

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1835 (PCB SA 03-23) South Florida Regional Transportation Authority
SPONSOR(S): State Administration and Mack
TIED BILLS: **IDEN./SIM. BILLS:** SB 686

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>State Administration</u>	<u>6 Y, 0 N</u>	<u>Brazzell</u>	<u>Everhart</u>
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The Tri-County Commuter Rail Authority (Tri-Rail) began as a temporary commuter train system to alleviate congestion on I-95 while FDOT completed a road-widening project, but the Legislature, because of local support, agreed to keep it as a permanent system in 1989. It is funded primarily by federal and state grants, in addition to fees paid by passengers. In 2002, more than 2.6 million passengers rode on Tri-Rail.

This bill renames the Tri-Rail Commuter Rail Authority as the "South Florida Regional Transportation Authority" (Authority), serving Miami-Dade, Broward, and Palm Beach counties, broadening its scope to manage all types of public transit. It revises the membership of its governing board. It provides for the dedication of \$2.67 million per county from the ninth cent fuel tax, unless a county authorizes another stable, sufficient funding source; it also provides for the repeal of the use of the ninth cent fuel tax under certain conditions.

This bill does not appear to have a fiscal impact on state government. It appears to have a fiscal impact on certain local governments in the service area of the new Authority. See Fiscal Analysis section and Constitutional Issues section.

This bill takes effect on July 1, 2003.

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

STORAGE NAME: h1835.sa.doc
DATE: April 15, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

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

Reduce Government

This bill does not reduce government because it creates broader transportation responsibilities and objectives than specified in statute for the former "Tri-County Commuter Rail Authority." The new "South Florida Regional Transit Authority" (Authority) will be permitted to develop a transit system for Broward, Miami-Dade and Palm Beach counties which includes other types of trains besides commuter rail as well as subways, motor vehicles, and motor buses, according to the bill.

B. EFFECT OF PROPOSED CHANGES:

Background:

Regional Transportation Authorities

Several regional transportation authorities (RTAs) are funded primarily by federal and state grants, local government contributions, and revenues from fares paid by riders.

Sections 163.565-163.572, F.S. of the Regional Transportation Authority Act specify the processes by which two or more contiguous counties, cities, or other political subdivisions may enter into a charter to create an RTA. Under these provisions, an RTA may issue bonds, pursuant to the requirements of the State Bond Act, and levy ad valorem tax of up to 3 mills, with permission from the appropriate local governing boards. Only one RTA has been created under the chapter 163, F.S., provisions: HARTline, the Hillsborough Area Regional Area Transit Authority.

Chapter 343, F.S., authorizes three transportation-related authorities. The two that operate transit systems are the Tri-County Commuter Rail Authority serving Broward, Miami-Dade and Palm Beach counties; the Central Florida Regional Transportation Authority (commonly called LYNX), which serves Orange, Osceola, and Seminole counties and the major cities within each. The Tampa Bay Commuter Rail Authority, which hasn't progressed beyond the planning stages, would serve Hernando, Hillsborough, Pasco, Pinellas and Polk counties. All three have the statutory authority to issue revenue bonds.

The Tri-County Commuter Rail Authority

In an attempt to ease the disruptions created for commuters while it was six-laning I-95 in the mid-1980s, FDOT purchased an 81-mile rail corridor from CSXT for \$264 million and began building a commuter train system. Under terms of the sale, CSXT continues to operate its freight trains in the corridor; maintain the tracks, buildings, and signaling; and dispatches all trains using the tracks--its own, Tri-Rail and Amtrak trains.

In 1989, the Legislature passed the Tri-County Commuter Rail Authority Act (Part 1 of Chapter 343, F.S.), specifying the powers and duties of as well as the revenue-generating options available to the authority's board of directors. The Authority's nine-member board is composed of one county commissioner each from Broward, Miami-Dade and Palm Beach; one member, representing business

and civic interests, appointed by each of the three county commissions; one of FDOT's district secretaries appointed by the Secretary of the Department of Transportation; a Governor appointee who lives in the tri-county region; and one area resident who is elected by the other eight Authority members.

