

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Transportation Committee

BILL: CS/SB 582

INTRODUCER: Transportation Committee and Senator Baker

SUBJECT: Florida Transportation Revenue Study Commission

DATE: February 24, 2009

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hansson	Meyer	TR	Fav/CS
2.			CA	
3.			FT	
4.			TA	
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|--|---|
| A. COMMITTEE SUBSTITUTE..... | ☒ | Statement of Substantial Changes |
| B. AMENDMENTS..... | ☐ | Technical amendments were recommended |
| | ☐ | Amendments were recommended |
| | ☐ | Significant amendments were recommended |

I. Summary:

The committee substitute for SB 582 declares legislative findings and creates the Florida Transportation Revenue Study Commission to examine transportation needs and to develop recommendations for funding those needs. The commission's membership and meeting requirements are established and federal planning funds are appropriated from the State Transportation Trust Fund for paying for staff services and other related assistance to the commission.

This bill creates an unnumbered section of Florida Statute.

II. Present Situation:

Transportation Revenues

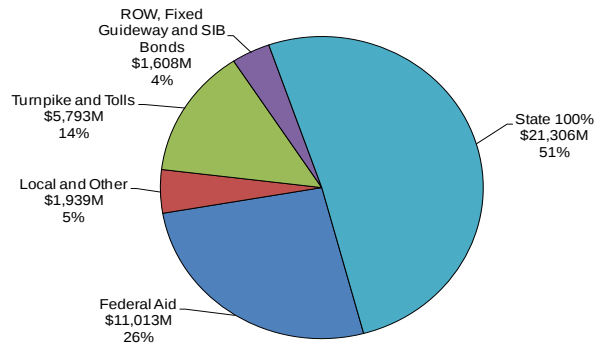
Florida's transportation system is funded from a variety of sources. Approximately 26 percent of Florida's transportation funding comes from the federal government. The primary source of federal funding for both transit and highways is from motor fuel taxes which are collected in all states, including Florida. State fuel taxes and fees provide about 51 percent of the state's transportation funds. Sources of this funding include the state fuel tax, the State Comprehensive

Enhanced Transportation System Tax (SCETS), aviation fuel tax, the rental car surcharge, and fees and taxes related to vehicle registration and titling.

FDOT FUNDING SOURCES

for Fiscal Years Ending 2009 – 2013

Average Annual - \$8.3 Billion



July 1, 2008 Adopted Work Program Commitment \$41,659M

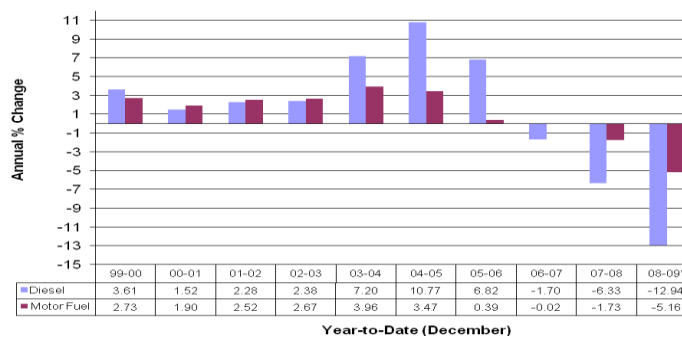
Source: Florida Department of Transportation (FDOT)

For decades, growth in traditional transportation revenues such as the motor fuel tax has been robust or at least stable. In recent years, the growth rate has slowed significantly and has recently declined resulting in declining revenue receipts to the State Transportation Trust Fund (STTF). Current federal highway trust fund receipts, comprising primarily the federal motor fuel tax, are also lower than originally estimated.

The recent decline can be traced to reductions in the consumption of motor fuel brought about by higher motor fuel prices and the increasing fuel economy of many vehicles including the advent of commercially successful hybrid vehicles. As technological innovation and manufacturing lines transition toward the production of even more fuel efficient vehicles, it is likely the trend of declining fuel tax revenues will continue.

