

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 2224

SPONSOR: Transportation Committee and Senator Sebesta

SUBJECT: Issuance of Drivers' Licenses

DATE: March 6, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Vickers	Meyer	TR	Favorable/CS
2.	_____	_____	CA	_____
3.	_____	_____	FT	_____
4.	_____	_____	AGG	_____
5.	_____	_____	AP	_____
6.	_____	_____	_____	_____

I. Summary:

This CS substantially revises ch. 322, F.S., relating to the issuance of drivers' licenses. The CS authorizes individual county tax collectors to elect to serve as the exclusive agent of the Department of Highway Safety and Motor Vehicles for purposes of driver licensing services in their jurisdictions. The CS provides applicable county tax collectors with essentially the same driver license service authority as the Department, and provides for the disposition of fees when tax collectors perform such services. The CS provides for a split of existing statutory fees for specific driver license transactions. Under this arrangement, county tax collectors would retain a portion of the fee paid for each driver license service performed, and remit the remainder of the fee to the Department. In those counties where a tax collector did not opt to assume the role of exclusive agent, the Department would continue to deliver driver license services.

The CS implements the recommendations of the Driver's License Cost Determination and Allocation Task Force. The Task Force's final report concluded that implementation of the methodology enumerated in this CS would result in no adverse loss of revenue to the state in excess of current cost incurred by the state, and no annual appropriation loss or gain to the Department beyond the elimination of cost incurred in those counties where the tax collector opts to become the exclusive agent. However, the Department's fiscal analysis indicates the CS would have a significant fiscal impact on the state.

This CS substantially amends the following sections of the Florida Statutes: 322.01, 322.03, 322.051, 322.059, 322.07, 322.091, 322.12, 322.121, 322.13, 322.14, 322.141, 322.142, 322.161, 322.1615, 322.17, 322.18, 322.20, 322.21, 322.221, 322.251, 322.282, and 322.32.

II. Present Situation:

Section 322.135, F.S., allows the Department of Highway Safety and Motor Vehicles (DHSMV) to authorize any tax collector, upon application, to serve as its agent for the provision of specified driver license services. Currently, tax collectors are able to select specific driver license services they wish to provide. This same section authorizes tax collectors to charge, in addition to other statutorily authorized fees in ch. 322, F.S., a \$5.25 fee for any driver license issued or renewed by a tax collector. One dollar of the \$5.25 fee must be distributed to the Department for deposit into the Highway Safety Operating Trust Fund. The remaining \$4.25 is retained by the tax collector to offset the cost of providing such services. Currently, 23 county tax collectors are providing at least some driver license services under this arrangement.

In response to recent proposals expanding the driver licensing authority of county tax collectors, the 2001 Legislature created the Driver's License Cost Determination and Allocation Task Force. The seven-member Task Force was charged with recommending the allocation of costs between DHSMV and tax collectors to administer driver license services authorized in ch. 322, F.S.¹ The Task Force was directed to issue a report by January 1, 2002, containing its findings and recommendations dealing with costs, both construction and operating costs, of both DHSMV and the applicable tax collectors, appropriate allocations of costs between DHSMV and the tax collectors, and fee recommendations. As required under s. 322.135, F.S., the findings and recommendations were to be revenue neutral, with no adverse loss of revenue to the state in excess of costs incurred by the state, and with no adverse unfunded mandate to the county tax collector.

After extensive research and cost analyses, the Task Force issued its final report in January 2002. The report detailed a methodology enabling individual tax collectors to elect to serve as the exclusive agent of DHSMV for the delivery of driver license services on a fee based revenue system. Based on the recommended split of statutory fees between tax collectors and DHSMV, the final report concluded that this methodology met the statutory requirements previously discussed. However, shortly after the release of the Task Force final report, a minority members' report was issued. This dissenting report questioned the cost methodology contained in the final report and asserted that the proposed activity-based fee structure is not revenue neutral (see "Economic Impact and Fiscal Note").

III. Effect of Proposed Changes:

The CS revises numerous sections of the Florida Statutes to authorize county tax collectors to perform specific driver license-related services. These statutory changes extend to applicable county tax collectors the same duties and responsibilities currently granted to the Department. In addition, the CS provides for a split of existing statutory fees for specific driver license services provided by tax collectors.

Section 1 - The CS amends s. 322.01, F. S., to define "County Tax Collector" as the county tax collectors of this state performing as authorized agents of the Department.

¹ The Task Force included two representatives of the Department of Highway Safety and Motor Vehicles, two tax collectors, one appointee by the Senate President, one appointee by the Speaker of the House of Representatives, and one appointee by the Governor. Staff of the Auditor General's Office provided technical assistance to the Task Force.

