

By Senator Dockery

15-1057-03

1 A bill to be entitled
2 An act relating to the Florida High-Speed Rail
3 Authority; amending s. 341.840, F.S.; providing
4 that the tax exemption for the authority does
5 not apply with respect to associated
6 development; amending s. 288.281, F.S.;
7 authorizing bonds to be issued for road and
8 bridge construction necessary to implement the
9 high-speed rail system; creating s. 341.843,
10 F.S.; requiring performance and payment bonds
11 of contractors contracting with the authority;
12 providing requirements for such bonds; creating
13 s. 341.844, F.S.; authorizing issuance of
14 revenue bonds to finance the high-speed rail
15 system; amending s. 341.830, F.S.; requiring
16 procurement of professional services to comply
17 with state procurement standards; providing
18 appropriations for the high-speed rail system;
19 creating s. 341.826, F.S.; requiring the
20 Department of Transportation to include an
21 amount for the high-speed rail system in its
22 annual budget request; creating s. 341.827,
23 F.S.; providing for pledge of funds for the
24 system; providing that such pledge does not
25 constitute an obligation of the state;
26 providing a covenant with bondholders;
27 authorizing positions for the authority;
28 providing an effective date.

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30 Be It Enacted by the Legislature of the State of Florida:
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1 Section 1. Section 341.840, Florida Statutes, is
2 amended to read:

3 341.840 Tax exemption.--The exercise of the powers
4 granted by this act will be in all respects for the benefit of
5 the people of this state, for the increase of their commerce,
6 welfare, and prosperity, and for the improvement of their
7 health and living conditions, and as the design, building,
8 operation, maintenance, and financing of a system by the
9 authority or its agent or the owner or lessee thereof, as
10 herein authorized, constitutes the performance of an essential
11 public function, neither the authority, its agent, nor the
12 owner of such system shall be required to pay any taxes or
13 assessments upon or in respect to the system or any property
14 acquired or used by the authority, its agent, or such owner
15 under the provisions of this act or upon the income therefrom,
16 any security therefor, their transfer, and the income
17 therefrom, including any profit made on the sale thereof,
18 shall at all times be free from taxation of every kind by the
19 state, the counties, and the municipalities and other
20 political subdivisions in the state; however, the tax
21 exemption shall not apply to any associated development or
22 upon the income, sales, or other taxable transactions related
23 to any associated development.

24 Section 2. Subsection (5) is added to section 288.281,
25 Florida Statutes, to read:

26 288.281 Financing construction or acquisition of roads
27 and bridges; additional method.--

28 (5) The Division of Bond Finance may, at the request
29 of the Florida High-Speed Rail Authority, issue bonds under
30 this section for road and bridge construction necessary to
31 implement a high-speed rail system as defined in s. 341.8203,

1 with such bonds to be repaid from pledged revenues of the
2 authority.

3 Section 3. Section 341.843, Florida Statutes, is
4 created to read:

5 341.843 Surety bond; requirement with respect to
6 high-speed rail system.--

7 (1) The authority shall require, upon entering into a
8 DBOM contract or DBOM & F contract, that the contractor
9 provide a performance and payment bond in an amount determined
10 by the authority.

11 (2) Before the DBOM or DBOM & F contractor commences
12 any construction work, the authority shall require that the
13 contractor provide to the authority a payment and performance
14 bond that covers 100 percent of the costs of the construction,
15 however, if such level of surety is not commercially
16 available, the authority, notwithstanding ss. 255.05 and
17 337.18, may require a monetary surety amount of less than 100
18 percent of such costs or may authorize that surety bonds be
19 provided on a phased basis.

20 (3) The surety on such bonds shall be from a surety
21 company authorized to do business in the state. All bonds
22 shall be payable to the authority and conditioned for the
23 prompt, faithful, and efficient performance of the contract
24 according to plans and specifications and within the time
25 period specified, and for the prompt payment of all persons
26 furnishing labor, material, equipment, and supplies therefor.

27 (4) The bond requirement by subsection (2) may be
28 substantially in the form provided in s. 255.05(3).

29 Section 4. Section 341.844, Florida Statutes, is
30 created to read:

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1 341.844 Revenue bonds; project financing.--Upon the
2 request of the Florida High-Speed Rail Authority, the Division
3 of Bond Finance may, pursuant to s. 11, Art. VII of the State
4 Constitution and the State Bond Act, issue revenue bonds for
5 and on behalf of the Florida High-Speed Rail Authority for the
6 purpose of financing or refinancing the construction,
7 reconstruction, and improvement of a high-speed rail system.
8 Bonds issued under this section shall be payable from the
9 revenues of the high-speed rail system or other revenues of
10 the authority, including funds appropriated for the authority.

