

**STORAGE NAME:** h1965z.tr  
**DATE:** May 30, 2000

**\*\*AS PASSED BY THE LEGISLATURE\*\***  
**CHAPTER #:** 00-xxx, Laws of Florida

**HOUSE OF REPRESENTATIVES  
AS REVISED BY THE COMMITTEE ON  
TRANSPORTATION  
FINAL ANALYSIS**

**BILL #:** HB 1965 (PCB TR 00-03; passed as CS/CS/SB 862)  
**RELATING TO:** Innovative Transportation Financing  
**SPONSOR(S):** Committee on Transportation and Rep. K. Smith and others  
**TIED BILL(S):** None

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

- (1) TRANSPORTATION YEAS 11 NAYS 0
- (2) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS YEAS 10  
NAYS 0

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**I. SUMMARY:**

This bill addresses transportation infrastructure funding issues by creating new financing techniques; by recapturing revenues from transportation related taxes that are currently diverted to General Revenue; and, by creating innovative state and local transportation programs to meet Florida's transportation infrastructure requirements. The bill's primary components will:

1. Create the Transportation Outreach Program (TOP) to fund high priority transportation projects which enhance Florida's economic competitiveness, preserve the existing infrastructure, and improve travel choices to ensure mobility. Projects for this program will be prioritized by an advisory council made up of representatives of private or governmental interests directly involved in or affected by transportation or tourism. Final project selection will be made by the Legislature.
2. Recapture over a 10 year period, approximately \$1.8 billion in transportation generated revenues deposited in the General Revenue Fund for deposit in the State Transportation Trust Fund to fund the Mobility 2000 Initiative. Any excess revenues will fund the Transportation Outreach Program.
3. Appropriates \$125 million annually, in FY 2000-2001 through FY's 2002-2003, from the General Revenue Fund to the State Transportation Trust Fund to fund the County Incentive Grant Program to provide grants to counties for projects on the State Highway System or projects which relieve congestion on state highways. Twenty percent of the funds will be used for the Small County Outreach Program to provide matching state funds for county road projects. In FY 2005-06 the programs will be funded from recurring revenues.
4. Appropriates \$50 million annually, in FY 2000-2001 through FY's 2002-2003, from the General Revenue Fund to the State Transportation Trust Fund to capitalize the State-funded Infrastructure Bank.
5. Authorizes the issuance of up to \$325 million in bonds to finance Mobility 2000 projects, with emphasis on the Florida Intrastate Highway System.
6. Funds eight specific transportation projects totaling \$16.1 million.

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The bill increases transportation revenues by over \$2.5 billion over 10 years. For more details about these impacts, see the Fiscal Analysis and Economic Impact Statement under Part III.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |  |   |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Less Government: The bill creates a new council, the Transportation Outreach Program Advisory Council" (TOPAC) to review and recommend projects proposed by public and private entities for funding under the Transportation Outreach Program.

B. PRESENT SITUATION:

Transportation Needs: Florida is one of the fastest growing states in the country. The state's population has more than doubled since 1970 to more than 15 million people, and is expected to grow to about 20 million by 2020. The number of annual visitors grew to 49 million in 1998, and may reach 83 million by 2020. Florida's economic growth has been higher than the nation's as a whole in the 1990s and there are few signs of a slow-down in the state's economy.

The Florida Chamber Foundation's Transportation Cornerstone study concluded in 1999 that Florida is poised for continued growth in three areas: 1) as a pivotal "crossroads" economy [for trade among the United States, Latin America and the Caribbean]; 2) as part of the next generation of global high-tech centers; and, 3) as one of the world's leading tourist and convention destinations.

Florida now faces the challenge of meeting the transportation needs generated by a rapidly growing population and economy. According to DOT, between 1980 and 1997, total vehicle-miles traveled increased 99 percent, but state highway lane-miles rose only 20 percent. More than 25 percent of urban freeway miles are congested. A 1999 analysis of needed improvements on the Florida Intrastate Highway System (FIHS) has identified a shortfall of more than \$20 billion by 2010.

Transportation Project Development & 5-Year Work Program Process: The current process for allocating funds to pay for transportation projects is very complex. There are numerous federal and state goals, policies, and restrictions that relate to how funds must be allocated and used. For example, some funds can only be used for project planning while other funds can only be used on public transportation projects. In addition to requirements for how funds must be spent, state law also provides detailed financial controls that are intended to keep transportation program funding sound.

Although the Legislature has the final say on how funds are spent through the appropriations process, actual decisions on project selection is primarily a "bottom-up"

process. By law, local governments identify and prioritize transportation projects in comprehensive plans and communicate these to DOT. These project plans are used by DOT to develop the 5-year work program. The work program development process is completed over approximately an eight month period with extensive citizen involvement and input from local government officials through public hearings before county commissions and metropolitan planning organizations.

The primary goal of the work program development process is to comply with federal and state laws and to achieve balance between statewide and local priorities. Local priorities usually include projects needed to meet concurrency requirements and local transportation needs, such as home to work trips. Statewide priorities generally include projects of statewide or interregional importance, preservation of the state highway system, motorist safety, and public transportation.

When taken as a whole, all of these requirements result in a long-range project funding and development process that is financially sound and on which local governments and citizens can rely. The down-side of the current process is that there is limited discretion in how funds are allocated and used by DOT to adjust to sometimes rapidly changing conditions, therefore the process lacks the flexibility and responsiveness to quickly fund and construct projects which promote economic development.

#### C. EFFECT OF PROPOSED CHANGES:

The bill addresses transportation infrastructure funding issues. The primary components of the bill include transportation funding; the Mobility 2000 initiative of the Governor; the State Infrastructure Bank; the Transportation Outreach Program; the County Incentive Grant Program; and the Small County Outreach Program.

Transportation Funding -- The bill provides over \$2.5 billion of additional transportation funding over a ten-year period without raising taxes:

- For many years, a portion (7.3 percent) of gas tax collections and motor vehicle fees has been diverted from transportation projects to other general needs of the state. For example, the General Revenue service charge for various state gas tax collections totaled more than \$100 million in 1998-99 and was used for a number of non-transportation purposes. The bill recaptures a portion of these diversions from various taxes and fees that have a direct nexus with transportation and uses those dollars to fund state and local transportation needs. The bill redirects \$1.8 billion of these diverted transportation user taxes to fund transportation over a ten-year period.

- \$605 million of General Revenue funds generated from the State's growing economy will be appropriated over three years and invested in transportation facilities.

- Bonds, commonly referred to as Grant Anticipation Revenue Vehicles or GARVEE bonds may be issued to generate \$325 million in bond proceeds to finance Mobility 2000 initiative projects over ten years. The bonds would be repaid from Federal funds.

- The bill Increases the amount which may be annually advanced to any one governmental entity from the Toll Facilities Revolving Trust Fund without specific authority from the Legislature from \$500,000 annually to \$1.5 million annually.

-The current statutory cap on certain Local Government Advance Reimbursement Program projects is increased from \$50 million to \$100 million. This change would allow more local governmental entities to advance their highest priority transportation needs.

-\$16.1 million is appropriated to fund eight specific projects; namely: Orlando-Sanford Airport Runway Expansion (\$8.3 million); 79th Street Station in Hialeah (\$2 million); Hollywood Intermodal Initiative (\$1 million); Melbourne Airport Hanger (\$0.8 million); South Florida Rail Feasibility Study (\$0.5 million); Atlantic Corridor in Miami Beach (\$0.45 million); Panama City Airport Relocation Study (\$1 million), and; County Road 210 in St. Johns County (\$2 million).

-These resources combined with existing transportation funding directly fund or advance transportation improvements valued at over \$6.0 billion.

Mobility 2000 Initiative -- The Governor's transportation initiative known as "Mobility 2000" is fully funded by the bill. This initiative advances over \$4 billion of major transportation improvements across the State during the next ten-years. Mobility 2000 allows for major improvements to the Florida Intrastate Highway System planned over 20 years to be advanced from one to 10 years. Specifically, the Mobility 2000 initiative will:

-Expand Major Roadway Trade and Tourism Corridors. Florida's continued long-term economic viability depends on reliable freight and passenger mobility through its major gateways.

-Urban Congestion Relief. Our major urbanized areas need improved mobility and relief from current congested conditions. Early construction of cost-effective solutions and better use of technology to move traffic will increase operational efficiency.

-Hurricane and Other Emergency Evacuation. Adding lanes to routes accessing coastal communities will provide quicker emergency evacuation.

Grant Anticipation Revenue Vehicles (GARVEE Bonds) -- Federal law allows states to borrow against future year apportionments of federal funds for the payment of debt service on bonds issued to fund the costs of federal-aid transportation projects. In 1999 the Legislature created s. 215.616, F.S., to authorize a bond program for Federal Aid Highway Construction and to authorize a pledge of up to 10 percent of the state's future federal-aid allocations as payment for debt service with a maximum term of 12 years. The department would incur recurring annual costs for the debt service transfers for as long as bonds are outstanding.

The Division of Bond Finance recently completed a debt affordability study with recommended guidelines for future state debt issuance. Within those guidelines, DOT can issue bonds to finance transportation projects that would otherwise wait years for funding. Although not specifically required by the bill, a total of \$325 million of GARVEE bonds are expected to be issued between 2005-2007 to fund the Mobility 2000 projects. The amount and fiscal year of issuance of these bonds will be determined by future finance plans and cash-flow needs to finance transportation projects included in the Mobility 2000 initiative. These bonds will be repaid with future federal transportation funds, which will commit about three percent of future federal funds for bond repayment.

State Infrastructure Bank (SIB) -- An infrastructure bank is designed to be a self-sustaining revolving loan fund. An infrastructure bank can be capitalized with state or federal funds and can make loans and provide credit enhancement assistance to public

and private entities. DOT currently has a Federally funded infrastructure bank, but the uses of these funds are limited to projects that meet federal standards. Federal law authorized four pilot states to establish infrastructure bank programs, including Florida, California, Rhode Island and Missouri. Florida's federally funded infrastructure bank has awarded loans totaling \$140 million that supports over \$500 million in total project costs.

The bill creates s. 339.55, F.S., which provides for a state-funded SIB within DOT. The SIB would make loans and provide credit enhancements and other forms of financial assistance to public and private entities for transportation projects on the state highway system or that relieve congestion on the state highway system. Loans from the SIB may bear interest, and repayment of SIB loans must commence 5 years after project completion and be repaid within 30 years. To be eligible for consideration, projects must be consistent with local government plans and must have a dedicated repayment source to ensure timely loan repayment.

Criteria that DOT may consider for evaluation of SIB candidate projects include: credit worthiness; project economic benefits; the likelihood of project advancement; innovative public-private partnerships; use of new technologies; environmental impacts; intermodal transportation benefits; and, encouragement of local and private participation. Projects funded by SIB loans would be included in the 5-year work program submitted to the Legislature each year. When SIB loans are repaid, additional loans could be made to finance other transportation projects. The SIB will leverage other public and private funds to finance transportation projects and will allow needed projects to be built sooner.

The bill provides state funding of \$150 million over three years to capitalize the State Infrastructure Bank. The SIB will provide DOT with more flexibility in project selection and financial management than is available under the federally funded infrastructure bank program, and can provide a mechanism to significantly increase the state's ability to meet unfunded transportation needs. The use of SIB financial assistance has the potential to leverage at least \$500 million and perhaps as much as \$1 billion in additional transportation projects over a ten-year period.

Transportation Outreach Program -- The bill creates the Transportation Outreach Program (TOP) dedicated to funding transportation projects of a high priority based on the principles of preserving the existing transportation infrastructure, enhancing Florida's economic growth and competitiveness and improving travel choices to ensure mobility. The following components make up the TOP program:

- Provides funding of approximately \$1 billion over a ten-year period, averaging about \$100 million a year.

