

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/CS/SB 1254

SPONSOR: Commerce and Economic Opportunities Committee, Transportation Committee, and Senator Sebesta

SUBJECT: Space Transportation Planning Act

DATE: April 16, 1999 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>McAuliffe</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable/CS</u>
2.	<u>Joseph</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable/CS</u>
3.	<u>Hayes</u>	<u>Hadi</u>	<u>FP</u>	<u>Fav/2 amendments</u>
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This committee substitute for the committee substitute (CS/CS) creates the “Florida Space Transportation Planning Act.” The CS/CS is intended to address a wide array of issues concerning planning, developing, improving, and expansion of space transportation facilities. Major provisions of the CS/CS:

1. Exempt spaceports licensed by the Federal Aviation Administration (FAA) from airport site approval and licensing requirements.
2. Expand the boundaries of spaceport territory under the jurisdiction of the Spaceport Florida Authority (SFA).
3. Direct the Department of Transportation (DOT) to promote and develop aerospace transportation facilities.
4. Include space transportation as a part of DOT’s aviation program for system planning, and project development purposes.
5. Create the Spaceport Facility Loan Guarantee Program to guarantee private loans for space-related projects. Approval of a loan guarantee shall be by an Aerospace Facility Financing Review Council, using the investment of the earnings accrued and collected upon the investment of the balance of funds maintained in the Working Capital Fund.
6. Require the Spaceport Florida Authority (SFA) to develop a spaceport master plan containing recommended funding levels for projects to meet current and future commercial, national, and state space transportation requirements and to recommend appropriate sources of revenue that may be developed to contribute to the State Transportation Trust Fund. The authority is required to submit the master plan to DOT

which may be included in DOT's 5-year work program. It also makes it the duty, function, and responsibility of DOT to promote the further development and improvement of aerospace transportation facilities, to address intermodal requirements and impacts of the launch ranges, spaceports, and other space transportation facilities, to assist in the development of joint-use facilities and technology that support aviation and aerospace operations, and to facilitate and promote cooperative efforts between federal and state government entities to improve space transportation capacity and efficiency. Provides that DOT is not authorized to expend aviation fuel tax revenues on space transportation projects.

7. Create a "Commission on the Future of Aeronautics and Space in Florida." The commission shall be composed of 11 members who will serve until adjournment sine die of the 2001 Regular Session of the Legislature.

This CS/CS substantially amends sections 196.012, 330.30, 331.303, 331.304, 331.360, 334.03, 334.30, 339.155, and 339.175; and creates ss. 332.008 and 331.3475, Florida Statutes.

II. Present Situation:

Part II, ss. 331.301 through 331.360, of ch. 331, F.S., known as the "Spaceport Florida Authority Act" (Act), created the Spaceport Florida Authority (SFA), which has been in existence since 1989. The purpose of the act is to provide a unified direction for space-related economic growth and educational development, to ensure a stable and dynamic economic climate, to attract and maintain space-related businesses suitable to the state, and to further the coordination and development of Florida's economy. To that end, the SFA works through the direction of its board of supervisors, with the federal government, private industry, and Florida's universities to develop and expand spaceport facilities, space launch capacity, spaceport projects, and complementary activities. The SFA also works with public and private universities and community colleges in the state to increase their involvement in space-related research and education.

The Spaceport Authority's executive director reports to a nine-member board of supervisors appointed by the Governor and the Legislature. Seven board members are appointed by the Governor, serving two and three-year terms. One board member is appointed by the President of the Senate, and one board member is appointed by the Speaker of the House of Representatives. These legislative appointees are non-voting members of the board.

DOT has the statutory responsibility for site approval and licensing of airports. In addition, DOT's aviation program provides planning, technical, and financial assistance to the state's system of airports. In addition to local funding, airport projects receive funding from both the federal Airport and Airway Trust Fund and the State Transportation Trust Fund. Airport related tax and fee revenue from aviation fuel taxes, ticket taxes and passenger facility charges are deposited in these trust funds, providing a nexus between fees paid by system users and aviation project funding. Pursuant to statutory authorization, DOT has entered into joint participation agreements with the SFA to help implement the Spaceport Florida Authority Act. DOT is expressly prohibited from funding the administrative or operational costs of the SFA.

III. Effect of Proposed Changes:

This CS/CS creates the “Florida Space Transportation Planning Act.” The primary effect is to incorporate and integrate the state’s space program as administered by the SFA into the state’s aviation program as administered by DOT. The CS/CS also makes numerous technical, clarifying, and conforming changes.

The CS/CS provides that spaceports licensed by the Federal Aviation Administration are exempt from laws providing for DOT approval of airport sites and licensing of airports. Current Spaceport territory in Brevard County is expanded by the bill to include Patrick Air Force Base, Cape Canaveral Air Station, and Kennedy Space Center. Further, Eglin Air Force Base in Santa Rosa, Okaloosa, and Walton counties are added to the Spaceport’s jurisdiction.

The CS/CS directs the SFA to develop a spaceport master plan, which will contain recommended projects to meet current and future space industry requirements. The SFA will identify appropriate funding levels for the plan, and recommend appropriate sources of revenue that may be developed to contribute to the State Transportation Trust Fund. The recommended projects may be included in DOT’s 5-year work program.

DOT is directed by the CS/CS to promote the development of aerospace facilities, to address intermodal requirements of space facilities, and to assist in the development of joint-use facilities and technology that support aviation and space operations. In addition, DOT’s aviation enabling legislation is modified so that SFA programs and projects would be eligible for DOT’s aviation planning, development, and funding program. However, the CS/CS provides that DOT is not authorized to expend aviation fuel tax revenues on space transportation projects.