Motor Fuel Consumption

Fuel Consumption History
(Gallons in Millions)



Source: FDOT

Highway and other transportation construction costs have become unpredictable. The following table shows increases and decreases in the cost of materials comprising over 70% of transportation costs:

Pay Item Group	FY 2005	FY 2006	FY 2005/ FY 2006	FY 2007	FY 2006/ FY 2007	FY 2008 (Jul – Apr)	FY 2007/ FY 2008
Earthwork	\$5.66	\$8.31	+46.8%	\$8.51	+2.4%	\$6.25	-26.5%
Base	\$13.40	\$18.05	+ 34.7%	\$19.29	+6.9%	\$16.14	-16.3%
Asphalt	\$68.48	\$91.52	+33.6%	\$104.32	+14.0%	\$97.21	-6.8%
Concrete (Structural)	\$653.43	\$893.16	+36.7%	\$916.01	+2.6%	\$761.17	-16.9%
Steel (Structural)	\$1.34	\$1.68	+25.4%	\$2.07	+23.2%	\$2.15	+ 3.9%
Steel (Reinforcing)	\$.86	\$.96	+11.6%	\$.99	+3.1%	\$.97	-2.0%

Source: FDOT

Congestion

Increased population has led to a significant increase in traffic congestion on most major urban highways in Florida. In the most recent congestion index report by the Texas Transportation Institute, Miami ranked 5th nationally in terms of heaviest rush-hour traffic. Fort Lauderdale was ranked 19th nationally. In Miami, the annual delay per traveler during rush hour was 50 minutes. Traffic congestion consumes more fuel, adversely affects the environment, delays travelers, negatively impacts the state's economy, and decreases the quality of life.

Federal Planning Funds

Each year, the Federal Highway Administration apportions a lump sum amount to Florida Metropolitan Planning Organizations (MPO). These metropolitan planning funds can only be used for the transportation planning process at the metropolitan level. The FDOT distributes these funds to each MPO and into a common reserve using a logical distribution formula agreed upon by all MPOs.

III. Effect of Proposed Changes:

Generally, Section 1 of the committee substitute for SB 582 declares legislative findings and creates the Florida Transportation Revenue Study Commission (FTRSC) to examine transportation needs and to develop recommendations for funding those needs.

Specifically, the FTRSC is created to examine state, regional, and local transportation needs and to develop recommendations for funding those needs. The commission is directed to report its findings to the Legislature by January 1, 2011. At a minimum, the report must address:

- The effect of emerging technology, alternative fuels, fuel efficiency and other state and federal initiatives on the stability of existing transportation revenue sources;
- The ability to fund and address needs of state, regional, and local transportation facilities ; and

- New and innovative funding options that can be used by the state, metropolitan planning organizations, local governments and major transportation providers to fund transportation facilities and services.

The bill establishes the membership of the FTRSC:

- Three members appointed by the Governor
- Three members appointed by the President of the Senate
- Three members appointed by the Speaker of the House of Representatives
- The Secretary of the Department of Transportation (or designee)
- One member appointed by the Metropolitan Planning Organization Advisory Council
- One member appointed by the Florida Association of Counties, Inc. (from among its members)
- One member appointed by the Florida League of Cities, Inc. (from among its members)

In addition to transportation organizations and local government, the membership must represent transportation organizations, local governments, developers, homebuilders, the business and environmental communities, transportation labor organizations, and other stakeholders in the transportation system. All members' terms expire upon adjournment of the 2011 Legislature. Members serve without compensation, but are entitled to per diem and travel expenses.

Beginning no later than October 1, 2009, the FTRSC must meet at least three times per year. The Center for Urban Transportation Research (CUTR) at the University of South Florida is directed to provide staff and other support to the commission.

Section 2 of the bill specifies that \$225,000 will be appropriated for each of the 2009-2010 and 2010-2011 fiscal years, for a total of \$450,000. Section 2 identifies the source of funds as federal metropolitan planning funds appropriated from the State Transportation Trust Fund.

Other Potential Implications:

None.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The estimated cost to fund the Florida Transportation Revenue Study Commission is \$225,000 for each of fiscal years 2009-2010 and 2010-2011, for a total of \$450,000. The source of funds is the common reserve of federal metropolitan planning funds appropriated from the State Transportation Trust Fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

The CS:

- Identifies a source of funding for the FTRSC.
- Amends the language to specify \$225,000 is appropriated for fiscal years 2009-2010 and 2010-2011, for a total of \$450,000.
- Provides the membership of the commission must also represent transportation labor organizations.

B. Amendments:

None.