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 Subcommittee on Transportation, Tourism, and Economic Development

BILL: CS/CS/SB 136

INTRODUCER: Appropriations Subcommittee on Transportation, Tourism, and Economic Development; Transportation Committee; and Senator Ring

SUBJECT: Transportation

DATE: April 2, 2014 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Eichin	TR	**Fav/CS**
2.	Malcolm	Hrdlicka	CM	**Favorable**
3.	Carey	Martin	ATD	**Fav/CS**
4.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 136 allows a county or counties to designate a "freight logistics zone," which is defined as a grouping of activities and infrastructure associated with freight transportation and related services within a defined area around an intermodal logistics center. The county or counties must adopt a strategic plan that includes a map depicting the geographic area or areas of the freight logistics zone and identifies existing infrastructure and resources within or near the zone. The bill requires the Florida Department of Transportation (FDOT) to allocate at least $5 million annually from the State Transportation Trust Fund for the Intermodal Logistics Center Infrastructure Support Program. Projects within a freight logistics zone, which are consistent with the FDOT's Freight Logistics and Trade Plan, may be eligible for priority in state funding and incentive programs relating to freight logistic zones, including applicable state economic development incentive programs under parts I, III, and V of ch. 288, F.S. Eligibility for priority status will be based on an evaluation of the project.

The bill requires the FDOT, in consultation with the Division of Emergency Management (DEM) and the Florida Seaport and Economic Development (FSTED) Council, to review the need for, and if needed, develop a statewide all-hazards economic recovery and trade plan for Florida's seaports. The FDOT is required, in consultation with the FSTED Council to examine the need for, and possible benefits of the implementation of a consistent asset management program at each seaport. An exemption from motor vehicle registration requirements is provided

for port vehicles and equipment traveling on port district roads for the purpose of transporting cargo, containers, and other equipment between port facilities of a single deep water port. The FDOT is required to erect appropriate signage designating port district roads.

The bill creates the Northwest Florida Regional Transportation Finance Authority (Authority). The Authority is created as an agency of the state, to finance, develop, operate, and maintain a regional system of roads, bridges, causeways, tunnels, and mass transit services in the area served.

There may be an indeterminate positive fiscal impact on state revenues related to the potential growth of the freight industry and related businesses in a freight logistics zone.

II. Present Situation:

The Florida Department of Transportation

The Florida Department of Transportation (FDOT) is pursuing a goal to develop a coordinated multi-modal transportation system for freight movement in Florida. It recently established the Office of Freight, Logistics, and Passenger Operations to emphasize freight mobility through the development and implementation of a freight planning process that maximizes the use of the existing government- and privately-owned transportation resources.[1]

Freight Mobility and Trade Plan

The Legislature in 2012, emphasized the importance of freight mobility to the state's economic growth by directing the FDOT to develop a Freight Mobility and Trade Plan by July 1, 2013.[2] The plan will assist in making freight mobility investments that contribute to the economic growth of the state and enhance the integration of the transportation system between transportation modes throughout the state.[3] The plan must propose transportation-related policies and investments that promote the:

- Flow of trade through the state's seaports and airports and recapture cargo shipped through seaports and airports in other states;
- Development of intermodal logistic centers in the state;
- Development of manufacturing industries in the state; and
- Implementation of compressed natural gas, liquefied natural gas, and propane energy policies that reduce transportation costs for businesses and residents in the state.[4]

The FDOT must also emphasize freight issues and needs in all appropriate transportation plans.[5]

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[1] FDOT, Office of Freight Logistics and Passenger Operations, *available at* http://www.dot.state.fl.us/multimodal/ (last visited Mar. 12, 2014).
[2] Chapter 2012-174, s. 23, L.O.F.; s. 334.044(33), F.S.
[3] Section 334.044(33), F.S.; *See also* Florida Logistics website, *available at* http://www.freightmovesflorida.com/ (last visited Mar. 14, 2014).
[4] *Id.* at (a).
[5] *Id.* at (b)

