HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 959 South Florida Regional Transportation Authority
SPONSOR(S): Robaina and others
TIED BILLS: HB 961 **IDEN./SIM. BILLS:** SB 606

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Committee on Infrastructure	7 Y, 0 N	Creamer	Miller
2) Economic Expansion & Infrastructure Council		Creamer	Tinker
3) Policy & Budget Council			
4)			
5)			

SUMMARY ANALYSIS

The South Florida Regional Transportation Authority was created in 2003 to broaden the scope of the old Tri-County Commuter Rail Authority (Tri-Rail) and to develop regional public-transit planning for Miami-Dade, Broward and Palm Beach counties.

HB 959 makes a number of changes to the South Florida Regional Transportation Authority (SFRTA) act.

The bill:

- Deletes references to “commuter rail” to reflect the authority’s broader transit mission.
- Clarifies the requirement that each of the three counties dedicate and transfer $2.67 million annually to the Authority for capital funding, as well as $4.3 million increase from $1.565 annually from each county for operating costs, by specifying that the funds must be dedicated prior to October 31 of each fiscal year.
- Deletes the provision allowing three counties to collect a $2 fee on initial and renewal vehicle registrations within their boundaries upon approval by referendum.
- Specifies that at least $45 million of a state-authorized, local-option, recurring funding source available to Broward, Miami-Dade and Palm Beach counties shall be directed to the Authority to fund capital, operating, and maintenance expenses. This funding shall only be dedicated to the Authority if all three counties impose it.
- Eliminates the operating and capital funding contributions from the three counties when the proposed $45 million becomes available. However, those local contributions would resume if the new funding ceases.
- Extends from December 31, 2009, to December 31, 2015, the date on which the local capital funding for the Authority ceases if no federal matching funds have been received.

HB 959 raises no apparent constitutional or other legal issues. The bill also gives the authority an additional $8.2 million each year minimum, in total, from Broward, Miami-Dade, and Palm Beach counties to pay for operating expenses.

Also, the bill appears to raise a mandate issue, and thus will need to include a statement of important state interest and pass the House and Senate by two-thirds vote.

The bill takes effect July 1, 2007.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government: The bill increases the SFRTA authority to issue bonds and eliminates requirements for SFRTA to go through the Division of Bond Finance to issue bonds.

Ensures Lower Taxes: The bill proposes to eliminate the authorized $2 fee on initial and renewal registrations for vehicles taxed under s. 320.08, F.S., in Broward, Palm Beach and Miami-Dade counties, which has not been implemented.

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, the Department of Transportation (DOT) 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 passed 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 SFRTA. 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 (DOT) 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 DOT 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 DOT district secretary. They also must be registered voters.

The 2003 law also required each of the three counties served by the SFTRTA to dedicate funding of $2.67 million annually, no later than August 1, 2003. The potential 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.

The Authority continues to seek a significant dedicated funding source to complete the commuter train system and to implement its long-range transit plans. Dedicated funding is necessary for the Authority to be able to issue revenue bonds in order to obtain federal transit grants that typically require a 50-50 match. Under the state's participation in the federal "New Starts" transit program, a local match of 25 percent is required, while the state provides the 25 percent and the federal government 50 percent.

Proposed Changes

HB 959 makes a number of significant changes to Part I of chapter 343, F.S. The bill makes the following changes:

- Deletes obsolete phrases and makes clarifying changes. Key among them is deleting references to "commuter rail," so that the Authority's broader area of responsibility is to plan, develop, operate, and fund a transit system. This reflects the Authority's plans to operate an integrated system of public transportation options.
- Clarifies that the three counties must dedicate and transfer not less than $2.67million annually to the Authority for capital expenditures prior to October 31 of each fiscal year.
- Raises from $1.565 million annually to $4.2 million annually the amount of money each of the three counties must contribute to the Authority to pay its operating expenses. This generates an additional $7.9 million annually for the Authority in operating funds.
- Deletes the $2 fee on initial and renewal vehicle registrations within the three-county area. The fee, which must be approved by voter referendum, has not been approved in any of the counties.
- Specifies that at least $45 million of a state-authorized, local-option, recurring funding source available to Broward, Miami-Dade and Palm Beach counties shall be directed to the Authority to fund capital, operating, and maintenance expenses. This funding shall only be dedicated to the Authority if all three counties impose it.
- Eliminates the operating and capital funding contributions from the three counties when the proposed $45 million becomes available. But those local contributions would resume if the new funding ceases.
- Authorizes the SFRTA to issue, reissue or redeem bonds that do not pledge the full faith and credit of the state; provides for public hearing process prior to bond issuances; and allows the SFRTA to sell bonds by competitive bid.
- Extends by six years, to December 31, 2015, the date on which the local capital funding for the Authority ceases if no federal matching funds have been received. Section 343.58(1) , F.S., which specifies the local capital funding sources, would be repealed under that circumstance.

C. SECTION DIRECTORY:

Section 1. Amends s. 343.54, F.S., to revise obsolete language.

Section 2. Amends s. 343.55, F.S., to revise bonding authority to the SFRTA.

Section 3. Amends s. 343.58, F.S., to modify timing of county contributions to the authority. Deletes $2 initial and renewal registration fee for vehicles registered in the three counties. Lays groundwork for

Authority to receive certain, local-option funding from the three counties. Raises the counties' contributions to the Authority's operating expenses. Provides for cessation and resumption of county contributions. Extends repeal date to December 31, 2015 for county capital contributions.

Section 4. Provides legislative finding of legitimate state purpose and important interest fulfilled by the bill.

Section 5: Provides an effective date of July 1, 2007.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   As a state entity, the Authority could receive an additional $8.2 million in operating funds each year because of the proposed increase in the current operating contributions made by the three counties, from $1.565 million annually to $4.3 million.

   In addition, Broward, Miami-Dade, and Palm Beach counties may choose to impose a local option tax and identify this as a dedicated revenue source of which at least $45 million a year would be directed to the SFRTA for all of its expenses. If that occurs, the existing dedicated sources of funding the three counties contribute to the Authority would be repealed.

2. Expenditures:

   None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None

2. Expenditures:

   HB 959 raises from $1.565 million annually to $4.2 million annually the amount of money Broward, Miami-Dade and Palm Beach counties each must contribute to the Authority to pay its operating expenses. If other local-option recurring funding sources are identified by the three counties, the existing funding the three counties contribute to the Authority would be repealed.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

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:

Section 3 of HB 959 includes a provision specifying at least $45 million of a state authorized, local-option recurring funding source available to Broward, Miami-Dade, and Palm Beach counties shall be directed to the authority to fund its capital, operating, and maintenance expenses. The funding source shall be dedicated to the authority only if Broward, Miami-Dade, and Palm Beach counties each impose the local-option funding source.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

- The bill increases from $1.565 million annually to $4.2 million annually the contribution counties served by the SFRTA (currently Broward, Miami-Dade, and Palm Beach counties) make to the SFRTA for operating expenses.
- The bill appears to raise a mandate issue, and thus will need to include a statement of important state interest and pass the House and Senate by two-thirds vote.

2. Other:

None

B. RULE-MAKING AUTHORITY:

The Authority is subject to chapter 120, F.S., Florida Administrative Code, but none of the provisions in the bill as currently drafted appear to require rulemaking

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill allows for the counties served by the Authority to direct $45 million annually to the SFRTA for capital, operating, and maintenance purposes from a local-option funding source. No specific source of the funds is identified in the bill.

D. STATEMENT OF THE SPONSOR

No statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES