

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 929 w/CS Transportation funding

SPONSOR(S): Representative(s) M. Davis and Goodlette

TIED BILLS: **IDEN./SIM. BILLS:** SB 1356 (s) and SB 2286(s)

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Transportation Systems (SUB)</u>	<u>7 Y, 0 N</u>	<u>PUGH</u>	<u>MILLER</u>
2) <u>Transportation</u>	<u>18 Y, 0 N w/CS</u>	<u>PUGH</u>	<u>MILLER</u>
3) <u>Local Government & Veterans' Affairs</u>	<u>11 Y, 0 N</u>	<u>Grayson</u>	<u>Highsmith-Smith</u>
4) <u>Finance & Tax</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

Transportation projects in Florida and at the local-government level are primarily funded through imposition of fuel taxes. State fuel taxes, which are tied to the Consumer Price Index, currently total 17.9 cents a gallon. The maximum amount of local fuel taxes is 16 cents per gallon; up to 12 cents of that may be imposed as a local option.

HB 929 with CS makes a number of changes to Florida's fuel-tax laws that have the potential to generate more transportation funding for counties and cities, but also less money for the state's General Revenue Fund. The bill:

- Provides that the rates of the "Ninth-Cent Fuel Tax" and the local option fuel tax shall be adjusted annually, based on the Consumer Price Index, if approved by individual county commissions through adoption of an ordinance.
- Eliminates the combined 7.3-percent General Revenue Fund surcharge and the Department of Revenue's up to 2-percent administrative surcharge from the proceeds of a variety of state and local-option fuel taxes.
- Requires that much of the revenue derived from eliminating the administrative service charges on state fuel taxes or related trust funds be earmarked for the County Incentive Grant Program (CIGP), which was created to pay for local road projects but which has been in hiatus for two years.
- Provides that 30 percent of the revenues from additional fees on certain initial motor vehicle registrations be used to fund the County Incentive Grant Program in FY 03-04 and FY 04-05, rather than be deposited in the General Revenue Fund.
- Specifies that the revenues derived from eliminating the administrative service charges on certain local-option fuel taxes be returned to the counties where originally collected.
- Broadens the type of projects for which local governments may spend their transportation tax revenues.

Based on an FDOT fiscal analysis, counties could receive \$10.3 million in FY 03-04 because of the amended bill's provisions. Conversely, the General Fund may see a reduction of \$104.2 million in FY 03-04, while the Department of Revenue may lose \$17.6 million, largely because of the elimination of service and administrative charges on certain fuel taxes and related trust funds. The bulk of these funds would be directed to the County Incentive Grant Program, which may be funded at \$103.2 million FY 03-04.

HB 929 with CS raises no apparent constitutional issues. 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: h0929d.lgv.doc

DATE: April 21, 2003

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 type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input 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"/> |

Lower taxes

HB 929 with CS does not lower taxes because it gives counties the option to align their local-option fuel taxes with the Consumer Price Index, which allows for automatic, annual adjustments in these taxes. There will never be a downward adjustment, since the bill specifies the tax rates shall never be less than the rates as specified in law.

B. EFFECT OF PROPOSED CHANGES:

State transportation fuel taxes

The Florida Department of Transportation receives funding from a variety of transportation-related sources, but the primary source of state funds is state fuel taxes. Highway fuel taxes constitute the oldest continuous source of dedicated transportation revenues in the state. Initially levied in 1921 at the rate of 1 cent per gallon, the tax experienced periodic increases until 1971, when the rate was set at 8 cents per gallon, shared equally between the Florida Department of Transportation (FDOT) and local governments.

In April 1983, the state's fuel taxes were substantially restructured; DOT's 4 cents per gallon excise tax was repealed, and replaced as a sales tax of 5 percent. The tax on fuel was applied at the wholesale point of distribution against a legislated retail price per gallon. The legislated average price of all motor and special fuel was initially set at \$1.148 per gallon, which, at a 5-percent tax rate, resulted in a tax of 5.7cents per gallon.