- Projects will be identified and prioritized by an Advisory Council made up of representatives of private or public interests appointed by the Governor, Speaker of the House of Representatives and the President of the Senate. The TOP Advisory Council will annually submit to the Legislature its recommendations for projects to be funded.

- Eligible projects include major highway improvements; major public transportation projects; and projects that facilitate retention and expansion of military installations, or that facilitate reuse and development of any military base designated for closure by the Federal government.

-Projects may be proposed by any local government, regional organization, economic development board, public or private partnership, metropolitan planning organization, state agency, or other entity engaged in economic development activities.

-TOP project evaluation criteria include whether the project or project phase: 1) Can be made production-ready within 5-year period; 2) Can be advanced in current 5-year work program to an earlier year; 3) Is included in a current FIHS, Aviation, Intermodal/Rail, Seaport, Spaceport, or Transit System Plan, and; 4) Is not inconsistent with local comprehensive plans; or if inconsistent, the reasons why the project should be undertaken must be explained.

-DOT provides technical expertise and prepares a program and resource plan listing projects and required support costs; and a financial/cash forecast plan to finance TOP projects.

County Incentive Grant Program -- The bill creates the County Incentive Grant Program within the Department of Transportation to provide grants to counties to improve transportation facilities located on the State Highway System or that relieve congestion on the State Highway System. The County Incentive Grant Program will:

-Provide funding of approximately \$490 million over a ten-year period.

-Provide that roadway improvements in all 67 counties are eligible for state funding at 60 percent for projects on the Florida Intrastate Highway System, 50 percent for projects on the State Highway System; and 35 percent for projects on the local highway system that are demonstrated to relieve congestion on the State Highway System.

-Provide for project criteria including: consistency with local metropolitan planning organization plans and local government comprehensive plans; the extent to which the project will encourage, enhance, or create economic benefits; the likelihood the assistance would enable the project to proceed at an earlier date than the project could otherwise proceed; the extent the project would foster innovative public-private partnerships and attract private debt or equity investment; the extent to which the project uses new technologies, including intelligent transportation systems, which enhance the efficiency of the project; the extent to which the project helps to maintain or protect the environment; the extent to which the project includes transportation benefits for improving intermodalism and safety; and other criteria as determined by the Department.

Small County Outreach Program -- The bill also creates the Small County Outreach Program within the Department of Transportation to assist small county governments in resurfacing or reconstructing county roads or in constructing capacity or safety improvements to county roads. The Small County Outreach Program will:

-Provide funding of approximately \$122 million over a ten-year period.

-Provide that county road improvements in counties with a population of 150,000 or less based on the most recent population estimate, are eligible for state matching of 75% of the project costs.

-Provide project criteria including: whether the county has attempted to keep county roads in satisfactory condition; the physical condition of the road as measured by the Department; whether a road is used as an evacuation route; whether a road has high

levels of agricultural travel; whether a road is considered a major arterial route; whether a project is considered a feeder road; and other criteria as determined by the Department.

This bill is the most significant transportation legislation that has passed in the last ten years, and will provide needed resources to help meet Florida's transportation infrastructure requirements. These additional resources will target transportation projects which facilitate economic growth and enhance economic competitiveness in Florida.

**D. SECTION-BY-SECTION ANALYSIS:**

**Section 1.** Amends s. 212.0606, F.S., to recapture the diversion of 5 percent of the Rental Car Surcharge currently going to General Revenue.

**Section 2.** Eliminates the 7.3 percent GR service charge on fuel sales tax, fuel use tax, off-highway fuel tax and motor vehicle title fees.

**Section 3.** Effective July 1, 2001, eliminates the 7.3 percent GR service charge on the state comprehensive enhanced transportation system (SCETS) fuel tax and on the initial motor vehicle registration fee.

**Section 4.** Provides for annual appropriations of \$125 million of non-recurring General Revenue to the State Transportation Trust Fund for the next three fiscal years to fund the County Incentive Grant Program and the Small County Outreach Program.

