



MEMORANDUM

DATE: April 5, 2019

TO: Florida Port Directors

FROM: Michael Rubin, Vice President Governmental Affairs

SUBJECT: **LEGISLATIVE UPDATE – APRIL 5, 2019**

The Florida Legislature is half way through Regular Session 2019. We expect most substantive committees in the House and Senate to complete their work and stop meeting next week. We also expect that budget conference committees will begin their conference negotiations on the Fiscal Year 2019/2020 Budget the week of April 22nd.

We provide the following update on seaport related issues and legislation currently being discussed for Regular Session 2019:

1. **House and Senate Initial Budgets (HB 5001 and SB 2500)**. The House and Senate have passed their respective budgets out of their respective chambers, and have put the bills in a posture for conference negotiations. As reported previously, both the House and Senate budgets fully fund the FDOT Work Program for Fiscal Year 2019/2020 at \$9.7 billion. This includes **\$160.8 million** for seaports in the following specific line items:
 - A. **Line Item 1943** -- \$15 million for debt reserve payments (FPFC 1996 Bond Refinance).
 - B. **Line Item 1944** -- \$10 million for debt reserve payments (FPFC 1999 Bond Refinance).
 - C. **Line Item 1945** -- \$122,727,917 for the FSTED Program, SIS, GM, SPII and other FDOT allocations in FDOT 5-Year Work Program.
 - D. **Line Item 1946** -- \$12,904,547 for the Seaport Investment Program/Bond debt reserve payments.
 - E. **Line Item 1948** -- \$78,790,899 for the FDOT Intermodal Development/Grants Program. This may include some seaport projects.

The proposed Senate budget also includes proviso that provides “\$2,000,000 in nonrecurring funds is provided for the Seaport Security Grant Program, pursuant to section 311.12(6), Florida

Statutes. The funding provided shall focus on filling seaport security technology gaps utilizing situational awareness tools and enhanced cyber security technologies.”

Both proposed budgets include a variety of member projects in all areas of the budget, and these projects will have to be reconciled during final budget negotiations. There are no individual member projects for port transportation related infrastructure in either proposed budgets.

2. **Transportation Bill - Creating the Multi-use Corridors of Regional Economic Significance Program (SB 7068 by Senate Infrastructure and Security Committee and HB 7113 by House Transportation and Tourism Appropriation Subcommittee)**. This legislation contains one of Senate President Galvano’s transportation priorities – the creation of the “Multi-use Corridors of Regional Economic Significance Program” (M-CORES) within the Florida Department of Transportation (FDOT). The bill identifies three initial corridors to be created under the M-CORES Program:

- A. Southwest-Central Florida Connector (Collier County to Polk County);
- B. Suncoast Connector (Citrus County to Jefferson County); and
- C. Northern Turnpike Connector (Northern terminus of the Florida Turnpike northwest to the Suncoast Parkway).

The bill authorizes FDOT to undertake the planning and review process for these multi-jurisdictional projects. The bill also delineates an aggressive development process with construction to begin no later than December 31, 2022, with the corridors open to traffic no later than December 31, 2030.

The bill directs that these corridors shall be developed as toll facility roads, and authorizes the use of turnpike revenue bonds and other FDOT bonding authority to help finance the cost of the development of these corridors. The bill also authorizes the redirect of existing motor vehicle license taxes, currently allocated to the state General Revenue Fund, into the State Transportation Trust Fund beginning Fiscal Year 2019/20. This redirection of funds will provide an increase of revenue into the State Transportation Trust Fund of \$135 million by Fiscal Year 2021/22.

SB 7068 has been unanimously approved by both the Senate Infrastructure and Security Committee and Senate Subcommittee on Transportation, Tourism and Economic Development. The bill has one more Senate committee referral: full Senate Appropriations.

HB 7113 was approved by the House Transportation and Tourism Appropriation Subcommittee, and made available for the House floor on April 3rd.

Since this bill is a priority of the Senate President, the bill should pass unanimously out of the Senate. Senate and House appropriators will have to resolve the redirection of funds from the state General Revenue Fund to the State Transportation Trust Fund. We expect that this bill will be the subject of negotiations between the House and Senate over priorities in the latter part of Regular Session 2019.

3. **Department of Transportation (CS/HB 905 by Representative Andrade and CS/SB 1044 by Senator Albritton)**. This legislation amends various provisions relating to FDOT. In particular, the legislation would provide the following:

- A. Remove the Florida Transportation Commission's responsibility to nominate three persons for appointment by the Governor as Secretary of the FDOT.
- B. Require the FDOT Secretary to be a licensed professional engineer or have other relevant transportation experience.
- C. Prohibit a local government from adopting standards and specifications for aggregates and materials that are contrary to FDOT's standards or specifications.
- D. Prohibit a contractor that has not satisfactorily completed two projects, each in excess of \$25 million, from bidding on FDOT contracts in excess of \$50 million.

CS/SB 1044 was heard in the Senate Transportation, Tourism, and Economic Development Appropriations Subcommittee on Thursday, April 4th. The attached amendment was withdrawn from consideration after we raised some concerns about the impact of the amendment. As drafted, the amendment would have prohibited all local governments from contracting with the same entity for design services, and for construction, engineering, and inspection services. After discussing the issue with the sponsor and others supporting the amendment, it was withdrawn. We expect the amendment may be refiled, with language stating that the provision does not apply to seaports.

The House bill does not have similar language concerning local governments. We will keep you informed on any amendments that impact seaports as the bills move through the process.

The Senate bill passed out unanimously as a Committee Substitute by the Senate Transportation, Tourism, and Economic Development Appropriations Subcommittee. The bill has one more Senate committee reference: full Appropriations.

The House bill passed out unanimously as a Committee Substitute by the House Subcommittee on Transportation and Tourism Appropriations on March 26th. The bill has one more House committee reference: State Affairs.

4. **Public Financing of Construction Projects (CS/SB 78 by Senator J. Rodriguez and HB 169 by Representative Fernandez)**. Senate Bill 78 was amended and passed out unanimously as a Committee Substitute by the Senate Environment and Natural Resources Committee on March 12th. As provided in previous memoranda, this bill would prohibit state-financed contractors from commencing construction of certain structures in coastal areas without first conducting a sea level impact projection study. The bill would require the Department of Environmental Protection to develop rules for the standards of conducting a sea level impact project study – to include 50-year sea level rise, storm damage and flooding risks. The amendment adopted by the Committee made changes to the potential study process, and delineated that the legislation would not create a legal cause of action for damages.

CS/SB 78 has been scheduled for a hearing in the Senate Infrastructure and Security Committee on Tuesday, April 9th at 10:00 a.m. The Senate bill has two remaining Senate

committee references: Appropriations Subcommittee on Agriculture, Environment and General Government; and full Appropriations.

No committee hearing has been scheduled for the house bill to date. The House bill has been referred to three committees: Agriculture and Natural Resources; Appropriations; and State Affairs.

Given the limited time remaining, and the lack of movement in the House, it is unlikely that this bill will pass out of the Senate or House this Session.

5. **FPC Lobby Group**. We will hold an FPC Lobby Group meeting at **1:00 p.m. on Monday, April 8th**. The meeting will be at the Ericks Consultants Building on 205 South Adams Street. For those unable to meet in-person we have set up a teleconference capability. The dial-in number is 1-605-475-2874 and the participant code is 9348585.

Please let me know if you have any changes to participants in that group from last year.

Please call or email us if you have any questions.

Follow the Florida Ports Council to get the latest news on seaport issues:

