

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/HB 187 Motor Vehicle Registration Fees  
**SPONSOR(S):** Ford and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** 1048

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	<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1)	Roads, Bridges & Ports Policy Committee	21 Y, 1 N, As CS	Cater	Miller
2)	Economic Development & Community Affairs Policy Council			
3)	Finance & Tax Council			
4)	Transportation & Economic Development Appropriations Committee			
5)	Full Appropriations Council on Education & Economic Development			

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**SUMMARY ANALYSIS**

The bill increases from \$1.50 to \$3.00 the amount of the motor vehicle registration fee deposited into the Transportation Disadvantaged Trust Fund. The bill will raise the motor vehicle registration fee by \$1.50 per year.

There is an expected increase to the Transportation Disadvantaged Trust Fund of \$15.2 million in Fiscal Year 2009-2010 and \$20.2 million in subsequent fiscal years. The Commission for Transportation Disadvantaged would use these funds to provide additional services to the transportation disadvantaged.

The bill has an effective date of October 1, 2009.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Current Situation**

##### Transportation Disadvantaged

Part I of ch. 437, F.S. creates the Commission for Transportation Disadvantaged (commission) to coordinate of transportation services provided to the transportation disadvantaged,<sup>1</sup> and to ensure that transportation is provided in a cost effective manner by qualified community transportation coordinators or transportation operators. These services are available in all 67 counties.

While the commission is housed administratively in the Department of Transportation (DOT), it is an independent state agency. The commission consists of seven voting members, appointed by the Governor, representing the business community and persons who have a disability and use the transportation disadvantaged system. Additionally, there are eight non-voting advisors to the commission, one is a county administrator appointed by the governor, and the other seven are state agency representatives appointed by each respective agency head.<sup>2</sup>

There are five types of transportation disadvantaged programs. These programs are as follows:

1. Medical-provides trips for preventative medical care.
2. Employment-provides transportation to employment.
3. Education-provides access to education and job training.
4. Nutrition-provides trips for groceries and other nutritional needs.
5. Life-Sustaining/Other-provides trips to pay bills and purchase essential goods and services.

Transportation services to the transportation disadvantaged are funded through a variety of state, federal and local funded programs, including the Agency for Health Care Administration's Non-Emergency Medical Transportation Program, \$1.50 from the registration fees of private automobiles and light trucks, DOT public transit block grant, direct transfers from the State Transportation Trust

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<sup>1</sup> Section 427.011(1), F.S. defines "transportation disadvantaged" as "those persons who because of physical or mental disability, income status, or age are unable to transport themselves or to purchase transportation and are, therefore, dependent upon others to obtain access to health care, employment, education, shopping, social activities, or other life sustaining activities, or children who are handicapped or high-risk or at-risk as defined in s. 411.202."

<sup>2</sup> The state agency representatives are from the following agencies: Transportation, Children and Family Services, Workforce Innovation, Veterans' Affairs, Elderly Affairs, Health Care Administration, and the Agency for Persons with Disabilities.

Find, \$5.00 from the fee for the temporary disability parking permit, and a voluntary \$1.00 contribution on the vehicle registration form.<sup>3</sup>

Section 427.0159 creates the Transportation Disadvantaged Trust Fund, administered by the Commission for Transportation Disadvantaged. This fund currently receives \$1.50 from the initial or renewal registration from each automobile for private use and each truck with a net weight of 5,000 pounds or less.<sup>4</sup> Additionally, motorists may make a \$1.00 voluntary contribution to the trust fund with registration application and renewal.<sup>5</sup>

### Motor Vehicle Fees

The Department of Highway Safety and Motor Vehicles (DHSMV), through the county tax collectors, collects fees from the registration of motor vehicles. The basic fees are as follows:

#### *Automobiles for Private Use*

- An ancient or antique automobile<sup>6</sup> or a street rod<sup>7</sup>-- \$7.50 flat.
- Net weight of less than 2,500 pounds--\$14.50 flat.
- Net weight of 2,500 pounds or more, but less than 3,500 pounds--\$22.50 flat.
- Net weight of 3,500 pounds or more--\$32.50 flat.

#### *Trucks*

- Net weight of less than 2,000 pounds-\$14.50 flat.
- Net weight of 2,000 pounds or more, but not more than 3,000 pounds:-\$22.50 flat.
- Net weight more than 3,000 pounds, but not more than 5,000 pounds:-\$32.50 flat.<sup>8</sup>

In addition, various other charges are included in motor vehicle registration fees.<sup>9</sup> The charges are as follows:

<b>Name of Fee</b>	<b>Amount</b>	<b>Where it Goes</b>
Air Pollution Control	\$1.00	Department of Environmental Protection
Tax Collector Service Fee	\$3.00	Retained by the county
Decal Fee	\$1.00	DHSMV to purchase decals
Advanced Replacement	\$2.00	DHSMV to purchase license plates.
EMS Fee	\$0.10	Agency for Health Care Administration
FRVIS Fee	\$0.50	DHSMV to maintain Division of Motor Vehicles Systems
Law Enforcement Radio Trust Fund	\$1.00	Department of Management Services to maintain the statewide law enforcement radio

<sup>3</sup> Commission on Transportation Disadvantaged Power Point slide on Estimate Fiscal Year 2007-2008 Revenues.

