

STORAGE NAME: h0811.teda.doc
DATE: January 22, 2002

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
ANALYSIS**

BILL #: HB 811 (PCB SEC 02-18)

RELATING TO: Florida Seaport Transportation and Economic Development Program

SPONSOR(S): Select Committee on Security and Representative(s) Bense & others

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) SECURITY, SELECT YEAS 9 NAYS 0
 - (2) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill extends eligibility for Florida Seaport Transportation and Economic Development (FSTED) program funds to seaport security projects, and specifies that funds earmarked for security projects do not have to be matched by the ports, unlike other FSTED transportation and economic development projects.

The bill provides that this act shall take effect July 1, 2002.

This bill has an indeterminate fiscal impact.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

B. PRESENT SITUATION:

In 1990, the Legislature created the Florida Seaport Transportation and Economic Development Program (FSTED). The FSTED Program began with an annual \$8 million appropriation in grants, pursuant to s. 311.07(2), F.S. In recent years, the Legislature has been appropriating \$10 million for FSTED grants. The program is eligible to receive an additional \$25 million in bondable state revenues, on an annual basis.

State funding cannot exceed 50 percent of the total cost of an FSTED project. In order to be approved, a proposed project must be found consistent with the seaport’s comprehensive master plan and the appropriate local government’s comprehensive plan, be of demonstrable economic benefit to the state, and be found consistent with the Department of Transportation’s (DOT) adopted 5-year work program. Candidate projects to be financed through bondable funding must also meet statutory eligibility and consistency requirements. Waterside dredging-related improvements require a 75-percent state to 25-percent port or local government match. Off-port access improvements and on-port bonded projects require a minimum 50 percent contribution from recipient ports.

The FSTED Program is managed by the Florida Seaport Transportation and Economic Development Council (Council), which consists of the 14 deep-water port directors, the Executive Director of the Office of Tourism, Trade and Economic Development, and the Secretaries of the DOT and the Department of Community Affairs. The Council is responsible for preparing a 5-year Florida Seaport Mission Plan, which defines the goals and objectives of the seaports. Additionally, the FSTED Council meets semi-annually to review project applications submitted by each of the individual seaports and recommends which projects should be forwarded to the agencies for further review and possibly recommended for funding with state funds.

As Florida’s seaports have expanded—in size, in cargo moved, and in international importance—so have concerns about seaport security.

Florida is home to four of the 20 busiest container ports in the nation and the top three cruise ports in the world, so significant opportunities exist for drug smuggling, cargo theft, and other criminal activities. Recent assessments, including by the Interagency Commission on Crime and Security in U.S. Seaports, concluded that illegal drug trafficking is the single most prevalent crime problem in U.S. ports. In February, the Florida Office of Drug Control and the Florida Department of Law

Enforcement completed their review of the preliminary security plans drafted by Florida seaports, and issued a report summarizing the ports' security needs. These plans include security projects valued at an estimated \$45 million, some amount of which the ports would contribute.

In light of the terrorist attacks on September 11, 2001, seaport security with regards to terrorism has become a great concern. Terrorists, weapons, and chemical agents could possibly enter the country through seaports.

C. EFFECT OF PROPOSED CHANGES:

Section 311.07, F.S., is amended to extend eligibility for FSTED funds to seaport security projects, and specifies that funds earmarked for security projects do not have to be matched by the ports, unlike other FSTED transportation and economic development projects.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

The expenditures by state government are undetermined. However, the Fiscal Year 2001-2002 General Appropriations Act, which was passed in the 2001 Regular Session, included \$7 million in Transportation Outreach Program (TOP) funds for seaport security projects. FSTED submitted an application for \$26.85 million in Fiscal Year 2002-2003 TOP funds. This application was not included in the TOP Advisory Council's final recommendations.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

The expenditures by local government are undetermined. However, if a seaport security project is approved under the Florida Seaport Transportation and Economic Development program, local government expenditures for such projects may be reduced due to the exemption from the 50-50 matching requirement.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require cities or counties to spend funds or to take actions requiring expenditure.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON SECURITY, SELECT:

Prepared by:

C. Scott Jenkins

Staff Director:

Thomas Randle/Richard Hixson

AS REVISED BY THE COMMITTEE ON TRANSPORTATION & ECONOMIC DEVELOPMENT
APPROPRIATIONS:

Prepared by:

Eliza Hawkins

Staff Director:

Eliza Hawkins

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