**Section 5.** Phases-out 7 percent of the 7.3 percent GR service charge on local option fuel taxes over a two year period beginning on July 1, 2005.

**Section 6.** Directs the Department of Transportation to allocate funds for the Mobility 2000 initiative.

**Section 7.** Appropriates \$30 million of non-recurring General Revenue to the State Transportation Trust Fund for fiscal year 2000-2001 to carry out the Mobility 2000 initiative. Also provides that fiscal year 2000-2001 revenues to the State Transportation Trust Fund resulting from sections 1 and 2 of the bill to be used for Mobility 2000. Any money remaining after fully funding Mobility 2000 are to be used for Freight Stakeholders Task Force Projects or Fast Track Projects.

**Section 8.** Funds eight specific projects from moneys provided in section 7 of the bill.

**Section 9.** Appropriates \$25 million of non-recurring General Revenue to the State Transportation Trust Fund each year in fiscal years 2001-2002 and 2002-2003 to fund the Transportation Outreach Program.

**Section 10.** Effective July 1, 2005, amends s. 320.072, F.S., to provide that the 30 percent of the initial registration fee revenues currently going to General Revenue be deposited in the State Transportation Trust Fund.

**Section 11.** Provides that beginning in fiscal year 2001-2002 and each year thereafter, increases in revenues to the State Transportation Trust Fund resulting from sections 1, 2, 3, 7, 9, and 10 of the bill are to be used for Mobility 2000. Any remaining moneys after fully funding Mobility 2000 are committed to fund the Transportation Outreach Program.



**Section 12.** Amends s. 215.616, F.S., to authorize the issuance of up to \$325 million in GARVEE bonds to finance Mobility 2000 initiative projects with emphasis on Florida Intrastate Highway System Projects.

**Section 13.** Amends s. 338.251, F.S., to increase from \$500,000 to \$1.5 million the cap on loans advanced from the Toll Facilities Revolving Trust Fund without specific appropriation.

**Section 14.** Amends s. 339.08, F.S., to authorize additional uses of funds in the State Transportation Trust Fund as provided in the bill.

**Section 15.** Amends s. 339.12, F.S., to increase from \$50 million to \$100 million the statutory cap on certain Local Government Advance Reimbursement Program projects.

**Section 16.** Creates s. 339.55, F.S., to establish the state-funded infrastructure bank to be administered by DOT.

**Section 17.** Provides for annual appropriations of \$50 million of non-recurring General Revenue to the State Transportation Trust Fund for each of the next three fiscal years to capitalize the State Infrastructure Bank.

**Section 18.** Creates s. 339.137, F.S., to establish the Transportation Outreach Program and the Transportation Outreach Program Advisory Council. Provides minimum annual funding of \$60 million for the program.

**Section 19.** Creates s. 339.2818, F.S., to establish the Small County Outreach Program.

**Section 20.** Creates s. 339.2817, F.S., to establish the County Incentive Grant Program.

**Section 21.** Amends s. 427.0159, F.S., to increase funding for the Transportation Disadvantaged Program by \$2 million per year. This funding is contingent on Senate Bill 854 or similar legislation becoming law.

**Section 22.** Provides that minimum requirements for certain percentages of transportation funds to be expended on public transportation projects do not apply to the bill's funding, programs or other provisions.

**Section 23.** Provides that the act takes effect upon becoming law.

### III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

See Fiscal Comments, below.

2. Expenditures:

See Fiscal Comments, below.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments, below.

2. Expenditures:

See Fiscal Comments, below.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

To the extent that the provisions of this bill help to advance transportation projects, the engineering firms, contractors, material suppliers, laborers, and other businesses involved in construction of these projects will benefit. Further, construction of these projects sooner will benefit those businesses and citizens that rely on the state's transportation system to move goods, to provide access for customers, and to get to and from work.

