

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 Finance and Tax Committee

BILL: CS/SB 2036

INTRODUCER: Finance and Tax Committee and Senators Gaetz and Thrasher

SUBJECT: Motor Vehicle Operation Fees

DATE: April 13, 2010 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Davis	Meyer	TR	Fav/1 amendment
2.	ODonnell	McKee	FT	Fav/CS
3.			TA	
4.			WPSC	
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

This bill reduces fees related to motor vehicle licensing and registration, the issuance of driver's licenses, identification cards and driver's license reinstatements that were increased during the 2009 Legislative Session. Specifically, this bill decreases and restores certain fees to amounts established prior to the enactment of ch. 2009-71, L.O.F.

The Revenue Estimating Conference determined that, based on a July 1, 2010 effective date, this bill will have a negative cash impact on the General Revenue Fund of \$398.5 million in 2010-11 and a negative annualized impact on the General Revenue Fund of \$414.5 million. Additionally, the bill will have a negative cash and recurring impact on the Highway Safety Operating Trust Fund of \$2.9 million.

This bill substantially amends ss. 320.04, 320.08 and 322.21 of the Florida Statutes.

II. Present Situation:

The 2009 Legislature enacted ch. 2009-71, L.O.F., to make substantial changes to ch. 320, F.S., relating to motor vehicle licenses and respective fees and to ch. 322, F.S., relating to driver licenses and respective fees.

Section 320.04, F.S., imposes a service charge of \$5 for each application handled in connection with the original issuance, duplicate issuance, or transfer of any license plate, mobile home sticker, or validation sticker or with the transfer or duplicate issuance of a registration certificate. Prior to the 2009 legislation, the service charge had been \$2.50. The additional \$2.50 is deposited into the General Revenue Fund.

Section 320.08, F.S., provides for the annual license taxes for the operation of motor vehicles, mopeds, motorized bicycles and mobile homes which are collected by the Department of Highway Safety and Motor Vehicles (department) upon registration or renewal of a registration. These fees vary by vehicle type and weight class. Revenues derived from the annual license tax are distributed as provided in s. 320.20, F.S. Specifically, during the 2009 Session, s. 320.08, F.S., was amended to increase the annual license tax imposed for the operation of motor vehicles by 35 percent and specify the additional revenue will be deposited into the General Revenue Fund. The increase varied depending on the current flat rate based on the weight of the vehicle.

Section 322.21, F.S., provides for driver's license fees and the process for handling and collecting. Prior to enactment of ch. 2009-71, L.O.F., the fees for driver's licenses and driver's license reinstatements were: an original or renewal commercial driver's license was \$67; an original Class E was \$27; a renewal Class E was \$20; a replacement driver's license was \$10; an original, replacement or renewal identification card was \$10; reinstatement following a suspension was \$35; reinstatement following a revocation was \$60; and an suspension for a refusal to submit to a lawful breath, blood, or urine test was \$115.

Section 322.21, F.S., was amended to increase the fee for both original and renewal driver's licenses, identification cards, driver's license delinquent fee, and driver's license reinstatement. Specifically, the 2009 legislation amended s. 322.21, F.S., to provide for the following increases:

- Increases the driver's license delinquent fee for failure to renew within 12 months of expiration from \$1 to \$15.
- Increases the fee for an original, renewal or replacement identification card from \$10 to \$25.
- Increases fees associated with licensing of drivers:
 - Original Class E or Motorcycle use only – increased from \$27 to \$48
 - Renewal Class E or Motorcycle use only – increased from \$20 to \$48
 - Commercial Driver's License or Renewal – increased from \$67 to \$75
 - Replacement License – increased from \$10 to \$25
 - Increases drivers license reinstatement fees
 - Service fee is increased from \$35 to \$45 following a suspension, and from \$60 to \$75 following a revocation.
 - Increases the reinstatement fee for revocation or suspension for refusal to submit to a breath, blood or urine test from \$115 to \$130

This section also establishes a \$25 fee for a formal administrative review hearing, and a \$12.00 fee for an informal hearing on a license suspensions related to failure to submit to a breath, blood or urine alcohol test and specifies that the revenues be deposited in the Highway Safety Operating Trust Fund.

III. Effect of Proposed Changes:

Section 320.04, F.S., is amended to reduce the service charge of \$5 for each application handled in connection with the original issuance, duplicate issuance, or transfer of any license plate, mobile home sticker, or validation sticker or with the transfer or duplicate issuance of a registration certificate to \$2.50. The additional \$2.50 is no longer deposited into the General Revenue Fund.

