

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 819

Small County Transportation Development

SPONSOR(S): Adkins

TIED BILLS:

IDEN./SIM. BILLS: SB 2660

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Roads, Bridges & Ports Policy Committee	19 Y, 0 N, As CS	Cater	Miller
2)	Economic Development & Community Affairs Policy Council			
3)	Transportation & Economic Development Appropriations Committee			
4)	Full Appropriations Council on Education & Economic Development			
5)				

SUMMARY ANALYSIS

Current law creates the Small County Road Assistance Program (SCRAP) within the Department of Transportation (DOT). The purpose of this program is to assist small county governments with a population of 75,000 or less in resurfacing or reconstruction of county roads. This program is set to end in fiscal year 2009-2010.

The bill reenacts the SCRAP beginning in fiscal year 2012-2013 and continues it thereafter. The bill revises the criteria for counties that are eligible to participate by removing references to millage rates and to add whether the road is located in a fiscally-constrained county.

Current law creates a Small County Outreach Program (SCOP) within the DOT. The purpose of this program isto assist small county governments in resurfacing or reconstructing county roads, or in capacity or safety improvements to county roads.

The bill expands the purpose of the Small County Outreach program (SCOP) to provide that SCOP funds may be used in repairing or rehabilitating county bridges, paving unpaved roads, and addressing road-related drainage improvements.

Beginning in fiscal year 2012-2013, up to \$25 million from the State Transportation Trust Fund will be directed to SCRAP projects, resulting in a \$25 million positive fiscal impact on local governments. This is due to the reenactment of the SCRAP program.

This act shall take effect July 1, 2009.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Small County Road Assistance Program

Current Situation

Section 339.3816, F.S., creates the Small County Road Assistance Program (SCRAP) within DOT. The purpose of this program is to assist small county governments with a population of 75,000 or less according to the 1990 federal census, in resurfacing or reconstruction of county roads. Capacity improvements on county roads are not eligible for funding under this program.

Beginning with Fiscal Year 1999-2000 until fiscal year 2009-2010, DOT is authorized to fund the SCRAP program in an amount of up to \$25 million annually from the State Transportation Trust Fund. County roads in small counties that were part of the county road system on June 10, 1995, are eligible to compete for funds that have been designated for the SCRAP program. At a minimum, for a county to be eligible for these funds, it must:

- Have enacted the maximum rate of the local option fuel tax and must have an ad valorem millage rate of at least 8 mills; or
- Has imposed an ad valorem millage rate of 10 mills.¹

However, for fiscal years 2007-2008 and 2008-2009, the millage rate levied in 2006 may, at the county's option be used for purposes of determining eligibility.

The following criteria are used to prioritize road projects for funding under the program:

- The primary criterion is the physical condition of the road as measured by DOT.
- As secondary criteria, DOT may consider:

¹ Currently 23 counties are eligible for the SCRAP program. Those counties are Baker, Bradford, Calhoun, Columbia, Dixie, Gadsden, Gilchrist, Glades, Hamilton, Hardee, Highlands, Holmes, Jackson, Jefferson, Lafayette, Liberty, Madison, Putnam, Suwannee, Taylor, Union, Wakulla, and Washington.

- Whether a road is used as an evacuation route;
- Whether a road has high levels of agricultural travel;
- Whether a road is considered a major arterial route; and
- Whether a road is considered a feeder road.

Other criteria related to the impact on the public road system or on the state or local economy may also be considered in the prioritization process by DOT. All projects funded by the SCRAP program must be included in DOT's work program.

The SCRAP program currently sunsets at the end of fiscal year 2009-2010, when its statutory funding is set to expire.

Proposed Changes

The bill amends s. 339.2816, F.S., to reenact the SCRAP program beginning again in fiscal-year 2012-2013 and continues it thereafter. The bill revises the criteria for counties that are eligible to participate by removing references to millage rates. The bill also adds a secondary criteria to be used to prioritize projects based on whether the road is located in a fiscally-constrained county.