Even with the mass-transit options in the three-county region, traffic congestion continues to worsen, according to two studies. The most recent U.S. Census report indicated that the Palm Beach-to-Boca Raton commute ranked 2nd in the nation, while the Miami-to-Fort Lauderdale commute ranked 5th in the nation for the largest percentage increases in time. According to a study released last summer by the Texas Transportation Institute, the annual cost of traffic congestion in the Miami area is \$1.5 billion; in Fort Lauderdale, about \$605 million.

Proposed changes:

This bill:

- Changes the name of the Tri-Rail Commuter Rail Authority to the "South Florida Regional Transportation Authority" (Authority).
- Allows the Authority, which initially serves Miami-Dade, Broward, and Palm Beach counties, to expand into a contiguous area by mutual consent of the authority and the governing body of the area.
- Replaces the definition of "commuter railroad" with a definition of "transit system" that means, "transportation of people and goods by means of, without limitation, a street railway, elevated railway having a fixed guideway, a commuter railroad, a subway, motor vehicle, or motor buses" ...necessary to provide passenger service to or from the regional municipalities.
- Provides for a nine-member governing board with equal representation from Miami-Dade, Broward, and Palm Beach counties and for increased membership upon the authority's expansion into other counties
- Requires that \$2.67 million from the ninth-cent fuel tax from each of the three counties be distributed to the Authority, unless a county chooses by referendum to dedicate other stable, sufficient revenues to the Authority; it also provides for the repeal of this requirement if the Authority does not obtain federal matching funds by January 1, 2006.

The bill takes effect on July 1, 2003.

C. SECTION DIRECTORY:

Section 1: Amends Part I of chapter 343, F.S., relating to the Tri-County Commuter Rail Authority. Changes name to the "South Florida Regional Transportation Authority".

Section 2: Amends s. 343.52, F.S., revising definitions regarding expanding the rail authority into a transit authority and authorizing the Authority to expand its service area.

Section 4: Amends s. 343.54, F.S., regarding the Authority's powers and duties to conform to the new name and expanded scope and confers authority to expand the service area.

Sections 3, 5, 6, and 7: Amend multiple chapters, revising references to the Tri-County Commuter Rail Authority.

Section 8: Amends s. 336.021, F.S., requiring that \$2.67 million from the ninth-cent fuel tax from each of the three counties be distributed to the authority, unless a county chooses by referendum to dedicate other stable, sufficient revenues to the Authority

Section 9: Provides for the repeal of Section 8 of the bill if the Authority does not obtain federal matching funds by January 1, 2006.

Section 10: Provides 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: If they choose not to dedicate an alternative funding source to the Authority, the three counties will experience revenue loss of \$2.67 million each due to funds previously received by the county being transferred to the Authority. However, the authority will experience increased revenues of \$8.01 million. The Authority could experience additional revenues if the \$8.01 million is matched with state and/or federal funds.

2. Expenditures: Revenues raised would be spent on transportation projects. See Revenues, above.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

If the Authority is successful in promoting public transit in the three-county region, motorists and commercial carriers may benefit due to trips being diverted from the highways, and residents who don't drive may have access to more-affordable and dependable transportation.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The provisions of Article VII, Section 18 of the Florida Constitution appear to apply to the sections of this bill regarding the use of the ninth-cent fuel tax. Funds which would otherwise be received by the counties will be directed by general law to another purpose unless counties take action to raise other funds for that purpose. The specific type of mandate is still to be determined.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

PCB 23 was amended by the Committee on State Administration on March 31, 2003. This amendment revises the Authority's governing board's membership and selection processes and provides for its expansion upon the addition of new counties to its service area and clarifies that the authority could not own or operate a system owned by another entity without that entity's consent. The amendment requires the state to distribute \$2.67 million from the ninth-cent fuel tax revenues of each county to the Authority, unless the county dedicates an alternative stable and sufficient source to the Authority. The amendment also provides for the repeal of the use of the ninth-cent fuel tax if the Authority does not obtain federal matching funds by January 1, 2006. This bill was reported favorably, as amended.