Between July 1, 1985 and July 1, 1990, this legislated price was adjusted in proportion to annual changes in the gasoline component of the Consumer Price Index (CPI). But for one statutory provision, the resulting tax per gallon would have varied accordingly. That provision was enacted by the 1985 Legislature which, by installing a "floor" beneath the tax, prevented it from being reduced below its initially calculated level of 5.7cents per gallon, regardless of downward gas price movements. Otherwise, the system operated as an "indexed" fuel tax, with changes in the national average price of gasoline serving as the index.

In 1990, the Legislature enacted the largest transportation tax increase in the history of DOT. Not only was the fuel sales tax raised, and an additional fuel excise tax levied, but other user fees were imposed as well. First, it raised the rate of the tax to 6 percent from 5 percent, regaining parity with the state's general sales tax rate which had been increased a couple of years earlier. Second, it changed the index to which the legislated price is tied -- from the gasoline component of the CPI to the comprehensive CPI that includes all items. Third, though the base legislated price of \$1.148 was retained, the base period to which future index values are to be compared was moved forward from a 12-month period in FY 1983-84 to a period in FY 1988-89. Finally, tax rate changes under the new system become effective each January 1, as opposed to July 1 under the old system. In addition, in order to provide for an immediate inflow of additional revenue, the minimum tax, or floor, was adjusted upward to 6.9-cents-per-gallon from 5.7-cents-per-gallon per gallon, effective July 1, 1990. The new

figure reflected the result of applying a 6-percent rate to the legislated price of \$1.148. This procedure remained in place through December 1996.

Beginning January 1, 1997 the method of determining the sales tax was modified. The legislated price of \$1.148 and the sales tax rate of 6 percent were no longer "direct factors" in the calculation. Instead, the "floor tax" of 6.9-cents-per-gallon is now indexed to the comprehensive CPI, and the base indexing period remains the same 12-month period in FY 1988-89. The terminal supplier now collects almost all of this tax.

Local fuel taxes

As mentioned above, local governments have been receiving a share of gas tax revenues since 1971. Today, there are several local fuel taxes, some of them optional. All 67 counties have implemented a Local Option Fuel Tax, in amounts ranging from 5-cents-per-gallon to 12-cents-per-gallon.

There are three types of local fuel taxes:

- o Dubbed the "Ninth Cent Fuel Tax" (a throwback to when the state's fuel excise taxes totaled 8 cents per gallon) this tax was authorized in 1972 by s. 336.021, F.S. Levied by counties, the tax is limited to 1 cent-per-gallon on highway fuels, and its proceeds may be shared with cities. For non-diesel fuels, the Ninth Cent Fuel Tax is approved by an extraordinary (majority plus one) vote of a county's governing body; 39 counties have implemented this tax. The Ninth Cent Fuel Tax on diesel fuel is mandatory.

- o In 1985, counties were authorized to raise the maximum rate of the local fuel tax from 4 cents-per-gallon to 6-cents-per-gallon, and extended its duration to 30 years, for bonding purposes. As it did with the Ninth-cent Fuel Tax, the Legislature chose to equalize the Local Option Fuel Tax on diesel fuel, which is now at 6 cents per gallon.

The first 6 cents of the local-option tax on motor fuel, in s. 336.025(1)(a), F.S., may be imposed by a majority vote of the board of county commissioners or a countywide referendum initiated by either the county commission or municipalities representing more than 50 percent of the county's population.

At first, proceeds of the local-option fuel tax could only be used for the following transportation purposes: public transportation operations and maintenance; roadway and right-of-way maintenance and equipment, and structures used primarily to store and maintain that equipment; roadway and right-of-way drainage; street lighting; traffic signs and related traffic operations; bridge maintenance and operations; and debt service for capital projects related to the above activities. However, in a major departure from the user-fee concept, the 1992 Legislature authorized any "small county" (with 50,000 or fewer people on April 1, 1992) to use the proceeds for other capital infrastructure needs if the transportation element of its comprehensive plan has been fully satisfied. It should be noted though, that this exception applies only to the 6 cents of tax authorized prior to 1993.

