

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 941

Transportation

SPONSOR(S): Ray

TIED BILLS:

IDEN./SIM. BILLS: CS/SB 582

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Roads, Bridges & Ports Policy Committee	19 Y, 0 N, As CS	Cater	Miller
2)	Economic Development & Community Affairs Policy Council			
3)	Transportation & Economic Development Appropriations Committee			
4)	Full Appropriations Council on Education & Economic Development			
5)				

SUMMARY ANALYSIS

The bill creates the Florida Transportation Revenue Study Commission to examine transportation needs and to develop recommendations for funding those needs. The commission's membership and meeting requirements are established and federal planning funds for MPO's will be used for paying for staff services and other assistance to the commission. The commission must submit a written report or its findings and recommendations to the Legislature by January 1, 2011.

The bill appropriates \$225,000 for each of the 2009-2010 and 2010-2011 fiscal years for a total of \$450,000 to the Center for Urban and Transportation Research at the University of South Florida to pay for staff services and for providing other related assistance to the FTRSC. The source of these funds is federal metropolitan planning funds appropriated from the State Transportation Trust Fund.

The bill becomes effective upon becoming law.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Transportation Revenues

Florida's transportation system is funded from a variety of sources. Approximately 26 percent of Florida's transportation funding comes from the federal government. The primary source of federal funding for both transit and highways is from motor fuel taxes, which are collected in all states, including Florida. State fuel taxes and fees provide about 51 percent of the state's transportation funds. Sources of this funding include the state fuel tax, the State Comprehensive Enhanced Transportation System Tax (SCETS), aviation fuel tax, the rental car surcharge, and fees and taxes related to vehicle registration and titling.

For decades, growth in traditional transportation revenues such as the motor fuel tax has been robust or at least stable. In recent years, the growth rate has slowed significantly and has recently declined resulting in declining revenue receipts to the State Transportation Trust Fund (STTF). Current federal highway trust fund receipts, comprising primarily of the federal motor fuel tax, are also lower than originally estimated.

The recent decline can be traced to reductions in the consumption of motor fuel brought about by higher motor fuel prices and the increasing fuel economy of many vehicles including the advent of commercially successful hybrid vehicles. As technological innovation and manufacturing lines transition toward the production of even more fuel efficient vehicles, it is likely the trend of declining fuel tax revenues will continue.

Construction Costs

Highway and other transportation construction costs have become unpredictable. The cost of materials used in transportation projects (such as earthwork, road-base, asphalt, concrete and steel) have ranged from increases of nearly 47 percent to decreases of 26 percent in the past four years.

Congestion

Increased population has led to a significant increase in traffic congestion on most major urban highways in Florida. In the most recent congestion index report by the Texas Transportation Institute, Miami ranked 5th nationally in terms of heaviest rush-hour traffic. Fort Lauderdale was ranked 19th nationally. In Miami, the annual delay per traveler during rush hour was 50 minutes. Traffic congestion

consumes more fuel, adversely affects the environment, delays travelers, negatively impacts the state's economy, and decreases the quality of life.

Federal Planning Funds

Each year, the Federal Highway Administration apportions a lump sum amount to Florida Metropolitan Planning Organizations (MPO). These metropolitan planning funds can only be used for the transportation planning process at the metropolitan level. The FDOT distributes these funds to each MPO and into a common reserve using a distribution formula agreed upon by all MPOs.

Proposed Changes

The bill declares legislative findings and creates the Florida Transportation Revenue Study Commission (FTRSC) to examine transportation needs and to develop recommendations for funding those needs.

Specifically, the FTRSC is created to examine state, regional, and local transportation needs and to develop recommendations for funding those needs. The commission must report its findings to the Legislature by January 1, 2011. At a minimum, the report must address:

- The effect of emerging technology, alternative fuels, fuel efficiency and other state and federal initiatives on the stability of existing transportation revenue sources;
- The ability to fund and address needs of state, regional, and local transportation facilities; and
- New and innovative funding options that can be used by the state, metropolitan planning organizations, local governments and major transportation providers to fund transportation facilities and services.

The bill establishes the following membership of the FTRSC:

- Three members appointed by the Governor
- Three members appointed by the President of the Senate
- Three members appointed by the Speaker of the House of Representatives
- The Secretary of the Department of Transportation (or designee)
- One member appointed by the Metropolitan Planning Organization Advisory Council
- One member appointed by the Florida Association of Counties, Inc. (from among its members)
- One member appointed by the Florida League of Cities, Inc. (from among its members)

In addition to transportation organizations and local governments, the membership must represent developers, homebuilders, the business and environmental communities, transportation labor organizations, and other stakeholders in the transportation system. The Governor designates one member as the chair. All members' terms expire at the end of the 2011 legislative session. Members will serve without compensation, but are entitled to per diem and travel expenses.

Beginning no later than October 1, 2009, the FTRSC will meet at least three times per year. The Center for Urban Transportation Research (CUTR) at the University of South Florida will provide staff and other support to the commission.

The bill appropriates \$225,000 for each of the 2009-2010 and 2010-2011 fiscal years for a total of \$450,000 to the Center for Urban and Transportation Research at the University of South Florida to pay for staff services and for providing other related assistance to the FTRSC. The source of these funds is federal metropolitan planning funds appropriated from the State Transportation Trust Fund.

This act shall take effect upon becoming law

B. SECTION DIRECTORY:

Section 1 Declares legislative findings and creates the FTRSC to examine transportation needs and to develop recommendations for funding those needs.

Section 2 Specifies that \$225,000 will be appropriated for the 2009-2010 and 2010-2011 fiscal years.

Section 3 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

The bill appropriates \$225,000 for the 2009-2010 and 2010-2011 fiscal years, for a total of \$450,000, for the purpose of paying the expenses of staff services and for providing other related assistance to the FTRSC. The source of funds is federal metropolitan planning funds appropriated from the State Transportation Trust Fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to require the counties or cities to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 25, 2009, the Roads, Bridges & Ports Policy Committee adopted two amendments to the bill. The amendments are as follows:

- Amendment 1 Provides that the membership of the commission must also represent transportation labor organizations.

- Amendment 2 Specifies that \$225,000 is appropriated for fiscal years 2009-2010 and 2010-2011, for a total of \$450,000, from metropolitan planning organization planning funds.

The bill was reported favorably as a committee substitute.