

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Transportation

BILL: SB 1282

INTRODUCER: Senator Flores

SUBJECT: Expressway Authority Toll Revenue

DATE: March 27, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Miller	TR	Pre-meeting
2.			ATD	
3.			AP	

I. Summary:

SB 1282 requires the Miami-Dade County Expressway Authority (MDX) to provide to each person who pays a toll on its transportation facilities using an electronic toll collection system a rebate of three percent of such toll.

The bill also requires the MDX to transfer 20 percent of the toll revenue collected from the MDX's transportation facilities in excess of operating costs and debt obligations to Miami-Dade County exclusively for expenses directly associated with public transportation facilities, transit facilities, intermodal facilities, or multimodal corridors owned or operated by that county. Additionally, the bill requires Miami-Dade County to submit a specified report to the Senate President and House Speaker within 90 days after a transfer of revenue as provided in the bill.

The MDX will incur costs associated with providing the toll rebates. Due to the required transfers to Miami-Dade County, the MDX will also have less net toll revenue available for other authority purposes. The amount of such transfers, however, is indeterminate. Miami-Dade County will receive additional revenue for the specified uses in an indeterminate amount.

The bill takes effect July 1, 2017.

II. Present Situation:

Miami-Dade County

Section 125.011(1), F.S. defines a county as: "[A]ny county operating under a home rule charter adopted pursuant to ss. 10, 11, and 24, Art. VIII of the Constitution of 1885, as preserved by Art. VIII, s. 6(e) of the Constitution of 1968, which county, by resolution of its board of county commissioners, elects to exercise the powers herein conferred."

The local governments authorized to operate under a home rule charter by the State Constitutions of 1885 and 1968 are the City of Key West and Monroe County,¹ Dade County,² and Hillsborough County.³ Of these, only Miami-Dade County operates under a home-rule charter, which was adopted on May 21, 1957, under this constitutional provision.⁴

Miami-Dade County Expressway Authority

The Florida Expressway Authority Act (Act),⁵ authorizes any county or two or more contiguous counties within a single Florida Department of Transportation (FDOT) district, by resolution adopted by the board of county commissioners, to form an expressway authority, which is an agency of the state.⁶ The Miami-Dade County Commission adopted ordinance 94-215 in 1994 creating the Miami-Dade County Expressway Authority (MDX).⁷ MDX is the only expressway authority created under the Act.

MDX's system⁸ consists of the following roadways in Miami-Dade County:

- Airport Expressway (SR 112);
- Dolphin Expressway (SR 836);
- Don Shula Expressway (SR 874);
- Snapper Creek Expressway (SR 878); and
- Gratigny Parkway (SR 924).

Purposes and Powers

Section 348.0004, F.S., provides the purposes and powers of expressway authorities created in part I of Ch. 348, F.S. Section 348.0004(2)(e), F.S., gives expressway authorities created under the Act the power to fix, alter, charge, establish, and collect tolls, rates, fees, rentals, and other charges for the services and facilities system, which tolls, rates, fees, rentals, and other charges must always be sufficient to comply with any covenants made with the holders of any bonds issued pursuant to the Florida Expressway Authority Act.⁹ However, such right and power may be assigned or delegated by the authority to the FDOT.

As provided in s. 348.004(7), F.S., and after a public hearing and county approval, MDX may use surplus toll revenues to fund:

- County public transportation facilities;
- Intermodal facilities;

¹ FLA. CONST. art. VIII, s. 6, n. 2.

² FLA. CONST. art. VIII, s. 6, n. 3.

³ FLA. CONST. art. VIII, s. 6, n. 4.

⁴ Florida Association of Counties, Charter County Information, <https://www.fl-counties.com/charter-county-information#>. (Last visited March 19, 2017.)

⁵ Part I of Ch. 348, F.S.

⁶ Section 348.0003(1), F.S.

⁷ A copy of the ordinance is available at http://miamidadefl.elaws.us/code/coor/coor_ptiii_ch2_artxviii/. (Last visited March 19, 2017.)

⁸ See MDX System Map available at [http://mdxway.com/about/expressway-map\(last](http://mdxway.com/about/expressway-map(last) visited March 19, 2017).

⁹ Section 348.0010, F.S., provides a covenant of the state relating to the Florida Expressway Authority Act. In that statute the state pledges that it will not limit or alter the rights vested in an authority and FDOT until all bonds, together with their interest, are fully paid and discharged.

- Multimodal corridors, including bicycle facilities or greenways that improve transportation services in the county; or
- Any programs or projects that improve the expressway system's level of service.

These expenditures must be consistent with the metropolitan planning organization's adopted long-range plan.

MDX Frequent Drivers Rewards Program

The MDX currently offers frequent users a rewards program, the operation of which the MDX describes as follows:

Each fiscal year (July 1st to June 30th) after the close of its financial books, MDX will declare a toll distribution of dividends to members of the Frequent Driver Rewards Program. This is after the agency meets its financial obligations, including making its annual principal and interest payments, meeting its senior debt coverage ratio, and covering its operation and maintenance costs. MDX will give back those savings generated by operational efficiencies of the agency directly to its customers through the Frequent Driver Rewards Program.¹⁰

To participate in the program, MDX customers must register each year, be a SunPass¹¹ customer in good standing, have a two-axle vehicle, and spend at least \$100 annually between July 1st to June 30 in tolls per transponder on any of the MDX's five expressways. Any tolls paid using Toll-By-Plate¹² or Image Toll transactions (IToll) are considered ineligible for the annual calculation. Eligibility of SunPass tolls paid during the fiscal year is determined solely by the MDX. The most recent registration period for tolls paid between July 1, 2016, to June 30, 2017, ended on March 31, 2017. Reward checks to eligible recipients are expected in December of 2017.¹³

III. Effect of Proposed Changes:

The bill creates a new subsection (6) in s. 348.0010, F.S., requiring the MDX to provide to each person who pays a toll on the MDX's transportation facility using an electronic toll collection system a rebate of three percent of such toll.

¹⁰ See the MDX website available at: <http://mdxway.com/frequentdriver/faqs>. (Last visited March 19, 2017.)

¹¹ SunPass is the Florida Turnpike Enterprise's pre-paid electronic toll program. A transponder inside the vehicle communicates via radio frequency with toll plaza reading equipment. As the car passes through SunPass equipped lanes, the toll charges are electronically deducted from the user's prepaid toll account. A SunPass customer may use this pre-paid toll account on a variety of non-FDOT facilities. See the SunPass website for additional information and a list of participating agencies, including the MDX, available at: <https://www.sunpass.com/faq>. (Last visited March 19, 2017.)

¹² Toll-By-Plate is an FDOT image-based *electronic toll collection system* that uses photographic images of the vehicles license plate to identify the customer responsible for payment. The customer receives an invoice for payment. This feature is available on the Homestead Extension of Florida's Turnpike from Florida City to Miramar in Miami-Dade County. See the FDOT website available at: <https://www.tollbyplate.com/index>. (Last visited March 20, 2017.)

¹³ *Supra* note 10.

The bill also creates a new subsection (11) in s. 348.0010, F.S., requiring the MDX to transfer to Miami-Dade County 20 percent of the toll revenue collected from the MDX's transportation facilities in excess of the MDX's operating costs and debt obligations. The transferred funds must be used exclusively for expenses directly associated with the planning, design, acquisition, construction, extension, rehabilitation, equipping, preservation, maintenance, or improvement of public transportation facilities, transit facilities, intermodal facilities, or multimodal corridors owned or operated by Miami-Dade County.

Within 90 days after a revenue transfer, Miami-Dade County must submit to the Senate President and House Speaker a report that includes the amount of the transfer, a description of each project to be funded by the transfer, and the proposed budget and completion date for such project.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Users of the MDX's facilities who pay tolls using an electronic toll collection system will receive a three percent rebate on incurred tolls.

C. Government Sector Impact:

The bill requires the MDX to rebate three percent of tolls paid by anyone using an electronic toll collection system. According to the MDX, the rebate would reduce its revenue by approximately \$7 million in the first year. The MDX advises it would also incur significant operating costs to accomplish the rebates.¹⁴

While the amount is indeterminate, the required 20 percent transfers from the MDX to Miami-Dade County of toll revenues in excess of operating costs and debt obligations,

¹⁴ See the MDX's email to House Transportation and Infrastructure Subcommittee staff, March 20, 2017, (On filed in the Senate Transportation Committee.

according to the MDX, would cause its credit rating to be downgraded.¹⁵ A reduced credit rating would increase the MDX's borrowing costs.

Miami-Dade County would receive increased revenues for the specified uses.

VI. Technical Deficiencies:

The following issues may lead to difficulties in interpretation or implementation without further clarification:

- The bill does not specify when such rebates are to occur; *e.g.*, at the same time as any toll transaction, monthly, or annually. The bill also does not specify how such rebates are to occur; *e.g.*, through a credit to a person's prepaid SunPass account.
- While the FDOT apparently views its Toll-By-Plate program as an electronic toll collection system, because the MDX currently deems tolls paid using Toll-By-Plate ineligible for the annual calculation under its existing Frequent Drivers Rewards Program, it is unclear whether tolls paid by persons using Toll-By-Plate are entitled to a three percent rebate of those tolls under the bill.
- The bill does not specify when the revenue transfers between the MDX and Miami-Dade County must occur.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill amends the following sections of the Florida Statutes: 348.0004.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

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

¹⁵ *Id.*