- o The last significant change occurred in the 1993 legislative session, when counties were given the option of imposing an additional 1 cent to 5 cents on each gallon of motor fuel (gasoline and gasohol, but not diesel), in s. 336.025(1)(b), F.S. This was dubbed the "ELMS nickel," because a local-option motor fuel tax had been recommended in an Environmental Land Management Study by a statewide panel of growth-management and transportation officials, development interests, environmental groups, and other interested parties. With this latest authorization, counties may now levy a tax of up to 12 cents on each gallon of gasoline, while the rate for diesel remains standard in every county at 6-cents-per-gallon.

To impose the remaining five cents, an extraordinary vote of the county commission or a countywide referendum initiated by the commission is required. According to the 2003 Florida Tax Handbook, 16 counties levy the ELMS nickel. The proceeds of the tax must be shared with municipalities, either in accordance with a mutually agreed upon a distribution plan scheme, subject to periodic review, or if

agreement cannot be reached, by using a backup formula contained in the statute. The revenues from this tax shall only be used for capital improvement projects needed to comply with local-government comprehensive plans. A local government may pledge any of its revenues from the tax to repay state bonds issued in its behalf.

County Improvement Grant Program (CIGP) and other incentives

In 2000, the Legislature passed CS/CS/SB 862, a comprehensive transportation package creating a number of new initiatives that, over the next 10 years, was to spend \$2.6 billion in cash to produce \$6 billion in transportation improvements. Among the initiatives were "Mobility 2000," the County Improvement Grant Program (CIGP) and the Small County Outreach Program. CIGP provides grants to counties to improve a road or other transportation facility that is located on the State Highway System or which relieves traffic congestion on the State Highway System. Among the criteria considered by DOT when evaluating the grant applications are:

- o The extent to which the project will encourage, enhance, or create economic benefits;
- o The likelihood that assistance would enable the project to proceed at an earlier date than the project could otherwise proceed;
- o The extent to which assistance would foster innovative public-private partnerships and attract private debt or equity investment;
- o The extent to which the project uses new technologies, including intelligent transportation systems, which enhance the efficiency of the project;
- o The extent to which the project helps to maintain or protect the environment; and
- o The extent to which the project includes transportation benefits for improving intermodalism and safety.

Selected projects are ranked, and are included in the DOT Work Program, to the extent that revenues are appropriated. For projects on the Florida Intrastate Highway System, DOT provides 60 percent of project costs; for projects on the State Highway System, the DOT provides 50 percent of project costs; and for local projects intended to relieve traffic congestion on the State Highway System, DOT shall provide 35 percent of project costs. The local match for rural areas that meet the criteria for being economically distressed, pursuant to s. 288.06561, F.S., can be waived.

About \$490 million was anticipated for CIGP over the next 10 years. In its first two years, it received \$100 million a year in general revenue. As originally designed, CIGP would not have been funded in FY 03-04 and FY 05-06. However, FDOT did not include any funding for CIGP in its proposed FY 02-03 legislative budget request because of projected general revenue shortfalls, and neither did the Governor. As scheduled, CIGP also is not listed for funding in FY 03-04.

Originally to help pay for the CIGP and other initiatives, the Legislature redirected millions of dollars of gas tax collections which for many years have been diverted from transportation projects to other general needs of the state. The sources of funding included transportation tax revenues freed up by eliminating the 7.3-percent General Revenue service charge on the state fuel sales tax, fuel use tax, off-highway fuel tax, and motor vehicle title fees, beginning in FY 2000-2001, and on the state comprehensive enhanced transportation system (SCETS) fuel tax and on the initial motor vehicle registration fee, effective July 1, 2001. Another source of funds was to be derived from phasing out the general revenue service surcharge on local-option fuel taxes over a two-year period beginning on July 1, 2005.

The impact of HB 929 with CS

As amended, the bill creates the potential for significant increases in transportation funding for county and municipal governments through the indexing provisions and the diversions of general revenue surcharges and administrative fees either to the counties or to fund CIGP.

According to a February 2003 study by the state Revenue Estimating Conference, indexing local-option motor fuel and diesel fuel taxes in all 67 counties would generate an additional \$4.2 million in FY 03-04 for local road projects. In FY 2007-2008, that additional revenue could increase to \$71.6 million. However, the impact of the indexing portion of this bill can not be estimated because it is a discretionary decision of the county commissions, requiring adoption of an ordinance.

An April 1, 2003, fiscal analysis by FDOT indicates that the counties in FY 03-04 could receive a direct benefit of \$10.3 million that now goes to the state General Revenue Fund and the Department of Revenue. Over the next decade, these additional revenues could exceed \$101 million. Indirectly, cities and counties could share in \$103.2 million in CIGP funds for local transportation projects in FY 03-04, and \$672 million total in grant funds over the next 10 years.

The FDOT fiscal analysis also indicates that the state's General Revenue Fund could lose an estimated \$104.2 million in FY 03-04, and as much as \$410.6 million over the next 10 years. The Department of Revenue could lose \$17.6 million in FY 03-04 and nearly \$191 million over the next 10 years, according to the FDOT fiscal analysis.

The substantive law changes that make these funding shifts and enhancements possible are:

- o Eliminating the GR service charge on the state SCETS fuel tax, state motor fuel and diesel fuel sales taxes; local-option fuel taxes other than those imposed under s. 336.025(1)(b), F.S., the state alternative fuel user fee clearing trust funds; aviation fuel taxes; and specialty fuel taxes. These revenues instead will be diverted to FDOT's State Transportation Trust Fund to finance CIGP.
- o Eliminating the GR service charge on the "ELMS nickel" local-option motor fuel sales taxes. These revenues will be returned to the counties where collected.
- o Eliminating the Department of Revenue service administrative charge of up to 2 percent for handling fuel tax collections and disbursements. These funds will be diverted to FDOT's State Transportation Trust Fund to finance CIGP.
- o In FY 03-04 and FY 05-06, diverting the 30-percent share of the \$100 initial motor vehicle registration fee from the state's General Revenue Fund into FDOT's State Transportation Trust Fund to finance CIGP.
- o Repealing s. 215.211(3), F.S., which was phasing out the GR surcharge on local-option fuel taxes and by July 1, 2006, giving DOT the funds to pay for CIGP and the Small County Outreach Program. Instead, those funds will be disbursed directly to the counties.
- o Repealing s. 215.211(3), F.S., which was phasing in a fund-shift from the state's General Revenue Fund to FDOT to pay for CIGP. Under HB 929 with CS, this subsection of law is unnecessary, since other provisions divert the GR service charge and administrative surcharge revenues to CIGP.

The bill also allows local governments to spend the "ELMS nickel" revenues to meet immediate local transportation needs and other related expenditures necessary to build comprehensive roadway networks. It adds sidewalks to the list of transportation projects eligible for the expenditure of local-option fuel tax funds, and allows municipalities within counties of 50,000 or fewer residents to spend their share of fuel-tax revenues on general infrastructure needs.

HB 929 with CS takes effect July 1, 2003.

C. SECTION DIRECTORY:

Section 1: Amends s. 206.606, F.S, to delete the requirement that the fuel sales tax on gasoline and diesel fuels is subject to the General Revenue (GR) Fund 7.3-percent service charge and the administrative surcharge distributed to the Department of Revenue.

Section 2: Amends s. 206.608, F.S., to delete the requirement that the SCETS local-option tax on gasoline and diesel fuels is subject to the 7.3-percent GR surcharge and the administrative surcharge distributed to the Department of Revenue.

Section 3: Specifies that, beginning in July 1, 2003, the increased revenues derived from the elimination of the GR and administrative surcharges on the proceeds of the fuel sales taxes on motor fuel and diesel, the SCETS tax, and the local-option fuel taxes on motor fuel and diesel shall be deposited in the State Transportation Trust Fund (STTF) and used to fund CIGP.

Section 4: Amends s. 215.20, F.S., to delete the Fuel Tax Collection Trust Fund, all taxes levied on motor fuels other than the fuel sales tax, the State Alternative Fuel User Fee Clearinghouse Trust Fund, the Local Alternative Fuel User Fee Clearing Trust Fund, and the Local Option Fuel Tax Trust Fund from the requirement for a .3 percent administrative service charge.

