

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 Appropriations Committee on Transportation, Tourism, and Economic Development

BILL: SB 532

INTRODUCER: Senator Ingoglia

SUBJECT: Toll Payments

DATE: April 9, 2025

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|--------------------|
| 1. | Johnson | Vickers | TR | Favorable |
| 2. | Wells | Nortelus | ATD | Pre-meeting |
| 3. | | | FP | |

I. Summary:

SB 532 provides a toll exemption for persons who have been determined to have a 100 percent disability rating for compensation by the United States Department of Veterans Affairs or who have been determined to have a service-connected disability rating of 100 percent and receives disability retirement pay from any branch of the United States Armed Services.

This bill will have a negative fiscal impact on state and local governments. **See Section V., Fiscal Impact for details.**

The bill takes effect July 1, 2025.

II. Present Situation:

Toll Facilities

The Florida Turnpike Enterprise, which is part of the Florida Department of Transportation (FDOT), operates the Florida Turnpike System with 515 centerline miles of limited-access toll facilities.¹ The FDOT-owned toll facilities include Alligator Alley, the Pinellas Bayway System, the Sunshine Skyway Bridge, the Wekiva Parkway, and the Garcon Point Bridge.²

Other Florida entities operating toll facilities include, but are not limited to, the Central Florida Expressway Authority, the Greater Miami Expressway Agency, the Mid-Bay Bridge Authority,

¹ Florida Turnpike Enterprise, 2024 Comprehensive Annual Financial Report, p. 8. <https://floridasturnpike.com/wp-content/uploads/2024/12/FY%202024%20ACFR.pdf> (last visited April 3, 2025).

² Florida Department of Transportation, *Enterprise Toll Report*, https://floridasturnpike.com/wp-content/uploads/2024/07/2_Department-owned-Facilities.pdf (last visited April 3, 2025).

and the Tampa-Hillsborough County Expressway Authority. Other toll facilities are operated by Escambia County,³ Lee County,⁴ and Miami-Dade County.⁵

Payment of Tolls for the Use of a Toll Facility

Florida law requires the FDOT to fix adjust, charge, and collect such tolls and amounts for the use of the Turnpike System as are required in order to provide a fund sufficient with other revenues of the Turnpike System to pay the cost of maintaining, improving, repairing, and operating such turnpike system; to pay the principal of and interest on all bonds issued to finance or refinance any portion of the Turnpike System; and to create reserves for these purposes.⁶

Any person using a toll facility is required to pay the applicable toll, except for limited exceptions, which are:

- An employee of the toll agency on official state business.
- State military personnel while on official military business.
- A person with a disability that impairs his or her ability to deposit tolls into toll basket.
- A person exempt from toll payment by the authorizing resolution for bonds issued to finance the facility.
- A person exempt on a temporary basis when a toll facility is used as a detour route.
- A law enforcement officer operating an official vehicle while on official law enforcement business.
- A person operating a fire vehicle or a rescue vehicle while on official business.
- A person participating in the funeral procession of a law enforcement officer or firefighter killed in the line of duty.⁷
- Any person driving a vehicle belonging to the Department of Military Affairs transporting military personnel, stores, and property.⁸
- As part of an emergency evacuation, when tolls are suspended by the Secretary of Transportation.⁹

The failure to pay a toll is a noncriminal traffic infraction, punishable as a moving violation.¹⁰ A toll violation has a mandatory fine of \$100 for each violation, plus the amount of unpaid tolls.¹¹ With additional fees, the penalty may be up to \$198, plus the amount of unpaid tolls.¹²

³ Visit Pensacola, <https://www.visitpensacola.com/plan-your-trip/getting-here/#jlget-around> (last visited April 3, 2025).

⁴ Lee County, *Lee County Tolls*, <https://www.leegov.com/tolls>, (last visited April 3, 2025).

⁵ Miami-Dade County, *Causeways*, https://www.miamidade.gov/global/service.page?Mduid_service=ser1684342734896148 (last visited April 3, 2025).

⁶ Section 338.231, F.S., Florida Department of Transportation (FDOT), Agency Analysis of 2025 House Bill 313 and Senate Bill 574, p. 2. *FDOT Analysis* (on file with Senate Committee on Transportation).

⁷ Section 338.155(1)(a), F.S.

⁸ Section 338.155(2), F.S.

⁹ Section 338.155(1)(b), F.S.

¹⁰ Section 338.155(1)(c), F.S.

¹¹ Section 318.18(7), F.S.

¹² Florida Clerk of Courts, *2024 Distribution Schedule*, p. 64, available at:

https://cdn.ymaws.com/www.flclerks.com/resource/resmgr/publicationsanddocuments/2024_Distribution_Schedule_-_pdf (last visited April 3, 2025).

Payment of Tolls and Turnpike Bond Covenants

Florida law authorizes the FDOT to borrow money as provided by the State Bond Act¹³ to finance the cost of any one or more legislatively approved Turnpike projects. The principal of, and the interest on, such bonds must be payable solely from revenues pledged for their repayment.¹⁴

In connection with the issuance of such bonds, the state has covenanted to not limit or restrict the rights vested in the Department to establish and collect tolls for the use of the Turnpike System and otherwise fulfill the terms of any agreements with its bondholders. The State also covenanted not to impair the rights or remedies of the FDOT's bondholders until the bonds are fully paid and discharged.¹⁵ Statutes creating the state's expressway authorities contain similar provisions.¹⁶

The Turnpike master bond resolution, originally adopted in 1988, and amended and restated in 2005 (Resolution), contains commitments by the FDOT regarding funding and operation of the Turnpike System. Section 5.03 of the Resolution provides that the Resolution is a contract with the bondholders and is enforceable in court by the bondholders. The Resolution may not be amended in any way that affects "the unconditional promises of the Department to fix, maintain and collect Tolls for the use of the Turnpike System" without consent of all the holders of outstanding Turnpike bonds. The FDOT has also issued bonds to fund capital improvements to Alligator Alley.¹⁷

Section 5.08 of the Resolution is entitled "No Free Use of Florida Turnpike." In that section, the FDOT covenanted that it "shall not allow or permit any free use of the Toll roads of the Florida Turnpike, except to officials or employees of the Department whose official duties in connection with the Florida Turnpike require them to travel over the Florida's Turnpike, or except as may be provided by laws in effect on the date of the adoption of this Resolution." The resolution under which the Alligator Alley bonds were sold contains a similar covenant regarding the use of Alligator Alley.¹⁸

Disabled Veteran

The Department of Veterans Affairs (VA) uses a disability rating system to determine the level of compensation for veterans with service-connected disabilities. These ratings range from 0 percent to 100 percent, with higher percentages indicating more severe disabilities and greater compensation. VA disability ratings are based on the impact of a veteran's service-connected conditions on their ability to work and perform daily activities. The rating system is designed to

¹³ Sections 215.57 through 215.83, F.S.

¹⁴ Section 338.227(1), F.S. *FDOT Analysis* at 2.

¹⁵ Section 338.229, F.S., *FDOT Analysis* at 2.

¹⁶ See ss. 348.0313, 348.64, and 348.761, F.S.

¹⁷ *FDOT Analysis* at 2. Alligator Alley bonds are issued pursuant to s. 338.165(4), F.S.

¹⁸ *Id.*

provide financial support to veterans whose earning capacity has been reduced due to their service-related injuries or illnesses.¹⁹

Among the benefits Florida offers a 100 percent disabled veteran are exemptions from certain driver license and state ID card fees, disabled veteran license plates, and with a disabled veteran license plate, free parking at publicly-owned airports.²⁰

III. Effect of Proposed Changes:

The bill exempts a person who has been determined by the United States Department of Veterans Affairs or its predecessor to have a service-connected 100 percent disability rating for compensation or who has been determined to have a service-connected disability rating of 100 percent and is in receipt of disability retirement pay from any branch of the United States Armed Services from paying tolls for the use of toll facilities.

To incorporate this toll exemption, the bill reenacts s. 316.1001, F.S., providing that failure to pay a toll is a noncriminal traffic infraction, punishable as a moving violation.

The bill does not specify how the FDOT and other toll entities will implement this toll exemption.

The bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution provides that, except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. Under the bill, 100 percent disabled veterans would be exempt from paying tolls to all toll facilities in the state, including those operated by municipalities and counties.

However, the mandate requirements do not apply to laws having an insignificant fiscal impact, which for Fiscal Year 2025-2026 is forecast at approximately \$2.4 million.^{21,22,23}

¹⁹ Benefits.com, *What a 100 VA Disability Rating Means For Your Career*, <https://benefits.com/veterans-disability/100-va-rating-work/> (last visited April 3, 2025).

²⁰ Florida Department of Veterans' Affairs, *Florida Veterans Benefits Guide 2025*, p. 13-15. <https://floridavets.org/wp-content/uploads/2012/08/FDVA-Benefits-Guide.pdf?v=2020r2> (last visited April 3, 2025).

²¹ FLA. CONST. art. VII, s. 18(d).

²² An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited April 3, 2025).

²³ Based on the Florida Demographic Estimating Conference's February 4, 2025, population forecast for 2025 of 23,332,606. The conference packet is available at: https://edr.state.fl.us/content/conferences/population/ConferenceResults_Tables.pdf (last visited April 3, 2025).

The Revenue Estimating Conference determined that the bill may reduce revenues of local governments by \$5.6 million beginning in Fiscal Year 2025-2026. If costs imposed by the bill exceed \$2.4 million, the mandates provisions may apply. If the bill does qualify as a mandate, in order to be binding upon cities and counties, the bill must be approved by a two-thirds vote of the membership of each house.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Qualifying disabled veterans may experience a reduction in costs associated with no longer being required to pay tolls.

C. Government Sector Impact:

On February 14, 2025, the Revenue Estimating Conference adopted the following consensus estimate for this bill:²⁴

| Fiscal Year | General Revenue - Recurring | State Trust- Recurring | Local - Recurring | Total – Recurring |
|-------------|-----------------------------|------------------------|-------------------|-------------------|
| 2025-2026 | \$0 | (\$10.4 million) | (\$5.6 million) | (\$16.0 million) |
| 2026-2027 | \$0 | (\$10.5 million) | (\$5.7 million) | (\$16.2 million) |
| 2027-2028 | \$0 | (\$10.7 million) | (\$5.7 million) | (\$16.4 million) |
| 2028-2029 | \$0 | (\$10.8 million) | (\$5.8 million) | (\$16.6 million) |

²⁴ Revenue Estimating Conference, *2025 Revenue Impacts*, pp. 31-34.

https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2025/_pdf/impact0214.pdf (last visited April 3, 2025).

| | | | | |
|-----------|-----|------------------|-----------------|------------------|
| 2029-2030 | \$0 | (\$10.9 million) | (\$5.9 million) | (\$16.8 million) |
|-----------|-----|------------------|-----------------|------------------|

FDOT estimates that it will see a negative indeterminate fiscal impact to recurring toll revenues. This negative impact on toll revenues will have a negative impact on the Turnpike's five-year capital plan.²⁵

FDOT also estimates an indeterminate increase in its operation and maintenance costs associated with implementing this toll exemption. Increase in operating costs would include providing a transponder at no cost to the recipients, certification and registration of eligible SunPass²⁶ account holders, system modifications for the program, and recurring administrative costs to monitor the program.²⁷

VI. Technical Deficiencies:

None.

VII. Related Issues:

The FDOT has indicated that since the Turnpike System leverages its revenue to accelerate projects through issuance of revenue bonds, any reduction in revenue prompts a reduction in the FDOT's Work Program and would require the FDOT's to remove transportation projects included in its current 5-year Work Program. It would also result in negative impacts on the economic feasibility of planned Turnpike projects. This reduction in toll revenue may prompt bond rating agencies to downgrade the FDOT's credit rating, resulting in higher interest rates and increased borrowing costs and would also likely reduce the FDOT's future bonding capacity.²⁸

The language does not provide clear steps to implement this toll exemption. Similar to other statutory toll exemptions, the Turnpike will need to determine and confirm eligibility for the Purple Heart toll exemption, develop an application and registration process, require proof that the driver maintains a valid driver's license in good standing, and issue a transponder.²⁹

The bill amends a section of law pertaining to the Turnpike, however toll collections for other toll facilities in the state are interoperable and indistinguishable to the traveler from the Turnpike. As written, it is unclear if the waiver is intended only for Turnpike facilities or all toll facilities in the state which extends the fiscal impact and bond covenant impairment to the FDOT toll facilities, multiple expressway authorities, county and city toll facilities, and independent toll facilities.³⁰

VIII. Statutes Affected:

This bill substantially amends section 338.155 of the Florida Statutes.

²⁵ *FDOT Analysis*, p. 4.

²⁶ SunPass is Florida's electronic toll transponder.

²⁷ *FDOT Analysis*, p. 4

²⁸ *Id.* at 5.

²⁹ *Id.*

³⁰ *Id.*

This bill reenacts section 316.1001 of the Florida Statutes.

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.