D. FISCAL COMMENTS:

1. Source of Funds:

a. **General Revenue (GR) Service Charges/Other GR Diversions** - In FY 2000-01 the bill recaptures \$74.6 million of transportation taxes and fees currently diverted as recurring GR. In FY 2001-02 this amount is increased to \$120 million annually plus normal growth. In FY 2005-06 an additional \$25 million in recurring GR is recaptured and in FY 2006-07 an additional \$25 million more of recurring GR is recaptured. Over a ten year period the bill recaptures a total of \$1.8 billion of recurring GR which will be deposited in the State Transportation Trust Fund (STTF) to fund transportation programs. To the extent that these funds are returned to the STTF, less funds will be available to fund other state programs not related to transportation.

b. **General Revenue Appropriations** - In FY 2000-01 the bill appropriates \$205 million of non-recurring GR to the STTF. In FY 2001-02 and in FY 2002-03 \$200 million per year is appropriated from non-recurring GR to the STTF. To the extent that these funds totaling \$605 million are deposited in the STTF to be used to fund transportation programs, less funds will be available to fund other state programs not related to transportation.

c. **GARVEE Bonds** - Although not specifically required by the bill, a total of \$325 million of GARVEE bonds are expected to be issued between 2005-2007 to fund Mobility 2000 projects. These bonds will be repaid with future federal transportation funds. Over the next ten years, net bond proceeds (after deduction of debt service payments) will generate \$166.5 million in additional transportation funds.

d. **Current Transportation Revenues** - In 1999 DOT developed the "Fast Track" program to allow transportation projects that have been unfunded or under-funded in the past to receive priority consideration for accelerated funding in the first year of the work program. The proposal used \$59 million annual in funds previously dedicated to

the high-speed rail project to fund high-priority projects in aviation, rail, transit, seaport, space or intermodal freight or passenger facilities. The bill directs that beginning in FY 2001-02 these funds (plus an additional \$1 million) are to be used as minimum funding for the Transportation Outreach Program (TOP). Over the next ten years this results in \$540 million of existing transportation revenues being used to fund TOP.

2. Uses of Funds:

a. **Mobility 2000** - In FY 2000-01 Mobility 2000 will be funded at \$69 million, and in FY 2001-02 is funded at \$88.7 million. Over the next ten years nearly \$1.4 billion will be used to fund the Mobility 2000 initiative.

b. **State Infrastructure Bank** - In FY 2000-01, FY 2001-02, and FY 2002-03, the State Infrastructure Bank will be capitalized by \$50 million per year for a total of \$150 million.

c. **Transportation Outreach Program** - Funding for the TOP component of the bill begins in FY 2001-02 with \$116.3 million, with similar amounts of funding for the program on an annual basis. Ten year funding for TOP is \$936 million.

d. **Freight Stakeholders Task Force/Fast Track Projects** - In FY 2000-01 \$19.5 million will be available to fund projects identified in these two programs.

e. **Projects Specified in Bill** - In FY 2000-01 \$16.1 million will be used to fund eight projects specifically identified in the bill.

f. **County Incentive Grant Program** - In FY 2000-01, FY 2001-02, and FY 2002-03, the County Incentive Grant Program will be funded at \$100 million per year for a total of \$300 million. In FY 2005-06 \$20 million will go to the program, and in FY 2006-07 \$40 million will go to the program. Thereafter this amount plus normal growth will fund the program on an annual basis. Over the next ten years \$489 million will be used to fund this program.

g. **Small County Outreach Program** - In FY 2000-01, FY 2001-02, and FY 2002-03, the Small County Outreach Program will be funded at \$25 million per year for a total of \$75 million. In FY 2005-06 \$5 million will go to the program, and in FY 2006-07 \$10 million will go to the program. Thereafter this amount plus normal growth will fund the program on an annual basis. Over the next ten years \$122 million will be used to fund this program.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

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

N/A

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

Section 21 of the bill amends s. 427.0159, F.S., to increase funding for the Transportation Disadvantaged Program by \$2 million per year. This funding is contingent on Senate Bill 854 or similar legislation becoming law. Neither SB 854 or its House companion, CS/HB 709, passed during the 2000 legislative session.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 26, 2000, the Transportation and Economic Development Appropriations Committee adopted a strike-all amendment to House Bill 1965. The fundamental components of the amendment are as follows:

Creates a State-funded Infrastructure Bank to make loans and provide credit enhancements to finance transportation projects, making project financing more feasible and funds the State Infrastructure Bank with a \$50 million per year transfer from non-recurring General Revenue for the next 3 fiscal years.