Section 5: Amends s. 215.22, F.S., to add the Fuel Tax Collection Trust Fund, all taxes levied on motor fuels other than the fuel sales tax, the State Alternative Fuel User Fee Clearinghouse Trust Fund, the Local Alternative Fuel User Fee Clearing Trust Fund, and the Local Option Fuel Tax Trust Fund to the list of trust funds and revenues not subject to the GR service charge.

Section 6: Specifies that, beginning July 1, 2003, the increased revenues from the elimination of the 7.3-percent GR service charge on the Fuel Tax Collection Trust Fund, all taxes levied on motor fuels other than the fuel sales tax, all taxes levied on fuels as provided in Part IV of chapter 206, F.S., the State Alternative Fuel User Fee Clearinghouse Trust Fund, the Local Alternative Fuel User Fee Clearing Trust Fund, and the Local Option Fuel Tax Trust Fund shall be deposited in the STTF and used to fund CIGP. Provides exception that the funds generated through elimination of the general revenue surcharge imposed under s. 215.20(1), F.S., on fuel taxes levied by a county under s. 336.025(1)(b), F.S. -- the ELMS nickel -- shall be returned directly to the county that levied it.

Section 7: Amends s. 206.875, F.S., to delete the GR surcharge and the administrative fee on diesel fuels.

Section 8: Amends s. 206.879, F.S., to delete the service charges on the state and local alternative fuels taxes.

Section 9: Amends s. 206.9845, F.S., to delete a reference to the GR surcharge and administrative service charges being deducted from aviation fuel taxes.

Section 10: Amends s. 206.9945, F.S., to delete a reference to the GR surcharge being deducted from revenues generated by excise taxes on petroleum products and pollutants.

Section 11: Amends s. 212.0501(6), F.S., to delete a reference to the GR surcharge being deducted from diesel fuel used by certain off-road vehicles.

Section 12: Amends s. 320.072, F.S., (4), F.S. to divert the 30-percent share of the \$100 initial motor vehicle registration fee that the General Revenue Fund is receiving, as well as the GR surcharge, to fund CIGP in FY 03-04 and 04-05.

Section 13: Amends s. 206.41(1), F.S., to allow the local-option "Ninth-Cent Fuel Tax," and the local-option fuel taxes to be adjusted based on the Consumer Price Index, via local ordinance passed by the county commission. Specifies this indexing may January 1, 2004. Specifies that an adjustment will be made every January 1 thereafter. Specifies that the fuel tax rates shall never be adjusted to an amount less than the current rate of 1 cent per gallon. Specifies all impositions and rate changes of the tax shall be levied before July 1, to be effective the following January 1. Directs the Department of

Revenue to notify terminal suppliers, wholesalers, importers, and position holders of the applicable tax rate, beginning January 1.

Section 14: Repeals s. 215.211(3), F.S., which was phasing out the GR surcharge on local-option fuel taxes by July 1, 2006, and giving DOT the funds to pay for the CIGP and the Small County Outreach Program.

Section 15: Amends s. 336.021(1), F.S., to conform to the fuel-tax indexing provisions in Section 13 of the bill.

Section 16: Amends s. 336.025, F.S., to conform to fuel-tax indexing provisions in Section 13 of the bill. Expands the use of local-option fuel tax revenues, raised pursuant to s. 336.025(1)(b), F.S., to expenditures needed to meet immediate local transportation problems and for other transportation-related needs critical to building comprehensive local roadway networks. Deletes service charges and the administrative surcharge on the tax revenues. Adds "sidewalks" to the list of allowable transportation projects. Allows municipalities within counties of 50,000 or less population and which levy the local-option fuel tax pursuant to s. 336.025(1)(a), F.S., to spend fuel tax revenues for infrastructure needs

Section 17: Specifies that notwithstanding any other law to the contrary, the revenues specified in this act shall not be subject to the 15-percent earmark for public transportation.

