

STORAGE NAME: h3393s1.go

DATE: March 12, 1998

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GOVERNMENTAL OPERATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 3393

RELATING TO: Air Carriers

SPONSOR(S): Committee on Business Development and International Trade, Representative
Turnbull and others

COMPANION BILL(S): SB 1846(c)

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

- (1) BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE YEAS 9 NAYS 0
 - (2) GOVERNMENTAL OPERATIONS (W/D)
 - (3) FINANCE & TAXATION
 - (4) GENERAL GOVERNMENT APPROPRIATIONS
 - (5)
-

I. SUMMARY:

This bill directs the Department of Management Services to evaluate the state contract for air carrier service for state employees to determine how to improve the quality, availability, and cost of air service to state employees and other citizens. The department is required to undertake a 3-year pilot program based on its analysis, and then evaluate the pilot program.

The Office of Program Policy Analysis and Government Accountability (OPPAGA) is directed to review the effects and fiscal impact of the program and provide the legislature with a preliminary report prior to the 1999 session. The report shall include information on, and analyses of, additional costs incurred and savings realized by state agencies, including per diem, subsistence, productivity and time of the travelers, and cost of airfare.

Enterprise Florida, Inc., is directed to undertake and complete a review on the impact of regional airports on economic development in the State of Florida.

This bill does not increase the rulemaking authority of a state agency.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Presently, the Department of Management Services seeks competition from air carriers serving Tallahassee to establish the contract award for Prop Jet and Jet aircraft service for state employees. The Department awards an annual contract for airfares between certain city pairs including Tallahassee.

B. EFFECT OF PROPOSED CHANGES:

This bill directs the Department of Management Services to evaluate the state contract for air carrier service for state employees and to undertake a pilot program based on its analysis, and then evaluate the pilot program. In implementing the pilot program, the Department of Management Services, in consultation with the Department of Banking and Finance, shall adopt guidelines for good purchasing practices in acquiring air carrier services to and from the state capital. The Office of Program Policy Analysis and Government Accountability shall review the effects and fiscal impact of the pilot program and provide the Legislature with a preliminary report prior to the 1999 Regular Session, and annually thereafter prior to each regular session during the existence of the pilot program.

Enterprise Florida, Inc., is directed to undertake and complete a review on the impact of regional airports on economic development in the State of Florida.

This bill provides an effective date of July 1 of the year in which enacted.

C. 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?

N/A

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

Yes. The Department of Management Services will analyze and evaluate the state contract for air carrier service for state employees and undertake a pilot program based on the analysis. The Office of Program Policy Analysis and Government Accountability (OPPAGA) will then evaluate the impact of the pilot program and report annually to the Legislature.

Enterprise Florida, Inc., will undertake and complete a review on the impact of regional airports on economic development in the State of Florida.

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

N/A

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

This bill does not eliminate and agency or program.

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

N/A

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

N/A

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

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

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

No.

- 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?

No.

3. Personal Responsibility:

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

N/A

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

N/A

4. Individual Freedom:

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

N/A

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

N/A

5. Family Empowerment:

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

This bill does not purport to provide services to families or children.

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

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

N/A

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

N/A

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

No.

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:

This bill does not create or change a program providing services to families or children.

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Refers to: s. 112.061 and s. 287.042, F.S.

E. SECTION-BY-SECTION RESEARCH:

Please refer to Section II. B., Effect of Proposed Changes.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

The Department of Management Services, OPPAGA and Enterprise Florida, Inc., will incur minimal costs associated with evaluating the state air contract.

2. Recurring Effects:

Indeterminate. If the state air contract is suspended during the period of the pilot program, there may be a fiscal impact to the state.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

Indeterminate.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

Indeterminate at this time.

D. FISCAL COMMENTS:

According to the Department of Management Services, a comparison of current non contract city pair one-way fares indicates state employees could pay \$7,536,633 more for travel between Tallahassee and Miami, Orlando and Tampa based on data provided by credit card companies in 1992 when the last fare contract study was completed.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of municipalities and counties to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with municipalities and counties.

V. COMMENTS:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Section 2, of CS/HB 3393, directs Enterprise Florida, Inc., to undertake and complete a review on the impact of regional airports on economic development in the State of Florida. What the review shall include is stipulated, however, there is no mention of what will be done with the review, when it is to be completed, or to whom it will be distributed. Somewhere in the legislative process, the sponsors may wish to address this concern by amendment.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

HB 3393 was amended in the Business Development and International Trade Committee and made into a Committee Substitute. The amendment was a strike everything amendment which had the effect of taking out the sales tax exemption for certain air carriers in the original bill and provisions concerning the expenditure of transportation dollars. The amendment added OPPAGA as an entity which must review and report to the Legislature on the effects and fiscal impact of the pilot program. Enterprise Florida, Inc., is directed to undertake and complete a review on the impact of regional airports on economic development in the State of Florida.

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VII. SIGNATURES:

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