Projects of statewide or regional significance from all modes of transportation -- Highways, Airports, Rail, Seaports, & Transit are eligible for a Transportation Outreach Program (TOP).

The proposal fully funds the Mobility 2000 Initiative proposed by the Governor.

The existing 5-year Work Program Process remains intact.

The proposal increases State Transportation Revenues by \$2 billion over 10 years; this will advance construction of \$4 billion in state transportation infrastructure.

Increases local transportation funding by \$600million over 10 years by providing \$100 million a year of non-recurring GR to local governments for 3 years and by a phase-out of GR service charge on Local Option Fuel Tax revenues. These funds would be distributed

to local governments in the same proportion as local option fuel tax revenues are distributed.

Legislature creates a discretionary transportation funding for Transportation Outreach Program (TOP) including:

- \$75 million transferred from recurring GR for fiscal year 2000-01.
- \$50 million a year transferred from non-recurring GR for 3 years.
- Beginning fiscal year 2001-02, \$166 million in recurring revenue per year primarily from transportation revenues currently diverted to General Revenue
- An unspecified amount of funding from GARVEE (Federal Aid Highway) bonds may be issued over a 2 year period.

Legislature Identifies (TOP) Project Categories.

- Major Highway Improvements:

- \* Florida Intrastate Highway System.
- \* Feeder Roads Linking Major Highways.
- \* Bridges of Regional Significance.
- \* Trade & Economic Development Corridors.
- \* Access Projects for Freight and Passengers.
- \* Hurricane Evacuation Routes.

- Major Public Transportation Projects:

- \* Seaport Projects Improving Cargo & Passenger Movement.
- \* Airport Projects for Airports with the Most Passenger and Cargo Activity.
- \* Transit Projects Improving Regional Travel.
- \* Rail Projects Facilitating Passenger & Cargo Movements.
- \* Spaceport Projects Improving Space Transportation Capacity & Facilities.
- \* Bicycle and Pedestrian Projects Enhancing Public Trails.

- Military Bases and Installations Projects:

- \* Highway & Bridge Projects which Facilitate Military Installation Retention & Expansion.
- \* Highway & Bridge Projects which Facilitate Reuse & Development of Military Bases Designated for Closure.

Legislature Creates a Transportation Outreach Program Advisory Council (TOPAC) to Review and Recommend Projects Proposed by Both Public and Private Entities.

- The Governor, Speaker and Senate President Each Make 2 Appointments to the Council.
- Final Project Approval By Legislature in General Appropriations Act (GAA).

Legislature Establishes Project Criteria, i.e., the Project or Project Phase:

- Can Be Made Production-Ready within 5-Year Period.
- Can Be Advanced in Current 5-Year Work Program to an Earlier Year.
- Is Consistent with FIHS, Airport, Rail, Seaport, Spaceport or Transit Plans.
- Is not Inconsistent with Approved Local Comprehensive Plans; or If Inconsistent, Reasons Why Project Should be Undertaken Must be Explained.

DOT Provides Technical Expertise and Prepares:

- Program & Resource Plan Listing Projects and Required Support Cost.
- Financial/Cash Forecast Plan to Finance the Enhance Plan.

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One amendment to the strike-all was also adopted which changed a recurring General Revenue appropriation to non-recurring.

VII. SIGNATURES:

**COMMITTEE ON TRANSPORTATION:**

Prepared by:

Phillip B. Miller

Staff Director:

John R. Johnston

**AS REVISED BY THE COMMITTEE ON TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS:**

Prepared by:

Eliza Hawkins

Staff Director:

Eliza Hawkins

**FINAL ANALYSIS PREPARED BY THE COMMITTEE ON TRANSPORTATION:**

Prepared by:

Phillip B. Miller

Staff Director:

John R. Johnston