

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

BILL: CS/SB 156

INTRODUCER: Appropriations Committee; Senator Negron and others

SUBJECT: Motor Vehicle License Taxes

DATE: March 14, 2014

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Everette	Eichin	TR	Favorable
2.	Carey	Martin	ATD	Favorable
3.	Carey	Kynoch	AP	Fav/CS

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 156 reduces some of the fees required to register a motor vehicle, vessel or mobile home, and returns them to the amount required prior to September 1, 2009. The fee reductions will take effect September 1, 2014.

The Revenue Estimating Conference has not met on this bill, but staff estimates that it will have a negative cash impact of \$309.1 million to the General Revenue Fund, and \$1.9 million to the Highway Safety Operating Trust Fund in Fiscal Year 2014-2015, and a total negative recurring impact of \$394.6 million.

II. Present Situation:

Motor Vehicle Registration Fees

In 2009, the fees required for annual motor vehicle registrations and other fees related to the issuance of driver licenses, identification cards, driver license reinstatements, motor vehicle titles, and driver records were increased. The revenues received from the increased fees were deposited into the General Revenue Fund.

Section 320.03(5), F.S., provides for a fee of \$1.25 to be charged on every license registration to cover the cost of the Florida Real Time Vehicle Information System (FRVIS). The revenues from this fee are deposited in the Highway Safety Operating Trust Fund in the Department of

Highway Safety and Motor Vehicles (DHSMV) and are used primarily to fund the FRVIS system.

Section 320.04(1)(a), F.S., provides for a service charge of \$5.00 for each application of an original, duplicate or transfer of any license plate, mobile home sticker, or validation sticker, including the transfer or duplicate issuance of any registration certificate. Of the \$5.00 service charge, \$2.50 is deposited into the General Revenue Fund, and the remainder is retained by the DHSMV or the county tax collector.

Section 320.04(1)(b), F.S., provides for a service charge of \$3.00 for each license plate validation sticker, vessel decal, and mobile home sticker issued from an automated vending facility or a printer dispenser machine. The fee is payable to the DHSMV; \$1.00 is used to provide the dispenser machines and \$2.00 is deposited into the General Revenue Fund.

Section 320.06(3)(b), F.S., provides for a \$1.50 fee on each motor vehicle registration or renewal registration issued in order to treat all license plate validation stickers with retroreflection material. Of the \$1.50 fee, \$1.00 is deposited into the General Revenue Fund and 50 cents is deposited into the Highway Safety Operating Trust Fund in the DHSMV.

Section 320.072(1), F.S., provides for a fee of \$225 on the initial application for registration of automobiles, light truck, motorhomes and truck campers. Section 320.072(4), F.S., provides that 44.5 percent of that fee is deposited into the State Transportation Trust Fund, with the remaining 55.5 percent deposited into the General Revenue Fund.

Section 320.0804, F.S., provides for a \$4.00 surcharge on each annual license tax imposed under s. 320.08, F.S., (excluding mobile homes); \$2.00 is deposited into the General Revenue Fund, \$1.00 is deposited into the State Transportation Trust Fund in the Department of Transportation, and \$1.00 is deposited into the Highway Safety Operating Trust Fund in the DHSMV.

Section 320.08046, F.S., provides for a \$5.50 surcharge on each annual license tax imposed under s. 320.08, F.S., (excluding mobile homes); \$4.50 is deposited into the General Revenue Fund and \$1.00 is deposited into the Grants and Donations Trust Fund in the Department of Juvenile Justice.

Section 320.08, F.S., provides for annual license taxes on motorcycles, mopeds, automobiles, tri-vehicles, and light trucks. The annual license tax or "base tax" varies depending on the type of vehicle and or the net weight of the vehicle.

III. Effect of Proposed Changes:

Section 1 amends s. 320.03, F.S., to decrease from \$1.25 to 75 cents the fee imposed on a license registration to cover the costs of the Florida Real Time Vehicle Information System. The revenue from the reduced fee will be deposited into the Highway Safety Operating Trust Fund in the DHSMV. (The proposed decrease lowers the service charge to the amount that was charged prior to the 2009 increase in motor vehicle fees.)

Section 2 amends s. 320.04, F.S., to decrease from \$5.00 to \$2.50 the service charge imposed on each application for an original issuance, duplicate issuance or transfer of any license plate, mobile home sticker or validation sticker, including the transfer or duplicate issuance of any registration certification. The revenue from the reduced service charge will be deposited into the Highway Safety Operating Trust Fund in the DHSMV, or retained by the county tax collector. (The proposed decrease lowers the service charge to the amount that was charged prior to the 2009 increase in motor vehicle fees.)

This section also decreases from \$3.00 to \$1.00 the service charge imposed on the issuance of a registration receipt for a vehicle, vessel or mobile home registration and specifies the fee be payable to and retained by the DHSMV. The revenue from the reduced service charge will be deposited into the Highway Safety Operating Trust Fund in the DHSMV. (The proposed decrease lowers the service charge to the amount that was charged prior to the 2009 increase in motor vehicle fees.)

Section 3 amends s. 320.06, F.S., to decrease from \$1.50 to 50 cents the fee imposed on each motor vehicle registration issued for treating all license plates and validation stickers with retroreflective material. The revenue from the reduced fee will be deposited into the Highway Safety Operating Trust Fund in the DHSMV. (The proposed decrease lowers the fee to the amount that was charged prior to the 2009 increase in motor vehicle fees.) This section also provides that in order to retain the efficient administration of taxes and fees imposed by Chapter 320, F.S., the 80 cents increase in the license plate replacement fee enacted by ch. 2009-71, L.O.F., is negated by the reduction of a surcharge imposed by s. 320.0804, F.S., and distributed to the Highway Safety Operating Trust Fund in the DHSMV.

