

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure Lower Taxes: HB 1409 proposes raising from \$2 to \$5 the fee on initial and renewal registrations of vehicles taxed under s. 320.08, F.S., F.S., in Broward, Miami-Dade and Palm Beach counties. This fee must be approved by referendum before it is imposed.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

In an attempt to ease the disruptions created for commuters while it was six-laning I-95 in the mid-1980s, FDOT purchased an 81-mile rail corridor from CSXT for \$264 million and began building a commuter train system. Under terms of the sale, CSXT continued to operate its freight trains in the corridor; maintain the tracks, buildings, and signaling; and dispatches all trains using the tracks--its own, Tri-Rail and Amtrak trains. In 1989, the Legislature made it official, passing the Tri-County Commuter Rail Authority Act as Part 1 of Chapter 343, F.S., creating a commuter railroad to serve Miami-Dade, Broward and Palm Beach counties.

In 2003, the Legislature passed SB 686, which reconfigured the Tri-Rail Commuter Rail Authority as the South Florida Regional Transportation Authority (the Authority). Supporters of the legislation said that a transportation authority, rather than a commuter rail system, would have a better opportunity to draw down federal matching dollars for public transit projects.

The new transportation authority is empowered to construct, finance, and manage a variety of mass transit options, not just commuter rail, as an integrated system. It has numerous powers and responsibilities, including the power to acquire, sell, and lease property; to use eminent domain; to enter into purchasing agreements and other contracts; to enforce collection of system rates, fees, and other charges; and to approve revenue bonds issued on its behalf by the State Division of Bond Finance.

The Authority has a nine-member board comprised of :

- A county commissioner from each of the three counties, selected by his or her peers;
- A citizen selected by each county commission who must live within the county he or she is representing, be a registered voter, and, insofar as practicable, represent civic and business interests of the community.
- One of the Florida Department of Transportation (FDOT) district secretaries who is responsible for one or more of the counties within the Authority's boundaries. That could be either the District 4 secretary (whose region includes Broward and Palm Beach counties) or the District 6 secretary (whose region includes Miami-Dade). At this time, the FDOT District 6 secretary serves on the authority.
- Two citizens appointed by the governor who live in different counties within the Authority's jurisdiction but not the same county as the FDOT district secretary. They also must be registered voters.

The 2003 law also required each of the three counties served by the Authority to dedicate funding of \$2.67 million annually, no later than August 1, 2003. The sources of this dedicated funding include:

- Local-option fuel taxes;
- Each county's share of the local ninth-cent fuel tax;
- Proceeds of a \$2 annual fee for registration or renewal of registration of each vehicle licensed in this state and registered in one of the three counties, if approved by a county referendum; or
- Other non-federal funds.

In addition, each county must provide annual funding for operations of at least \$1.565 million. These local funding requirements are repealed if the Authority does not obtain federal matching funds by December 31, 2009. A fiscal analysis of the 2003 legislation indicated the \$2 fee new and renewal registration fee would generate an estimated \$8 annually for the Authority. The fee has not been imposed.

Meanwhile, the Authority is continuing to improve the existing commuter rail system with its 18 stations. Since 1995, the major project has been the \$451-million "Double Track Corridor Improvement Program," which makes improvements to the existing 72-mile route and builds a second mainline track parallel to the existing track. It is expected to be completed and open for revenue service in March 2006. About \$334 million of the project cost has been funded by the Federal Highway Administration through direct grants; FDOT has paid the rest. The Authority, however, has been unable to take advantage of federal transportation matching grant programs.

The commuter train system averages about 7,900 riders a day. In 2004, total ridership was 2,861,217 persons.

Effect of HB 1409

The bill makes a number of significant changes to Part I of chapter 343, F.S. Briefly, HB 1409:

- Allows the authority to sell revenue bonds outright, without the assistance of the state Division of Bond Finance. These revenue bonds would not be pledges or debts of the State of Florida.
- Deletes requirement that each of the three counties dedicate \$2.67 million annually to the authority for capital funding, as well as the \$1.565 million annually from each county for operating costs.
- Raises to \$5 the fee on initial and renewal vehicle registrations within the three-county area, with an escalation equivalent to the rise in the Consumer Price Index until 2030. The fee still must be approved by voter referendum.
- Deletes obsolete phrases, makes clarifying changes, and adds "inland waterway" to the list of transportation infrastructure comprising a transit system.

In addition, the bill adds regional transportation authorities created pursuant to chapter 343, F.S., to the list of governmental entities not considered "agencies" for the purposes of chapter 120, F.S., and thus not be subject to rulemaking and other aspects of the Administrative Procedures Act. This language exempts not only the South Florida Transportation Authority from chapter 120, F.S., but the Central Florida Transportation Authority (commonly called "LYNX" and serving Orange, Osceola, and Seminole counties) and the Tampa Bay Commuter Transit Authority (which is inactive, but includes seven counties.) These transportation authorities would join expressway authorities, metropolitan planning organizations, and other local boards as exempt from chapter 120, F.S.

Finally, the bill exempts "transit-oriented development master plans" from concurrency requirements in local-government comprehensive plans under s.163.3180, F.S. The bill defines "transit-oriented development master plans" as:

plans adopted by a local governing body that graphically depict the locations of transit stations, roadways, buildings, public spaces, and civic spaces within a quarter-mile to half-mile radius of the transit station.

Concurrency, as defined in chapter 9J-5.003(19) of the Florida Administrative Code, is the requirement that the necessary public facilities and services to maintain the adopted Level-of-Service standards are available when the impacts of development occur. There are seven public facilities addressed in a concurrency review: traffic, mass transit, water, sewer, solid waste, parks and recreation, and drainage. Public transit facilities already are exempt from concurrency requirements.

HB 1409 takes effect upon becoming a law.

C. SECTION DIRECTORY:

Section 1: Amends s. 343.52, F.S., to add “an inland waterway” to the definition of transit system.

Section 2: Amends s. 343.54, F.S., to delete reference to admitting additional counties to the current service area of the South Florida Regional Transportation Authority only in the year that federal reauthorization for transportation funds is enacted. Makes technical changes.

Section 3: Amends s. 343.55, F.S., to give the authority the power to issue revenue bonds. Specifies process. Deletes requirement that the authority’s revenue bonds be issued by the state Division of Bond Finance.

Section 4: Amends s. 343.58, F.S., to delete requirements for local funding for authority. Raises from \$2 to \$5 the initial and renewal registration fee for vehicles registered in the three counties. Makes technical changes.

Section 5: Amends s. 120.52, F.S., to add regional transportation authorities created pursuant to chapter 343, F.S., to the list of governmental entities exempt from chapter 120, F.S.

Chapter 6: Amends s. 163.3180, F.S., to exempt transit-oriented development master plans from concurrency requirements.

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:

Indeterminate. The \$5 fee, if approved by voter referenda in all three counties, could raise at least \$16 million. These revenues likely would be the debt service of any revenue bonds the authority would issue.

2. Expenditures:

Indeterminate. However, each of the three counties would save about \$4.234 million in annual expenditures if the statutory requirements for county contributions to the authority are repealed.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Vehicle owners in Broward, Miami-Dade and Palm Beach counties would have to pay \$5 more a year in registration fees if county voters approved the fee in referenda.

If the authority is successful in improving and promoting public transit in the three-county region, motorists and commercial carriers may benefit due to trips being diverted from the highways, and residents who don’t drive may have access to more-affordable and dependable transportation.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Section 5 of the bill seeks to exempt the authority from having to promulgate rules under chapter 120, F.S.

C. DRAFTING ISSUES OR OTHER COMMENTS:

HB 1409's sponsor will offer a strike-everything-after-the-enacting clause amendment when the bill is considered by the Transportation Committee. The strike-all amendment will:

- Authorize each county within the authority's service area to levy a new vehicle license tax of \$100 on each new vehicle registered in the counties served by the authority. The license tax shall be implemented upon passage by a super-majority vote of two-thirds of the county commission present and voting on the issue.
- Restore the \$4.235 million annually each county will contribute to the authority, at least until collections for the proposed \$100 license fee on new vehicle registrations begin. If those collections aren't sufficient to meet any county's funding obligation of \$4.235 million annually, then that county must continue to contribute such funds.
- Delete all references to the initial and renewal vehicle registration fee.
- Specify that 90 days after passage of the license tax, the state Department of Highway Safety and Motor Vehicles can begin collecting and remitting the proceeds to the authority.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES