

STORAGE NAME: h3957.ca

DATE: March 17, 1998

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

BILL #: HB 3957

RELATING TO: Greater Orlando Aviation Authority

SPONSOR(S): Representative Sindler and others

COMPANION BILL(S): HB 3959 (c)

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

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

This bill amends the charter of the Greater Orlando Aviation Authority providing that the Authority is an independent special district. This bill also revises the definition of the term "cost" as applied to a project acquired, constructed, extended, or enlarged.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Background:

The Greater Orlando Aviation Authority (Authority), was originally created as the Greater Orlando Port Authority (Port Authority), in 1957, by the Legislature, 57-2834, Laws of Florida. The Port Authority, was created as an "agency of the city" authorized, in part to, construct, acquire, establish, improve, extend, enlarge, reconstruct, equip, maintain, repair and operate, projects consisting of airport facilities of all kinds for land and sea planes, exhibition halls and markets, administration buildings, tunnels, and causeways and bridges. The Port Authority was authorized to issue revenue bonds of the City of Orlando (payable solely from revenues); and, to fix, regulate and collect rates and charges for services and facilities. The Port Authority's charter has been amended numerous times, as follows:

Chapter 61-2599, Laws of Florida, amended the charter by authorizing the Port Authority to issue general obligation bonds subject to the same restrictions as those of the City of Orlando and/or Orange County Florida;

Chapter 67-1834, Laws of Florida, amended the charter by authorizing the creation of the membership and budgetary procedures;

Chapter 69-1389, Laws of Florida, amended the charter by prohibiting the sale of the revenue bonds at a price of less than ninety-five percentum of the par value;

Chapter 71-133, Laws of Florida, repealed all special and local acts or general acts of local application granting specific exemption from property taxation;

Chapter 75-464, Laws of Florida, supplemented and amended the charter, as follows:

- Changed the name of the Port Authority to "***The Greater Orlando Aviation Authority***";
- Defined the projects which it was empowered to carry out;
- Defined the terms "improvements" and "costs";
- Prescribed the nomination, election, removal, qualifications, and terms of the members of the board;
- Defined the purposes of the Authority;
- Prescribed the powers of the Authority;
- Prescribed the appointment and duties of the executive director;
- Prescribed the terms and conditions under which the Authority could purchase, sell, lease, and dispose of real and personal property;

- Authorized the Authority to enter into agreements with other governmental agencies;
- Authorized the Authority to constitute its own law enforcement and/or fire protection agencies and services, with the prior approval of the Orlando City Council;
- Prescribed the terms and conditions for the Authority's issuance of revenue bonds;
- Authorized the City of Orlando to enforce its ordinances of general application, other than zoning, upon projects of the authority;
- Authorized the Authority to adopt rules and regulations for the operation and use of its projects, services, and facilities;
- Authorized other public bodies to contract with the Authority;
- Provided that the powers conferred by the act must be cumulative to general or special law;
- Prescribed a covenant of the State of Florida not to further amend the act without prior consent of the Orlando City Council, so long as airport revenue bonds of the City of Orlando are outstanding; and
- Provided that the authority shall have the powers conferred by general law upon a municipality with respect to construction, acquisition, and operation of airport and aviation facilities.

Chapter 77-612, Laws of Florida, which amended the charter by providing procedures for the design and construction of new permanent facilities or major additions to existing facilities;

Chapter 78-578, Laws of Florida, which amended the charter by amending the nomination, election, removal, qualifications, and terms of members of the authority; and prescribed the method and procedure for the authority to adopt its annual budget;

Chapter 80-553, Laws of Florida, which amended the charter as follows:

- Reduced the membership of the authority from nine to seven members;
- Provided for the election or appointment, and removal, qualifications, and terms of members of the reconstituted authority; and
- Provided for the expiration of the terms of the current members of the authority.

Chapter 80-554, Laws of Florida, which amended the charter by establishing the interest rates for revenue bonds issued for the authority;

Chapter 82-347, Laws of Florida, which amended the charter by deleting the requirement that compensation paid to, and fringe benefits received by, employees of the authority, except in unusual or extraordinary cases, not be in excess of compensation paid to, and the fringe benefits received by, employees of the City of Orlando engaged in similar duties;

Chapter 87-555, Laws of Florida, which amended the charter by establishing interest rates of the revenue bonds by the authority and ratified prior actions of the authority, with respect to the issuance of bonds;

Chapter 88-474, Laws of Florida, which amended the charter as follows:

- Removed term limitation of elected members;
- Established procedures for appointing a member until a successor takes office;
- Reduced quorum requirements;
- Deleted conflict of law provision;
- Provided for form, interest rates, and other features of bonds;
- Deleted minimum price requirements of bonds; and
- Deleted certain provisions concerning sufficiency of bond proceeds.

Chapter 91-319, Laws of Florida, which amended the charter to require that one member of the authority be a resident and elector of Osceola County.

Chapter 92-152, Laws of Florida, which regulated the terms of members of legislatively created aviation authorities which operate international airports enplaning more than eight million passengers annually.

STATUS STATEMENT LANGUAGE

Section 189.404(5), Florida Statutes, provides that after October 1, 1997, the charter of any newly created special district shall contain and, as practical, the charter of a preexisting special district shall be amended to contain, a reference to the status of the special district as dependent or independent. When necessary, the status statement shall be amended to conform with the department's determination or declaratory statement regarding the status of the district.

B. EFFECT OF PROPOSED CHANGES:

The effect of the proposed changes are, as follows:

- To identify, that the Greater Orlando Aviation Authority, an agency of the City of Orlando, is an independent special district; and
- Revises the definition of "cost" as it applies to project acquired, constructed, extended or enlarged.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

Chapters 57-1658, 61-2599, 67-1834, 69-1389, §14 of 71-133, 75-46, 77-612, 78-578, 80-553, 80-554, 82-347, 87-555, 88-474, 91-36, 91-391, and §9 of 92-152, Laws of Florida

Subsection 189.404(5), Florida Statutes

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?

N/A

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

N/A

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

N/A

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?

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?

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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:

(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?

N/A

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:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

E. SECTION-BY-SECTION RESEARCH:

Section 1: Amends subsection (1) of section 3 of House Bill _____, to categorize the authority as an independent special district, as defined in chapter 189, Florida Statutes and

Section 2: Amends subsection (7) of section 2 of House Bill _____, 1998 Regular Session, to amend the term "cost" to include amounts payable by the authority under any interest rate swap, forward purchase agreement or other financial products agreement enter into with respect to bonds, bond anticipation notes or other debt obligations.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? 01/-16/98 - 01/17/98

WHERE? Orlando, Florida; *The Orlando Sentinel*

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

IV. COMMENTS:

Interest rate swap: According to Green Interest Rate Swap Management, Inc., "an interest rate swap is a contractual agreement entered into between two counter parties under which each agrees to make periodic payment to the other for an agreed period of time based upon a notional amount of principal. The principal amount is notional because there is no need to exchange actual amounts of principal in a single currency transaction: there is no foreign component to be taken account of. Equally, however, a notional amount of principal is required in order to compute the actual cash amounts that will be periodically exchanged." [<http://home.earthlink.net/~green/index.html>]

Forward purchase agreement: In general, a forward purchase agreement commits the issuer of the bond to sell the bonds at specific interest rates in the future (sometimes months or years in the future).

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V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The sponsor will be offering a technical amendment to reference HB 3959, codifying the Greater Orlando Aviation Authority's charter.

VI. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Legislative Research Director:

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