

REVENUE ESTIMATING CONFERENCE

Tax: Toll Revenues

Issue: Transfer of Miami-Dade Expressway Authority to the State

Bill Number(s): HB 385

Entire Bill

Partial Bill: Sections 8 and 14

Sponsor(s): Avila

Month/Year Impact Begins: 07/01/2019

Date of Analysis: 02/01/2019

Section 1: Narrative

- a. Current Law:** Section 338.165, F.S. allows the Department of Transportation (FDOT), any transportation or expressway authority, or county to continue to collect tolls on a revenue producing project after discharge of any bond indebtedness related to such project. Part I of Chapter 348, F.S. is known as the Florida Expressway Authority Act. It allows any county or two or more contiguous counties within a single FDOT district to form an expressway authority by resolution adopted by the board of county commissioners. The Miami-Dade Expressway Authority (MDX) was established by the Miami-Dade County Commission in 1994. The Authority currently operates and maintains SR 112 - Airport Expressway, SR 836 - Dolphin Expressway, SR 874 - Don Shula Expressway, SR 878 - Snapper Creek Expressway, and SR 924 - Gratigny Parkway.
- b. Proposed Change:** The Miami-Dade Expressway Authority is transferred to the Department of Transportation via a type two transfer pursuant to section 20.06, F.S. Section 338.165, F.S. is revised so that the Department of Transportation may not collect tolls on any facility of the former Miami-Dade Expressway Authority after the discharge of any outstanding bond obligations related to such facility.

Section 2: Description of Data and Sources

Miami-Dade Expressway Authority 2018 Comprehensive Annual Financial Report

Miami-Dade Expressway Authority Toll System Refunding Revenue Bonds, Series 2016A Official Statements

Section 3: Methodology (Include Assumptions and Attach Details)

The bill transfers the Miami-Dade Expressway Authority to the FDOT via type two transfer. All tolls and other revenue collected by the Authority would become payable to the Department or a designated trustee. The tolls and other revenues forecast for state fiscal years 2019-20 through 2023-24 was derived from the Miami-Dade Expressway Authority Toll System Refunding Revenue Bonds, Series 2016A Official Statements. The forecast is below in millions. Toll Revenues are net of the allowance for uncollectible Toll By Plate transactions. Other revenue includes lease revenue, permit fees, and other miscellaneous revenue.

Revenue Type	2019-20	2020-21	2021-22	2022-23	2023-24
Toll Revenues	\$ 256.51	\$ 261.15	\$ 266.32	\$ 271.92	\$ 278.42
Toll By Plate Fees	\$ 2.12	\$ 2.17	\$ 2.21	\$ 2.25	\$ 2.30
Other Revenue	\$ 0.74	\$ 0.76	\$ 0.77	\$ 0.79	\$ 0.80
Total	\$ 259.38	\$ 264.08	\$ 269.30	\$ 274.96	\$ 281.52

The bill revises section 338.165, F.S. so that the Department of Transportation may not collect tolls on any facility of the former Miami-Dade Expressway Authority after the discharge of any outstanding bond obligations related to such facility. According to the Miami-Dade Expressway Authority 2018 Comprehensive Annual Financial Report, the Authority currently owes \$1.4 billion in outstanding bond principal, and another \$950 million in outstanding interest. The final maturity date is 2044, which is well outside of the forecast horizon of this analysis.

In addition to tolls and other revenue, the type two transfer of MDX to FDOT would also transfer any cash balances to the Department or a designated trustee. The following cash and cash equivalents at year end (cash balances) were observed in the Miami-Dade Expressway Authority 2018 Comprehensive Annual Financial Report:

FY 2017-18: \$295,437,197

FY 2016-17: \$306,868,926

FY 2015-16: \$321,507,038

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These values represent a decrease of 3.7% from FY 2016-17 to FY 2017-18, and 4.5% from FY 2015-16 to FY 2016-17. For the cash balance transfer effective July 1, 2019, the FY 2017-18 ending cash balance was decreased by 4.1% (the average of 3.7% and 4.5%) for an estimate of \$283.3 million.

Please note that section 20.06, F.S. requires the financial segregation of inherited funds. This analysis is generally focused on revenues and cash balances. Toll revenues are pledged to pay certain annual costs and are first deposited with a trustee. These annual obligations include operations & maintenance costs, debt service on outstanding bond issuances, and renewal and replacement funding requirements. Only the net revenue remaining after the trustee deposit and payment of annual costs would be available for transfer to a “to be determined” Department of Transportation trust fund.

Section 4: Proposed Fiscal Impact

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			542.7	259.4		
2020-21			264.1	264.1		
2021-22			269.3	269.3		
2022-23			275.0	275.0		
2023-24			281.5	281.5		

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(542.7)	(259.4)		
2020-21			(264.1)	(264.1)		
2021-22			(269.3)	(269.3)		
2022-23			(275.0)	(275.0)		
2023-24			(281.5)	(281.5)		

List of affected Trust Funds:

Local Trust Funds

Department of Transportation Trust Fund (TBD)

Section 5: Consensus Estimate (Adopted: 02/01/2019): The Conference adopted the middle estimate. The Conference assumes that the revenue for this purpose is segregated and that there is no GR service charge.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	542.7	259.4	(542.7)	(259.4)	0.0	0.0
2020-21	0.0	0.0	264.1	264.1	(264.1)	(264.1)	0.0	0.0
2021-22	0.0	0.0	269.3	269.3	(269.3)	(269.3)	0.0	0.0
2022-23	0.0	0.0	275	275	(275.0)	(275.0)	0.0	0.0
2023-24	0.0	0.0	281.5	281.5	(281.5)	(281.5)	0.0	0.0