

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 Appropriations Committee on Transportation, Tourism, and Economic Development

BILL: CS/SB 574

INTRODUCER: Transportation Committee and Senator Collins

SUBJECT: Toll Exemptions for Purple Heart Medal Recipients

DATE: April 9, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Johnson</u>	<u>Vickers</u>	<u>TR</u>	<u>Fav/CS</u>
2.	<u>Nortelus</u>	<u>Nortelus</u>	<u>ATD</u>	<u>Pre-meeting</u>
3.	<u> </u>	<u> </u>	<u>FP</u>	<u> </u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/SB 574 provides an exemption from paying tolls for a person operating a motor vehicle displaying a Purple Heart special license plate or a motorcycle displaying a Purple Heart special motorcycle license plate.

This bill will have a negative fiscal impact on state and local governments. **See Section V., Fiscal Impact for details.**

The bill takes effect July 1, 2025.

II. Present Situation:

Toll Facilities

The Florida Turnpike Enterprise, which is part of the Florida Department of Transportation (FDOT), operates the Florida Turnpike System with 515 centerline miles of limited-access toll facilities.¹The FDOT-owned toll facilities include Alligator Alley, the Pinellas Bayway System, the Sunshine Skyway Bridge, the Wekiva Parkway, and the Garcon Point Bridge.²

¹ Florida Turnpike Enterprise, 2024 Comprehensive Annual Financial Report, p. 8. <https://floridasturnpike.com/wp-content/uploads/2024/12/FY%202024%20ACFR.pdf> (last visited April 2, 2025).

² Florida Department of Transportation, *Enterprise Toll Report*, https://floridasturnpike.com/wp-content/uploads/2024/07/2_Department-owned-Facilities.pdf (last visited April 2, 2025).

Other Florida entities operating toll facilities include, but are not limited to, the Central Florida Expressway Authority, the Greater Miami Expressway Agency, the Mid-Bay Bridge Authority, and the Tampa-Hillsborough County Expressway Authority, Escambia County,³ Lee County,⁴ and Miami-Dade County.⁵

Payment of Tolls for the Use of a Toll Facility

Florida law requires the FDOT to fix adjust, charge, and collect such tolls and amounts for the use of the Turnpike System as are required in order to provide a fund sufficient with other revenues of the Turnpike System to pay the cost of maintaining, improving, repairing, and operating such turnpike system; to pay the principal of and interest on all bonds issued to finance or refinance any portion of the Turnpike System; and to create reserves for these purposes.⁶

Any person using a toll facility is required to pay the applicable toll, except for limited exceptions, which are:

- An employee of the toll agency on official state business.
- State military personnel while on official military business.
- A person with a disability that impairs his or her ability to deposit tolls into toll basket.
- A person exempt from toll payment by the authorizing resolution for bonds issued to finance the facility.
- A person is exempt on a temporary basis when a toll facility is used as a detour route.
- A law enforcement officer operating an official vehicle while on official law enforcement business.
- A person operating a fire vehicle or a rescue vehicle while on official business.
- A person participating in the funeral procession of a law enforcement officer or firefighter killed in the line of duty.⁷
- Any person driving a vehicle belonging to the Department of Military Affairs transporting military personnel, stores, and property.⁸
- As part of an emergency evacuation, when tolls are suspended by the Secretary of Transportation.⁹

³ Visit Pensacola, <https://www.visitpensacola.com/plan-your-trip/getting-here/#jlget-around> (last visited April 2, 2025).

⁴ Lee County, *Lee County Tolls*, <https://www.leegov.com/tolls>, (last visited March 21, 2025).

⁵ Miami-Dade County, *Causeways*, https://www.miamidade.gov/global/service.page?Mduid_service=ser1684342734896148 (last visited March 21, 2025).

⁶ Section 338.231, F.S., Florida Department of Transportation (FDOT), Agency Analysis of 2025 House Bill 313 and Senate Bill 574, p. 2. *FDOT Analysis* (on file with Senate Committee on Transportation).

⁷ Section 338.155(1)(a), F.S.

⁸ Section 338.155(2), F.S.

⁹ Section 338.155(1)(b), F.S.

