

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 71 Low-Speed Vehicles

**SPONSOR(S):** Transportation & Highway Safety Subcommittee; Combee and others

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 62

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	9 Y, 1 N, As CS	Kiner	Miller
2) Transportation & Economic Development Appropriations Subcommittee	10 Y, 0 N	Rayman	Davis
3) Economic Affairs Committee	14 Y, 0 N	Kiner	Creamer

### SUMMARY ANALYSIS

CS/HB 71 authorizes the administrative conversion of a low-speed vehicle to a golf cart. The owner must contact DHSMV to verify the conversion, surrender the registration license plate and the certificate of title (which are canceled by DHSMV), and pay the one-time \$40 verification fee in lieu of ongoing annual registration costs. The owner must also submit an affidavit to DHSMV attesting that the vehicle has been modified to comply with the speed restrictions for golf carts and acknowledging that the golf cart must be operated in accordance with the operational and safety standards required by Florida law.

After the verification, the bill requires DHSMV to issue a decal to the owner of the newly converted golf cart. After issuance, the owner of the newly converted golf cart must place this decal on the vehicle's rear. The decal contains the following text: "CONVERTED VEHICLE. Max speed 20 mph."

The newly converted golf cart would be authorized to operate in the same manner as other golf carts – on county roads and municipal streets (driver must be at least 14 years old) and on sidewalks (not to exceed 15 mph) only when authorized by the local government in that jurisdiction. If at a location approved by the Florida Department of Transportation, the newly converted golf cart would also be able to cross a portion of the State Highway System.

Vehicle registration fees vary depending on weight and any additional add-ons, but a typical low-speed vehicle could carry total annual registration fees of \$46.15 to \$57.15, compared to a one-time verification fee of \$40 as part of the conversion.

An unknown number of vehicles will be converted under the bill's provisions, but because owners will no longer have to pay vehicle registration fees, state funds will be affected. The Revenue Estimating Impact Conference, on March 22, 2013, estimated a recurring loss of \$100,000 to General Revenue and a recurring combined loss of \$100,000 to the Highway Safety Operating Trust Fund and the State Transportation Trust Fund.

The bill has an effective date of July 1, 2013.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

##### **Low-speed Vehicles**

A low-speed vehicle weighs less than 3,000 pounds and has a top speed of 20-25 miles per hour.<sup>1</sup> Under Florida law, a low-speed vehicle may be driven on roads where the speed limit does not exceed 35 miles per hour, unless the Florida Department of Transportation or the local government having jurisdiction determines it is unsafe to do so.<sup>2</sup> Because it is street-legal, a low-speed vehicle must be registered and insured, and the driver must have a valid driver license.<sup>3</sup> Low-speed vehicles must be equipped with head and turn-signal lamps, mirrors, windshields, seat belts, and other safety features.<sup>4</sup>

During the 2012 regular legislative session, the Florida Legislature removed language restricting low-speed vehicles to electric power, effectively expanding the definition to include gasoline-powered vehicles.<sup>5</sup>

Vehicle registration fees vary depending on the vehicle's weight and any additional add-ons.<sup>6</sup> A low-speed vehicle weighs less than 3,000 pounds. Under Florida law, a vehicle weighing less than 2,500 pounds carries a \$19.50 base registration fee,<sup>7</sup> and a vehicle weighing between 2,500-3,499 pounds carries a \$30.50 base registration fee.<sup>8</sup> In addition to the base registration fees, Florida law requires a number of surcharges and fees which are applied to each registration (see Fiscal Analysis section below for details of the amounts and disposition). The total cost to an owner to renew the registration of a low-speed vehicle ranges from \$46.15 to \$57.15 depending on the vehicle's weight.

During 2012, there were 5,818 low-speed vehicles registered in the state, of which 1,229 were originals and 4,589 were renewals.<sup>9</sup> The number of unregistered low-speed vehicles is unknown.

##### **Golf Carts**

Designed and manufactured for recreational use, a golf cart's top speed is lower than that for a low-speed vehicle.<sup>10</sup> The top speed is 20 miles per hour.<sup>11</sup> A golf cart does not have to be registered and the driver does not have to be licensed.<sup>12</sup>

##### *Street-use*

With exceptions, golf carts are not street-legal.<sup>13</sup> The most notable exception is that local governments may authorize their use on county roads and municipal streets in certain instances – only after considering factors such as the speed, volume, and character of motor vehicle traffic on the road or

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<sup>1</sup> See 49 C.F.R., §571.3 and s. 320.01(42), F.S.

<sup>2</sup> ss. 316.2122(1),(5), and (6), F.S.

<sup>3</sup> s. 316.2122(3)(4), F.S.

<sup>4</sup> s. 316.2122(2), F.S.

<sup>5</sup> s. 20, ch. 2012-174, Laws of Florida

<sup>6</sup> s. 320.08, F.S.

<sup>7</sup> s. 320.08(2)(b), F.S.

<sup>8</sup> s. 320.08(2)(c), F.S.

