

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Transportation Committee

BILL: SB 564

INTRODUCER: Senator Siplin

SUBJECT: Osceola County Expressway Authority Law

DATE: March 15, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Davis	Meyer	TR	Favorable
2.	_____	_____	GO	_____
3.	_____	_____	CA	_____
4.	_____	_____	GE	_____
5.	_____	_____	TA	_____
6.	_____	_____	_____	_____

I. Summary:

Senate Bill 564 creates the Osceola County Expressway Authority (Authority).

This bill creates Part XI of chapter 348, Florida Statutes, consisting of the following sections: 348.995, 348.9951, 348.9952, 348.9953, 348.9954, 348.9955, 348.9956, 348.9957, 348.9958, 348.9959, 348.9960, 348.9961, 348.9962, 348.9963, and 348.9964.

II. Present Situation:

Nine expressway authorities have been created in chapter 348, F.S., by the Florida Legislature. A tenth, the Miami-Dade County Expressway Authority, was created by the Miami-Dade County Commission pursuant to the process in Part I of Chapter 348, F.S. Their purpose is to construct, maintain, and operate tolled transportation facilities that complement the State Highway System and the Florida Turnpike Enterprise. Bonds issued for expressway projects must comply with state constitutional requirements. The expressway authorities have boards of directors that typically include a combination of local-government officials or residents and Governor appointees who decide on projects and expenditure of funds.

There also are four regional transportation authorities created in chapter 343, F.S., and one local transportation authority, the Jacksonville Transportation Authority, created in chapter 349, F.S.

Osceola County is in one of the fastest-growing regions of the state, and local officials and developers have expressed interest the last two years in partnering to improve transportation infrastructure there.

III. Effect of Proposed Changes:

Generally, the bill creates a new expressway authority, the Osceola County Expressway Authority, modeled in many respects to existing authority with standard “boilerplate” language about the process to issue bonds, protections of bondholders, and relationships with the Florida Department of Transportation (FDOT). The language creating the Authority closely resembles that used to create the Orlando-Orange County Expressway Authority (Part V of chapter 348, F.S.).

The governing body of the Authority will have five members consisting of: the chair of the county commission, the FDOT District Secretary, and three Osceola County citizens appointed by the Governor who may remove any member for misconduct, malfeasance, misfeasance, or nonfeasance. No member of the governing body may be an officer or employee of Osceola County or any city within the county. The members shall serve 4-year terms, except the Governor’s initial appointees shall serve 2-year terms. Members are not compensated other than travel and other necessary expenses. The Authority may hire an executive director and other staff.

The purpose of the Authority is to develop, maintain, operate, own and lease as lessor, the Osceola County Expressway System and any appurtenant facilities. Lease or lease-purchase agreements may not exceed 40 years. The Authority may charge a toll for use of the system and may delegate toll collection responsibility to the FDOT and may contract with Osceola County to operate a toll facility within the county. Transportation projects outside of Osceola County may be developed by the Authority with the concurrence of the other county. The Authority may not prohibit the construction of any road within the county without the consent of the County or affected municipality.

The Authority may borrow money and issue revenue bonds to finance the expressway system. If approved by the Osceola County Commission, the Authority may pledge a portion of county gasoline tax revenues to repay the revenue bonds. The Authority must reimburse the county for any gas tax revenues it spends. The Authority can issue revenue bonds, either on its own or through the State Division of Bond Finance. In both cases, the bonds and the issuance process must conform to State Bond Act requirements. These bonds’ term may not exceed 40 years maturation, and can not pledge the full faith and credit of the State of Florida. The bill establishes remedies for bondholders. The bill ascribes the pledge of the state to refrain from limiting or altering the Authority’s rights and those of the FDOT until all bonds discharged. Bonds issued by the Authority are legal investments.

The FDOT may be appointed by the Authority an agent for construction of the expressway system. The FDOT is authorized to spend up to \$375,000 of its funding for the Authority’s operation costs, and to conduct traffic surveys, preliminary engineering studies, and similar initial activities for the expressway system.

The Authority may acquire public and private property and rights through gifts, purchase, condemnation, using the right of eminent domain. In acquiring property, the Authority is not liable for preexisting soil or groundwater contamination due solely to its ownership. However,

the Authority may enter interagency agreements with the Department of Environmental Protection to assist in remediation of the contaminated property.

With the exception of any tax imposed by chapter 220, F.S., on interest, income, or profits on debt obligations, the Authority is exempt from taxation of any kind. Pledges of rates, fees, revenues, tax funds or other funds by the FDOT to the Authority may be enforceable in any court.

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:

None.

B. Private Sector Impact:

Transportation facilities developed by the authority will likely require a toll to be paid by drivers electing to travel on the facility.

C. Government Sector Impact:

The fiscal impact to FDOT is unknown at this time, as no projects (or project details) have been identified and no lease-purchase agreement provisions have been formulated. While the exact amount is unknown, FDOT expects the authority, if created, will request loans from the Toll Facilities Revolving Trust Fund to fund early studies and related costs. Then, should a project move forward, loans may be requested from the State-funded Infrastructure Bank to pay part or all of the cost of construction, and possibly a request for advances from the State Transportation Trust Fund to pay for ongoing operation and maintenance of the system to be repaid from excess toll revenues in the future.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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