

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 879 Freight Logistic Zones

SPONSOR(S): Transportation & Economic Development Appropriations Subcommittee; Transportation & Highway Safety Subcommittee; Ray

TIED BILLS: **IDEN./SIM. BILLS:** SB 1058

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	14 Y, 0 N, As CS	Johnson	Miller
2) Transportation & Economic Development Appropriations Subcommittee	13 Y, 0 N, As CS	Proctor	Davis
3) Economic Affairs Committee			

SUMMARY ANALYSIS

The bill creates s. 311.103, F.S., defining a freight logistics zone as a grouping of activities and infrastructure dealing with freight transportation and related services within a defined area, and allows a county, or two or more contiguous counties, to apply for a freight logistic zone designation. The Department of Transportation (DOT) may, in consultation with the Department of Economic Opportunity (DEO), the Florida Seaport Transportation and Economic Development Council (FSTED), and other public and private stakeholders, designate up to four freight logistics zones. Currently, the state does not define or designate freight logistics zones.

Local governments seeking a designation must submit an application. Designated freight logistics zones may be eligible for priority state funding and incentives.

The bill may have an insignificant negative fiscal impact. However, all entities impacted have advised the workload can be handled within existing resources.

The bill has an effective date of July 1, 2013.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

The Department of Transportation's (DOT's) Office of Freight Logistics and Passenger Operations was created "as a tool to better connect, develop, and implement a freight planning process that will maximize the use of existing facilities and integrate and coordinate the various modes of transportation, including the combined utilization of both government-owned and privately owned resources."¹

In 2012, HB 599² required the DOT to develop the Freight Mobility and Trade Plan, due by July 1, 2013. The goals for the plan's creation are:

- Increasing the flow of domestic and international trade through the state's seaports and airports, including specific policies and investments that will recapture cargo currently shipped through seaports and airports located outside the state;
- Increasing the development of intermodal logistic centers in the state, including specific strategies, policies, and investments that capitalize on the state's empty backhaul trucking and rail market;
- Increasing the development of manufacturing industries in the state, including specific policies and investments in transportation facilities that will promote the successful development and expansion of manufacturing facilities; and
- Increasing the implementation of compressed natural gas (CNG), liquefied natural gas (LNG), and propane energy policies that reduce transportation costs for businesses and residents located in the state.³

Currently the state does not define or designate freight logistics zones.

Proposed Changes

The bill creates s. 311.103, F.S., defining a freight logistics zone as a grouping of activities and infrastructure dealing with freight transportation and related services within a defined area. The bill will further allow a county, or two or more contiguous counties, to apply for a freight logistic zone designation. The county, or counties, are required to submit an application, developed by DOT, which includes, but is not limited to:

- A map depicting the geographic area or areas to be included within the designation.
- Identification of existing or planned freight facilities or logistics clusters located within the zone.
- Identification of existing transportation infrastructure, such as roads, rail, airports, and seaports, within or in close proximity to the proposed freight logistics zone.
- Identification of existing workforce availability within or in close proximity to the proposed zone.
- Identification of any local, state, or federal workforce training capabilities available for a business seeking to expand or locate within the proposed zone.
- Identification of any local, state, or federal plans, including transportation, seaport, or airport plans, concerning the movement of freight within or in close proximity to the proposed zone.
- Identification of financial or other local government incentives to encourage new development, expansion of existing development, or redevelopment within the proposed zone.
- Documentation that the plan is consistent with applicable local government comprehensive plans and adopted long range transportation plans of a Metropolitan Planning Organization, where applicable.

¹ Florida Department of Transportation, Office of Freight Logistics and Passenger Operations website. <http://www.dot.state.fl.us/publictransportation/> (Last visited March 21, 2013).

² Ch. 2012-174, L.O.F.

³ Information on the development of the Freight Mobility and Trade Plan is available at: <http://www.freightmovesflorida.com/home.aspx> (Last visited March 21, 2013).

The bill provides that beginning July 1, 2013, the Secretary of DOT may designate up to four freight logistics zones in consultation with the Department of Economic Opportunity (DEO), the Florida Seaport and Economic Development Council (FSTED), and other public and private stakeholders. The zones may be eligible for priority state funding and incentive programs relating to freight logistics zones, including applicable programs related to general provisions related to commercial development and capital improvements, foreign trade zones, and export finance,⁴ and the Intermodal Logistics Center Infrastructure Support Program.⁵

The bill provides criteria for evaluating projects for designation as a freight logistics zone, or for determining funding or incentive program eligibility, which includes, but is not limited to:

- The presence of an existing or planned intermodal logistics center within the freight logistics zone.
- The ability of the project to serve a strategic state interest.
- The ability of the project to facilitate the cost-effective and efficient movement of goods.
- The extent to which the project contributes to economic activity, including job creation, increased wages, and revenues.
- The extent to which the project efficiently interacts with and supports the transportation network.
- The amount of investment or commitments made by the owner or developer of the existing or proposed facility.
- The extent to which the county or counties have commitments with private sector businesses planning to locate operations within the freight logistics zone.
- Demonstrated local financial support and commitment to the project.

The bill has an effective date of July 1, 2013.

B. SECTION DIRECTORY:

Section 1 Creates s. 311.103, F.S., relating to the definition and designation of state freight logistics zones.

Section 2 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

DOT may incur some insignificant expenditures associated with reviewing applications for freight logistics zones. DEO and the FSTED Council may incur some insignificant expenditures associated with being consulted regarding the four freight logistics zones. However, all entities advised they can handle the review and consultation activities within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The growth of the freight industry and related businesses in the freight logistics zones could have a positive impact on revenues generated from local taxes and fees.

⁴ Parts I, III, and V of ch. 288, F.S.

⁵ S. 311.101, F.S.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill could promote the growth of the freight industry and related businesses in the freight logistics zones.

D. FISCAL COMMENTS:

Creating new freight logistics zones that use current incentive programs may promote more use of the state's economic incentive programs.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS / COMMITTEE SUBSTITUTE CHANGES

On March 27, 2013, the Transportation & Highway Safety Subcommittee adopted a strike all amendment. This amendment:

- Removed the Logistic Zone Advisory Council.
- Provided that the Secretary of DOT will consult with the Department of Economic Opportunity, the Florida Seaport Transportation and Economic Development Council, and other public and private stakeholders in establishing pilot freight logistics zones.
- Removed a requirement for DOT rulemaking.

On April 9, 2013, the Transportation & Economic Development Appropriations Subcommittee adopted a strike all amendment. This amendment:

- Provided a definition for “freight logistics zone”.
- Revised the applicant from a single local government to a county, or two or more contiguous counties.
- Provided evaluation criteria for freight logistics zones.
- Removed the pilot program designation.

The analysis is written to the committee substitute.