Small County Outreach Program

Current Situation

Current law creates a Small County Outreach Program (SCOP) within the Department of Transportation.² The purpose of this program to assist small county governments in resurfacing or reconstructing county roads, or in capacity or safety improvements to county roads. Counties with a population of 150,000 or less are eligible to compete for funds designated for this program.³ For projects on county roads funded by the SCOP program, DOT funds 75 percent of the cost and the county funds the remaining 25 percent. In order to receive funds, the project must be on a county road, and the county must attempt to keep county roads in satisfactory condition.

While the primary criteria of for determining the eligibility of a project is the physical condition of the road, DOT may consider as secondary criteria:

- Whether the road is used as an evacuation route;
- Whether the road has a high level or agricultural travel.
- Whether the road is considered a major arterial route.
- Whether the road is considered a feeder road.
- Other criteria related to the impact of a project on the public road system or on the state or local economy as determined by DOT.

DOT is authorized to administer contracts on behalf of a county selected to receive funding for a project under the SCOP program. Projects funded under this program are in DOT's work program.

SCOP is funded through a portion of the proceeds from the documentary stamp tax⁴ and a portion of a seven percent service charge on the local option fuel tax.⁵ For Fiscal Year 2008-2009, the Legislature appropriated approximately \$43 million for SCOP.⁶

² Section 339.2818, F.S.

³ Currently 38 counties are eligible for the Small County Outreach Program. These Counties are Baker, Bradford, Calhoun, Citrus, Columbia, Desoto, Dixie, Flagler, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Highlands, Holmes, Indian River, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Martin, Monroe, Nassau, Okeechobee, Putnam, Santa Rosa, Sumter, Suwannee, Taylor, Union, Wakulla, Walton, and Washington.

⁴ Section 201.15(1)(c),F.S.

Proposed Changes

The bill amends s. 339.2818, F.S. , related to the SCOP program. The bill expands the purpose of the SCOP program to provide that SCOP funds may be used in repairing or rehabilitating county bridges, paving unpaved roads, and addressing road-related drainage improvements.

This act shall take effect July 1, 2009.

B. SECTION DIRECTORY:

Section 1 Amends s. 339.2816, F.S., relating to the SCRAP program, providing for resumption of funding for the program; revising certain criteria for program eligibility; revising criteria for prioritization of projects..

Section 2 Amends s. 338.2818, F.S., relating to the SCOP program; revising the purpose of the program to include certain project types.

Section 3 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

Currently, DOT may program up to \$25 million of the State Transportation Trust Fund for SCRAP projects. Since the SCRAP program is currently set to be terminated in fiscal year 2009-2010, DOT has not programmed SCRAP funds beyond this year. The bill reinstates SCRAP in fiscal year 2012-2013, which will result in up to \$25 million per fiscal year being directed to SCRAP projects.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill reinstates the SCRAP program in fiscal year 2012-2013. Following the reinstatement, small counties will receive up to \$25 million per fiscal year for road resurfacing projects.

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

⁵ Section 215.211(4), F.S.

⁶ Line 2101 of the 2008 General Appropriations Act.

While the bill expands the types of projects that are eligible for SCOP funds, the actual funding mechanism and the amount of funds available does not change.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or 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:

None

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 18, 2009, the Roads, Bridges, & Ports Policy Committee adopted a strike-all amendment. The original bill combined the SCRAP and SCOP programs into a single new program and made a number of changes to the program criteria and requirements. The amendment retains the existing SCRAP and SCOP programs and makes the following changes:

- Inserts the SCRAP language contained in HB 1021, which was reported favorably by the Roads, Bridges, and Ports Policy Committee. This reenacts SCRAP to begin again in Fiscal Year 2012-2013 and to continue thereafter. It also revises the criteria for counties that are eligible to participate by removing references to millage rates and to add whether a road is located in a fiscally constrained county.
- Adds project types to the SCOP program to include bridge repair and rehabilitation, unpaved road paving, and drainage improvements related to roads.

The bill was reported favorably as a committee substitute.