

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input 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"/> |

HB 1631 with CS does not reduce government because it gives new responsibilities to the county tax collectors, without giving them additional funds.

However, the bill as amended also has the potential to reduce government. FDOT's Turnpike Enterprise could save money and hire fewer contract employees to operate their toll booths if more motorists purchase SunPass transponders.

B. EFFECT OF PROPOSED CHANGES:

Background

The Legislature created an independent Florida State Turnpike Authority in 1953 to finance, build, and operate the Sunshine State Parkway. By 1964, the original 265-mile Mainline, connecting Miami to Wildwood, was completed. With the passage of the State Government Reorganization Act of 1969, the Authority was dissolved and oversight responsibility of the Florida Turnpike shifted to the Department of Transportation (FDOT). In 1994, the Florida Turnpike became FDOT's eighth "district," and had to follow the same regulations as the rest of the agency. In 2002, the Legislature passed CS/HB 261, 3rd Engrossed, which transformed the Turnpike District into the "Turnpike Enterprise," giving it more independence from FDOT and allowing it to operate more like a private business. The FDOT Secretary and the Florida Transportation Commission maintain an oversight role over the Turnpike Enterprise.

The Turnpike is 449 miles long, and travels north from Miami-Dade County through Broward, Palm Beach, and St. Lucie counties, and into Orange and Lake Counties. Hernando, Hillsborough, Polk, and Seminole counties also have stretches of the Turnpike. It is the fourth-largest toll highway system in the United States. In fiscal year 01-02, more than 372 million vehicle trips were made on the Turnpike system, generating nearly \$411 million in toll revenues.

The Turnpike also operates the non-Turnpike toll facilities owned by FDOT, such as the Beeline East and Sunshine Skyway Bridge, as well as several toll facilities owned by expressway authorities.

The majority of motorists using the Turnpike pay in cash, but up to 1 million people own SunPass transponders, which can be used at every toll facility in the state, including those owned by expressway authorities, some of which have their own transponder systems. The transponders cost FDOT \$40 each from the manufacturer, but the agency sells them to motorists for a one-time price of \$25.

On a monthly basis, the Turnpike and these other expressway authorities electronically shift funds to each other to cover the transactions made on their toll facilities by motorists using the different transponders.

Motorists can purchase a transponder from over the Internet at SunPass.com, by calling 1-800-TOLL-FLA, and at select Turnpike Service Plazas, and approximately four motor vehicle registration agencies in Miami-Dade County under an agreement with the Miami-Dade Expressway Authority. Transponder

users must establish an account with the Office of Toll Facilities that is debited electronically when they drive through a toll booth.

Turnpike staff are hoping to improve transponder use with its multi-year \$121 million "SunPass Challenge," a combination of construction of new SunPass-Only lanes and exclusive off-ramps, conversion of cash-only lanes, improved signage, and a marketing plan for potential transponder purchasers. The Turnpike also plans to make transponders available at grocery stores and other retail outlets.

The Turnpike does not offer discounted tolls or free transponders. However, s. 338.155, F.S., list a number of persons exempted from having to pay the tolls, including toll plaza workers, police officers and firefighters on official business and in marked vehicles, and handicapped persons meeting certain requirements.

Since 1990, handicapped persons with upper-limb impairments have been able to request a special 2-inch by 3-inch sticker that indicates they meet the requirements for the toll exemption. These requests are administratively handled through the Commission for the Transportation Disadvantaged, through an agreement with the Florida Turnpike and the expressway authorities. According to a Commission staff person, about 4,500 of these stickers have been issued. They do not expire, and are returned voluntarily by their holders who no longer drive. Lost or stolen stickers are replaced upon receipt of a notarized statement from their holders explaining why they need a replacement.

