

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1473 w/CS Florida Public Transit Act

SPONSOR(S): Benson

TIED BILLS: **IDEN./SIM. BILLS:** SB 2070 (s)

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Transportation Systems (SUB)</u>	<u>6 Y, 0 N</u>	<u>PUGH</u>	<u>MILLER</u>
2) <u>Transportation</u>	<u>15 Y, 0 N w/CS</u>	<u>PUGH</u>	<u>MILLER</u>
3) <u>Transportation & Econ. Dev.Apps. (SUB)</u>	<u></u>	<u></u>	<u></u>
4) <u>Appropriations</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

The Florida Department of Transportation (FDOT) has a Transit Office that administers federal and state transit grants; monitors compliance with transit regulations; and provides planning and technical assistance to Florida's transit agencies and communities, pursuant to chapter 341, F.S. The Transit Office's FY 02-03 capital outlay budget totaled \$117.1 million in state and federal grant funds.

Nearly all of the money went to public entities and private, nonprofit transit agencies. Federal transit law sets aside a certain percentage of federal funds for privately owned intercity bus services; in FY 02-03, that sum was \$1,017,552, and was shared by Greyhound Bus Lines and several public transit entities. Florida law does not specifically authorize FDOT to spend state funds directly on privately owned intercity bus services, although FDOT has indirectly assisted Greyhound by providing funds to an eligible public transit entity for a project from which both public and private transit services benefit, such as an intermodal terminal.

HB 1473 with CS amends several sections in chapter 341, F.S., to specify that intercity bus services receive the full amount of federal funding available to them in FDOT's budget, and to ensure that FDOT includes them in their planning processes. The term, "intercity bus service," is narrowly defined in the bill, so that it refers only to Greyhound Bus Lines.

The bill has no apparent fiscal impact on state agencies, but some city and county transit agencies could receive less money than currently if they have been receiving federal transit funds for which Greyhound was eligible but was not receiving.

HB 1473 with CS raises no apparent constitutional questions. It takes effect July 1, 2003.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1473b.tr.doc
DATE: April 10, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | 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. EFFECT OF PROPOSED CHANGES:

FDOT’s transit programs

The Transit Office administers federal and state transit grants; monitors compliance with transit safety regulations and other requirements; and provides planning and technical assistance to Florida's transit agencies and to local communities, pursuant to chapter 341, F.S. The Transit Office also has developed, in conjunction with stakeholders, the “Transit 2020 Plan” for Florida that includes a number of objectives for expanding transit ridership.

The Transit Office’s FY 02-03 capital outlay budget totals \$117.1 million; \$77 million in non-matched state funds; \$15.9 million in federal funds; and \$24.2 million state and federal grant funds. Most of these grants are awarded through a competitive application process by entities that meet the basic criteria. Among those receiving these funds are 21 fixed-route bus or train systems operated by cities or counties.

An additional \$8.1 million in state transit funds, from the state transit block grant program, is appropriated to the Florida Transportation Disadvantaged Program, which purchases transportation services for the disabled, the elderly, and Medicaid recipients.

Federal transit funding is distributed in complex formulas directly to large urban transit agencies, as well as to states to distribute. FDOT’s transit funding is in five categories: the state block grant program; Section 5303 to fund planning for transit projects; Section 5307 to fund capital and operating assistance in urbanized areas (more than 200,000 population) on a formula basis; Section 5310 for capital projects to meet special needs of elderly and handicapped persons; and Section 5311, a formula-based program that funds capital and operating assistance in non-urbanized areas. The latter four funding categories include federal dollars.

Nearly all of the Transit Office’s funding is appropriated to public agencies and private, nonprofit transit agencies. Since 1991, federal transit law has earmarked a minimum 15 percent of Section 5311(f) for intercity bus services, unless the governor of a state receiving these funds certifies that the needs are currently being met. This current fiscal year, 15 percent of the Section 5311(f) funds received by FDOT totals \$1,017,552. It was shared by Greyhound Bus Lines, the Polk County Transit Service’s Intercity Bus Service, and a few other public transit entities.

Florida law does not specially authorize state funds to be directly spent on privately owned intercity bus services, so FDOT has routinely assisted Greyhound indirectly by providing funds to an eligible public transit entity for a project from which both public and private transit services benefit, such as an intermodal terminal. This fiscal year Greyhound also received a \$194,000 operating federal subsidy for its Florida Keys/Monroe County route and \$107,484 in federal capital funds to make some of its buses wheelchair-accessible.

Impact of HB 1473 with CS

One of the key provisions of HB 1473 adds a statutory definition of “intercity bus service,” which means “regularly scheduled bus service for the general public that:

- Operates with limited stops over fixed routes connecting two or more urban areas not in close proximity;
- Has the capacity for transporting baggage carried by its passengers;
- Makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available;
- Maintains scheduled information in the National Official Bus Guide;
- Provides package express service incidental to passenger transportation.”

Additionally, “eligible bus carrier” or “carrier” means “a private company that has operated defined intercity bus service in the state, with formal authority in accordance with the rules and regulations of the Federal Motor Carrier Safety Administration and the Surface Administration Transportation Board of the U.S. Department of Transportation, for a minimum of two years.”

Only Greyhound Bus Lines meets these new definitions, according to FDOT and a lobbyist for the company.

Chapter 341, F.S., is further amended to:

- Direct FDOT to add intercity bus service to its statewide transit plan; formulate a program to finance intercity bus service projects; provide technical and financial operating assistance to intercity bus companies; making department-owned transit vehicles available for short-term lease to intercity bus services; and coordinate activities and assist in developing and implementing marketing and passenger information programs. FDOT already performs these activities for local-government transit agencies.
- Direct FDOT to utilize and dedicate federal funds apportioned to intercity bus service pursuant to federal guidelines to support a statewide intercity bus network.
- Specify that intercity bus service and intercity bus service projects are eligible for 100-percent funding in federal transit aid for capital projects.
- Direct FDOT to include in its Intermodal Development Program an assessment of Florida’s intercity bus services.

HB 1473 with CS takes effect July 1, 2003.

C. SECTION DIRECTORY:

Section 1: Amends s. 341.031, F.S., to add definitions related to intercity bus service providers.

Section 2: Amends s. 341.041, F.S., to make intercity bus service eligible for the same types of planning, project identification, technical assistance, accessibility to funds, and other services that public transit receives from FDOT.

Section 3: Amends s. 341.051, F.S., to specify in state law that intercity bus services are eligible for federal funds managed by FDOT.

Section 4: Amends s. 341.053, F.S., to make intercity bus services eligible for FDOT’s intermodal development program grants.

Section 5: Provides for an effective date of July 1, 2003.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Indeterminate. To the extent that public fixed-route bus systems have been receiving federal transit funds for which Greyhound was eligible but was not receiving, then public systems could receive less federal money than anticipated in future years.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Lines 113-118 of the amended bill provide that intercity bus service companies are eligible for participation in FDOT's vehicle lease program in s.341.041(4). F.S. This provision typically has assisted public transit agencies by leasing equipment for limited duration to cover special needs, such as new service startup, at below-market rates. While a benefit to eligible intercity bus service companies, private-sector competitors, who would have to purchase or lease vehicles at the higher market rate, could be placed an economic disadvantage.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

FDOT has sufficient existing rule-making authority to implement HB 1473 with CS.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Transportation Systems Subcommittee

At its April 2, 2003, meeting the Transportation Systems Subcommittee adopted one amendment filed by HB 1473's sponsor that deleted Section 4 of the bill. That section would have made intercity bus services specifically eligible for state transit block grants and dedicated 1 percent of the total state grant funds available each year to intercity bus services.

The subcommittee then voted 6-0 in favor of the bill, as amended.

Transportation Committee

At is April 9, 2003, meeting the Transportation Committee re-adopted the amendment approved in subcommittee, then voted 15-0 in favor of HB 1473, as amended.