Finally, the laws related to the transportation planning functions of DOT and of Metropolitan Planning Organizations are modified to include references to spaceport facilities.

The following is a section by section analysis of the committee substitute for the committee substitute:

Section 1. Gives the CS/CS the short title of the “Florida Space Transportation Planning Act.”

Section 2. Amends s. 196.012, F.S., to expand federal defense and space property tax exemptions to include property owned by SFA. Defines spaceports as transportation facilities similar to airports and ports.

Section 3. Exempts spaceports licensed by the Federal Aviation Administration (FAA) from state airport site approval and licensing requirements.

Section 4. Defines “Spaceport discretionary capacity improvement projects” as capacity improvements that enhance space transportation capacity at spaceports that have had at least one suborbital flight during the previous year.

Section 5. Expands the boundaries of spaceport territory under the jurisdiction of the SFA.

Section 6. Creates the Spaceport Facility Loan Guarantee Program to guarantee private loans for space-related projects. Approval of a loan guarantee shall be by an Aerospace Facility Financing Review Council, consisting of the Secretary of Transportation, the Executive Director of the State Board of Administration, and the director of the Governor's Office of Tourism, Trade, and Economic Development or each of their designees. SFA is allowed to enter into an investment agreement with the Department of Revenue or the State Board of Administration concerning the investment of the earnings accrued and collected upon the investment of the balance of funds maintained in the Working Capital Fund. Under the program, not more than \$100 million of the investment earnings on the investment of the minimum balance of the Working Capital Fund in a fiscal year may be at risk at anytime on loan guarantees or as loan loss reserves. New loan guarantees may not be approved in FY 2004 until a review by the Legislature affirms the appropriateness of continuing the use of the Working Capital Fund to guarantee private loans.

Section 7. Amends s. 331.360, F.S., to make it the duty, function, and responsibility of the Department of Transportation (DOT) to promote the further development and improvement of aerospace transportation facilities, to address intermodal requirements and impacts of the launch ranges, spaceports, and other space transportation facilities, to assist in the development of joint-use facilities and technology that support aviation and aerospace operations, and to facilitate and promote cooperative efforts between federal and state government entities to improve space transportation capacity and efficiency. This section also directs the SFA to develop a spaceport master plan of recommended projects, and to recommend appropriate sources of revenue that may be developed to contribute to the State Transportation Trust Fund. This section requires the master plan to be submitted to MPO's, and provides the DOT may include qualified projects from the plan in its 5-year work program.

Section 8. Limits the operation of ch. 332, F.S., stating that nothing in the chapter shall be construed to authorize expenditure of aviation fuel tax revenues on space transportation projects nor to limit the transportation departments authority to enter into joint project agreements with the SFA.

Section 9. Changes the definition of "transportation facility to include any means of transporting people or goods, rather than people and goods."

Section 10. Amends s. 334.30, F.S., to allow for a fixed-guideway transportation system operation on the Department of Transportation's right-of-way to operate at any safe speed.

Sections 11 - 12. Modify the laws related to the transportation planning functions of DOT and of Metropolitan Planning Organizations to include references to spaceport facilities.

Section 13. Creates a "Commission on the Future of Aeronautics and Space in Florida." The commission shall be composed of 11 members who will serve until adjournment sine die of the 2001 Regular Session of the Legislature. The commission is directed to: survey laws that affect the development and regulation of the aviation and aerospace industries in Florida and recommend ways in which these regulations can be streamlined and revised to operate more efficiently; consider whether regulation and oversight in the fields of aviation and aerospace should be centralized under one government agency; examine the ways in which aviation and aerospace industries can be attracted to locate permanently in the state; review existing studies to

evaluate the availability of commercial air services in Florida; identify the advances that can be expected in the future in aeronautics and aerospace operations; identify aid that is available at the federal level; determine whether Florida's secondary and postsecondary schools are producing a highly qualified workforce; and prepare a preliminary report of its findings and recommendations by December 1, 2000.

Section 14. Provides an effective date of July 1, 1999.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

Section 2 expands federal defense and space property tax exemptions to include property owned by SFA for an indeterminate cost.

B. Private Sector Impact:

The Spaceport Florida Authority (SFA) has the potential of providing significant infrastructure, access, and operational support for a number of private space vehicle programs. To the extent this committee substitute for committee substitute expands the role and resources of the SFA, the private space industry may benefit.

C. Government Sector Impact:

Section 6 allows the investment earnings of the Working Capital Fund to be used as loan guarantees, but not more than \$100 million of the investment earnings on the investment of the minimum balance of the Working Capital Fund in a fiscal year may be at risk at anytime on loan guarantees or as loan loss reserves.

Section 7 makes it the duty, function, and responsibility of the Department of Transportation (DOT) to promote the further development and improvement of aerospace transportation facilities, to address intermodal requirements and impacts of the launch ranges, spaceports, and other space transportation facilities, to assist in the development of joint-use facilities and

technology that support aviation and aerospace operations, and to facilitate and promote cooperative efforts between federal and state government entities to improve space transportation capacity and efficiency. The increased administrative or programmatic costs of these added duties to DOT have not been determined.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Fiscal Policy Committee:

This amendment provides that the implementation of Section 6. of this legislation creating the Spaceport Facility Loan Guarantee Program shall be contingent upon a specific appropriation for FY 1999-00.

#2 by Fiscal Policy Committee:

This amendment creates the Florida Space Research Institute to serve as an academic center of excellence to be managed by the University of Florida for sponsored research and development activities supporting the space industry. It also requires an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives.