

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 1466

INTRODUCER: Senator Hutson

SUBJECT: Airports

DATE: March 12, 2021

REVISED: _____

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

I. Summary:

SB 1466 revises provisions relating to the Florida Department of Transportation's (FDOT) funding of master planning and eligible aviation development projects at certain publicly owned, publicly operated airports. Currently, the FDOT is generally authorized to fund up to 50 percent of the portion of eligible project costs which are not federally funded but may provide funding at a higher rate, dependent upon the availability of federal funds, as follows:

- If federal funds are *not* available, the FDOT may fund up to 80 percent of master planning and eligible aviation development projects at such airports, and a 20 percent local match is required.
- If federal funds *are* available, the FDOT may fund up to 80 percent of *the non-federal* share of such projects, or 80 percent of the local match requirement.

This funding is currently limited to airports that have no scheduled commercial service. The bill revises this restriction so that the 80 percent funding levels are limited to general aviation airports, or commercial service airports that have not been classified as a large, medium, or small hub airport by the Federal Aviation Administration.

The bill results in potential funding at the 80 percent funding levels for the following Florida airports: Daytona Beach International, Gainesville Regional, Melbourne International, Tallahassee International, and Vero Beach Regional.

The bill presents no fiscal impact to the FDOT, as the available funding for the identified projects is not revised, but the number of airports potentially competing for such funding is increased. The bill may increase opportunities for the identified airports to advance aviation projects. See the "Fiscal Impact Statement" below.

The bill takes effect July 1, 2021.

II. Present Situation:

Airport Oversight

The Federal Aviation Administration (FAA) is responsible for planning and developing a safe and efficient national airport system. This includes all programs related to airport safety and inspections and standards for airport design, construction, and operation. Federal law requires each commercial service airport to operate under a federal certificate and comply with federal aviation requirements. The FAA is responsible for national airport planning and environmental and social requirements and establishes policies related to airport rates and charges, compliance with grant assurances, and airport privatization.¹

At the state level, the FDOT is responsible for planning airport systems and promoting the further development and improvement of airport facilities.² The owner or lessee of a proposed public airport³ must receive the FDOT's approval before site acquisition, construction, or establishment of a public airport facility.⁴ The FDOT is also responsible for licensing public airport facilities before the operation of aircraft to or from the facility and must inspect such facilities prior to licensing or license renewal.⁵ Florida law authorizes local governments to establish and operate airports⁶ and governs airport zoning and land use issues.⁷

FAA Airport Categories

Under federal regulations:

- A general aviation airport is a public-use airport that, as determined by the FAA, does not have scheduled service or has scheduled service of less than 2,500 passenger boardings each year.⁸
- A commercial service airport is defined as a public airport that the FAA determines has at least 2,500 commercial passenger boardings each year and is receiving scheduled passenger service.⁹
 - A large hub airport is a commercial service airport that has at least 1 percent of the commercial passenger boardings in United States.¹⁰
 - A medium hub airport is a commercial service airport that has at least 0.25 percent but less than 1 percent of the commercial passenger boardings in the United States.¹¹

¹ See Federal Aviation Administration, *Airports*, https://www.faa.gov/about/office_org/headquarters_offices/arp/ (last visited March 13, 2021).

² Section 332.001, F.S.

³ Section 330.27(6), F.S. For purposes of FDOT approval and licensure, the term "public airport" means an airport, publicly or privately owned, which is open for use by the public.

⁴ Section 330.30(1), F.S.

⁵ Section 330.30(2), F.S.

⁶ See Ch. 332, F.S.

⁷ See Ch. 333, F.S.

⁸ 49 U.S.C. § 47102(8).

⁹ 49 U.S.C. 47102(7).

¹⁰ 49 U.S.C. § 47102(11). Florida's large hub airports are Miami International, Orlando International, Ft. Lauderdale/Hollywood International, and Tampa International.

¹¹ 49 U.S.C. § 47102(13). Florida's medium hub airports are Southwest Florida International (Ft. Myers), Palm Beach International, and Jacksonville International.