11 Section 5. Subsection (3) is added to section 341.830,
12 Florida Statutes, to read:

13 341.830 Procurement.--

14 (3) Notwithstanding anything in this act to the
15 contrary, procurement of any person or entity to provide any
16 professional services as defined in s. 287.055(2)(a) shall be
17 in accordance with the provisions of s. 287.055.

18 Section 6. There is appropriated from funds within the
19 State Transportation Trust Fund designated for the
20 Transportation Outreach Program (TOP) by section 339.137,
21 Florida Statutes, to the Florida High-Speed Rail Authority the
22 sum of \$75 million for fiscal year 2003-2004 to assist in the
23 implementation of the construction of the high-speed rail
24 system as defined in section 341.8203(6), Florida Statutes. In
25 the event funds designated for TOP are insufficient to meet
26 this total appropriation, such funds as are available are
27 appropriated from TOP and additional funds equal to the amount
28 of the insufficiency are appropriated from funds within the
29 State Transportation Trust Fund for public transportation
30 projects in accordance with chapter 341, Florida Statutes, as
31 provided in section 206.46(3), Florida Statutes, to the

1 Florida High-Speed Rail Authority for the purposes set forth
2 in this section. In the event that section 339.137, Florida
3 Statutes, is repealed, the funds described in this section are
4 appropriated from funds within the State Transportation Trust
5 Fund committed by the Department of Transportation for public
6 transportation projects in accordance with chapter 341,
7 Florida Statutes, as provided in section 206.46(3), Florida
8 Statutes, to the Florida High-Speed Rail Authority for the
9 purposes set forth in this section.

10 Section 7. Section 341.826, Florida Statutes, is
11 created to read:

12 341.826 Legislative budget request.--Commencing with
13 fiscal year 2004-2005 and annually thereafter, the Department
14 of Transportation shall include in its annual legislative
15 budget request an expenditure of not less than \$75 million to
16 be provided by the Department of Transportation to the Florida
17 High-Speed Rail Authority, as defined in s. 341.821. Such
18 budget shall include funding for projects approved by the
19 authority which are determined by the authority to be in
20 furtherance of the construction of the high-speed rail system
21 as defined in s. 341.8203(6). The funds described in this
22 section shall be appropriated from funds within the State
23 Transportation Fund designated for the Transportation Outreach
24 Program (TOP) by s. 339.137, to the Florida High-Speed Rail
25 Authority. In the event funds designated for TOP are
26 insufficient to meet this total appropriation, such funds as
27 are available are appropriated from TOP and additional funds
28 equal to the amount of the insufficiency are appropriated from
29 funds within the State Transportation Trust Fund for public
30 transportation projects in accordance with chapter 341, as
31 provided in s. 206.46(3), to the Florida High-Speed Rail

1 Authority for the purposes set forth in this section. If s.
2 339.137 is repealed, the funds described in this section are
3 appropriated from funds within the State Transportation Trust
4 Fund committed by the Department of Transportation for public
5 transportation projects in accordance with chapter 341, as
6 provided in s. 206.46(3), to the Florida High-Speed Rail
7 Authority for the purposes set forth in this section.

8 Section 8. Section 341.827, Florida Statutes, is
9 created to read:

10 341.827 Pledging of funds.--Funds appropriated for the
11 High-Speed Rail Authority or for the construction of the
12 high-speed rail system may be assigned, pledged, or set aside
13 as a trust for the payment of principal or interest on revenue
14 bonds, notes, or other forms of indebtedness issued by the
15 Florida High-Speed Rail Authority or on its behalf by the
16 Division of Bond Finance; however, such debt shall not
17 constitute a general obligation of the State of Florida. The
18 state does hereby covenant with holders of such revenue bonds
19 or such other instruments of indebtedness issued hereunder
20 that it will not repeal, impair, or amend in any manner the
21 appropriation of such funds which would materially or
22 adversely affect the rights of such holders, so long as bonds
23 authorized by this act are outstanding.

24 Section 9. Two full-time equivalent positions for an
25 executive director and an assistant to the executive director
26 are created and authorized for the Florida High-Speed Rail
27 Authority.

28 Section 10. This act shall take effect July 1, 2003.
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SENATE SUMMARY

Provides that the tax exemption of the Florida High-Speed Rail Authority does not apply with respect to associated development. Authorizes the issuance of bonds for road and bridge construction necessary for the high-speed rail project and for other purposes of implementing the project. Requires contractors to furnish bonds. Requires procurement of professional services to comport with state standards for the acquisition of such services. Appropriates \$75 million to the authority for the next fiscal year and requires the Department of Transportation's annual budget request to contain at least that much for future years.