

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: 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		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

The bill combines the Small County Road Assistance Program (SCRAP) and the Small County Outreach Program (SCOP) into the Rural County Road Improvement Program (RCRIP). Both SCRAP and SCOP assist small counties with various road projects. Specifically, the bill;

- Eliminates SCOP and provides for the continuation of projects;
- Combines SCOP and SCRAP in the SCRAP statute, and renames the program the RCRIP;
- Provides that SCOP funding would go to RCRIP;
- Provides project criteria;
- Creates an advisory council;
- Requires federal grants and special funding be directed to counties with populations of less than 80,000;
- Requires county match for funding;
- Prohibits work done under contracts receiving funding from RCRIP from being done by illegal aliens; and
- Provides for appropriation of funds paid into the transportation trust fund for RCRIP.

The bill does not have a fiscal impact on state or local government.

This act shall take effect upon becoming law.

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:

Current Situation

Small County Road Assistance Program

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.

Small County Outreach Program

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

Proposed Changes

The bill terminates the Small County Outreach Program and transfers all DOT funds relating to the program to the Rural County Road Improvement Program. Any project in DOT's work program

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.

⁵ Section 215.211(4), F.S.

⁶ Line 2101 of the 2008 General Appropriations Act.

approved for funding under the Small County Outreach Program before the bills effective date will continue unless it is otherwise modified or terminated.

The bill amends s. 339.2816, F.S., related to the Small County Road Assistance Program to eliminate that program and to create the Rural County Road Improvement Program (RCRIP).

The purpose of the revised program is to assist small counties construct capacity or safety improvements on county roads. Projects eligible for funding include resurfacing existing roads, one-time paving of existing dirt roads, and construction of drainage plans and the development of drainage resources to help improve the care and maintenance of the roads.

For purposes of this program, a small county is one with a population of 150,000 or less.

The bill creates a Rural County Road Improvement Advisory Council to review proposed projects for funding and to offer comments and recommendations to DOT for DOT to consider in ranking and establishing project priorities. The membership of the council is:

- Two members appointed by the Governor;
- Two representatives of the DOT;
- Two members of the small county coalition of the Florida Association of Counties;
- One member appointed by the President of the Senate; and
- One member appointed by the Speaker of the House of Representatives.

The bill requires up to 20 percent of federal grants and special funding designated for road improvements be directed to eligible projects in counties with populations of less than 80,000.

Small counties are eligible to compete for funds designated for the RCRIP program for projects on county roads. DOT is required to fund 75 percent of the project's costs.

In determining a county's eligibility for the program, DOT may consider whether the county has kept its county roads in satisfactory condition. Small counties are eligible only if:

- The county has enacted the maximum rate of local option fuel tax and has imposed an ad valorem millage rate of at least 8 mills;
- The county has imposed an ad valorem millage rate of 10 mills;
- The county provides matching funds or develops property that will create jobs;
- The presence of traffic demand on a road or roads that connect or feed residential living areas, including subdivisions, trailer parks, and other residential housing; or
- In counties with fewer than 80,000 residents, the project accommodates the traffic demand and provides access to property that would promote or expand the creation of jobs in the county.

The RCRIP will have the same primary and secondary project criteria as SCRAP and SCOP.

The bill requires that in each contract under the program, DOT require that the entity receiving funds ensure due care to ensure that all employment associated with the contract is completed by legal American workers. If a contractor discovers that work has been completed by illegal aliens or immigrants, the contractor is required to report it to DOT. DOT is required to maintain a record of such violations and report them to the legislature.

The bill provides that any funds paid into the State Transportation Trust Fund pursuant s. 201.15, F.S., relating to the distribution of the excise tax on documents, for purposes of the RCRIP are annually appropriated to support the RCRIP. In any year the RCRIP does not use all of the available funds, DOT may allocate the unused funds to other department priorities.

The bill provides that the provisions of law requiring a minimum percentage of revenues deposited in the State Transportation Trust Fund be committed to public transportation, public transit, and rail capital do not apply to any funding, programs, or other provisions of the RCRIP.

The bill repeals s. 339.2818, F.S., which provided the statutory authority for the Small County Outreach Program.

The bill amends ss. 201.15, 215.211, and 339.08, F.S., to direct funds currently directed to the SCRAP to the RCRIP.

The bill amends s. 468.617, F.S. to conform a cross-reference.

B. SECTION DIRECTORY:

- Section 1 Terminates DOT's SCOP; transfers funds relating to the SCOP to the RCRIP; provides that projects in DOT's work program approved for funding by the SCOP will continue unless modified or otherwise terminated by law.
- Section 2 Amends s. 201.15, F.S. relating to the distribution of the excise tax on documents to redirect from the SCOP to the RCRIP.
- Section 3 Amends s. 215.211, F.S., relating to the service charge and elimination or reduction of proceeds from the local option fuel tax to redirect funds from the SCOP to the RCRIP.
- Section 4 Amends s. 339.08, F.S., relating to the use of money in the State Transportation Trust Fund to redirect funds from the SCOP to the RCRIP.
- Section 5 Amends s. 339.2816, F.S.; renaming the SCRAP program the RCRIP, revising its purpose, creating an advisory council; providing for funding; prohibiting employment by illegal immigrants; providing for annual appropriations, authorizing DOT to allocate unused funds.
- Section 6 Repeals s. 339.2818, F.S., relating to the SCOP program.
- Section 7 Amends s. 468.617, F.S., to conform a cross-reference.
- Section 8 This act shall take effect upon becoming law.

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:

See FISCAL COMMENTS below.

2. Expenditures:

See FISCAL COMMENTS below

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

The current statutory funding for the SCRAP program is set to expire at the end of fiscal year 2009-2010. The language permitting DOT to use \$25 million from the State Transportation Trust Fund through fiscal year 2009-2010, remains in the bill with the funds going to the Rural County Road Improvement Program. However, these funds will no longer be available after fiscal year 2009-2010.

In combining the two programs, the eligibility requirements are combined and additional provisions provide more funding for counties with less than 80,000 residents. Therefore, the distribution of funds may 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:

The sponsor intends to offer a strike-all amendment. This 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.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES