

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 Subcommittee on Transportation, Tourism, and Economic Development

BILL: SB 156

INTRODUCER: Senator Negron and others

SUBJECT: Motor Vehicle License Taxes

DATE: January 7, 2014

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Everette</u>	<u>Eichin</u>	<u>TR</u>	<u>Favorable</u>
2.	<u>Carey</u>	<u>Martin</u>	<u>ATD</u>	<u>Pre-meeting</u>
3.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>

I. Summary:

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 result in a \$12 per year savings in the amount paid to register a motor vehicle, \$2.00 to register a vessel, and between \$4.50 and \$9.00 to register a mobile home. The fee reductions will take effect September 1, 2014.

The Highway Safety Licenses and Fees Estimating Conference met on November 25, 2013. Based on the results of the conference, staff estimates the motor vehicle registration fee reductions in SB 156 will have a negative impact of \$185 million to the General Revenue Fund in Fiscal Year 2014-2015 and a recurring impact to General Revenue of negative \$236.7 million. The Revenue Estimating Impact Conference is scheduled to review SB 156 on January 10, 2014.

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 320.04(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 Department of Highway Safety and Motor Vehicles (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 320.0804, 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.

III. Effect of Proposed Changes:

Section 1 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 2 amends s. 320.06(3)(b), 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.)

Section 3 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 \$2.00. From the reduced surcharge revenue, \$1.00 will be deposited into the State Transportation

Trust Fund in the Department of Transportation and \$1.00 of will be deposited into the Highway Safety Operating Trust Fund in the DHSMV. (The proposed decrease lowers the surcharge to the amount that was charged prior to the 2009 increase in motor vehicle fees.)

Section 4 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 5 reenacts s. 320.0807, F.S. to incorporate changes made to s. 320.06, F.S.

The bill will take effect 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:

The bill decreases the following motor vehicle registration fees to the amount of the fee prior to September 1, 2009.

<u>Vehicle Registration Fees</u>	<u>Current Fee</u>	<u>New Fee</u>
Registration Service Charge	\$5.00	\$2.50
Validation Sticker Service Charge	\$3.00	\$1.00
Retroflective Tag Sticker	\$1.50	\$0.50
License Tax Surcharge (STTF)	\$4.00	\$2.00
License Tax Surcharge (DJJ)	\$5.50	\$1.00

Based on the results of the Highway Safety Licenses and Fees Estimating Conference held November 25, 2013, staff estimates the motor vehicle registration fee reductions in SB 156 will decrease revenues to the General Revenue Fund by \$185 million in Fiscal Year 2014-2015, with a negative \$236.7 million recurring impact. The Revenue Estimating Impact Conference is scheduled to review SB 156 on January 10, 2014.

B. Private Sector Impact:

Citizens will be assessed a lower fee when registering motor vehicles, vessels and mobile homes. The annual savings per transaction is \$12.00 for a motor vehicle registration, \$2.00 for a vessel registration, and between \$4.50 and \$9.00 for a mobile home registration.

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: 320.04, 320.06, 320.0804, 320.08046, 320.0807.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

None.

B. Amendments:

None.