This bill reduces fees related to motor vehicle licensing and registration, the issuance of driver’s licenses, identification cards and driver’s license reinstatements that were increased during the 2009 Legislative Session. The total fee increase for fiscal year 2010-2011 was estimated to be \$1.04 billion. This bill decreases and restores certain fees to amounts established prior to the enactment of ch. 2009-71, L.O.F.

The bill amends s. 320.08, F.S., as follows:

LICENSE TAXES	Current	Proposed
MOTORCYCLES AND MOPEDS		
Motorcycles	\$13.50	\$10.00
Moped	\$6.75	\$5.00
Antique motorcycle	\$13.50	\$10.00
AUTOMOBILES FOR PRIVATE USE		
Ancient or Antique Automobile or Street Rod	\$10.25	\$7.50
Net weight less than 2500 lbs	\$19.50	\$14.50
Net weight of 2500 lbs less than 3500 lbs	\$30.50	\$22.50
3500 pounds or more	\$44.00	\$32.50
TRUCKS		
Net weight less than 2000 lbs	\$19.50	\$14.50
Net weight of 2000 lbs less than 3000 lbs	\$30.50	\$22.50
3000 pounds or more less than 5000 lbs	\$44.00	\$32.50
Goat Truck	\$10.25	\$7.50
Ancient or Antique Truck	\$10.25	\$7.50
HEAVY TRUCKS, TRUCK TRACTORS		
5001 to 5999 lbs	\$60.75	\$45
6000 to 7999 lbs	\$87.75	\$65
8000 to 9999	\$103	\$76
10,000 to 14,999 lbs	\$118	\$87

15,000 to 19,999 lbs	\$177	\$131
20,000 to 26,000 lbs	\$251	\$186
26,001 to 34,999 lbs	\$324	\$240
35,000 to 43,999 lbs	\$405	\$300
44,000 to 54,999 lbs	\$773	\$572
55,000 to 61,999 lbs	\$916	\$678
62,000 to 71,999 lbs	\$1080	\$800
72,000 lbs or more	\$1322	\$979
Truck tractor, 150 mile radius	\$324	\$240
Truck tractor or heavy truck; restricted use, 150 mile radius, less than 44,000 lbs	\$87.75	\$65
Truck tractor or heavy truck; restricted use; more than 44,000 lbs	\$324	\$240
SEMITRAILERS; SCHOOL BUSES; SPECIAL PURPOSE		
Semitrailer (per registration)	\$13.50	\$10
Semitrailer (permanent registration)	\$68	\$50
Special Purpose Vehicles	\$44	\$32.50
School Buses	\$41	\$30
WRECKER		
10,000 to 14,999 lbs	\$118	\$87
15,000 to 19,999 lbs	\$177	\$131
20,000 to 26,000 lbs	\$251	\$186
26,001 to 34,999 lbs	\$324	\$240
35,000 to 43,999 lbs	\$405	\$300
44,000 to 54,999 lbs	\$772	\$572
55,000 to 61,999 lbs	\$915	\$678
62,000 to 71,999 lbs	\$1080	\$800
72,000 lbs or more	\$1322	\$979
Hearse or ambulance	\$40.50	\$30
MOTOR VEHICLES FOR HIRE (under 9 passengers)	\$17 & \$1.50/cwt	\$12.50 & \$1.00/cwt
MOTOR VEHICLES FOR HIRE (over 9 passengers)	\$17 & \$2.00/cwt	\$12.50 & \$1.50/cwt
TRAILERS FOR PRIVATE USE (under 500 lbs)	\$6.75	\$5
TRAILERS FOR PRIVATE USE (over 500 lbs)	\$3.50 & \$1/cwt	\$2.50 & \$0.75/cwt
TRAILERS FOR HIRE (under 2000 lbs)	\$3.50 & \$1.50/cwt	\$2.50 & \$1.00/cwt
TRAILERS FOR HIRE (over 2000 lbs)	\$13.50 & \$1.50/cwt	\$10 & \$1.00/cwt
RECREATIONAL VEHICLES (travel trailer or 5th wheel trailer not in excess of 35 ft in length)	\$27	\$20
Recreational Vehicles (camping trailer)	\$13.50	\$10
Motor Home (under 4,500lbs)	\$27	\$20

Motor Home (over 4,500 lbs)	\$47.25	\$35
Private Motor Coach (under 4,500lbs)	\$27	\$20
Truck Camper (under 4,500lbs)	\$27	\$20
Truck Camper (over 4,500 lbs)	\$47.25	\$35
Private Motor Coach (over 4,500lbs)	\$47.25	\$35
DEALER AND MANUFACTURER LICENSE PLATE	\$17	\$12.50
EXEMPT / OFFICIAL LICENSE PLATES	\$4	\$3
LOCALLY OPERATED MOTOR VEHICLES FOR HIRE	\$17 & \$2/cwt	\$12.50 & \$1.50/cwt
TRANSPORTER	\$101.25	\$75

In addition, the bill deletes provisions requiring a portion of the service charges be deposited into the General Revenue Fund as it relates to the reduction of these fees.