- A small hub airport is a commercial service airport that has at least 0.05 percent but less than 0.25 percent of the commercial passenger boardings in the United States.¹²
- A non-hub airport has less than 0.05 percent of all commercial passenger boardings in the United States but has more than 10,000 passenger boardings.¹³
- Nonprimary airports are commercial service airports that have at least 2,500 and no more than 10,000 passenger boardings each year.¹⁴
- Primary airports are commercial service airports that have more than 10,000 passenger boardings each year.¹⁵

Federal Airport Funding

Airports receive federal grants administered by the FAA. The main grant program for federal funds is the Airport Improvement Program (AIP). The AIP provides grants to public agencies (and, in some cases, to private owners and entities) for the planning and development of public-use airports.¹⁶

Eligible AIP projects include airport improvements related to enhancing airport safety, capacity, security, and environmental concerns. In general, airports may receive AIP funds for most airfield capital improvements or rehabilitation projects and, in some specific situations, for terminals, hangars, and nonaviation development. Certain professional services that are necessary for eligible projects may also be eligible. The FAA must be able to determine that the projects are justified based on civil aeronautical demand. The projects must also meet federal environmental and procurement requirements.¹⁷

State Airport Funding

Sections 332.003 through 332.007, F.S., create the Florida Airport Development and Assistance Act (Act). The act sets a number of duties of the FDOT, including, but not limited to:

- Providing coordination and assistance for the development of a viable aviation system.
- Assisting airport sponsors in airport master planning.
- Providing financial and technical assistance to public agencies operating public-use airports¹⁸ by making resources available on a cost-reimbursement basis to such agencies for special needs of limited duration.

¹² 49 U.S.C. § 47102(25). Florida's small hub airports are Orlando Sanford International, St. Pete-Clearwater International, Pensacola International, Sarasota/Bradenton International, Northwest Florida-Beaches International (Panama City), Punta Gorda, Destin-Ft. Walton Beach, and Key West.

¹³ 49 U.S.C. § 47102(14). Florida's non-hub airports are Tallahassee International, Daytona Beach International, Melbourne International, and Gainesville Regional.

¹⁴ See Federal Aviation Administration, *Airports, Planning and Capacity, Airport Categories*, https://www.faa.gov/airports/planning_capacity/categories/ (last visited on February 24, 2021). Florida's only nonprimary airport is Vero Beach Regional Airport.

¹⁵ *Id.*

¹⁶ See Federal Aviation Administration, *Airports, Airport Improvement Program (AIP), Overview: What is AIP?* <https://www.faa.gov/airports/aip/overview/> (last visited on February 24, 2021).

¹⁷ See the FDOT Agency Analysis of (the identical) 2021 House Bill 1143, p. 4. (on file in the Senate Transportation Committee).

¹⁸ Section 332.004(14), F.S., defines the term "public-use airport" as any publicly owned airport which is used or to be used for public purposes.

- Administering the FDOT's participation in the program of aviation and airport grants.
- Encouraging the maximum allocation of federal funds to local airport projects in this state.¹⁹

Section 332.007, F.S., relates to the administration and financing of aviation and airport programs and projects. The FDOT must prepare and continuously update an aviation and airport work program based on a collection of the local sponsors'²⁰ proposed projects to be included in the FDOT's work program.²¹ The FDOT's airport work program must separately identify development projects and discretionary capacity improvement projects.²² The FDOT's airport work program must be consistent with the statewide aviation system plan and, to the maximum extent feasible, consistent with approved local government comprehensive plans. Projects involving FDOT-administered funds to be undertaken and implemented by the airport sponsor must be included in the aviation and airport work program.²³ Assistance may only be provided for projects which are included in the FDOT's adopted work program.²⁴

Only projects or programs provided for in the Act that will contribute to the implementation of the state aviation system plan, that are consistent with and will contribute to the implementation of any airport master plan or layout plan, and that are consistent, to the maximum extent feasible, with the approved local government comprehensive plans are eligible for the expenditure of state funds in accordance with fund participation rates and priorities.²⁵

Authorized Funding Participation Levels

Current law authorizes the FDOT to participate in the capital cost of eligible public airport and aviation development projects at specified rates, unless otherwise provided in the General Appropriations Act or the substantive bill implementing the General Appropriations Act. Subject to availability of appropriated funds, the FDOT may generally fund up to 50 percent of the portion of eligible airport project costs which are not funded by the federal government.²⁶ However, subject to appropriations, the FDOT may fund the capital cost of eligible public airport and aviation development projects at a higher rate for certain types of projects.