Intermodal Logistics Center Infrastructure Program

Additionally, in 2012, the Legislature created the Intermodal Logistics Center Infrastructure Program[6] within the FDOT to provide funds for roads, rail facilities, or other means for the shipment of goods through a seaport.[7] The FDOT must provide up to $5 million annually for the program and must include projects the program proposes to fund in its tentative work program, which is developed to allocate state and federal funding for transportation related projects.[8] In selecting a project for funding, the FDOT must consider a number of statutory criteria and consult with the Department of Economic Opportunity (DEO).[9] The FDOT must fund up to 50 percent of project costs for selected projects.[10] According to the FDOT, five projects have been awarded funding since Fiscal Year 2012-2013 as part of the Intermodal Logistics Center Infrastructure Program.[11] They are:

- The Port of Panama City Intermodal Distribution Center, Panama City - $900,000;
- Keystone ILC Terminal, Jacksonville - $2,225,000;
- Port Manatee Commerce Center, Palmetto - $175,000;
- South Florida Logistics Center, Miami - $2,500,000; and
- Flagler Station III, Miami - $2,500,000.

Strategic Intermodal System

Additionally, in 2012, the Legislature required the FDOT Secretary to designate a planned facility as part of the Strategic Intermodal System (SIS) upon the request of the facility.[12] A requesting facility must meet the criteria established by the FDOT; meet the definition of "intermodal logistics center;"[13] and must have been designated in a local comprehensive plan or local government development order as an intermodal logistics center or equivalent planning term.[14] Designation as part of the SIS makes the facility eligible to receive funding for transportation capacity improvements.[15]

Moving Ahead for Progress in the 21st Century Act (MAP-21)

At the federal level, in 2012, the Moving Ahead for Progress in the 21st Century Act recommended that states develop plans for the immediate and long-range planning activities and investments of the state with respect to freight.[16] The act also provides up to 95 percent federal

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[6] Section 311.101(2), F.S., defines "intermodal logistics center" as a "facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport where activities relating to transport, logistics, goods distribution, consolidation, or value-added activities are carried out and whose activities and services are designed to support or be supported by conveyance of shipping through one or more [of Florida's 17 seaports]."
[7] Chapter 2012-174, s. 12, L.O.F.; s. 311.101(1), F.S.
[8] *See* s. 339.135(4), F.S.
[9] Section 311.101(3) (4), F.S.
[10] *Id.* at (6).
[11] Existing, Developing, and Proposed Intermodal Logistics Center Locations provided by the Florida Department of Transportation on file with the Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development.
[12] Chapter 2012-174, s. 58, L.O.F.; s. 339.63(5), F.S.
[13] *Supra* note 6.
[14] Section 339.63(5), F.S.
[15] *See* s. 339.61(1), F.S.
[16] P.L. 112-141, s. 1118 (July 6, 2012).

matching funds for certain projects that are identified in state freight plans and that improve the movement of freight.[17]

Economic Development Incentive Programs, Ch. 288, F.S.

Part I: General Provisions

Current law provides a number of economic development incentives in various forms, including tax refunds, tax credits, tax exemptions, cash grants, and infrastructure funding. The most frequently utilized incentives include the qualified target industry tax refund,[18] quick action closing fund,[19] brownfield redevelopment bonus refund,[20] high impact performance incentive grant,[21] and quick response training.[22] These incentives are administered by the DEO and are generally designed to promote job creation within certain target industries in Florida. Accordingly, awards of these incentives are based on job creation, wage, and economic benefit (return on investment) projections for each entity that applies for the incentives. Additionally, recipient businesses are generally contractually required to meet specific milestones before incentive payments begin.

Part III: Foreign Trade Zones

Part III of ch. 288, F.S., authorizes any corporation or government agency to apply to the federal government to establish a foreign trade zone in or adjacent to a port of entry of the United States pursuant to the Foreign Trade Zones Act of 1934. A foreign trade zone is a designated location where U.S.-based companies can take advantage of special procedures that delay, avoid, or reduce duties, quotas, or certain ad valorem taxes on merchandise held in the zone.[23] These advantages are designed to lower the costs of U.S.-based businesses that are engaged in international trade.[24]

There are currently 20 foreign trade zones in Florida, each of which is managed by a local government entity.[25] Beyond the authority to establish and operate a zone in accordance with federal law, part III of ch. 288, F.S., does not contain any state-level economic development incentives specifically for projects located in a foreign trade zone.

[17] *Id.* at s. 1116.
[18] Section 288.106, F.S.
[19] Section 288.1088, F.S.
[20] Section 288.107, F.S.
[21] Section 288.108, F.S.
[22] Section 288.047, F.S. For a general description of these programs and their award and performance history *see* DEO and Enterprise Florida, Inc., *2013 Annual Incentives Report* (Dec. 30, 2013) *available at* http://www.floridajobs.org/business/EDP/EconomicDevelopmentIncentivesReport.pdf (last visited Mar. 13, 2014).
[23] U.S. International Trade Administration, U.S. Foreign Trade Zones, *What is a Foreign-Trade Zone?*, *available at* http://enforcement.trade.gov/ftzpage/info/zone.html (last visited Mar. 13, 2014).
[24] Seminole County, Economic Development, *Foreign Trade Zones*, *available at* http://www.seminolecountyfl.gov/ecodev/ftz.aspx (last visited Mar. 13, 2014).
[25] U.S. International Trade Administration, U.S. Foreign Trade Zones, *available at* http://enforcement.trade.gov/ftzpage/letters/ftzlist-map.html#florida (last visited Mar. 13, 2013).

Part V: Export Finance

Part V of ch. 288, F.S., creates the Florida Export Finance Corporation (FEFC), a not-for-profit corporation, to help small and medium-sized Florida businesses expand international trade and job opportunities for Florida's workforce. While the FEFC provides information and technical and consulting assistance to certain small and medium-sized Florida exporters, its primary service is through providing loan guarantees for exported goods. The FEFC will guarantee a loan to an exporter only after a commercial lender has denied an exporter's loan request. The maximum amount of a loan guarantee that the FEFC will provide is $500,000 and may not exceed 90 percent of the value of the loan.[26]

The FEFC is also a member of the city/state program of the Export-Import Bank of the United States and offers Florida exporters access to U.S. government export assistance programs offered by the Export-Import Bank and the State Board of Administration.[27]

Beyond loan guarantees for small and medium-sized exporters and access to U.S. government export assistance programs, the FEFC does not provide any business incentives under part V of ch. 288, F.S.

Port Vehicles and Equipment (Section 5)

Section 320.525 (2), F.S., provides that port vehicles and equipment[28] are exempt from requirements related to motor vehicle registration, the payment of license taxes, and the display of license plates when operated or used within the port facility of any deepwater port listed in s. 403.021(9)(b),F.S., [29] for the purpose of transporting cargo, containers, or other equipment:

- From wharves to storage areas or terminals and return to wharves within the port; and
- From such storage areas or terminals to other storage areas or terminals within the port.

Northwest Florida Transportation Corridor Authority

Escambia County and the only other contiguous Florida County, Santa Rosa, are currently served by the Northwest Florida Transportation Corridor Authority and the Santa Rosa Bay Bridge Authority.

The Northwest Florida Transportation Corridor Authority (NFTCA) is an agency of the state with the primary purpose of improving mobility on the U.S. 98 corridor in Northwest Florida to enhance traveler safety, identifying and developing hurricane routes, promoting economic development along the corridor, and implementing transportation projects to alleviate current or anticipated traffic congestion. The NFTCA is also authorized to issue bonds.[30] Eight voting members, one each from Escambia, Santa Rosa, Walton, Okaloosa, Bay, Gulf, Franklin and

[26] DEO and Enterprise Florida, Inc., *2013 Annual Incentives Report* at 72.
[27] *Id.* at 75.
[28] Section 320.525(1), F.S., defines "port vehicles and equipment" as "trucks, tractors, trailers, truck cranes, top loaders, fork lifts, hostling tractors, chassis, or other vehicles or equipment used for transporting cargo, containers, or other equipment."
[29] The deepwater ports listed in s. 403.021(9)(b), F.S., are Jacksonville, Tampa, Port Everglades, Miami, Port Canaveral, Ft. Pierce, Palm Beach, Port Manatee, Port St. Joe, Panama City, St. Petersburg, Pensacola, Fernandina, and Key West.
[30] Section 343.82, F.S.

Wakulla counties, are appointed by the Governor to serve four-year terms on the governing body. The FDOT's District Three Secretary serves as an *ex-officio*, non-voting member.[31]

The NFTCA is not currently operating any facility. According to a report by the Florida Transportation Commission (FTC), NFTCA's general consultant is assisting in evaluating, selecting, and planning transportation projects by assessing their respective economic benefits as part of the Master Plan update. The assessment includes extensive public outreach and involves regional planning councils in the area served by the NFTCA, as well as a series of stakeholder workshops in the region.[32]

The NFTCA currently operates under an agreement that uses federal earmark funds for administrative expenses, professional services, regional transportation planning, and a work plan.[33]

Santa Rosa Bay Bridge Authority

The Santa Rosa Bay Bridge Authority (SRBBA) governing body consists of seven members. The Governor and the Board of County Commissioners each appoint three members, and the FDOT District Three Secretary is an ex-officio member of the Board. Except for the Secretary, all members are required to be permanent residents of Santa Rosa County at all times during their term of office.[34]

The SRBBA owns the Garcon Point Bridge, a 3.5-mile tolled bridge that spans Pensacola/East Bay between Garcon Point (south of Milton) and Redfish Point (between Gulf Breeze and Navarre) in southwest Santa Rosa County.[35] Florida's Turnpike Enterprise provides toll operations for the SRBBA, and the FDOT's District Three performs maintenance functions on the bridge. Because toll revenues are insufficient to pay both debt service on outstanding bonds and operations and maintenance (O&M) expenses, the costs of the O&M are recorded as debt owed to the FDOT. The FTC report indicates that the long-term debt for O&M expenses as of June 30, 2012, was $18.1 million. The report indicates the SRBBA also has outstanding loans from the Toll Facilities Revolving Trust Fund,[36] and the balance on June 30, 2012, was $7.9 million.[37]

III. Effect of Proposed Changes:

Section 1 amends s. 311.07, F.S., to include seaport asset management plans as an eligible project for grant funding under the Florida Seaport and Economic Development Program.

[31] Section 343.81, F.S.
[32] Florida Transportation Commission, *Transportation Authority Monitoring and Oversight Fiscal Year 2012 Report*, p. 165, *available at*, http://www.ftc.state.fl.us/documents/reports/TAMO/Final%20FY%202012%20Oversight%20Report%20(5-28-13).pdf (last visited March 27, 2014).
[33] *Id.*at 163.
[34] Section 348.967, F.S.
[35] FTC Report, supra, n. 3 at 60.
[36] The Toll Facilities Revolving Trust Fund was dissolved in 2012. *See* ch. 2012-128, L.O.F. All outstanding repayments are to be deposited into the State Transportation Trust Fund.
[37] Id.

Section 2 amends s. 311.101, F.S., to require the FDOT to allocate at least, rather than up to, $5 million from the State Transportation Trust Fund for the Intermodal Logistics Center Infrastructure Support Program.

Section 3 creates s. 311.103, F.S., to provide for the designation of freight logistics zones in Florida. A "freight logistics zone" is defined as a grouping of activities and infrastructure associated with freight transportation and related services within a defined area around an intermodal logistics center as defined in s. 311.101(2), F.S.[38] A county, or two or more contiguous counties, is authorized to designate one or more geographic areas within its jurisdiction as a freight logistics zone. The bill does not limit the size, number, or scope of the geographic areas that may be designated as freight logistics zones.

A strategic plan adopted by the county or counties must accompany the designation and must include a map depicting the geographic area or areas to be included within the designation. The strategic plan must also identify:

- Existing or planned freight facilities or logistics clusters within the freight logistics zone;
- Existing transportation infrastructure and workforce availability within or near the freight logistics zone;
- Any public workforce training providers available for a business seeking to locate or expand within the freight logistics zone;
- Any local, state, or federal freight movement plans within or near the freight logistics zone; and
- Local government incentives to encourage new or expanding development or redevelopment within the freight logistics zone.

The strategic plan must include documentation that it is consistent with local government comprehensive plans and, if necessary, long-range transportation plans of a metropolitan planning organization.

A project within a zone that is consistent with the FDOT's Freight and Mobility Trade Plan may be eligible for priority in state funding and incentive programs relating to zones, including applicable programs identified in parts I, III, and V of ch. 288, F.S. Current incentives under part I of ch. 288, F.S., do not provide a system of priority treatment to determine incentive awards. As explained in the Present Situation above, incentive awards are determined based on job creation, wage, and economic benefit calculations for each project. However, neither foreign trade zones under part III of ch. 288, F.S., nor the FEFC under part V of ch. 288, F.S., provide state-level development incentives or funding beyond the loan guarantee program for exporters administered by the FEFC. The priority status of a project in a freight logistics zone, as provided in the bill, will likely be inapplicable for any federal government funding or incentives provided through foreign trade zones or the FEFC.

To determine funding or incentive program eligibility, a project within a freight logistics zone will be evaluated based on the following criteria:

- The presence of an existing or planned intermodal logistics center within the freight logistics zone.

[38] *Supra* note 6.

- Whether the project serves a strategic state interest.
- Whether the project facilitates the cost-effective and efficient movement of goods.
- The extent to which the project contributes to economic activity.
- 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 with the freight logistics zone.
- Demonstrated local financial support and commitment to the project.

It is unclear how the bill will be administered. For example, the bill does not indicate which state agency or department will evaluate projects to determine whether the project will receive priority for funding or incentives. Presumably, once a project in a freight logistics zone meets eligibility requirements under any of the incentive or funding programs in parts I, III, and V of ch. 288, F.S., and also meets the criteria for evaluating projects described above, the priority of that project over other projects not within a freight logistics zone is authorized. However, once a pool of eligible projects within freight logistics zones is identified, no process for prioritizing projects within the pool is provided in the bill.

Section 4 creates s. 311.141, F.S., to require the FDOT, in consultation with the Division of Emergency Management and the Florida Seaport and Economic Development (FSTED) Council,[39] and other appropriate partners, to review the need for, and, if needed, develop, a statewide all hazards economic recovery and resumption of trade plan for Florida's seaports listed in s. 311.09, F.S.[40] The review is required to examine existing continuity of operations plans at seaports and at other appropriate agencies and shall identify any gaps or needed linkages to ensure expedited resumption of business operations following any major incident at a Florida port. This review will also include examining current procedures and planning developed pursuant to s. 252.35, F.S.,[41] to identify any changes needed to ensure appropriate integration of this plan into statewide emergency management plans.

Section 5 amends s. 320.525, F.S., to provide an exemption for port vehicles and equipment on public roads which are designated as port district roads, from the requirements related to motor vehicle registration, the payment of license taxes, and the display of license plates for the purpose of transporting cargo, containers or other equipment. Port district roads are to be designated by DOT with appropriate signage.

Section 6 creates ch. 345, F.S., and creates the following sections of law:

Section 345.0001, F.S., designates the Act as the "Northwest Florida Regional Transportation Finance Authority Act."

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[39] The Florida Seaport and Economic Development Council is created in s. 311.09, F.S.

[40] Section 311.09(1), F.S., lists the following seaports: Jacksonville, Port Canaveral, Port Citrus, Fort Pierce, Palm Beach, Port Everglades, Miami, Port Manatee, St. Petersburg, Tampa, Port St. Joe, Panama City, Pensacola, Key West, and Fernandina.

[41] Section 252.35, F.S., relates to the emergency management powers of the Division of Emergency Management.

Section 345.0002, F.S., defines terms for purposes of the new chapter, including, but not limited to, the following:

- "Area served" means Escambia County, as well as the geographical area of a contiguous county, upon the county's and the Northwest Florida Regional Transportation Authority's (authority) mutual consent;
- "Regional system" or "system" means, generally, a modern system of roads, bridges, causeways, tunnels, and mass transit services with the area of the authority, with limited or unlimited access, and related buildings, structures, and facilities; and
- "Revenues" means the tolls, revenues, rates, fees, charges, receipts, rentals, contributions, and other income derived from operation and ownership of a regional system, including proceeds of any use and occupancy insurance, but excluding state funds, and any other municipal or county funds available under an agreement between a municipality or county and the authority.

Section 345.0003, F.S., authorizes the formation and membership of the authority as follows:

- Escambia County, and any other contiguous county, may form a regional finance authority to construct, maintain, and operate transportation projects in the northwest region of the state;
- The county commission of each county that will be a part of the authority must approve creation of the authority;
- The county commission of each county in the area served appoints two members to the authority's governing body, who must be residents of the county from which each member is appointed and, if possible, represent the community's business and civic interests;
- The Governor appoints an equal number of members as appointed by each county commission, who must be residents of the area served by the authority;
- The FDOT Secretary appoints a District Secretary, or designee, for the FDOT district within which the area served by the authority is located;
- Each member serves a term of four years, or until a successor is appointed and qualified; must take and subscribe to a specified oath before entering the member's duties; may not hold elected office while serving as an authority member; and may be removed from office by the Governor for specified violations; and
- Members serve without compensation but are reimbursed for per diem and certain other expenses;

Section 345.0004, F.S., establishes the authority's powers and duties, including, but not limited to, the following:

- Planning, constructing, improving, operating and maintaining a regional system in the area served, except for an existing system for transporting people and goods owned by another non-consenting entity;
- Charging and collecting rates, fees, rentals, and other charges for use of any system owned or operated by the authority, which must be sufficient to comply with any covenants with the bondholders. This power may be assigned or delegated to the FDOT;
- Borrowing money, and issuing bonds that mature in no more than 30 years, to finance all or part of the improvement of the authority's system; and to secure the payment of such bonds by a pledge of the authority's revenues, rates, etc., including municipal or county funds received by the authority under an agreement between the authority and the municipality or county;

- Providing, in general, for the rights and remedies of the bondholders:
- To make contracts, enter into joint development agreements, and to act and do things necessary or convenient for the conduct of its business and the general welfare of the authority.

The authority is prohibited from:
- Pledging municipal or county funds for the construction of a project for which a toll is to be charged unless the anticipated tolls are reasonably estimated by the governing board of the municipality or county to be sufficient to cover the principal and interest of such obligations. The authority must reimburse sums spent from municipal or county funds for the payment of bond obligations, with additional requirements if the authority elects to fund or refund bonds before maturity.
- Pledging the credit or taxing power of the state or a political subdivision or agency of the state.
- Entering into an agreement that would legally prohibit the construction of a road by the county or municipality, other than by consent.

Section 345.0005, F.S., authorizes the issuance of bonds on behalf of the authority or, alternatively, to authorize the authority to issue bonds on its own. The use or pledging of state funds to pay the principal and interest of any authority bonds is prohibited.

Section 345.0006, F.S., provides for the protection of the bondholders, including, but not limited to providing for the appointment of a trustee and the trustee's duties and rights, appointment of a receiver and the receiver's duties and powers, and enforcement of the bondholders' rights in the event of a specified default by the authority in the payment of the principal and interest on the bonds.

Section 345.0007, F.S., authorizes the FDOT as the authority's agent to perform all phases of a project, including construction, extension, and improvements to the system. Alternatively, and with the FDOT's consent and approval, the authority may appoint a local, FDOT-certified agency to administer federal-aid projects. The FDOT is the authority's agent for operating and maintaining the system, except for transit facilities; and the costs incurred by the FDOT must be reimbursed from system revenues. The authority remains obligated as principal to operate and maintain the system.

Section 345.0008, F.S., authorizes the FDOT to provide for or contribute to the costs of financial, engineering and traffic feasibility studies and the design, financing, acquisition, or construction of an authority project or system, subject to appropriation by the Legislature, and if the projects meet certain criteria. The FDOT may require that state funds contributed to the cost of the project be repaid from tolls of the project, other authority revenue, or other sources of funds.

Section 345.0009, F.S., provides for the authority's powers relating to acquisition of private or public property rights by various means and for various purposes, limits the authority's liability for certain environmental contamination, and authorizes the authority to enter into interagency agreements with the Department of Environmental Protection for performance, funding, and reimbursement of certain investigative and remedial acts.

Section 345.0010, F.S., authorizes contracts, leases, conveyances, partnerships, or other agreements between the authority and specified entities to carry out the purposes of the Act.

Section 345.0011, F.S., provides that the state will not limit or alter the vested rights in the authority or the FDOT until the bonds are fully paid; and will not limit or alter the rights and powers of the authority and the FDOT in a manner inconsistent with the continued operation and maintenance of the system or with performance of any agreement between the authority and a federal agency that constructs or contributes any funds for the completion, extension, or improvement of any part of the system.

Section 345.0012, F.S., exempts the authority from paying any taxes or assessments of any kind upon any authority property, rates, fees, or income, etc.; or upon bonds issued by the authority.

Section 345.0013, F.S., provides that authority bonds or other obligations issued under the Act are eligible for investments and security.

Section 345.0014, F.S., provides the:
- Authority's powers are in addition to others conferred by law and do not repeal any other general or special law or local ordinance;
- Issuance of bonds to finance all or part of the cost of extension or improvement of a system is authorized without compliance with any other law; and
- Act does not affect any law relating to the FDOT, or the State Board of Administration or the Division of Bond Finance, and supersedes any other inconsistent law, including, but not limited to, s. 215.821, F.S., which provides that provisions of the State Bond Act, ss. 215.57-215.83, F.S., apply to bonds issued by or on behalf of state agencies.

Section 7 provides an effective date of July 1, 2014.

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:

Indeterminate.

B. Private Sector Impact:

A business located in a freight logistics zone may be eligible for priority in state funding and incentive programs related to freight logistics zones. With respect to programs under part I of ch. 288, F.S., a business may be required to meet the evaluation criteria established under the bill in addition to the particular funding or incentive program's requirements under part I of ch. 288, F.S.

Additionally, the FDOT indicated that projects within freight logistics zones may be given priority consideration for funding during the development of the Five-Year Tentative Work Program.[42]

There may be an indeterminate positive fiscal impact on state revenues related to the potential growth of the freight industry and related businesses in a freight logistics zone.

Deepwater ports will no longer be subject to vehicle registration requirements for vehicles and equipment that are traveling on port district roads.

The Florida Seaport and Economic Development Council may incur expenditures related to the review and possible development of a statewide all-hazards economic recovery and trade plan for Florida's seaports. The potential costs are indeterminate.

C. Government Sector Impact:

The impact of CS/CS/SB 136 on state agencies is indeterminate because the responsibility of the FDOT or the DEO in implementing or administering the bill is uncertain.

The bill may further the development of a coordinated multi-modal transportation system for freight movement in Florida, thereby facilitating statewide economic development.

Counties that choose to designate freight logistics zones will incur expenses, in unknown amounts, associated with creating strategic plans and designating freight logistics zones. Local government financial support and commitment, in unknown amounts, are to be identified in the required strategic plans.

The exemption of motor vehicle registration requirements for port vehicles and equipment traveling on port district roads may result in an indeterminate but insignificant revenue loss.

The FDOT and the Division of Emergency Management may incur expenditures related to the review and possible development of a statewide all-hazards economic recovery and trade plan for Florida's seaports.

[42] FDOT, *Agency Analysis of SB 136*, 4 (Oct. 9, 2013) (on file with the Committee on Commerce and Tourism).

There is no immediate fiscal impact to the counties served by the Northwest Florida Regional Transportation Finance Authority (authority), as there are no transportation system projects currently identified. The authority will not be required to pay any taxes or assessments upon any property acquired or used by it, or upon any rates, fees, rentals, receipts, income or charges it receives. The bonds issued by the authority, their transfer and the income, including any profits made on the sale will be free from taxation. The exemption is not applicable to any tax imposed by ch. 220, F.S., on interest, income, or profits on debt obligations owned by corporations.

The FDOT may incur an indeterminate negative fiscal impact associated with the planning, surveying, design, and actual construction of an authority transportation system project. However, the expenses should be offset by the funds transferred by the authority to an FDOT account in the State Treasury.

The FDOT may incur an indeterminate negative fiscal impact should the operation and maintenance of an authority transportation system exceed the revenues generated from that system in the same fiscal year. However, the bill requires that any bond resolution authorizing the issuance of authority bonds and pledging the revenues of the transportation system to require that revenues of the system be periodically deposited into appropriate accounts in sums sufficient to pay the costs of operation and maintenance of the system for the current fiscal year and to reimburse the FDOT for any unreimbursed costs of operation and maintenance of the system from prior fiscal years before revenues of the system are deposited into accounts for the payment of interest or principal on authority bonds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates sections 311.103, 311.141, 345.0001, 345.0002, 345.0003, 345.0004, 345.0005, 345.0006, 345.0007, 345.0008, 345.0009, 345.0010, 345.0011, 345.0012, 345.0013, and 345.0014 of the Florida Statutes.

This bill substantially amends sections 311.07, 311.101 and 320.525 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

Recommended CS/CS by the Appropriations Subcommittee on Transportation, Tourism, and Economic Development on April 2, 2014:

The following provisions were added to the bill:

- Requires the FDOT to allocate at least $5 million annually from the State Transportation Trust Fund for the Intermodal Logistics Center Infrastructure Support Program;
- Requires the FDOT, in consultation with the Division of Emergency Management (DEM) and the Florida Seaport and Economic Development (FSTED) Council, to review the need for, and if needed, develop a statewide all-hazards economic recovery and trade plan for Florida's seaports.
- Requires the FDOT, in consultation with the FSTED Council to examine the need for, and possible benefits of the implementation of a consistent asset management program at each seaport.
- Provides an exemption from motor vehicle registration requirements for port vehicles and equipment traveling on port district roads for the purpose of transporting cargo, containers, and other equipment between port facilities of a single deep water port. The FDOT is required to erect appropriate signage designating port district roads.
- Creates the Northwest Florida Regional Transportation Finance Authority. The authority is created as an agency of the state, to finance, develop, operate, and maintain a regional system of roads, bridges, causeways, tunnels, and mass transit services the area served.

CS by Transportation on November 7, 2013:

The bill authorizes designation of a geographic area or areas as a zone. Once designated, projects within the zone are to be evaluated under specified criteria. The CS clarifies that evaluation criteria applies to "projects within a designated freight logistics zone," rather than "projects for designation as a freight logistics zone."

B. Amendments:

None.