<sup>9</sup> See the Florida Department of Highway Safety and Motor Vehicles, *Agency Bill Analysis* for HB 71. A copy of the bill analysis is on file with the Florida House of Representatives, Transportation & Highway Safety Subcommittee.

<sup>10</sup> s. 320.01(22), F.S.

<sup>11</sup> *Id.*

<sup>12</sup> ss. 320.105 and 322.04(1)(d), F.S.

<sup>13</sup> s. 316.212, F.S.

street in question.<sup>14</sup> Additionally, a golf cart may also cross a portion of the State Highway System under specified conditions and if approved by the Florida Department of Transportation.<sup>15</sup>

A golf cart must be equipped with a reliable steering apparatus, efficient brakes, safe tires, and other safety features, and generally may only be driven during daylight hours.<sup>16</sup> However, a local government may authorize nighttime driving if the golf cart is equipped with headlights, brake lights, turn signals, and a windshield.<sup>17</sup>

In every case, however, the driver of a golf cart on a public road must be at least 14 years old.<sup>18</sup>

#### *Use on sidewalks*

Local governments may also authorize golf carts to be driven on sidewalks; however, speed must be limited to 15 miles per hour.<sup>19</sup> Before authorizing such operations, the local government must determine that golf carts, bicycles, and pedestrians may safely share the sidewalk.<sup>20</sup> The local government must require that the golf cart meets the minimum safety equipment requirements above, but may require additional equipment including horns or other warning devices.<sup>21</sup> The local government must post appropriate signs or otherwise inform residents that golf cart operation is allowed on sidewalks.<sup>22</sup>

#### *Use within self-contained retirement communities*

Although golf carts are generally not street-legal, there are some exceptions, which are noted above. Florida law also provides a carve-out for the use of golf carts within a self-contained retirement community. In this instance, a golf cart may be reasonably operated within any self-contained retirement community, unless prohibited by the Florida Department of Transportation or the local government having jurisdiction.<sup>23</sup> In addition, the golf cart must be equipped and operated in accordance with the safety standards in s. 316.212(5), (6), and (7), F.S., namely that the golf cart:

- be equipped with a reliable steering apparatus, efficient brakes, safe tires, and other safety features;
- be driven only during daylight hours, unless the responsible local government authorizes nighttime driving and the golf cart is equipped with headlights, brake lights, turn signals, and a windshield; and
- be driven by a person who is at least 14 years old.

#### *Use by law enforcement agencies and municipalities*

Although golf carts are generally not street-legal, there are some exceptions, which are noted above. Florida law also provides a carve-out for the use of golf carts by law enforcement agencies and municipalities.

Law enforcement agencies may operate golf carts on any street, road, or highway while carrying out official duties so long as the golf cart is marked as a law enforcement vehicle and the driver and passengers wear safety gear.<sup>24</sup>

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<sup>14</sup> s. 316.212(1), F.S.

<sup>15</sup> Id.

<sup>16</sup> ss. 316.212(5) and (6), F.S.

<sup>17</sup> s. 316.212(5), F.S.

<sup>18</sup> s. 316.212(7), F.S.

<sup>19</sup> s. 316.212(8)(b), F.S.

<sup>20</sup> s. 316.212(8)(b)1., F.S.

<sup>21</sup> s. 316.212(8)(b)4., F.S.

<sup>22</sup> s. 316.212(8)(b)5., F.S.

<sup>23</sup> s. 316.2125, F.S.

<sup>24</sup> s. 316.21265, F.S.

Municipal employees may operate golf carts for municipal purposes on any state, county, or municipal road located within the municipality.<sup>25</sup> A golf cart operated in this context must comply with operational and safety standards required for street use (listed above) and any more restrictive ordinances enacted by the responsible local governmental entity.<sup>26</sup>

### Effect of Proposed Changes

CS/HB 71 authorizes the administrative conversion of a low-speed vehicle to a golf cart. The owner must contact DHSMV to verify the conversion, surrender the registration license plate and the certificate of title (which are canceled by DHSMV), and pay the one-time \$40 verification fee in lieu of ongoing annual registration costs. The owner must also submit an affidavit to DHSMV attesting that the vehicle has been modified to comply with the speed restrictions for golf carts and acknowledging that the golf cart must be operated in accordance with the operational and safety standards required by Florida law.

After the verification, the bill requires DHSMV to issue a decal to the owner of the newly converted golf cart. After issuance, the owner of the newly converted golf cart must place this decal on the vehicle's rear. The decal contains the following text: "CONVERTED VEHICLE. Max speed 20 mph."

The newly converted golf cart will not have to be registered or insured, and the driver will not have to be licensed. Generally, in each jurisdiction, the newly converted golf cart would be authorized to operate in the same manner as other golf carts – on county roads and municipal streets (driver must be at least 14 years old) and on sidewalks (not to exceed 15 mph) only when authorized by the local government in that jurisdiction. If at a location approved by the Florida Department of Transportation, the newly converted golf cart would also be able to cross a portion of the State Highway System. However, if the golf cart were being operated by a law enforcement officer on official duty, a municipal employee for municipal purposes, or reasonably within a self-contained retirement community, such operation would not need prior local government authorization.

