

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1833 (formerly PCB TR 03-05) Airport transportation facilities
SPONSOR(S): Russell
TIED BILLS: **IDEN./SIM. BILLS:** SB 2578 (s)

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Transportation	19 Y, 0 N	PUGH	MILLER
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

Florida has 19 commercial service airports, a total of 131 public airports, and in excess of 230 privately operated airports, airparks, heliports and seaplane landing areas. Prior to September 11, 2001, aviation was a \$16 billion-a-year industry, pumping more than \$50 billion in associated benefits into the state's economy, according to an analysis by the Florida Department of Transportation (FDOT).

During a special session in late 2001, the Legislature amended s. 332.007, F.S., to establish a temporary process by which capital-improvement aviation grant projects listed in FDOT's Five-Year Work Program can be delayed and the funds instead redirected to pay for security improvements or to address economic impacts resulting from the terrorist attacks. This redirection of capital-improvement grants expires June 30, 2004. Several airports have taken advantage of this program. Federal security requirements for airports and aviation facilities are extremely expensive, especially since the airlines are struggling because enplanements have not rebounded. Fewer passengers means fewer parking fees collected and fewer concessions sold -- which directly impacts airports' budgets. According to FDOT's Aviation Office database, Florida airports have indicated they need at least \$500 million to comply with all of the federal security requirements.

HB 1833 takes a first step in organizing Florida's 19 major airports into the "Secure Airports for Florida's Economy (SAFE) Council. Specifically, HB 1833:

- o Creates the 25-member Council with representatives of 19 airports; the executive directors of two general aviation airports appointed by the Florida Airports Council; a representative of the airline industry, as selected by the Air Transport Association; the FDOT Secretary or designee; the Department of Community Affairs' Secretary or designee; and the director/designee of the Office of Tourism, Trade, and Economic Development.
- o Charges the Council with developing a five-year SAFE Master Plan defining goals and objectives needed to develop airport facilities and an intermodal transportation system.
- o Specifies the Master Plan shall include recommendations on the acquisition and construction of transportation facilities connecting any airport with another mode of transportation and the acquisition and construction of transportation or aviation facilities designed to protect passengers and crews, enhance international trade and increase airport revenues. The Master Plan shall be updated annually.
- o Directs the Council to develop programs for the training of minorities and secondary school students interested in aviation careers.
- o Authorizes the Council to create rules for evaluating projects that may be funded under this act.

No specific funding source is identified for the Council. HB 1833 has no apparent constitutional defects. It takes effect upon becoming a law.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1833.tr.doc
DATE: April 15, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

HB 1833 does not reduce government because it creates a 25-member council that includes state agency representatives, and which has the authority to spend public dollars on public capital improvement projects that it selects.

B. EFFECT OF PROPOSED CHANGES:

Background

Florida has 19 commercial service airports, a total of 131 public airports, and in excess of 230 privately operated airports, airparks, heliports and seaplane landing areas. According to information compiled by DOT's Aviation Office in 2001, airports and related aviation activities supported more than 745,000 jobs; provided more than \$16 billion in payroll; and generated more than \$56 billion in annual economic activity. These numbers declined after the September 11, 2001, terrorist attacks, and airports and the aviation industry in general are still feeling the economic effects.

Aviation funding

Florida's public airports receive a combination of federal, state and local-government funds, as well as revenues generated by fees imposed on airlines and on airport parking and concessions. Airports apply directly to the Federal Aviation Administration for federal funding, and, where applicable, apply to DOT to help with the local match. Typically, the FAA grant pays for 50 percent of an approved project, and DOT and the local airport each contribute 25 percent. Because of the FAA emphasis on commercial-service airports, DOT tries to share as much state aviation funds as possible with the GAAs.

The primary source of state aviation funds is the aviation fuel tax, which in fiscal year 2001-2002 generated \$50 million, most of which was spent on capital improvement grants. FDOT's aviation program, as part of the agency's Public Transportation Program, also receives State Transportation Trust Fund Revenues, as well as federal aviation funds that vary from year to year. The current state aviation budget is \$88 million.

Pursuant to s. 332.007, F.S., FDOT's aviation grants can only be spent on capital improvements, unless an airport submits to the agency a request that its Work Program funding be shifted to pay for operating or security-related expenses needed to comply with enhanced federal anti-terrorist regulations. As of December 2002, 18 airports have asked for and received permission to shift a total of \$28.6 million for security-related projects, according to information from the FDOT Aviation Office staff. This program expires June 30, 2004.

A database compiled by FDOT's Aviation Office with information submitted by Florida airports estimates they need an estimated \$500 million to comply with federal security requirements. That is about half of what the airports have indicated in their master plans they need for capital improvements, like new terminals and runways.

Effect of HB 1833

HB 1833:

- Creates the 25-member Council with the directors or their designees of 19 commercial service airports; the executive directors of two general aviation airports, as appointed by the Florida Airports Council; a representative of the airline industry, as selected by the Air Transport Association; the FDOT Secretary or designee, the Department of Community Affairs' Secretary or designee; and the director/designee of the Office of Tourism, Trade, and Economic Development.

The 19 airports to be represented are: Daytona Beach International Airport, Fort Lauderdale-Hollywood International Airport, the Gainesville Regional Airport, Jacksonville International Airport, Key West International Airport, Melbourne International Airport, Miami International Airport, Naples Municipal Airport, Okaloosa County Regional Airport, Orlando International Airport, Orlando-Sanford International Airport, Palm Beach County International Airport, Panama City-Bay County International Airport, Pensacola Regional Airport, Sarasota-Bradenton International Airport, Southwest Florida International Airport, St. Petersburg-Clearwater International Airport, Tallahassee Regional Airport, and the Tampa International Airport.

The Council members shall serve without compensation, but are entitled to receive reimbursement for per diem and travel expenses pursuant to s. 112.061.

- Directs the SAFE Council with developing a five-year SAFE Master Plan defining goals and objectives needed to develop airport facilities and an intermodal transportation system. The Master Plan shall included the following recommended projects:
 - Acquisition and construction of transportation facilities connecting any airport with another mode of transportation, and
 - Acquisition and construction of transportation or aviation facilities designed to protect passengers and crews, enhance international trade and increase airport revenues.
- Requires the Master Plan to be updated annually, and to submit copies by February 1 of each year to the President of the Senate, the Speaker of the House of Representatives, the Office of Tourism, Trade, and Economic Development, the Department of Community Affairs, and FDOT.
- Directs the SAFE Council to review existing programs in Florida and other states when developing programs for the training of minorities and secondary school students interested in aviation careers.
- Requires the SAFE Council to promulgate rules for evaluating projects that may be funded under this act. The Council shall develop a list of projects with recommended funding levels for each.
- Directs the Department of Community Affairs to review the SAFE Council list to determine projects' consistency with local government comprehensive plans. FDOT shall review the list to determine whether the projects are in its Five-Year Work Program, or if not, are necessary to provide for projected movement of cargo or passengers from an airport to a state transportation facility or local roads. The Office of Tourism, Trade, and Economic Development will review the project lists to determine their economic benefit and if they are consistent with SAFE's Mission Plan.
- Requires creation of bylaws and addresses other administrative matters, including hiring administrative staff whose expenses shall be shared by the airports.

HB 1833 does not earmark existing funding sources, nor create new funding sources, for the Council. However, as drafted, the SAFE Council retains the flexibility to use whatever sources of funds it may receive from federal, state, local, or private sources.

HB 1833 takes effect upon becoming a law.

C. SECTION DIRECTORY:

Section 1: Creates s. 332.14, F.S., the "Secure Airports for Florida's Economy (SAFE) Act." Creates the SAFE Council and specifies membership. Specifies responsibilities, goals and objectives. Directs Council to develop a Five-Year Master Plan. Directs Council to develop criteria for evaluating project requests, and to allow FDOT, the Department of Community Affairs, and the Office of Tourism, Trade, and Economic Development to review the project lists. Specifies the sharing of administrative expenses among the airports.

Section 2: Specifies this act shall take effect upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

HB 1833 does not earmark or create a funding source for the SAFE Council's grants or projects. The Council has the flexibility, potentially, to use existing federal, state, and local aviation funding, as well as private contributions, for some of its projects.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

At its April 2, 2003, meeting the Transportation Committee adopted one amendment to the legislation originally designated PCB TR 03-05. The amendment added a 25th member – a representative of the airline industry as designated by the Air Transport Association – to the SAFE Council. The Committee then voted 19-0 in favor of the proposed committee bill, as amended.

PCB TR 03-05 was redesignated HB 1833.