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By the Committee on Transportation; and Senator Hooper

596-02183-24 2024266c1

A bill to be entitled An act relating to transportation; amending s. 206.46, F.S.; prohibiting the Department of Transportation from annually committing more than a certain percentage of revenues derived from state fuel taxes and motor vehicle license-related fees to public transit projects; providing exceptions; amending s. 288.9606, F.S.; conforming provisions to changes made by the act; making technical changes; amending s. 334.30, F.S.; authorizing the department to enter into comprehensive agreements with private entities or the consortia thereof for the building, operation, ownership, or financing of transportation facilities; conforming provisions to changes made by the act; replacing the term "public-private partnership agreement" with the term "comprehensive agreement"; requiring a private entity to provide an independent traffic and revenue study prepared by a certain expert; providing a requirement for such study; revising the timeframe within which the department must publish a certain notice; authorizing the department to enter into an interim agreement with a private entity regarding a qualifying project; providing that an interim agreement does not obligate the department to enter into a comprehensive agreement and is not required under certain circumstances; providing requirements for an interim agreement; authorizing the secretary of the department to authorize comprehensive agreements for a term of up to

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596-02183-24 2024266c1

75 years for certain projects; making technical changes; amending s. 337.11, F.S.; requiring the department to receive three letters of interest before proceeding with requests for proposals for certain contracts; requiring the department to pay interest at a certain rate to contractors under certain circumstances; making technical changes; amending s. 337.18, F.S.; revising the timeframe for certain actions against the contractor or the surety; specifying a timeframe for when an action for recovery of retainage must be instituted; amending s. 337.195, F.S.; revising a presumption regarding the proximate cause of death, injury, or damage in a civil suit against the department; defining terms; providing for immunity for contractors under certain circumstances; conforming provisions related to certain limitations on liability relating to traffic control plans; making technical changes; revising a presumption regarding a design engineer's degree of care and skill; deleting immunity for certain persons and entities; amending s. 337.401, F.S.; requiring that certain permits and relocation agreements require the utility owner to be responsible for certain damage; requiring that the relocation agreement contain a utility relocation schedule and specify a liquidated damage amount for each day work remains incomplete beyond a certain date; amending s. 337.403, F.S.; requiring a utility owner to provide to the authority a reasonable utility relocation schedule to expedite completion of the

596-02183-24 2024266c1

authority's construction or maintenance project identified in a specified notice and initiate necessary work within a specified timeframe; requiring that the notice the authority gives the utility for unreasonable interference on a public road or publicly owned rail corridor specify a certain liquidated damage amount for each day that work remains incomplete; requiring the utility to pay certain costs to the authority for untimely performance of the work; amending s. 339.2820, F.S.; creating within the department a local agency program for a specified purpose; requiring the department to update certain project cost estimates at a specified time and include a contingency amount as part of the project cost estimate; authorizing the department to oversee certain projects; requiring local agencies to prioritize budgeting certain local projects through their respective M.P.O.'s or governing boards for a specified purpose; specifying that certain funds are available only to local agencies that are certified by the department; requiring local agencies to include in certain contracts a specified document and a contingency amount for costs incurred due to unforeseen conditions; amending s. 339.2825, F.S.; conforming provisions to changes made by the act; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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596-02183-24 2024266c1

Section 1. Subsection (6) is added to section 206.46, Florida Statutes, to read:

206.46 State Transportation Trust Fund.-

- (6) The department may not annually commit more than 20 percent of the revenues derived from state fuel taxes and motor vehicle license-related fees deposited into the State

  Transportation Trust Fund to public transit projects, in accordance with chapter 341. However, this subsection does not apply to either of the following:
- (a) A public transit project that uses revenues derived from state fuel taxes and motor vehicle license-related fees to match funds made available by the Federal Government.
- (b) A public transit project included in the transportation improvement program adopted pursuant to s. 339.175(8) and approved by a supermajority vote of the board of county commissioners where the project is located.

Section 2. Subsections (6) and (7) of section 288.9606, Florida Statutes, is amended to read:

288.9606 Issue of revenue bonds.-

- (6) The proceeds of any bonds of the corporation may not be used, in any manner, to acquire any building or facility that will be, during the pendency of the financing, used by, occupied by, leased to, or paid for by any state, county, or municipal agency or entity. This subsection does not prohibit the use of proceeds of bonds of the corporation for the purpose of financing the acquisition or construction of a transportation facility under a comprehensive public-private partnership agreement authorized by s. 334.30.
  - (7) Notwithstanding any provision of this section, the

596-02183-24 2024266c1

corporation in its corporate capacity may, without authorization from a public agency under s. 163.01(7), issue revenue bonds or other evidence of indebtedness under this section to:

- (a) Finance the undertaking of any project within the state that promotes renewable energy as defined in s. 366.91 or s. 377.803;
- (b) Finance the undertaking of any project within the state that is a project contemplated or allowed under s. 406 of the American Recovery and Reinvestment Act of 2009; or
- (c) If permitted by federal law, finance qualifying improvement projects within the state under s. 163.08; or  $\div$
- (d) Finance the costs of acquisition or construction of a transportation facility by a private entity or consortium of private entities under a <u>comprehensive</u> public-private partnership agreement authorized by s. 334.30.

Section 3. Present subsections (8) through (13) of section 334.30, Florida Statutes, are redesignated as subsections (9) through (14), respectively, a new subsection (8) is added to that section, and subsections (1), (2), and (6) and present subsections (8), (10), and (11) of that section are amended, to read:

334.30 Public-private transportation facilities.—The Legislature finds and declares that there is a public need for the rapid construction of safe and efficient transportation facilities for the purpose of traveling within the state, and that it is in the public's interest to provide for the construction of additional safe, convenient, and economical transportation facilities.

(1) The department may receive or solicit proposals and,

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596-02183-24 2024266c1

with legislative approval as evidenced by approval of the project in the department's work program, enter into comprehensive agreements with private entities, or consortia thereof, for the building, operation, ownership, or financing of transportation facilities. The department may advance projects programmed in the adopted 5-year work program or projects increasing transportation capacity and greater than \$500 million in the 10-year Strategic Intermodal Plan using funds provided by public-private partnerships or private entities to be reimbursed from department funds for the project as programmed in the adopted work program. The department shall by rule establish an application fee for the submission of unsolicited proposals under this section. The fee must be sufficient to pay the costs of evaluating the proposals. The department may engage the services of private consultants to assist in the evaluation. Before approval, the department must determine that the proposed project:

- (a) Is in the public's best interest;
- (b) Would not require state funds to be used unless the project is on the State Highway System;
- (c) Would have adequate safeguards in place to ensure that no additional costs or service disruptions would be realized by the traveling public and residents of the state in the event of default or cancellation of the <a href="comprehensive">comprehensive</a> agreement by the department;
- (d) Would have adequate safeguards in place to ensure that the department or the private entity has the opportunity to add capacity to the proposed project and other transportation facilities serving similar origins and destinations; and

596-02183-24 2024266c1

(e) Would be owned by the department upon completion or termination of the comprehensive agreement.

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The department shall ensure that all reasonable costs to the state, related to transportation facilities that are not part of the State Highway System, are borne by the private entity. The department shall also ensure that all reasonable costs to the state and substantially affected local governments and utilities, related to the private transportation facility, are borne by the private entity for transportation facilities that are owned by private entities. For projects on the State Highway System, the department may use state resources to participate in funding and financing the project as provided for under the department's enabling legislation. Because the Legislature recognizes that private entities or consortia thereof would perform a governmental or public purpose or function when they enter into comprehensive agreements with the department to design, build, operate, own, or finance transportation facilities, the transportation facilities, including leasehold interests thereof, are exempt from ad valorem taxes as provided in chapter 196 to the extent property is owned by the state or other government entity, and from intangible taxes as provided in chapter 199 and special assessments of the state, any city, town, county, special district, political subdivision of the state, or any other governmental entity. The private entities or consortia thereof are exempt from tax imposed by chapter 201 on all documents or obligations to pay money which arise out of the comprehensive agreements to design, build, operate, own, lease, or finance transportation facilities. Any private entities or

596-02183-24 2024266c1

consortia thereof must pay any applicable corporate taxes as provided in chapter 220, and reemployment assistance taxes as provided in chapter 443, and sales and use tax as provided in chapter 212 shall be applicable. The private entities or consortia thereof must also register and collect the tax imposed by chapter 212 on all their direct sales and leases that are subject to tax under chapter 212. The comprehensive agreement between the private entity or consortia thereof and the department establishing a transportation facility under this chapter constitutes documentation sufficient to claim any exemption under this section.

- (2) <u>Comprehensive</u> agreements entered into pursuant to this section may authorize the private entity to impose tolls or fares for the use of the facility. The following provisions shall apply to such agreements:
- (a) With the exception of the Florida Turnpike System, the department may lease existing toll facilities through public-private partnerships. The <u>comprehensive</u> public-private partnership agreement must ensure that the transportation facility is properly operated, maintained, and renewed in accordance with department standards.
- (b) The department may develop new toll facilities or increase capacity on existing toll facilities through public-private partnerships. The <u>comprehensive public-private</u> partnership agreement must ensure that the toll facility is properly operated, maintained, and renewed in accordance with department standards.
- (c) Any toll revenues shall be regulated by the department pursuant to s. 338.165(3). The regulations governing the future

596-02183-24 2024266c1

increase of toll or fare revenues shall be included in the comprehensive public-private partnership agreement.

- (d) The department shall provide the analysis required in subparagraph (6)(e)2. to the Legislative Budget Commission created pursuant to s. 11.90 for review and approval prior to awarding a contract on a lease of an existing toll facility.
- (e) The department shall include provisions in the comprehensive public-private partnership agreement which that ensure a negotiated portion of revenues from tolled or fare generating projects are returned to the department over the life of the comprehensive public-private partnership agreement. In the case of a lease of an existing toll facility, the department shall receive a portion of funds upon closing on the comprehensive agreement agreements and shall also include provisions in the comprehensive agreement to receive payment of a portion of excess revenues over the life of the public-private partnership.
- (f) The private entity shall provide an <u>independent</u> investment grade traffic and revenue study prepared by <u>a</u> an <u>internationally recognized</u> traffic and revenue expert <u>as part of</u> the private entity proposal. The study must be that is accepted by the national bond rating agencies <u>before closing on the</u> financing that supports the comprehensive agreement for the <u>public-private partnership project</u>. The private entity shall also provide a finance plan that identifies the project cost, revenues by source, financing, major assumptions, internal rate of return on private investments, and whether any government funds are assumed to deliver a cost-feasible project, and a total cash flow analysis beginning with implementation of the

596-02183-24 2024266c1

project and extending for the term of the <a href="comprehensive">comprehensive</a> agreement.

- (6) The procurement of public-private partnerships by the department shall follow the provisions of this section. Sections 337.025, 337.11, 337.14, 337.141, 337.145, 337.175, 337.18, 337.185, 337.19, 337.221, and 337.251 may shall not apply to procurements under this section unless a provision is included in the procurement documents. The department shall ensure that generally accepted business practices for exemptions provided by this subsection are part of the procurement process or are included in the comprehensive public-private partnership agreement.
- (a) The department may request proposals from private entities for public-private transportation projects or, if the department receives an unsolicited proposal, the department shall publish a notice in the Florida Administrative Register and a newspaper of general circulation at least once a week for 2 weeks stating that the department has received the proposal and will accept, for between 30 and 120 days after the initial date of publication as determined by the department based on the complexity of the project, other proposals for the same project purpose. A copy of the notice must be mailed to each local government in the affected area.
- (b) Public-private partnerships shall be qualified by the department as part of the procurement process as outlined in the procurement documents, provided such process ensures that the private firm meets at least the minimum department standards for qualification in department rule for professional engineering services and road and bridge contracting prior to submitting a

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596-02183-24 2024266c1

proposal under the procurement.

- (c) The department shall ensure that procurement documents include provisions for performance of the private entity and payment of subcontractors, including, but not limited to, surety bonds, letters of credit, parent company guarantees, and lender and equity partner guarantees. The department shall balance the structure of the security package for the public-private partnership that ensures performance and payment of subcontractors with the cost of the security to ensure the most efficient pricing.
- (d) After the public notification period has expired, the department shall rank the proposals in order of preference. In ranking the proposals, the department may consider factors that include, but are not limited to, professional qualifications, general business terms, innovative engineering or cost-reduction terms, finance plans, and the need for state funds to deliver the project. If the department is not satisfied with the results of the negotiations, the department may, at its sole discretion, terminate negotiations with the proposer. If these negotiations are unsuccessful, the department may go to the second-ranked and lower-ranked firms, in order, using this same procedure. If only one proposal is received, the department may negotiate in good faith and, if the department is not satisfied with the results of the negotiations, the department may, at its sole discretion, terminate negotiations with the proposer. Notwithstanding this subsection, the department may, at its discretion, reject all proposals at any point in the process up to completion of a contract with the proposer.
  - (e) The department shall provide an independent analysis of

596-02183-24 2024266c1

the proposed public-private partnership that demonstrates the cost-effectiveness and overall public benefit at the following times:

- 1. Prior to moving forward with the procurement; and
- 2. If the procurement moves forward, prior to awarding the contract.
- (8) Before or in connection with the negotiation of a comprehensive agreement, the department may enter into an interim agreement with the private entity proposing the development or operation of a qualifying project. An interim agreement does not obligate the department to enter into a comprehensive agreement. The interim agreement is discretionary with the parties and is not required on a project for which the parties may proceed directly to a comprehensive agreement without the need for an interim agreement. An interim agreement must be limited to any of the following provisions that:
- (a) Authorize the private entity to commence activities for which it may be compensated related to the proposed qualifying project, including, but not limited to, project planning and development, designing, environmental analysis and mitigation, surveying, other activities concerning any part of the proposed qualifying project, and ascertaining the availability of financing for the proposed facility or facilities.
- (b) Establish the process and timing for the negotiation of the comprehensive agreement.
- (c) Contain such other provisions related to an aspect of the development or operation of a qualifying project which the department and the private entity deem appropriate.
  - (9) <del>(8)</del> The department may enter into comprehensive <del>public</del>

596-02183-24 2024266c1

private partnership agreements that include extended terms providing annual payments for performance based on the availability of service or the facility being open to traffic or based on the level of traffic using the facility. In addition to other provisions in this section, the following provisions shall apply:

- (a) The annual payments under <u>any</u> such <u>comprehensive</u> agreement <u>must shall</u> be included in the department's tentative work program developed under s. 339.135 and the long-range transportation plan for the applicable metropolitan planning organization developed under s. 339.175. The department shall ensure that annual payments on multiyear <u>comprehensive public-private partnership</u> agreements are prioritized ahead of new capacity projects in the development and updating of the tentative work program.
- (b) The annual payments are subject to annual appropriation by the Legislature as provided in the General Appropriations Act in support of the first year of the tentative work program.
- (11) (10) Before Prior to entering into any comprehensive such agreement in which where funds are committed from the State Transportation Trust Fund, the project must be prioritized as follows:
- (a) The department, in coordination with the local metropolitan planning organization, shall prioritize projects included in the Strategic Intermodal System 10-year and long-range cost-feasible plans.
- (b) The department, in coordination with the local metropolitan planning organization or local government where there is no metropolitan planning organization, shall prioritize

596-02183-24 2024266c1

projects, for facilities not on the Strategic Intermodal System, included in the metropolitan planning organization cost-feasible transportation improvement plan and long-range transportation plan.

(12) (11) Comprehensive Public-private partnership agreements under this section are shall be limited to a term not exceeding 50 years. Upon making written findings that a comprehensive an agreement under this section requires a term in excess of 50 years, the secretary of the department may authorize a term of up to 75 years for projects that are partially or completely funded from project user fees.

Comprehensive agreements under this section may shall not have a term in excess of 75 years unless specifically approved by the Legislature. The department shall identify each new project under this section with a term exceeding 75 years in the transmittal letter that accompanies the submittal of the tentative work program to the Governor and the Legislature in accordance with s. 339.135.

Section 4. Paragraph (e) of subsection (7) and subsection (13) of section 337.11, Florida Statutes, are amended to read:

337.11 Contracting authority of department; bids; emergency repairs, supplemental agreements, and change orders; combined design and construction contracts; progress payments; records; requirements of vehicle registration.—

(7)

(e) For design-build contracts and phased design-build contracts, the department must receive at least three letters of interest in order to proceed with a request for proposals. The department shall request proposals from no fewer than three of

596-02183-24 2024266c1

the design-build firms submitting letters of interest. If a design-build firm withdraws from consideration after the department requests proposals, the department may continue if at least two proposals are received.

(13) Any motor vehicle used in Each contract let by the department for the performance of road or bridge construction or maintenance work on a department project must shall require all motor vehicles that the contractor operates or causes to be operated in this state to be registered in compliance with chapter 320.

Section 5. Paragraph (d) of subsection (1) of section 337.18, Florida Statutes, is amended to read:

337.18 Surety bonds for construction or maintenance contracts; requirement with respect to contract award; bond requirements; defaults; damage assessments.—

(1)

(d) An action, except for an action for recovery of retainage, must be instituted by a claimant, whether in privity with the contractor or not, against the contractor or the surety on the payment bond or the payment provisions of a combined payment and performance bond within 365 days after the performance of the labor or completion of delivery of the materials or supplies. An action for recovery of retainage must be instituted against the contractor or the surety within 365 days after final acceptance of the contract work by the department. A claimant may not waive in advance his or her right to bring an action under the bond against the surety. In any action brought to enforce a claim against a payment bond under this section, the prevailing party is entitled to recover a

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596-02183-24 2024266c1

reasonable fee for the services of his or her attorney for trial and appeal or for arbitration, in an amount to be determined by the court, which fee must be taxed as part of the prevailing party's costs, as allowed in equitable actions.

Section 6. Section 337.195, Florida Statutes, is amended to read:

337.195 Limits on liability.-

- (1) In a civil action for the death of or injury to a person, or for damage to property, against the Department of Transportation or its agents, consultants, or contractors for work performed on a highway, road, street, bridge, or other transportation facility when the death, injury, or damage resulted from a motor vehicle crash within a construction zone in which the driver of one of the vehicles was under the influence of alcoholic beverages as set forth in s. 316.193, under the influence of any chemical substance as set forth in s. 877.111, or illegally under the influence of any substance controlled under chapter 893, excluding low-THC cannabis, to the extent that her or his normal faculties were impaired or that she or he operated a vehicle recklessly as defined in s. 316.192, it is presumed that the driver's operation of the vehicle was the sole proximate cause of her or his own death, injury, or damage. This presumption can be overcome if the gross negligence or intentional misconduct of the Department of Transportation, or of its agents, consultants, or contractors, was a proximate cause of the driver's death, injury, or damage.
  - (2) (a) For purposes of this section:
- 1. "Contract documents" has the same meaning as in the department's Standard Specifications for Road and Bridge

596-02183-24 2024266c1

Construction applicable under the contract between the department and the contractor.

- 2. "Contractor" means a person or an entity, at any contractual tier, including any member of a design-build team pursuant to s. 337.11, who constructs, maintains, or repairs a highway, road, street, bridge, or other transportation facility for the department in connection with a department project.
- 3. "Design engineer" means a person or an entity, including the design consultant of a design-build team, who contracts at any tier to prepare or provide engineering plans, including traffic control plans, for the construction or repair of a highway, road, street, bridge, or other department transportation facility for the department or in connection with a department project.
- 4. "Traffic control plans" means the maintenance of traffic plans designed by a professional engineer, or otherwise in accordance with the department's standard plans, and approved by the department.
- (b) A contractor is not liable for personal injury, property damage, or death arising from any of the following:
- 1. The performance of the construction, maintenance, or repair of the transportation facility, if, at the time the personal injury, property damage, or death occurred, the contractor was in compliance with the contract documents material to the personal injury, property damage, or death.
- 2. Acts or omissions of a third party that furnishes or contracts at any contractual level to furnish services or materials to the transportation facility, including any subcontractor; sub-subcontractor; laborer; materialman; owner,

596-02183-24 2024266c1

lessor, or driver of a motor vehicle, trailer, semitrailer, truck, heavy truck, truck tractor, or commercial motor vehicle, as those terms are defined in s. 320.01; or any person who performs services as an architect, a landscape architect, an interior designer, an engineer, or a surveyor and mapper.

- 3. Acts or omissions of a third party who trespasses within the limits of the transportation facility or otherwise is not authorized to enter the area of the transportation facility in which the personal injury, property damage, or death occurred.
- 4. Acts or omissions of a third party who damages, modifies, moves, or removes any traffic control device, warning device, barrier, or other facility or device used for the public's safety and convenience who constructs, maintains, or repairs a highway, road, street, bridge, or other transportation facility for the Department of Transportation is not liable to a claimant for personal injury, property damage, or death arising from the performance of the construction, maintenance, or repair if, at the time of the personal injury, property damage, or death, the contractor was in compliance with contract documents material to the condition that was the proximate cause of the personal injury, property damage, or death.
- (c) (a) The <u>limitations limitation</u> on liability contained in this subsection <u>do</u> <u>does</u> not apply when the proximate cause of the personal injury, property damage, or death is a latent condition, defect, error, or omission that was created by the contractor and not a defect, error, or omission in the contract documents; or when the proximate cause of the personal injury, property damage, or death was the contractor's failure to <u>perform</u>, <u>update</u>, or comply with the <u>maintenance of the</u> traffic

596-02183-24 2024266c1

control plans safety plan as required by the contract documents.

- (d) (b) Nothing in This subsection may not shall be interpreted or construed as relieving the contractor of any obligation to provide the department of Transportation with written notice of any apparent error or omission in the contract documents, or as relieving the contractor of his or her contract responsibility to manage the work of others performing under the contract.
- (e) (c) Nothing in This subsection may not shall be interpreted or construed to alter or affect any claim of the department of Transportation against such contractor.
- $\underline{\text{(f)}}$  This subsection does not affect any claim of any entity against such contractor, which claim is associated with such entity's facilities on or in department of Transportation roads or other transportation facilities.
- (3) In all cases involving personal injury, property damage, or death, a <u>design engineer is person or entity who contracts to prepare or provide engineering plans for the construction or repair of a highway, road, street, bridge, or other transportation facility for the Department of Transportation shall be presumed to have prepared such engineering plans using the degree of care and skill ordinarily exercised by other engineers in the field under similar conditions and in similar localities and with due regard for acceptable engineering standards and principles if the engineering plans conformed to the <u>department's Department of Transportation's</u> design standards material to the condition or defect that was the proximate cause of the personal injury, property damage, or death. This presumption can be overcome only</u>

596-02183-24 2024266c1

upon a showing of the <u>design engineer's</u> person's or entity's gross negligence in the preparation of the engineering plans and <u>may shall</u> not be interpreted or construed to alter or affect any claim of the department of Transportation against such <u>design engineer person or entity</u>. The limitation on liability contained in this subsection <u>does shall</u> not apply to any hidden or undiscoverable condition created by the <u>design</u> engineer. This subsection does not affect any claim of any entity against such <u>design</u> engineer or engineering firm, which claim is associated with such entity's facilities on or in department of <u>Transportation</u> roads or other transportation facilities.

(4) In any civil action for death, injury, or damages against the Department of Transportation or its agents, consultants, engineers, or contractors for work performed on a highway, road, street, bridge, or other transportation facility, if the department, its agents, consultants, engineers, or contractors are immune from liability pursuant to this section or are not parties to the litigation, they may not be named on the jury verdict form or be found to be at fault or responsible for the injury, death, or damage that gave rise to the damages.

Section 7. Subsection (2) of section 337.401, Florida Statutes, is amended to read:

337.401 Use of right-of-way for utilities subject to regulation; permit; fees.—

(2) The authority may grant to any person who is a resident of this state, or to any corporation that which is organized under the laws of this state or licensed to do business within this state, the use of a right-of-way for the utility in accordance with such rules or regulations as the authority may

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596-02183-24 2024266c1

adopt. A utility may not be installed, located, or relocated unless authorized by a written permit issued by the authority. However, for public roads or publicly owned rail corridors under the jurisdiction of the department, a utility relocation schedule and relocation agreement may be executed in lieu of a written permit. The permit or relocation agreement must require the utility owner permitholder to be responsible for any damage resulting from the work performed under issuance of such permit or relocation agreement. The relocation agreement must contain a reasonable utility relocation schedule to expedite the completion of the department's construction or maintenance project and specify a reasonable liquidated damage amount for each day the work remains incomplete beyond the completion date specified in the permit or relocation agreement. The authority may initiate injunctive proceedings as provided in s. 120.69 to enforce provisions of this subsection or any rule or order issued or entered into pursuant thereto. A permit application required under this subsection by a county or municipality having jurisdiction and control of the right-of-way of any public road must be processed and acted upon in accordance with the timeframes provided in subparagraphs (7)(d)7., 8., and 9.