Section 2 - The CS amends s. 322.03, F.S., requiring any person who has been convicted of certain alcohol or drug related offenses to present proof of completion or enrollment in a Department-approved substance education course prior to a driver's license being issued by the Department or county tax collector.

Section 3 - Currently, s. 322.05, F.S., provides that DHSMV may not issue a driver's license to any person who has not met certain requirements. The CS amends this section to provide that a county tax collector may not issue a license to any person who has not met specified driver's license requirements.

Section 4 - The CS amends s. 322.051, F.S., to authorize county tax collectors to issue identification cards to qualified applicants. It further allows the tax collector to retain the \$3 fee as reimbursement for the cost of providing the identification card. A \$2.50 fee for issuance of a duplicate identification card issuance shall also be retained by the issuing entity.

Section 5 - Currently, s. 322.059, F.S., requires that any person whose driver license or registration has been suspended as provided in s. 322.058, F.S., must return his or her driver license or registration to the Department. The CS amends s. 322.059, F.S., to provide persons subject to this provision may also surrender his or her driver license or registration to a county tax collector.

Section 6 - Currently, s. 322.07, F.S., provides for the issuance of instruction permits and temporary licenses by the Department. The CS amends this section to authorize the county tax collectors to issue instruction permits and temporary licenses to qualified applicants.

Section 7 - Currently, s. 322.09, F.S., provides that the Department may not issue a driver's license or learner's license to any applicant under the age of 18 years who is not in compliance with the requirements of s. 322.091, F.S. The CS amends this section to provide a county tax collector may not issue a driver's license or learner's driver's license to any applicant under the age of 18 years who is not in compliance with the requirements of s. 322.091, F.S.

Section 8 - The CS amends s. 322.091, F.S., to authorize the tax collector to deny issuance of a driver's license or learner's license or to suspend the license of any minor that DHSMV has received notification of non-compliance.

Section 9 - The CS amends s. 322.12, F.S., to provide that county tax collectors shall, upon reinstating an applicant's driving privilege following a suspension, collect a \$25 fee. The tax collector shall forward \$14 of this fee to the Department for deposit into the General Revenue Fund and shall retain \$11 as a service fee. The CS also provides that the county tax collector shall collect a \$50 fee for reinstating an applicants driving privilege following a revocation. Of the \$50 fee, the tax collector shall forward \$39 to the Department for deposit into the General Revenue Fund and shall retain \$11 as a service fee. The CS further provides that the county tax collector may also collect a \$105 administrative fee if the suspension or revocation was for a violation of s. 316.193, F.S., or for refusal to submit to a lawful breath, blood, or urine test. The Department or the county tax collector is shall deposit the \$105 fee into the Highway Safety Operating Trust Fund at the time of reinstatement of the driver's license.

Section 10 - Section 322.121(3), F.S., currently defines the criteria for a “safe driver” designation of a driver license. Records belonging to licensees who have had no revocations, suspensions or disqualifications within the last 7 years, or any convictions for the preceding 3 years, except for certain specified nonmoving violations, will be designated with a “safe driver” notation. Included within the exempted nonmoving violations is the failure to notify the Department of a change in name and address within ten days as prescribed in s. 322.19, F.S. The CS amends s. 322.121(3)(e), F.S., to reference the county tax collector for notification of a change of address or name pursuant to s. 322.19, F.S.

Section 11 - The CS amends s. 322.13, F.S., to authorize county tax collectors to designate employees or persons to serve as driver’s license examiners.

Section 12 - Currently, s. 322.14, F.S., authorizes the Department to issue driver licenses to applicants who have successfully completed all examination requirements and upon payment of the required fee. The CS amends this section to include county tax collectors with the authority to issue driver licenses to qualified applicants who have successfully met all examination criteria and paid the required fee.

Section 13 - Currently, s. 322.141, F.S., requires DHSMV to issue licenses with different markings or color for persons under 21 years of age or to persons who are insulin-dependent. The CS amends this section to authorize the county tax collector to issue licenses with different markings or color for persons under 21 years of age or to persons who are insulin-dependent.

Section 14 - Section 322.142, F.S., provides that the Department shall issue a color photographic or digital imaged driver’s license to qualified applicants. The CS amends this section to authorize county tax collectors to issue color photographic or a digital imaged driver’s license to a qualified applicant.

Section 15 - Currently, s. 322.161, F.S., requires certain licensees to appear before the Department within 10 days after being notified and issued a restricted license for business purposes only. The CS amends this section to provide that persons designated as high risk drivers may also appear before a county tax collector to be issued a restricted driver license.

Section 16 - Section 322.1615, F.S., authorizes DHSMV to issue a learner’s license to a person who is at least 15 years of age and who has met other certain requirements. The CS amends this section to authorize county tax collectors to also issue a learner’s license to a person who is at least 15 years of age and who meets applicable requirements.

Section 17 - The CS amends s. 322.17, F.S., to include county tax collectors as issuing agents of duplicate and replacement licenses. For a duplicate license, \$4 of the \$10 fee shall be deposited in the Highway Safety Operating Trust Fund. If the license is re-issued by the county tax collector, the tax collector shall retain \$6 as a service fee. For replacement licenses, if the Department issues the license, then the entire \$10 fee shall be deposited into the Highway Safety Operating Trust Fund. If the tax collector replaces the license, then the tax collector shall forward \$4 of the \$10 fee to the Department for deposit into the Highway Safety Operating Trust Fund and shall retain \$6 as reimbursement for the cost of replacing the license.

Section 18 - The CS amends s. 322.18, F.S., to allow the county tax collector to issue original and renewal licenses. It further authorizes the county tax collector to mail a renewal notice to eligible licensees prior to their license expiration.

Section 19 - Currently, s. 322.20, F.S., provides for the maintenance of driver history records and authorizes DHSMV to charge fees for certain services and documents for deposit into the Highway Safety Operating Trust Fund. The CS amends this section to authorize the county tax collector to charge fees for certain services and documents and to retain such fees as a cost reimbursement.

Section 20 - Section 322.21, F.S., provides procedures for handling and collecting driver license fees. The CS amends this section to require tax collectors to provide sufficient personnel to perform all clerical and routine work for their offices in the issuance of driver licenses and the administration of ch. 322, F.S. The CS also provides for the retention by applicable tax collectors of a portion of existing fees for driver license services. For example, for the issuance of an original Class D or E (operator) driver's license, the tax collector would retain \$13 of the \$20 fee as reimbursement for the delivery of services. The remainder of the fee would be remitted by the tax collector to the Department.

Section 21 - Section 322.221, F.S., authorizes DHSMV to require persons to submit to reexamination if the Department has reason to question the competence of the operator. The CS amends this section to extend similar authority to county tax collectors.

Section 22 - Section 322.251, F.S., establishes the duties and responsibilities of the Department with regard to the notice of suspension, revocation, suspension, or cancellation of driver licenses. The CS amends this section to provide applicable tax collectors the necessary authority to enforce provisions relating to the notice of suspension, revocation, suspension, or cancellation of driver licenses.

Section 23 - The CS amends s. 322.282, F.S., to authorize applicable tax collectors to issue a temporary driving permit to a licensee who presents a court's order of reinstatement, proof of completion of an approved driver training or substance abuse education course, and a written request for a hearing under s. 322.271, F.S.

Section 24 - Section 322.32, F.S., provides that it is unlawful to refuse to surrender to the Department any driver's license that has been suspended, revoked, disqualified, or canceled. The CS amends this section to provide for the same penalty for failure to surrender a license to a tax collector.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

There is considerable difference of opinion regarding the fiscal impact of this proposal. Tax collectors assert that the CS would result in no adverse loss of revenue to the state in excess of current cost incurred by the state, and no annual appropriation loss or gain to the Department beyond the elimination of cost incurred in those counties where the tax collector opts to become the exclusive agent. This finding is generally supported by the methodology contained in the Task Force final report.

However, in its fiscal analysis, the Department determined that implementation of the CS would effectively increase the cost of delivering driver license services to the state by approximately \$6.1 million. The Department based its finding on the assumption that the statewide implementation of the CS would reduce its driver license program budget in the Highway Operating Trust Fund by \$32,905,812. Tax collectors would retain \$39,057,980 in fees of which \$28,916,870 would have been deposited into the State General Revenue Fund, and \$10,141,109 would have been deposited into the Highway Safety Operating Trust Fund.

Tax collectors have countered this assertion by alleging that the Task Force's original estimates of driver license field operations (\$33 million) failed to include recurring cost data associated with state-owned field offices, and that the inclusion of these costs (approximately \$6.1 million) is appropriate to enable a true comparison of costs. In response, the Department has stated that there is no provision for annual depreciation or rent equivalent since such amounts are not incurred and thus not recorded in state budgets or disbursement accounts. Furthermore, many of the state-owned facilities housing driver license field offices are multi-purpose and house entities other than driver license operations.

While the exact number of county tax collectors who would opt to become the exclusive agent of DHSMV is unknown, the consensus is that less than half the county tax collectors would elect to assume this responsibility. Because this discussion of the potential fiscal analysis assumes statewide implementation of the CS, the fiscal impact would be reduced accordingly.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