When federal funds are not available, the FDOT may fund up to 80 percent of master planning²⁷ and eligible aviation development projects²⁸ at publicly owned, publicly operated airports,

¹⁹ Section 332.006, F.S.

²⁰ Section 332.004(15), F.S., defines the term "sponsor" as any eligible agency which, either individually or jointly with one or more eligible agencies, submits to the department an application for financial assistance for an airport development project in accordance with this act.

²¹ The FDOT's work program is developed pursuant to s. 339.135, F.S.

²² Section 332.007(2)(a), F.S.

²³ Section 332.007(2)(b), F.S.

²⁴ Section 332.007(3), F.S.

²⁵ Section 332.007(5), F.S.

²⁶ The FDOT may, however, initially fund up to 75 percent of the cost of land acquisition for a new airport or for the expansion of an existing airport which is owned and operated by a municipality, a county, or an authority. Section 332.006(6)(a), F.S.

²⁷ "Airport master planning" means the development, for planning purposes, of information and guidance to determine the extent, type, and nature of development needed at a specific airport. Section 332.004(3), F.S.

²⁸ "Airport or aviation development project" or "development project" means any activity associated with the design, construction, purchase, improvement, or repair of a public-use airport or portion thereof, including, but not limited to: the purchase of equipment; the acquisition of land, including land required as a condition of a federal, state, or local permit or

requiring a 20 percent local match. If federal funds are available, the FDOT may fund up to 80 percent of the nonfederal share of such projects, or 80 percent of the local match requirement. Such funding is currently limited to airports that have no scheduled commercial service.²⁹

III. Effect of Proposed Changes:

The bill amends s. 332.007(6)(c), F.S., revising the airports potentially eligible for FDOT participation in funding of master planning and eligible aviation development projects. The bill removes the current restriction of such funding to the identified projects at publicly owned, public operated airports having no scheduled commercial service and limits such funding to general aviation airports or commercial service airports that have *not* been classified as a large, medium, or small hub airport by the FAA.

This revision results in potential funding eligibility at the 80 percent funding levels for the specified projects at the following Florida airports: Daytona Beach International, Gainesville Regional, Melbourne International, Tallahassee International (all non-hub airports), and Vero Beach Regional (a non-primary airport).

The bill takes effect July 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

agreement for environmental mitigation; off-airport noise mitigation projects; the removal, lowering, relocation, marking, and lighting of airport hazards; the installation of navigation aids used by aircraft in landing at or taking off from a public airport; the installation of safety equipment required by rule or regulation for certification of the airport under s. 612 of the Federal Aviation Act of 1958, and amendments thereto; and the improvement of access to the airport by road or rail system which is on airport property and which is consistent, to the maximum extent feasible, with the approved local government comprehensive plan of the units of local government in which the airport is located.

²⁹ Section 332.007(6)(c), F.S.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill presents no fiscal impact to the FDOT, as any funding for the identified projects is not increased, but the number of airports competing for such funding is increased, which may result in increased competition for the same available funding. Should any of these airports become FAA classified – presumably first as a small hub airport, their eligibility to compete for the same funding would cease and competition for such funding would decrease. Over time, the pool of eligible applicants for any available funding for the identified projects will vary with the number of passenger boardings at United States airports and the resulting FAA classification of Florida airports.

The bill may increase opportunities to advance the specified aviation projects at the identified publicly owned, publicly operated airports, including, but not limited to, those needing funding assistance to meet the 20 percent local match requirement when federal funds are available.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 332.007.

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.