Section 8. Subsections (1) and (3) of section 337.403, Florida Statutes, are amended to read:

337.403 Interference caused by utility; expenses.-

(1) If a utility that is placed upon, under, over, or within the right-of-way limits of any public road or publicly owned rail corridor is found by the authority to be unreasonably interfering in any way with the convenient, safe, or continuous use, or the maintenance, improvement, extension, or expansion,

596-02183-24 2024266c1

of such public road or publicly owned rail corridor, the utility owner shall, upon 30 days' written notice to the utility or its agent by the authority, provide to the authority a reasonable utility relocation schedule to expedite the completion of the authority's construction or maintenance project identified in the notice, and initiate the work necessary to alleviate the interference within 60 days after receipt of the written notice from the authority at its own expense except as provided in paragraphs (a)-(j). The notice must specify a reasonable liquidated damage amount for each day the work remains incomplete if not The work must be completed within such reasonable time as stated in the notice or such time as agreed to by the authority and the utility owner.

- (a) If the relocation of utility facilities, as referred to in s. 111 of the Federal-Aid Highway Act of 1956, Pub. L. No. 84-627, is necessitated by the construction of a project on the federal-aid interstate system, including extensions thereof within urban areas, and the cost of the project is eligible and approved for reimbursement by the Federal Government to the extent of 90 percent or more under the Federal-Aid Highway Act, or any amendment thereof, then in that event the utility owning or operating such facilities shall perform any necessary work upon notice from the department, and the state shall pay the entire expense properly attributable to such work after deducting therefrom any increase in the value of a new facility and any salvage value derived from an old facility.
- (b) When a joint agreement between the department and the utility is executed for utility work to be accomplished as part of a contract for construction of a transportation facility, the

596-02183-24 2024266c1

department may participate in those utility work costs that exceed the department's official estimate of the cost of the work by more than 10 percent. The amount of such participation is limited to the difference between the official estimate of all the work in the joint agreement plus 10 percent and the amount awarded for this work in the construction contract for such work. The department may not participate in any utility work costs that occur as a result of changes or additions during the course of the contract.

- (c) When an agreement between the department and utility is executed for utility work to be accomplished in advance of a contract for construction of a transportation facility, the department may participate in the cost of clearing and grubbing necessary to perform such work.
- (d) If the utility facility was initially installed to exclusively serve the authority or its tenants, or both, the authority shall bear the costs of the utility work. However, the authority is not responsible for the cost of utility work related to any subsequent additions to that facility for the purpose of serving others. For a county or municipality, if such utility facility was installed in the right-of-way as a means to serve a county or municipal facility on a parcel of property adjacent to the right-of-way and if the intended use of the county or municipal facility is for a use other than transportation purposes, the obligation of the county or municipality to bear the costs of the utility work shall extend only to utility work on the parcel of property on which the facility of the county or municipality originally served by the utility facility is located.

596-02183-24 2024266c1

(e) If, under an agreement between a utility and the authority entered into after July 1, 2009, the utility conveys, subordinates, or relinquishes a compensable property right to the authority for the purpose of accommodating the acquisition or use of the right-of-way by the authority, without the agreement expressly addressing future responsibility for the cost of necessary utility work, the authority shall bear the cost of removal or relocation. This paragraph does not impair or restrict, and may not be used to interpret, the terms of any such agreement entered into before July 1, 2009.

- (f) If the utility is an electric facility being relocated underground in order to enhance vehicular, bicycle, and pedestrian safety and in which ownership of the electric facility to be placed underground has been transferred from a private to a public utility within the past 5 years, the department shall incur all costs of the necessary utility work.
- (g) An authority may bear the costs of utility work required to eliminate an unreasonable interference when the utility is not able to establish that it has a compensable property right in the particular property where the utility is located if:
- 1. The utility was physically located on the particular property before the authority acquired rights in the property;
- 2. The utility demonstrates that it has a compensable property right in adjacent properties along the alignment of the utility or, after due diligence, certifies that the utility does not have evidence to prove or disprove that it has a compensable property right in the particular property where the utility is located; and

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596-02183-24 2024266c1

3. The information available to the authority does not establish the relative priorities of the authority's and the utility's interests in the particular property.

- (h) If a municipally owned utility or county-owned utility is located in a rural area of opportunity, as defined in s. 288.0656(2), and the department determines that the utility is unable, and will not be able within the next 10 years, to pay for the cost of utility work necessitated by a department project on the State Highway System, the department may pay, in whole or in part, the cost of such utility work performed by the department or its contractor.
- (i) If the relocation of utility facilities is necessitated by the construction of a commuter rail service project or an intercity passenger rail service project and the cost of the project is eligible and approved for reimbursement by the Federal Government, then in that event the utility owning or operating such facilities located by permit on a departmentowned rail corridor shall perform any necessary utility relocation work upon notice from the department, and the department shall pay the expense properly attributable to such utility relocation work in the same proportion as federal funds are expended on the commuter rail service project or an intercity passenger rail service project after deducting therefrom any increase in the value of a new facility and any salvage value derived from an old facility. In no event shall the state be required to use state dollars for such utility relocation work. This paragraph does not apply to any phase of the Central Florida Commuter Rail project, known as SunRail.
  - (j) If a utility is lawfully located within an existing and

596-02183-24 2024266c1

valid utility easement granted by recorded plat, regardless of whether such land was subsequently acquired by the authority by dedication, transfer of fee, or otherwise, the authority must bear the cost of the utility work required to eliminate an unreasonable interference. The authority shall pay the entire expense properly attributable to such work after deducting any increase in the value of a new facility and any salvage value derived from an old facility.

(3) Whenever a notice from the authority requires such utility work and the owner thereof fails to perform the work at his or her own expense within the time stated in the notice or such other time as agreed to by the authority and the utility owner, the authority shall proceed to cause the utility work to be performed. The utility shall pay to the authority reasonable costs resulting from the utility's failure or refusal to timely perform the work, including payment of any liquidated damages assessed by the authority The expense thereby incurred shall be paid out of any money available therefor, and such expense shall, except as provided in subsection (1), be charged against the owner and levied and collected and paid into the fund from which the expense of such relocation was paid.

Section 9. Section 339.2820, Florida Statutes, is created to read:

## 339.2820 Local agency program.-

(1) There is created within the department a local agency program for the purpose of providing assistance to subrecipient agencies, which include counties, municipalities, intergovernmental agencies, and other eligible governmental entities, to develop, design, and construct transportation

596-02183-24 2024266c1

facilities using federal funds allocated to the department from federal agencies which are suballocated to local agencies. The department shall update the project cost estimate in the year the project is granted to the local agency and include a contingency amount as part of the project cost estimate.

- (2) The department is authorized to oversee projects funded by the Federal Highway Administration.
- (3) Local agencies shall prioritize budgeting local projects through their respective M.P.O.'s or governing boards so that those organizations or boards may receive reimbursement for the services they provide to the public which are in compliance with applicable federal laws, rules, and regulations.
- (4) Federal-aid highway funds are available only to local agencies that are certified by the department based on the agencies' qualifications, experience, and ability to comply with federal requirements, and their ability to undertake and satisfactorily complete the work.
- (5) Local agencies shall include in their contracts to develop, design, or construct transportation facilities the department's Division I General Requirements and Covenants for local agencies as well as a contingency amount to cover costs incurred due to unforeseen conditions.

Section 10. Subsection (3) of section 339.2825, Florida Statutes, is amended to read:

- 339.2825 Approval of contractor-financed projects.-
- (3) This section does not apply to a <u>comprehensive</u> <del>public-private partnership</del> agreement authorized in s. 334.30(2)(a).

Section 11. This act shall take effect July 1, 2024.