The failure to pay a toll is a noncriminal traffic infraction, punishable as a moving violation.¹⁰ A toll violation has a mandatory fine of \$100 for each violation, plus the amount of unpaid tolls.¹¹ With additional fees, the penalty may be up to \$198, plus the amount of unpaid tolls.¹²

Payment of Tolls and Turnpike Bond Covenants

Florida law authorizes the FDOT to borrow money as provided by the State Bond Act¹³ to finance the cost of any one or more legislatively approved Turnpike projects. The principal of, and the interest on, such bonds must be payable solely from revenues pledged for their repayment.¹⁴

In connection with the issuance of such bonds, the state has covenanted to not limit or restrict the rights vested in the FDOT to establish and collect tolls for the use of the Turnpike System and otherwise fulfill the terms of any agreements with its bondholders. The State also covenanted not to impair the rights or remedies of the FDOT's bondholders until the bonds are fully paid and discharged.¹⁵ Statutes creating the state's expressway authorities contain similar provisions.¹⁶

The Turnpike master bond resolution, originally adopted in 1988, and amended and restated in 2005 (Resolution), contains commitments by the FDOT regarding funding and operation of the Turnpike System. Section 5.03 of the Resolution provides that the Resolution is a contract with the bondholders and is enforceable in court by the bondholders. The Resolution may not be amended in any way that affects "the unconditional promises of the Department to fix, maintain and collect Tolls for the use of the Turnpike System" without consent of all the holders of outstanding Turnpike bonds. The FDOT has also issued bonds to fund capital improvements to Alligator Alley.¹⁷

Section 5.08 of the Resolution is entitled "No Free Use of Florida Turnpike." In that section, the FDOT covenanted that it "shall not allow or permit any free use of the Toll roads of the Florida Turnpike, except to officials or employees of the Department whose official duties in connection with the Florida Turnpike require them to travel over the Florida's Turnpike, or except as may be provided by laws in effect on the date of the adoption of this Resolution." The resolution under which the Alligator Alley bonds were sold contains a similar covenant regarding the use of Alligator Alley.¹⁸

¹⁰ Section 338.155(1)(c), F.S.

¹¹ Section 318.18(7), F.S.

¹² Florida Clerk of Courts, *2024 Distribution Schedule*, p. 64, available at:

https://cdn.ymaws.com/www.flclerks.com/resource/resmgr/publicationsanddocuments/2024_Distribution_Schedule_-_pdf (last visited April 2, 2025).

¹³ Sections 215.57 through 215.83, F.S.

¹⁴ Section 338.227(1), F.S. *FDOT Analysis* at 2.

¹⁵ Section 338.229, F.S., *FDOT Analysis* at 2.

¹⁶ See ss. 348.0313, 348.64, and 348.761, F.S.

¹⁷ *FDOT Analysis* at 2. Alligator Alley bonds are issued pursuant to s. 338.165(4), F.S.

¹⁸ *Id.*

Purple Heart License Plates

The Purple Heart medal is presented to service members who have been wounded or killed as a result of enemy action while serving in the U.S. military. A Purple Heart is a solemn distinction and means a service member has greatly sacrificed themselves, or paid the ultimate price, while in the line of duty.¹⁹

Florida authorizes various military or veteran-related special license plates, including a special license plate for Purple Heart recipients. To receive the plate, one must apply to the Department of Highway Safety and Motor Vehicles (DHSMV), provide proof of being a Purple Heart medal recipient,²⁰ and pay the appropriate motor vehicle license tax. The Purple Heart special license plate is stamped with the words “Purple Heart” and has the likeness of the Purple Heart medal on the plate.²¹

Florida law also authorizes a Purple Heart special motorcycle license plate, issued in the same manner as the Purple Heart special license plate. The Purple Heart special motorcycle license plate is stamped with the term “Combat-wounded Veteran,” and has the term “Purple Heart” stamped on the plate and has the likeness of the Purple Heart medal appearing on the plate.²²

As of March 2025, there are 9,426 active Purple Heart license plate registrations in Florida.²³

III. Effect of Proposed Changes:

The bill exempts from toll payments a person operating a motor vehicle displaying a Purple Heart special license plate or a motorcycle displaying a Purple Heart special motorcycle license plate.

The bill does not specify how the FDOT and other toll entities will implement this toll exemption.

The bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution provides that, except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature

¹⁹ USO, *9 Things You Need to Know About the Purple Heart Medal* <https://www.uso.org/stories/2276-8-purple-heart-facts> (last visited April 2, 2025).

²⁰ A Purple Heart Medal recipient or un-remarried surviving spouse of a Purple Heart Medal recipient must provide proof from the U.S. Government of being a recipient of the Purple Heart Medal. Department of Highway Safety and Motor Vehicles, APPLICATION FOR MILITARY SERVICE-RELATED LICENSE PLATES, <https://www.flhsmv.gov/pdf/forms/83034.pdf> (last visited April 2, 2025).

²¹ Section 320.089(1)(a), F.S.

²² Section 320.0875, F.S.

²³ Department of Highway Safety and Motor Vehicles, *Specialty License Plates*, <https://www.flhsmv.gov/motor-vehicles-tags-titles/personalized-specialty-license-plates/specialty-license-plates/> (last visited April 2, 2025).

may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. Under the bill, persons with a Purple Heart special license plate would not be required to pay tolls on any toll facilities, including those operated by municipalities and counties.

However, the mandate requirements do not apply to laws having an insignificant fiscal impact, which for Fiscal Year 2025-2026 is forecast at approximately \$2.4 million.^{24,25,26} The Revenue Estimating Conference determined that the bill will reduce revenues to local governments by \$0.3 million beginning in Fiscal Year 2025-2026, which appears to be insignificant.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Persons with the Purple Heart special license plate may experience a reduction in expenditures associated with no longer being required to pay tolls.

²⁴ FLA. CONST. art. VII, s. 18(d).

²⁵ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited April 2, 2025).

²⁶ Based on the Florida Demographic Estimating Conference's February 4, 2025, population forecast for 2025 of 23,332,606. The conference packet is available at: https://edr.state.fl.us/content/conferences/population/ConferenceResults_Tables.pdf (last visited April 2, 2025).

C. Government Sector Impact:

On February 14, 2025, the Revenue Estimating Conference adopted the following consensus estimate for this bill:²⁷

Fiscal Year	General Revenue - Recurring	State Trust- Recurring	Local - Recurring	Total – Recurring
2025-2026	\$0	(\$0.5 million)	(\$0.3 million)	(\$0.8 million)
2026-2027	\$0	(\$0.5 million)	(\$0.3 million)	(\$0.8 million)
2027-2028	\$0	(\$0.5 million)	(\$0.3 million)	(\$0.8 million)
2028-2029	\$0	(\$0.5 million)	(\$0.3 million)	(\$0.8 million)
2029-2030	\$0	(\$0.5 million)	(\$0.3 million)	(\$0.8 million)

The FDOT estimates that it will experience a negative indeterminate fiscal impact to recurring toll revenues. This negative impact on toll revenues will have a negative impact on the Turnpike’s five-year capital plan.²⁸

The FDOT also estimates an indeterminate increase in its operation and maintenance costs associated with implementing this toll exemption. The increase in operating costs would include providing a transponder at no cost to the recipients, certification and registration of eligible SunPass²⁹ account holders, system modifications for the program, and recurring administrative costs to monitor the program.³⁰

VI. Technical Deficiencies:

None.

VII. Related Issues:

The FDOT has indicated that since the Turnpike System leverages its revenue to accelerate projects through issuance of revenue bonds, any reduction in revenue prompts a reduction in the FDOT’s Work Program and would require the FDOT’s to remove transportation projects included in its current five-year Work Program. It would also result in negative impacts on the economic feasibility of planned Turnpike projects. This reduction in toll revenue may prompt bond rating agencies to downgrade the FDOT’s credit rating, resulting in higher interest rates and increased borrowing costs and would also likely reduce the FDOT’s future bonding capacity.³¹

The language does not provide clear steps to implement this toll exemption. Similar to other statutory toll exemptions, the Turnpike will need to determine and confirm eligibility for the

²⁷ Revenue Estimating Conference, 2025 Revenue Impacts, pp. 34-37.

²⁸ <https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2025/pdf/impact0214.pdf> (last visited April 2, 2025).

²⁹ *FDOT Analysis*, p. 4.

³⁰ SunPass is Florida’s electronic toll transponder.

³¹ *FDOT Analysis*, p.4.

³¹ *Id.* at 5.

Purple Heart toll exemption, develop an application and registration process, require proof that the driver maintains a valid driver's license in good standing, and issue a transponder.³²

The bill amends a section of law pertaining to the Turnpike, however toll collections for other toll facilities in the state are interoperable and indistinguishable to the traveler from the Turnpike. As written, it is unclear if the waiver is intended only for Turnpike facilities or all toll facilities in the state which extends the fiscal impact and bond covenant impairment to the FDOT's toll facilities, multiple expressway authorities, county and city toll facilities, and independent toll facilities.³³

VIII. Statutes Affected:

This bill substantially amends section 338.155 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

CS by Transportation on March 25, 2025

Changes the term “specialty” to “special” since the Purple Heart license plate is a military-related special license plate.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

³² *Id.*

³³ *Id.*