Section 4 amends s. 320.072(4), F.S., to provide an adjustment to the distribution of the \$225 initial registration fee. From the revenue, 44.5 percent will be deposited into the State Transportation Trust Fund, 14.3 percent will be deposited into the Highway Safety Operating Trust Fund in the DHSMV, and 41.2 percent will be deposited into the General Revenue Fund.

Section 5 amends s. 320.08(1) through (3), F.S., to decrease the annual license tax on motorcycles, mopeds, automobiles, tri-vehicles, and light trucks. The annual license tax or “base tax” reduction will vary depending on the type of vehicle and or the net weight of the vehicle. (The proposed decrease lowers the surcharge to the amount that was charged prior to the 2009 increase in motor vehicle fees.)

Section 6 amends s. 320.0804, F.S., to decrease the surcharge on each license tax imposed under s. 320.08, F.S., excluding mobile home registrations. The surcharge is decreased from \$4.00 to \$1.20, in part to negate the license plate increase of 80 cents imposed by ch. 2009-71, L.O.F. From the reduced surcharge revenue, \$1.00 will be deposited into the State Transportation Trust Fund in the Department of Transportation and 20 cents will be deposited into the Highway Safety Operating Trust Fund in the DHSMV. (The proposed decrease lowers the surcharge to 80 cents less than the amount that was charged prior to the 2009 increase in motor vehicle fees.)

Section 7 amends s. 320.08046, F.S., to decrease the surcharge on each license tax imposed under s. 320.08, F.S., excluding mobile home registrations. The surcharge is decreased from \$5.50 to \$1.00. The revenue from the reduced surcharge will be deposited into the Grants and

Donations Trust Fund in the Department of Juvenile Justice. (The proposed decrease lowers the surcharge to the amount that was charged prior to the 2009 increase in motor vehicle fees.)

Section 8 reenacts s. 320.0807(4), F.S., to incorporate changes made to s. 320.06, F.S.

Section 9 creates an unnumbered section of law to provide that the revenue from biennial license taxes, fees and surcharges collected pursuant to s. 320.07, F.S., shall be distributed in accordance with the provisions of law in effect at the time they were collected. This section also clarifies that the changes to taxes, fees and surcharges made by this act do not create a right to a refund for a biennial registration collected prior to September 1, 2014.

The bill takes effect on September 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

CS/SB 156 decreases the following motor vehicle registration fees to the amount of the fee prior to September 1, 2009.

Fee Description	Current Fee Amount	Proposed Fee Amount	Fee Reduction
GR- Registration Service Fee	\$ 5.00	\$ 2.50	\$ 2.50
Registration Receipt Fee/Decal	\$ 3.00	\$ 1.00	\$ 2.00
Material Processing /Retroreflective Fee	\$ 1.50	\$ 0.50	\$ 1.00
License Tax Surcharge - Transportation Trust Fund	\$ 4.00	\$ 1.20	\$ 2.80
License Tax Surcharge -DJJ	\$ 5.50	\$ 1.00	\$ 4.50
Real Time Vehicle Information System Fee	\$ 1.25	\$ 0.50	\$ 0.75
Motorcycle Base Tax	\$ 13.50	\$ 10.00	\$ 3.50
Moped Base Tax	\$ 6.75	\$ 5.00	\$ 1.75
Antique Motorcycle	\$ 8.50	\$ 7.50	\$ 1.00
Antique Automobile or Street Rod	\$ 10.25	\$ 7.50	\$ 2.75
Auto less than 2,500 lbs	\$ 19.50	\$ 14.50	\$ 5.00
Auto 2,500 - 3,499 lbs	\$ 30.50	\$ 22.50	\$ 8.00
Auto 3,500 or more lbs	\$ 44.00	\$ 32.50	\$ 11.50

Trucks - less than 2,000 lbs	\$ 19.50	\$ 14.50	\$ 5.00
Trucks - 2,000 - 2,999 lbs	\$ 30.50	\$ 22.50	\$ 8.00
Trucks - 3,000 to 4,999 lbs	\$ 44.00	\$ 32.50	\$ 11.50
Truck - goat	\$ 10.25	\$ 7.50	\$ 2.75
Antique Truck	\$ 10.25	\$ 7.50	\$ 2.75

The Revenue Estimating Conference has not met on this bill, but staff estimates that it will have a negative cash impact of \$309.1 million to the General Revenue Fund, and \$1.9 million to the Highway Safety Operating Trust Fund in Fiscal Year 2014-2015, and a negative recurring impact of \$394.6 million.

B. Private Sector Impact:

Citizens will be assessed a lower fee when registering motor vehicles, vessels and mobile homes.

C. Government Sector Impact:

The fee reductions in this bill require programming changes to the Department of Highway Safety and Motor Vehicle’s financial management system. The department indicates that it can absorb the workload within existing resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 320.03, 320.04, 320.06, 320.072, 320.08, 320.0804, 320.08046, and 320.0807.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

CS by Appropriations Committee on March 13, 2014

The Committee Substitute provides for additional fee reductions related to taxes, fees, and surcharges charged for annual motor vehicle registrations. These include a 50 cent reduction to the FRVIS fee, an 80 cent reduction to a license tax surcharge, and a reduction to the annual license “base tax” for various types and or weight classes of vehicles.

B. Amendments:

None.

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