

STORAGE NAME: h1521a.ric.doc
DATE: March 1, 2002

HOUSE OF REPRESENTATIVES
COUNCIL FOR READY INFRASTRUCTURE
ANALYSIS

BILL #: HB 1521
RELATING TO: Local Transportation Facility Improvement Projects
SPONSOR(S): Representative(s) Kosmas
TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) TRANSPORTATION YEAS 9 NAYS 0
 - (2) COUNCIL FOR READY INFRASTRUCTURE YEAS 17 NAYS 0
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

The County Incentive Grant Program (CIGP) provides Department of Transportation (DOT) 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, pursuant to 339.2817, F.S.

The bill clarifies that if a city's CIGP application is determined by the county in which the city is located to meet the program criteria, the county must forward the application to DOT. If DOT awards a grant to the project, then the county may retain oversight and responsibility for the project, or may delegate such oversight and responsibility to the applicant city.

The bill will take effect upon becoming a law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

In 2000, the Legislature passed CS/CS/SB 862, a comprehensive transportation package that created 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 was the County Incentive Grant Program (CIGP), created in s. 339.2817, F.S.

As the name implies, 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:

- The extent to which the project will encourage, enhance, or create economic benefits;
- The likelihood that assistance would enable the project to proceed at an earlier date than the project could otherwise proceed;
- The extent to which assistance would foster innovative public-private partnerships and attract private debt or equity investment;
- The extent to which the project uses new technologies, including intelligent transportation systems, which enhance the efficiency of the project;
- The extent to which the project helps to maintain or protect the environment; and
- 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 provides 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 has received \$100 million a year in general revenue. According to DOT, 117 CIGP projects in 57 counties and one city (Green Cove Springs) have been approved and added to the Work Program. Eighty-six of those approved projects were on local roads that relieve congestion on the State Highway System, and thus qualified for a 35-percent DOT match.

Although s. 339.2817(6), F.S., clarifies that municipalities can apply for CIGP grants, some questions have been raised about the process of a city working through a county to obtain the grants. The law specifies that if a county rejects a city's application, the city can ask for mediation. However, the law is silent about what happens if the county supports a city's application.

C. EFFECT OF PROPOSED CHANGES:

The bill addresses the issue of a county's response to CIGP applications filed by a city within its geographical boundaries.

The bill amends s. 339.2817(6), F.S., to specify that if a county determines a city's CIGP application meets the program criteria, the county shall forward the application to DOT. If DOT selects the application for funding, then the county may retain project oversight and responsibility, or may delegate such oversight and responsibility to the applicant city.

The bill takes effect upon becoming a law.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: Amends s. 339.2817, F.S., to clarify that if a city's CIGP application is determined by the county in which the city is located to meet the program criteria, the county shall forward the application to DOT. If DOT awards a grant to the project, then the county may retain oversight and responsibility for the project, or may delegate that to the city.

Section 2: Specifies this act shall take effect upon becoming a law.

III. 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:

To the extent the bill clears up any misunderstandings between counties and municipalities about forwarding city CIGP applications to DOT, some municipalities may receive state funds for local road projects that benefit the state transportation system.

2. Expenditures:

Municipalities that receive a share of CIGP funds likely will have to pay a proportionate share of the local match.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

Even if the becomes law, it may have minimal impact on cities' ability to obtain CIGP grants over the next three fiscal years. Statutorily the program is unfunded in FY 03-04 and FY 04-05, while funding for the program in upcoming FY 02-03 is in doubt because of state general revenue shortfalls.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or to take action that requires the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the revenue-raising authority of counties and municipalities.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

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

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

The bill raises no constitutional issues.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

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VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COUNCIL FOR READY INFRASTRUCTURE:

Prepared by:

Joyce Pugh

Staff Director:

Phillip B. Miller

AS REVISED BY THE COUNCIL FOR READY INFRASTRUCTURE:

Prepared by:

Kim Fedele/Randy Havlicak

Council Director:

Thomas J. Randle
