under its control, whether within or without the territorial limits of the municipality; to appoint airport guards or police, with full police powers; to fix by ordinance or resolution, as may be appropriate, penalties for the violation of such rules, regulations, and ordinances, and enforce such penalties in the same manner in which penalties prescribed by other rules, regulations, and ordinances of the municipality are enforced.

(c) To lease for a term not exceeding 50 years such publicuse airports or other air navigation facilities, or real property acquired or set apart for public-use airport purposes, to private parties, any municipal or state government or the national government, or any department of either thereof, for operation; to lease or assign for a term not exceeding 50 years to private parties, any municipal or state government or the national government, or any department of either thereof, for operation or use consistent with the purposes of ss. 332.01-332.12, space, area, improvements, or equipment on such publicuse airports; to sell any part of such public-use airports, other air navigation facilities, or real property to private parties, any municipal or state government, or the United States or any department or instrumentality thereof, for aeronautical purposes or purposes incidental thereto, and to confer the privileges of concessions of supplying upon its airports goods, commodities, things, services, and facilities; provided, that in each case in so doing the public is not deprived of its rightful

equal and uniform use thereof.

- (d) To sell or lease any property, real or personal, acquired for airport purposes and belonging to the municipality, which, in the judgment of its governing body, may not be required for aeronautic purposes, in accordance with the laws of this state, or the provisions of the charter of the municipality, governing the sale or leasing of similar municipally owned property.
- (e) To exercise all powers necessarily incidental to the exercise of the general and special powers herein granted, and is specifically authorized to assess and shall assess against and collect from the owner or operator of each and every airplane using such airports a sufficient fee or service charge to cover the cost of the service furnished airplanes using such airports, including the liquidation of bonds or other indebtedness for construction and improvements.
- (3) Notwithstanding any other provision of this section, a municipality participating in the Federal Aviation

 Administration's Airport Investment Partnership Privatization

 Pilot Program pursuant to 49 U.S.C. s. 47134 may lease or sell an airport or other air navigation facility or real property, together with improvements and equipment, acquired or set apart for airport purposes to a private party under such terms and conditions as negotiated by the municipality. If state funds were provided to the municipality pursuant to s. 332.007, the municipality must obtain approval of the agreement from the Department of Transportation, which is authorized to approve the agreement if it determines that the state's investment has been adequately considered and protected consistent with the

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applicable conditions specified in 49 U.S.C. s. 47134.

Section 8. Section 332.09, Florida Statutes, is amended to read:

332.09 Federal funds and aid.— A municipality or sponsor is authorized to accept, receive, and issue receipts receipt for federal moneys, and other moneys, either public or private, for the acquisition, construction, enlargement, improvement, maintenance, equipment, or operation of public-use airports and other air navigation facilities, and sites for such airports and facilities therefor, and to comply with the provisions of the laws of the United States and any rules and regulations made thereunder relating to for the expenditure of federal moneys upon such public-use airports and other air navigation facilities.

Section 9. Subsection (6) of section 196.012, Florida Statutes, is amended to read:

196.012 Definitions.—For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:

(6) Governmental, municipal, or public purpose or function is shall be deemed to be served or performed when the lessee under any leasehold interest created in property of the United States, the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other public body corporate of the state is demonstrated to perform a function or serve a governmental purpose that which could properly be performed or served by an appropriate governmental unit or that which is demonstrated to perform a function or serve a purpose that which would otherwise be a valid subject

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for the allocation of public funds. Such For purposes of the preceding sentence, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal Aviation Administration and which real property is used for the administration, operation, and business offices, and activities related specifically related to those functions, thereto in connection with the conduct of an aircraft full service fixed base operation that which provides goods and services to the general aviation public in the promotion of air commerce is shall be deemed an activity that which serves a governmental, municipal, or public purpose or function. Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public-use airport public airport as defined in s. 332.004(15) s. 332.004(14) by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as defined in s. 331.303, or which is located in a deepwater port identified in s. 403.021(9)(b) and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose. The use by a lessee, licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or

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public purpose or function when access to the property is open to the general public with or without a charge for admission. If property deeded to a municipality by the United States is subject to a requirement that the Federal Government, through a schedule established by the Secretary of the Interior, determine that the property is being maintained for public historic preservation, park, or recreational purposes and if those conditions are not met the property will revert back to the Federal Government, then such property shall be deemed to serve a municipal or public purpose. The term "governmental purpose" also includes a direct use of property on federal lands in connection with the Federal Government's Space Exploration Program or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes or which is put to a use in support thereof shall be deemed to perform an essential national governmental purpose and shall be exempt. "Owned by the lessee" as used in this chapter does not include personal property, buildings, or other real property improvements used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed based operation which provides goods and services to the general aviation public in the promotion of air commerce provided that the real property is designated as an aviation area on an airport layout plan approved by the Federal Aviation Administration. For purposes of determination of "ownership," buildings and other real property improvements which will revert to the airport authority or other

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governmental unit upon expiration of the term of the lease shall be deemed "owned" by the governmental unit and not the lessee. Providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(14), and for which a certificate is required under chapter 364 does not constitute an exempt use for purposes of s. 196.199, unless the telecommunications services are provided by the operator of a public-use airport, as defined in s. 332.004, for the operator's provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, or unless the telecommunications services are provided by a public hospital.

Section 10. Subsection (1) of section 334.27, Florida Statutes, is amended to read:

334.27 Governmental transportation entities; property acquired for transportation purposes; limitation on soil or groundwater contamination liability.—

(1) For the purposes of this section, the term "governmental transportation entity" means the department; an authority created pursuant to chapter 343, chapter 348, or chapter 349; a public-use airport airports as defined in s. 332.004(15) s. 332.004(14); a port enumerated in s. 311.09(1); a county; or a municipality.

Section 11. This act shall take effect July 1, 2019.