An unknown number of vehicles will be converted under the bill's provisions, but because owners will no longer have to pay vehicle registration fees, state funds will be affected. However, the bill will have an indeterminate, but positive impact to the Highway Safety Operating Trust Fund from the \$40 verification fee. See Fiscal Analysis section below for details of the amounts and disposition.

The bill's effective date is July 1, 2013.

#### B. SECTION DIRECTORY:

Section 1: Creates s. 319.14(10), F.S., to authorize a low-speed vehicle to be converted to a golf cart.

Section 2: Provides an effective date of July 1, 2013.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

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

##### 1. Revenues:

The General Revenue Fund and state trust funds will lose some revenues from fewer vehicle registration fees and associated taxes. Vehicle registration fees vary depending on the vehicle's weight and any additional add-ons. A low-speed vehicle weighs less than 3,000 pounds. Under Florida law, a vehicle weighing less than 2,500 pounds carries a \$19.50 base registration fee, of which \$5 is deposited into the General Revenue Fund with the remainder deposited in the State Transportation Trust Fund. A vehicle weighing between 2,500-3,499 pounds carries a \$30.50 base

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<sup>25</sup> s. 316.2126, F.S.

<sup>26</sup> Id.

registration fee, of which \$8 is deposited into the General Revenue Fund with the remainder deposited in the State Transportation Trust Fund.

In addition to the loss of base registration fees, there will be a loss of \$36.55 in taxes and fees associated with the registration of each vehicle.

However, the bill will also have an indeterminate, but positive impact to the Highway Safety Operating Trust Fund from the one-time \$40 verification fee from each conversion.

See fiscal comments for further detail.

## 2. Expenditures:

The bill will have an indeterminate fiscal impact on DHSMV expenditures for processing conversions of low-speed vehicles to golf carts. The one-time \$40 verification fee for each conversion will help cover DHSMV's administrative costs.

According to DHSMV, its Information Systems Administration (ISA) will require approximately 145 hours of additional work in order to implement the provisions of this bill.<sup>27</sup> DHSMV states that these hours can be incorporated into ISA's normal workload.

## B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

### 1. Revenues:

In each jurisdiction, the local tax collector office serves as an agent for various state and local government agencies. When processing motor vehicle registration transactions, the tax collector retains a fee. The fee is often distributed to the appropriate local governmental entity. To the extent that a fewer number of low-speed vehicle owners will be renewing their vehicle's registration, tax collectors will process fewer transactions, and local governments may see an indeterminate decrease in revenue.

### 2. Expenditures:

The bill does not impact local government expenditures.

## C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

While the bill requires a one-time \$40 verification fee, owners of newly converted golf carts will no longer have to pay fees associated with registering and insuring their low-speed vehicles. Vehicle registration fees vary depending on weight and any additional add-ons, but a typical low-speed vehicle could carry total annual registration fees of \$46.15 to \$57.15, compared to a one-time verification fee of \$40 as part of the conversion.

## D. FISCAL COMMENTS:

During 2012, there were 5,818 low-speed vehicles registered in the state, of which 1,229 were originals and 4,589 were renewals.<sup>28</sup> The number of unregistered low-speed vehicles is unknown and the number of low-speed vehicles that will actually be converted to golf carts is also unknown.

However, the consensus estimate from the March 22, 2013, Revenue Estimating Impact Conference, projects a recurring loss of \$100,000 to General Revenue and a recurring combined loss of \$100,000 to the Highway Safety Operating Trust Fund and the State Transportation Trust Fund based on the provisions of this bill.

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<sup>27</sup> See the Florida Department of Highway Safety and Motor Vehicles, *Agency Bill Analysis* for HB 71. A copy of the bill analysis is on file with the Florida House of Representatives, Transportation & Highway Safety Subcommittee.

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### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

The bill neither requires nor impacts rulemaking authority.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

The potential severity of crashes between non-motorists (e.g., bicyclists and pedestrians) and golf carts may be increased due to larger vehicles using sidewalks and other facilities generally reserved for non-motorized travel. As described in the Current Situation section above, such uses must be specifically authorized by the governmental entity with jurisdiction over the sidewalk facility.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On Thursday, March 7, 2013, the Transportation & Highway Safety Subcommittee adopted a strike-all amendment to HB 71 to align HB 71 to its Senate companion, SB 62. The strike-all made the following technical changes:

- Provided language that requires the owner of the newly converted golf cart to submit an affidavit to DHSMV attesting that the vehicle has been modified to comply with the speed restrictions for golf carts and acknowledging that the golf cart must be operated in accordance with the operational and safety standards required by Florida law.
- Provided language that requires DHSMV to issue a decal to the owner of the newly converted golf cart. After issuance, the owner of the newly converted golf cart must place this decal on the vehicle's rear. The decal contains the following text: "CONVERTED VEHICLE. Max speed 20 mph."

This bill analysis is drafted to CS/HB 71.