<sup>4</sup> Section 320.03(9), F.S.

<sup>5</sup> Section 320.02(14), F.S.

<sup>6</sup> Ancient and antique automobile are defined in s. 320.086, F.S. An ancient motor vehicle was manufactured in 1945 or earlier with an engine manufactured in 1945 or earlier or manufactured to the specifications of the original engine. An antique motor vehicle is one manufactured after 1945 and is 30 or more years old.

<sup>7</sup> A street rod is defined in s. 320.0863, F.S., as "a motor vehicle that: 1. Is 25 years old or older and of a model year after 1948 or was manufactured to resemble a vehicle that is 25 years old or older and of a model year after 1948; and 2. Has been altered from the manufacturer's original design or has a body constructed from non-original materials.

<sup>8</sup> Section 320.08 (2)-(3), F.S.

<sup>9</sup> Information provided by the Department of Highway Safety and Motor Vehicles.

		system
Reflectorization	\$0.50	DHSMV to purchase license plates.
Surcharge State Transportation	\$2.00	DOT Transportation Trust Fund for road building
Transportation Disadvantaged	\$1.50	DOT Transportation Disadvantaged Trust Fund.

### Proposed Change

The bill amends s. 320.03(9), F.S., to increase the fee charged on vehicle registrations for automobiles and trucks that weigh less than 5,000 pounds that go to the Transportation Disadvantaged Trust Fund from \$1.50 to \$3.00.<sup>10</sup> This would increase the corresponding vehicle registration fees by paid by the vehicle owner \$1.50.

The bill is effective October 1, 2009.

#### B. SECTION DIRECTORY:

Section 1 Amends s. 320.03, F.S., relating to motor vehicle registration to increase the fee deposited in the Transportation Disadvantaged Trust Fund.

Section 2 Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

According to the DHSMV, the state collected approximately \$20.2 million in Fiscal Year 2007-2008 for the Transportation Disadvantaged Trust Fund through motor vehicle registration fees. Doubling the fee, should increase the amount received by \$20.2 million to \$40.4 million per fiscal year. Due to the October 1, 2009, effective date, the DHSMV estimates that the state would collect \$15.2 million in Fiscal Year 2009-2010. However, the precise revenue cannot be calculated since the number of new and renewal vehicle registrations may increase or decrease.

##### 2. Expenditures:

Section 427.0159(2), F.S., requires the Legislature to appropriate that the funds deposited into the Transportation Disadvantaged Trust Fund to carry out the commission's responsibilities and pay the commission's administrative expenses.

The Commission would have any additional monies it receives available to provide additional transportation service.

According to the DHSMV the programming costs associated with changes to the vehicle registration fee schedule will be absorbed within its existing funds.

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

##### 1. Revenues:

None

<sup>10</sup> Vehicles such as for-hire vehicles, trailers, buses, mobile homes, RV's, motorcycles, wreckers, ambulances, and hearses are exempt from paying the fee.

2. Expenditures:

None. Local Governments only pay a registration fee when adding a vehicle to the road and do not pay annual renewal fees. If a local government replaces a vehicle it only pays a \$4.00 transfer fee. The fee it pays when adding a new car does not include any money to the Transportation Disadvantaged Trust Fund.

According to the Commission for the Transportation Disadvantaged, some local governments contribute funds to provide trips in their counties. The bill should not impact local government funding for the Transportation Disadvantaged program.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Businesses and consumers would pay an additional \$1.50 for initial or renewal registration each car and light truck registered.

Residents that are transportation disadvantaged will have additional access to transportation.

D. FISCAL COMMENTS:

According to the Commission for Transportation Disadvantages, the \$1.50 fee was set in 1994 and it has not increased since that time. In 2008, the Commission had to deny over 1 million trips due to lack of funding. The Commission may be able to provide an additional 2.5 million trips with the additional funds.

A study by the Marketing Institute at Florida State University estimated that there is an \$8.35 return for every dollar invested in transportation disadvantaged programs. This number is based on assumptions about items such as cost saving due to fewer hospital and nursing home stays, employee income and tax revenues from trips for employment and educational purposes, and tax revenues from purchases related to purchasing essential goods and services.<sup>11</sup>

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal government.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 11, 2009, the Roads, Bridges, & Ports Policy Committee adopted one amendment. This amendment changed the effective date from July 1, 2009, to October 1, 2009.

The bill was reported favorably as a Committee Substitute.

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<sup>11</sup> *Florida Transportation Disadvantaged Programs Return on Investment Study*, The Marketing Institute, Florida State University College of Business, March 2008. [http://tmi.cob.fsu.edu/roi\\_final\\_report\\_0308.pdf](http://tmi.cob.fsu.edu/roi_final_report_0308.pdf) (January 23, 2009).