Effect of HB 1631 with CS

The bill amends s. 320.02, F.S., to specify that in five counties – Broward, Hillsborough, Miami-Dade, Orange, and Palm Beach -- vehicle registration and renewal applications must include language permitting the voluntary purchase of a transponder. For each transponder sold through a vehicle registration office, the purchaser receives a \$10 discount off the price. Additionally, the private vehicle registration agencies shall receive a transaction fee of \$1 from the state for each transponder sold under the provisions of this bill.

FDOT and Turnpike Enterprise staff say the discount, which would drop the cost of a transponder to \$15 in some counties, could cost the Turnpike as much as \$9 million over four years.

HB 1631 with CS also provides that handicapped persons currently eligible to pass through a toll booth without paying tolls shall, with the purchase of a SunPass transponder, continue to be exempt. It also specifies that anyone who fraudulently obtains a transponder that belongs to a person eligible to use it commits a second-degree misdemeanor, punishable by a maximum 60 days in jail and a \$500 fine.

C. SECTION DIRECTORY:

Section 1: Amends s. 320.02, F.S., to specify counties where vehicle registration and renewal applications must provide information for voluntary purchase of a SunPass transponder. Creates a \$10 discount on the purchase of transponders and a \$1 transaction fee to be received by the private motor-vehicle registration agencies for every transponder sold under this provision. Provides for toll-free SunPass transponders for certain handicapped persons. Provides penalties.

Section 2: Specifies this act shall take effect July , 2003.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

FDOT estimates a \$9 million loss over four years because of the \$10 transponder discount, if HB 1631 with CS becomes law.

2. Expenditures:

Indeterminate. The \$1 transaction fee to private vehicle-registration offices will be paid "by the state," according to the bill. It is unclear how much that will equal each year, exactly which agency must pay it, and from what trust fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

Indeterminate, but possibly minimal. Tax collectors in the five counties listed in the bill may incur some costs in storing the transponders in their offices and in administering the sale and related paperwork.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Transponder purchasers will save money under the discounts and account credits provided in HB 1631 with CS, which is intended to encourage more people to use the electronic devices.

The four private-sector vehicle registration offices in Miami-Dade County, as well as current and future private registration offices in other counties, will receive \$1 for every transponder they sell, under the provisions of the amended bill.

D. FISCAL COMMENTS:

As a different perspective to FDOT's concerns of a revenue loss from HB 1631 with CS, the bill also has the potential to reduce the costs of toll collection. FDOT's Turnpike Enterprise could save money and hire fewer contract employees to operate their toll booths if more motorists purchase SunPass transponders.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

FDOT and the Turnpike Enterprise have existing rule-making authority to operate the SunPass program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Committee staff recommends additional clarification on the agency and source of funds that will be used to pay private vehicle-registration offices the \$1 transaction fee per transponder sold.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Transportation Systems Subcommittee

At its March 26, 2003, meeting, the Transportation Systems Subcommittee adopted one strike-everything-after-the-enacting clause amendment, and an amendment to that amendment. The strike-all amendment made extensive changes to the original bill. It eliminated the \$10 credit to transponder accounts; reduced the \$2 fee for vehicle registration agencies to \$1, and limited it to private agencies; specified that eligible counties had to have at least two toll road facilities; provided for the issuance of toll-free transponders for disabled motorists meeting the criteria of 338.155, F.S.; and specified that persons who fraudulently or unlawfully uses a disabled person's transponder commits a second-degree misdemeanor.

According to FDOT, the strike-all amendment reduces the original bill's financial impact from \$21 million over four years, to about \$9 million over four years.

The subcommittee then voted 7-1 in favor of HB 1631, as amended.

Transportation Committee

At its April 9, 2003, meeting, the Transportation Committee adopted without objection an amendment to the strike-all amendment adopted in subcommittee, which limited the discount transponder program to Broward, Hillsborough, Miami-Dade, Orange, and Palm Beach counties. The committee then adopted the strike-all amendment as amended.

By a vote of 17-0, the committee approved the bill as amended.