

**STORAGE NAME:** h2105.ft  
**DATE:** April 24, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
FINANCE AND TAXATION  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** H2105  
**RELATING TO:** Drivers' licenses  
**SPONSOR(S):** Committee on Finance and Taxation  
**STATUTE(S) AFFECTED:** s. 322.21, Florida Statutes  
**COMPANION BILL(S):** None

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) FINANCE AND TAXATION YEAS 8 NAYS 4
- (2)
- (3)
- (4)
- (5)

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**I. SUMMARY:**

Currently, Class D (an original operator) and Class E (restricted) four-year and six-year driver's license renewals are \$15. An original driver's license expires after six years; then the Department of Highway Safety and Motor Vehicles (DHSMV) issues a six-year renewal if the applicant's driving record reflects no convictions for the preceding three years.

The bill provides that "Safe Drivers Drive Free." That is, those drivers eligible for a 6-year renewal will not have to pay the \$15 renewal fee. In addition, the bill provides for an increase of \$25 for "unsafe drivers" (the four-year renewal) for a total of \$40 for a four-year renewal.

This bill is projected to reduce General Revenue receipts by (\$10.2) million in FY 1997-98 and (\$11.09) million in FY 1998-99. This bill has no impact on state trust funds nor on local governments.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

An issuance of a Class D and Class E original driver's license is \$20, is valid for six years, and expires on the applicant's birthday.

A renewal driver's license is \$15 and is valid for four years; however, if the applicant's driving record reflects no convictions for the preceding 3 years or no revocations, disqualifications, or suspensions over the preceding seven years, the renewal driver's license is valid for six years.

A conviction, according to 322.01(10), F.S., is an offense relating to the operation of motor vehicles on highways which is a violation of chapter 322, F.S., or any such law of this state or any other state, including an admission or determination of a noncriminal traffic infraction pursuant to s. 318.14, F.S., or a judicial disposition of an offense committed under any federal law substantially conforming to the aforesaid state statutory provisions.

B. EFFECT OF PROPOSED CHANGES:

The bill provides that "Safe Drivers Drive Free." That is, those drivers eligible for a 6-year renewal will not have to pay the \$15 renewal fee. In addition, the bill provides for an increase of \$25 for "unsafe drivers" (the four-year renewal) for a total of \$40 for a for a four-year renewal.

To date, there are roughly 12.3 million total licensed drivers. Approximately 75 percent of those are safe drivers, according to DHSMV. Further, DHSMV estimates that the number of safe drivers applying for driver's license renewals will be 1,520,489, and 506,829 "unsafe drivers" will apply for renewals in FY 1997-98. It will cost the department \$6,240 to reprogram their computers to reflect the change in law.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

Yes. Those drivers classified as "unsafe drivers" will have a fee increase of \$25 on their four-year driver's license renewal.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

Yes. The bill allows safe drivers (those renewing a six-year driver's license) to obtain their renewal license for free.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. SECTION-BY-SECTION RESEARCH:

Section 1 amends s. 322.21, F.S., to provide that "Safe Drivers Drive Free." That is, those drivers eligible for a 6-year renewal will not have to pay the \$15 renewal fee. It also provides for an increase of \$25 for "unsafe drivers" (the four-year renewal) for a total of \$40 for a four-year renewal.

Section 2 provides an effective date of July 1, 1997.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

General Revenue Fund	<u>FY 1997-98</u>
Data Processing Cost	(\$0.06) M

2. Recurring Effects:

<u>REVENUES</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>
General Revenue Fund		
Renewals 6-year license	(\$22.81) M	(\$24.96) M
Renewals 4-year license	<u>\$12.67 M</u>	<u>\$13.87 M</u>

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

<u>REVENUES</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>
General Revenue Fund	(\$10.2) M	(\$11.09) M

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

There would be incentive for "unsafe drivers" to become safe drivers, thereby lowering the probability of traffic-related accidents.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON FINANCE AND TAXATION:

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