

STORAGE NAME: h0223s1a.go

DATE: March 26, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GOVERNMENTAL OPERATIONS
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 223 (1st Engrossed)

RELATING TO: The Department of State (Transferring the Department of Highway Safety and Motor Vehicles to the Department of State)

SPONSOR(S): Committee on Governmental Operations, Representative Merchant & others

STATUTE(S) AFFECTED: ss. 20.10, 20.24, 20.241, 316.003, 318.13

COMPANION BILL(S): SB 1508 (c)

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

- (1) GOVERNMENTAL OPERATIONS
- (2)
- (3)
- (4)
- (5)

I. SUMMARY:

CS/HB 223, if enacted, will transfer, by a type two transfer as described in s. 20.06, F.S., the Department of Highway Safety and Motor Vehicles (HSMV) (s. 20.24, F.S.), excluding the Florida Highway Patrol, to the Department of State (s. 20.10, F.S.). The Division of Motor Vehicles and the Division of Driver Licenses, as currently existing in HSMV, will be transferred and established in the Department of State. Also, CS/HB 223 creates s.20.241, F.S., to establish a Department of Highway Safety. The head of the Department of Highway Safety is the Governor and Cabinet. All of the existing legal authorities and actions of the Florida Highway Patrol are transferred to the Department of Highway Safety. CS/HB 223 repeals s. 20.24, F.S., and abolishes the Department of Highway Safety and Motor Vehicles.

Additionally, CS/HB 223 removes references to the Department of Highway Safety and Motor Vehicles found in ss. 316.003 (8), and 318.13 (1), F.S., and replaces them with references to the Department of State.

This bill directs the Division of Statutory Revision of the Joint Legislative Management Committee, in editing manuscript for the next official version of the Florida Statutes, to replace the term "Department of Highway Safety and Motor Vehicles" wherever that term appears in the statutes with the term "Department of State" or "Department of Highway Safety," as appropriate.

Since there are no details in the bill as to how this transfer will be administered, the actual fiscal impact of this bill is indeterminate. It is anticipated that there will be at least a minimal fiscal impact.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Section 20.24, F.S., creates a Department of Highway Safety and Motor Vehicles. The head of the Department of Highway Safety and Motor Vehicles is the Governor and Cabinet. The Division of the Florida Highway Patrol, the Division of Motor Vehicles, and the Division of Driver Licenses are divisions within the department.

Section 20.10, F.S., creates the Department of State. The head of the Department of State is the Secretary of State. The Division of Elections, the Division of Historical Resources, the Division of Corporations, the Division of Library and Information Services, the Division of Licensing, the Division of Cultural Affairs, and the Division of Administration are divisions within the department.

Currently, the Department of Highway Safety and Motor Vehicles has responsibilities found in chs. 316, F.S., (State Uniform Traffic Control) and 318, F.S., (Disposition of Traffic Infractions) and reference is made to the Department of Highway Safety and Motor Vehicles in the definition sections of these chapters.

Section 20.06, F.S., establishes the method of reorganization of state government. "The executive branch of state government shall be reorganized by transferring the specified agencies, programs, and functions to other specified departments, commissions, or offices. Such a transfer does not affect the validity of any judicial or administrative proceeding pending on the day of the transfer, and any agency or department to which are transferred the powers, duties, and functions relating to the pending proceeding must be substituted as a party in interest for the proceeding. The transfers provided herein are intended to supplement but not supplant the requirements of s. 6, Art. III(sic) of the State Constitution..."

Article IV, s. 6., of the State Constitution provides "[A]ll functions of the executive branch of state government shall be allotted among not more than twenty-five departments, exclusive of those specifically provided for or authorized in this constitution. The administration of each department, unless otherwise provided in this constitution, shall be placed by law under the direct supervision of the governor, the lieutenant governor, the governor and cabinet, a cabinet member, or an officer or board appointed by and serving at the pleasure of the governor,..."

Section 20.06, F.S., provides for the types of transfers to be utilized when reorganizing state government. "A type two transfer is the merging into another agency or department of an existing agency or department or a program, activity, or function thereof or, if certain identifiable units or subunits, programs, activities, or functions are removed from the existing agency or department, or are abolished, it is the merging into an agency or department of the existing agency or department with the certain identifiable units or subunits, programs, activities, or functions removed therefrom or abolished."

B. EFFECT OF PROPOSED CHANGES:

CS/HB 223, if enacted, will transfer all of the existing legal authorities and actions of the Department of Highway Safety and Motor Vehicles, excluding the Florida Highway Patrol, by a type two transfer as described in s. 20.06, F.S., to the Department of State. The transfer includes, but is not limited to, all pending and completed action on orders or rules, all enforcement matters, and all delegations, interagency agreements, and contracts with federal, state, regional, and local governments, and private entities. All personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Department of Highway Safety and Motor Vehicles are transferred to the Department of State.

This bill amends s. 20.10, F.S., to add the Division of Driver Licenses and the Division of Motor Vehicles (that are transferred from HSMV) to the list of existing divisions established at the Department of State and repeals s. 20.24, F.S. Section 20.241, F.S., is created to establish a Department of Highway Safety. The Head of the Department of Highway Safety is the Governor and Cabinet. All of the existing legal authorities and actions of the Florida Highway Patrol of the Department of Highway Safety and Motor Vehicles are transferred to the Department of Highway Safety. The Department of Highway Safety and Motor Vehicles is abolished.

References to the Department of Highway Safety and Motor Vehicles are removed from the definition sections of ss. 316.003 (8) and 318.13 (1), F.S., and they are replaced with the Department of State.

Finally, this bill directs the Division of Statutory Revision of the Joint Legislative Management Committee, in editing manuscript for the next official version of the Florida Statutes, to replace the term "Department of Highway Safety and Motor Vehicles" wherever that term appears in the statutes with the term "Department of State" or "Department of Highway Safety," as appropriate.

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?

The Department of State will take over the responsibilities and duties that were previously those of the Department of Highway Safety and Motor

Vehicles with the exception of the Florida Highway Patrol which is transferred to a newly created Department of Highway Safety.

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

No.

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

Although this bill repeals the statute creating the Department of Highway Safety and Motor Vehicles, it transfers all of the existing duties, responsibilities, personnel, property, and appropriations to the Department of State, excluding the Florida Highway Patrol. It does not eliminate them. A new Department of Highway Safety is created and the Florida Highway Patrol is transferred from the Department of Highway Safety and Motor Vehicles to the new Department of Highway Safety.

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

This bill transfers the existing Department of Highway Safety and Motor Vehicles, excluding the Florida Highway Patrol, to the Department of State by a type two transfer. A new Department of Highway Safety is created and the Florida Highway Patrol is transferred from the Department of Highway Safety and Motor Vehicles to the new Department of Highway Safety. All of the existing duties, responsibilities, personnel, property, and appropriations are transferred.

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

This bill transfers the personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Department of Highway Safety and Motor Vehicles to the Department of State or the Department of Highway Safety. This bill does nothing to indicate whether or not there will be increased costs or savings.

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

The Department of State continues to be accountable to the people through the Secretary of State. The newly created Department of Highway Safety will be accountable through the Governor and Cabinet.

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

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

No.

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

No.

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

No.

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?

N/A

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:

This bill does not purport 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 ANALYSIS:

Section 1. By a type two transfer, as described in s. 20.06, F.S., this section transfers the existing Department of Highway Safety and Motor Vehicles, excluding the Florida Highway Patrol, to the Department of State.

- Section 2. Creates s. 20.241, F.S., establishing a Department of Highway Safety. The head of the Department of Highway Safety is the Governor and Cabinet. All of the existing legal authorities and actions, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Florida Highway Patrol are transferred from the Department of Highway Safety and Motor Vehicles to the newly created Department of Highway Safety.
- Section 3. Abolishes the Department of Highway Safety and Motor Vehicles and transfers the Division of Driver Licenses and the Division of Motor Vehicles of the Department of Highway Safety and Motor Vehicles to the Department of State. The Division of the Florida Highway Patrol of the Department of Highway Safety and Motor Vehicles is transferred to the Department of Highway Safety.
- Section 4. Amends s. 20.10, F.S., providing for the additional divisions of Driver Licenses and Motor Vehicles in the Department of State.
- Section 5. Repeals s. 20.24, F.S., which created the Department of Highway Safety and Motor Vehicles.
- Section 6. Amends s. 316.003 (8), F.S., to remove a reference to the Department of Highway Safety and Motor Vehicles in the definition section of this chapter and replaces it with the Department of State.
- Section 7. Amends s. 318.13 (1), F.S., to remove a reference to the Department of Highway Safety and Motor Vehicles in the definition section of this chapter and replaces it with the Department of State.
- Section 8. Directs the Division of Statutory Revision of the Joint Legislative Management Committee, in editing manuscript for the next official version of the Florida Statutes, to replace the term "Department of Highway Safety and Motor Vehicles" wherever that term appears in the statutes with the term "Department of State" or "Department of Highway Safety," as appropriate.
- Section 9. Provides an effective date of January 1, 1998, except that the Governor and Cabinet may appoint the executive director of the Department of Highway Safety 60 days prior to the effective date of this act.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Indeterminate, however, it is anticipated there would be at least minimal costs associated with administrative changes necessitated by this legislation.

2. Recurring Effects:

Indeterminate.

3. Long Run Effects Other Than Normal Growth:

Indeterminate. It will depend on whether or not substantial efficiencies, beyond those currently anticipated, can be achieved in the delivery of services over the long term. Conversely, any decline in performance could result in increased costs.

4. Total Revenues and Expenditures:

The Department of Highway Safety and Motor Vehicles' budget for the 1996-97 fiscal year includes:

General Revenue	\$125,037,731
Trust Funds	\$195,063,218
Total	<u>\$320,100,949</u>
Positions	4,974

Of the 4,974 positions, 70 percent are assigned to the field. 1,490 positions are located in Tallahassee.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Indeterminate.

2. Recurring Effects:

Indeterminate.

3. Long Run Effects Other Than Normal Growth:

Indeterminate.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Indeterminate.

2. Direct Private Sector Benefits:

Indeterminate.

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

Indeterminate.

D. FISCAL COMMENTS:

This bill provides for a type two transfer of two divisions of an existing department to another. It also provides for the creation of a new department with the transfer of one division to the new department. Nothing in the bill can be interpreted as substantially increasing costs or effecting substantial cost savings.

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:

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

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

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

V. COMMENTS:

Legislative History: A version of this proposed transfer was included in a portion of CS/CS/HB 2101 which died in the Committee on Appropriations on May 4, 1996. SB 1184(s), the Senate companion to CS/CS/HB 2101, died in the Senate Committee on Ways and Means on May 4, 1996.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

At the meeting of the Committee on Governmental Operations on March 12, 1997, an amendment was adopted striking everything after the enacting clause and inserting the substance of CS/HB 223 which is explained in this analysis.

On March 21, 1997, an amendment was adopted on the floor of the House that further amended Section 2, of CS/HB 223. It provided the following:

1. Paragraph (2), of section 2, was renumbered paragraph (2)(a).

2. Reference is made to a type two transfer as described in s. 20.06, F.S., in transferring all of the existing legal authorities and actions of the Division of the Florida Highway Patrol.
3. A correcting reference to the Division of the Florida Highway Patrol rather than Florida Highway Patrol is included.
4. Provision is made that those positions primarily supporting the Division of the Florida Highway Patrol within the Department of Highway Safety and Motor Vehicles are transferred to the Department of Highway Safety. The Governor and Cabinet are granted the specific authority to shift positions, consistent with the notice and review requirements of s. 216.177, F.S., between the former Department of Highway Safety and Motor Vehicles now located within the Department of State and the Department of Highway Safety as created by this act to promote the efficient and effective operation of both departments.
5. Paragraph (2)(b) is added, to section 2, to provide that the Department of State and the Department of Highway Safety shall have the authority to enter into interagency agreements with each other, related to the transfer, to promote the efficient and effective operation of both departments.
6. Paragraph (2)(c) is added, to section 2, to provide that those trust funds or portions of trust funds which were used to fund the operation of the Division of the Florida Highway Patrol within the Department of Highway Safety and Motor Vehicles are transferred to the Administration Trust Fund of the Department of Highway Safety.
7. Paragraph (3) is added, to section 2, establishing the Division of Administration and the Division of the Florida Highway Patrol within the Department of Highway Safety.
8. Paragraph (4) is added, to section 2, providing that bureaus may be established as deemed necessary to promote the efficient and effective operation of the department, pursuant to s. 20.04, F.S.

On motion by Representative Safley, CS/HB 223 was taken from the Governmental Responsibility Council Calendar and recommitted to the Committee on Governmental Operations.

VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Legislative Research Director:

Jimmy O. Helms

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