Section 18: Provides that this act shall take effect July 1, 2003.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Positive impacts:

Based on FDOT's fiscal analysis, the State Transportation Trust Fund will receive \$103.2 million in revenue in FY 03-04, because of the elimination of service charges and administrative surcharges on certain fuel-tax revenues and diversions to other agencies' trust funds. Over the next 10 fiscal years, FDOT will receive \$672 million more funds because of the provisions in HB 929 with CS. These funds will be earmarked for CIGP; FDOT will have no flexibility on how to spend them. (See "D. FISCAL COMMENTS" below)

Negative impacts:

Losing revenue under the amended bill is the state's General Revenue Fund, in the amount of \$104.2 million FY 03-04, and nearly \$411 million over the next 10 years.

The Department of Revenue also loses an estimated \$17.6 million in FY 03-04, and nearly \$191 million over the next 10 years. These are funds the department collects through its service charge of up to 2 percent to collect and audit fuel tax revenues.

Finally, the University Concurrency Trust Fund, administered by the State Board of Education to meet growth-management concurrency requirements for off-campus improvements, will lose about \$10.3 million in FY 03-04. Deposited into this trust fund, pursuant to s. 1013.63, F.S., is the revenue derived from the GR service charge on revenues raised by the levy of the "ELMS nickel" local-option fuel tax, pursuant to s. 336.025(1)(b), F.S.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Based on DOT's fiscal analysis, the counties that levy local-option fuel taxes will, collectively, receive \$10.3 million more in FY 03-04 through elimination of certain administrative service charges.

It is difficult to estimate how much revenue counties could raise through the bill's indexing provisions, because the legislation gives each county commission the discretion to impose indexing. A fiscal analysis prepared by the Florida League of Cities of select counties and municipalities indicates:

- a. Orange County could generate \$567,558 in FY 03-04 if it ties its local-option fuel taxes to the Consumer Price Index, and the city of Orlando would receive \$126,000 of that.
- b. Miami-Dade County could generate \$998,927, and distribute only \$260,000 of that to its various municipalities.
- c. Jacksonville-Duval County could generate nearly \$429,000.
- d. Manatee County could generate \$125,408.

These amounts are estimated to increase in subsequent years.

The state Revenue Estimating Conference in February estimated that if all 67 counties imposed local-option fuel taxes, they would generate \$4.2 million in FY 2003-2004, because it will be imposed for only part of the year. By FY 07-08, the annual total revenues would be an estimated \$71.6 million in FY 07-08.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate. With more funds becoming available through indexing local-option fuel taxes, transportation contractors and related businesses could benefit from additional projects. The motoring public also will benefit from having additional transportation improvements funded.

D. FISCAL COMMENTS:

FDOT in its fiscal analysis does not consider the \$672 million over the next 10 years for CIGP as an increase to the State Transportation Trust Fund because the monies are earmarked for one specific program focused on local, not state, transportation improvements.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

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

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

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The Florida Association of Counties, the Florida League of Cities, and the Metropolitan Planning Organizations Advisory Council are on record as supporting HB 929 with CS.

The affected state agencies have not taken a position on the bill.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Transportation Systems Subcommittee:

At its April 2, 2003, meeting the Transportation Systems Subcommittee adopted six amendments. Briefly:

- Amendment #1: Indexing of local-option fuel taxes only occurs if the county commission passes an ordinance in favor of it.
- Amendments #2-4: Conforming amendments that reflect the indexing change in other sections of the bill.
- Amendment #5: Deletes section 13 of the bill, which would have diverted certain initial registration fee revenues to CIGP, instead of to FDOT's work program for Mobility 2000 projects.
- Amendment #6: Conforming amendment to #5, and also clarifies that any funds generated by passage of this act shall not be subject to the 15% set-aside for public transit.

These amendments were adopted without objection. The subcommittee then voted 7-0 in favor of the bill.

Transportation Committee:

At its April 9, 2003, meeting the Transportation Committee considered a "proposed committee substitute" that incorporated the six amendments approved in subcommittee into the original bill. The committee adopted the proposed committee substitute, plus three additional amendments that were largely technical and clarifying in nature.

The committee then voted 18-0 in favor of the bill, as amended.