This bill amends s. 322.21, F.S., decreasing driver license and identification card fees, removing fees for persons requesting a review or hearing, and decreasing certain application fees for reinstatement of a suspended or revoked driver license or reinstatement of a commercial driver license following disqualification.

The proposed decreases in fees are as follows:

- The current \$5.50 surcharge levied on each license tag is reduced to \$2.00 and the amount of the surcharge to be deposited into the General Revenue Fund is reduced from \$4.50 to \$1.00.
- A credit is to be paid to certain registrants who paid for a biennial license. The credit is funded through the General Revenue Fund.
- Original or renewal commercial driver’s license from \$75 to \$67.
- Delinquent fee from \$15 to \$1 for persons who renew a commercial or Class E driver’s license within 12 months after the license expiration date.
- Original Class E driver’s license with or without motorcycle use only from \$48 to \$27.
- Renewal or extension of a Class E driver’s license or of a license restricted to motorcycle use only from \$48 to \$20.
- Replacement driver’s license from \$25 to \$10 with the amount deposited into the General Revenue Fund decreasing from \$18 to \$3.
- Original, renewal, or replacement identification card from \$25 to \$10. The amount deposited in the General Revenue Fund will decrease as follows:
 - Original identification card from \$25 to \$10
 - Renewal identification card from \$19 to \$4
 - Replacement identification card from \$16 to \$1
- The service fee decreases from \$45 to \$35 for any person who applies for reinstatement following the suspension of a person’s driver’s license. The amount deposited into the Highway Safety Operating Trust Fund will decrease from \$30 to \$20.
- The service fee decreases from \$75 to \$60 for any person who applies for reinstatement following the revocation of a person’s driver’s license. The amount deposited into the Highway Safety Operating Trust Fund will decrease from \$40 to \$25.

- The service fee decreases from \$75 to \$60 for any person who applies for reinstatement of a commercial driver's license following the disqualification of a person's driver's license. The amount deposited into the Highway Safety Operating Trust Fund will decrease from \$40 to \$25.
- If the revocation or suspension of the driver's license was for a violation of s. 316.193, F.S., or for refusal to submit to a lawful breath, blood, or urine test, an additional fee must be charged and that amount decreases from \$130 to \$115.

The bill provides an effective date of July 1, 2010.

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:

This bill decreases fees imposed on motor vehicle registration, drivers licenses and identification cards, drivers license examinations, and driver's license reinstatements following a suspension. The bill decreases and restores certain fees to amounts established prior to the enactment of ch. 2009-71, L.O.F.

The Revenue Estimating Conference determined that, based on a July 1, 2010 effective date, this bill will have a negative cash impact on the General Revenue Fund of \$398.5 million in 2010-11 and a negative annualized impact on the General Revenue Fund of \$414.5 million. Additionally, the bill will have a negative cash and recurring impact on the Highway Safety Operating Trust Fund of \$2.9 million.

B. Private Sector Impact:

Private individuals will be assessed a lower fee when making purchases related to motor vehicle registrations, drivers licenses and identification cards, drivers license examinations, and driver's license reinstatements following a suspension.

C. Government Sector Impact:

The bill will have a negative cash impact on the Highway Safety Operating Trust Fund of \$2.9 million and a negative annualized impact on the Fund of \$2.9 million thereby

reducing a revenue source currently used to fund the operations of the Department of Highway Safety and Motor Vehicles.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Finance and Tax Committee on April 13, 2010:

Reduces the current \$5.00 service charge applied in connection with the issuance, duplicate issuance, or transfer of a license plate, mobile home sticker or validation sticker (decal), or with the transfer or duplicate issuance of a vehicle registration certificate to \$2.50. Deletes a provision requiring a portion of the service charge be deposited into the General Revenue Fund. Reduces the current \$5.50 surcharge levied on each license tax to \$2.00 and the amount of the surcharge to be deposited into the General Revenue Fund is reduced from \$4.50 to \$1.00. Provides for a credit to be paid to certain registrants who paid for a biennial license to funded through the General Revenue Fund.

- B. **Amendments:**

None