

STORAGE NAME: h0295.ca

DATE: January 30, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT - LOCAL LEGISLATION**

BILL #: HB 295

RELATING TO: Lee and Charlotte Counties (Gasparilla Island Bridge Authority Act)

SPONSOR(S): Representative Gay

COMPANION BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY AFFAIRS
 - (2)
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

This bill removes two provisions relating to the powers and duties of the Gasparilla Island Bridge Authority (Bridge Authority). The provisions are:

- 1) A referendum provision as a condition upon which the Bridge Authority is authorized to impose the maximum toll; and
- 2) The restriction that the proceeds from the tolls and ad valorem taxes may only be used for operation, maintenance, replacement, and debt service of the bridge and causeway.

Increases in bridge tolls are estimated to increase three percent annually. According to the Economic Impact Statement filed with the bill, individuals and businesses using the bridge will not experience a major change in the toll rate. The three year maintenance program estimated to cost \$2.5 million will benefit local users of the bridge.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Prior to 1958, the residents of and visitors to Gasparilla Island traveled to and from the mainland of Charlotte County by ferry. In the early 1950s, the Florida Bridge Company applied to the Florida Railroad and Public Utilities Commission for a franchise to build, construct, establish, operate, and maintain a toll highway bridge over Gasparilla Sound. By order of the Commission dated May 8, 1952, it was ordered and adjudged that:

[A] franchise to construct, maintain and operate a toll bridge and related causeways in Charlotte County, Florida between Placida and Gasparilla Island be and the same is hereby granted in accordance with plans and location approved by the United States War Department as contained in that certain permit issued to Florida Bridge Company on June 9, 1950 and filed herein as a part of the record in this proceeding. The franchise rights hereby granted are under the provisions of Chapter 347, Florida Statutes, 1951 and such rights are exclusive and shall continue in force for a period of fifty years from the date of this Order.

On December 30, 1954, the Trustees of the Internal Improvement Fund of the State of Florida considered the franchise granted to Florida Bridge Company and granted that company an easement for right of way through, across, and over lands and submerged bottoms. The company built a 1.9-mile-long, two-lane toll bridge, called the Boca Grande Bridge and Causeway, to connect the island and the mainland. The private company was responsible for maintaining the bridge and appurtenances, and collecting the tolls, while Charlotte County retained the authority to set the toll rates.

The Florida Bridge Company sold the bridge and franchise agreement to Gaspar, Inc., in 1983 for about \$3.3 million. In 1984, toll rates were raised to the current \$3.20 per vehicle toll schedule. According to an investment summary prepared by the Resource Group Realty Advisors as part of an assessment on the feasibility of incorporating Gasparilla Island, the net operating income of the bridge is \$1.49 million annually; the net present value of the bridge is \$10.2 million; and the replacement value of the bridge is \$11.7 million.

The 1996 Legislature passed chapter 96-507, Laws of Florida, creating the Gasparilla Island Bridge Authority (Bridge Authority). The Bridge Authority is an independent special taxing district in Lee and Charlotte Counties. The bridge is located in Charlotte County. However, the southern two-thirds of Gasparilla Island is in Lee County.

The population of Gasparilla Island during most of the year is about 1,000. Seasonal residents triple that number. The Bridge Authority is managed by a nine-member board of supervisors. The Bridge Authority is authorized to fix and collect tolls from persons using the bridge and causeway system. The tolls may not exceed \$5 per round trip for 10 years after the effective date of the 1996 act. However, the maximum toll may be imposed only after submitting the toll and the maximum ad valorem taxes to referendum of the electors of the district.

The Bridge Authority may also levy up to 2 mills of assessed value per year of ad valorem tax. This provision is conditioned upon two occurrences:

- 1) a single vote by the electors of the district to approve both the authorized maximum toll and maximum ad valorem taxes; and
- 2) a determination by the Bridge Authority that the bridge tolls being collected may be insufficient to repair, replace, or maintain the bridge and causeway.

Also, the proceeds of the tolls and ad valorem taxes may only be used for operation, maintenance, replacement, and debt service of the bridge and causeway.

B. EFFECT OF PROPOSED CHANGES:

This bill **removes** two provisions from chapter 96-507, Laws of Florida, relating to the powers and duties of the Gasparilla Island Bridge Authority. They are:

- 1) A referendum provision as a condition upon which the Bridge Authority is authorized to impose the maximum toll and maximum ad valorem tax; and
- 2) The restriction that the proceeds from the tolls and ad valorem taxes may only be used for operation, maintenance, replacement, and debt service of the bridge and causeway.

The effect of the bill is to allow the Bridge Authority to charge the maximum toll without approval of the voters of the district. Also, removing the requirement that proceeds of the tolls and ad valorem taxes be used for expenditures other than operation, maintenance, replacement, and debt service of the bridge and causeway, allows the proceeds to be used for other activities.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

Chapter 96-507, Laws of Florida.

D. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

Not applicable.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Not applicable.

(3) any entitlement to a government service or benefit?

Not applicable.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

Not applicable.

(2) what is the cost of such responsibility at the new level/agency?

Not applicable.

(3) how is the new agency accountable to the people governed?

Not applicable.

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

Probably, but only upon *voter approval*.

b. Does the bill require or authorize an increase in any fees?

Yes. The bill allows the Bridge Authority to assess the maximum toll (\$5 per round trip for the first 10 years after the effective date of the 1996 act) *without voter approval*; therefore, it is likely that the Bridge Authority would increase the toll to the maximum. The present toll rate is \$3.20. The ad valorem tax assessment remains subject to referendum.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

By removing the single referendum requirement necessary before assessing the maximum toll rate and the maximum ad valorem tax rate, the Bridge Authority may impose the maximum toll rate without voter approval.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Not applicable.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

Not applicable.

(1) Who evaluates the family's needs?

(2) Who makes the decisions?

(3) Are private alternatives permitted?

(4) Are families required to participate in a program?

(5) Are families penalized for not participating in a program?

- b. Does the bill directly affect the legal rights and obligations between family members?

Not applicable.

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

Not applicable.

(1) parents and guardians?

(2) service providers?

(3) government employees/agencies?

E. SECTION-BY-SECTION ANALYSIS:

Section 1 -- Amends subsections (3), (13), and (21), section 6, chapter 96-507, Laws of Florida, removing two provisions relating to the powers and duties of the Bridge Authority: (1) removes the single referendum provision for voters to approve maximum tolls and ad valorem taxation; and (2) removes the requirement that the proceeds of the tolls and ad valorem taxes be used for operation, maintenance, replacement, and debt service of the bridge and causeway.

Section 2 -- Provides for an effective date of upon becoming law

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

- A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 10, 1997, and January 8, 1997, respectively

WHERE? Charlotte County edition of the Sarasota Herald-Tribune, Port Charlotte, FL, and the Ft. Myers News-Press, Ft. Myers, Lee County, FL

- B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

- C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

- D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

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IV. COMMENTS:

None.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VI. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

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