

**STORAGE NAME:** h0667s1.ft

**DATE:** March 13, 1998

**HOUSE OF REPRESENTATIVES  
AS FURTHER REVISED BY THE COMMITTEE ON  
FINANCE AND TAXATION  
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** CS/HB 667

**RELATING TO:** Motorcycle Safety Education

**SPONSOR(S):** Committee on Governmental Rules and Regulations and Rep. Kelly

**COMPANION BILL(S):**

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

- (1) TRANSPORTATION YEAS 7 NAYS 0
- (2) GOVERNMENTAL RULES & REGULATIONS YEAS 4 NAYS 1
- (3) FINANCE AND TAXATION
- (4) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
- (5)

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**I. FINAL ACTION STATUS:**

HB 667 was reported favorably out of the Committee on Transportation on April 10, 1997. Pursuant to House Rule 96, this bill was carried over in the Committee on Governmental Rules and Regulations.

**II. SUMMARY:**

The bill amends several provisions of law related to the Florida Motorcycle Education Program. Significant provisions include:

- Exempting the \$2.50 Motorcycle Safety Education fee from the 7 percent General Revenue Fund surcharge. The amount exempted from the surcharge would be retained in the Highway Safety Operating Trust Fund and used to administer the Florida Motorcycle Safety Education Program.
- Authorizing the Department of Highway Safety and Motor Vehicles (DHS&MV) to purchase and maintain motorcycles, equipment, and materials for use in motorcycle safety courses.
- Increasing the motorcycle endorsement fee from \$5 to \$8. The additional \$3 is required to be deposited into the Highway Safety Operating Trust Fund and must be used for motorcycle education programs.

The net fiscal impact to the state in the first three years of implementation is estimated annually to be \$0.25 million in additional revenue to the Highway Safety Operating Trust Fund and on average, a \$24,500 revenue decrease to the General Revenue Fund. The increase in revenue to the Highway Safety Operating Trust Fund is due to the \$3 increase in the endorsement fee. The impact to the General Revenue Fund results from exempting the \$2.50 Motorcycle Safety Education fee from the 7 percent General Revenue Fund surcharge.

The Committee on Governmental Rules and Regulations reported the bill favorably as a Committee Substitute, after amending it to make current certain provisions for consideration in the 1998 Legislative Session.

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III. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

**General Revenue Surcharge**

Currently, from each \$2.50 collected as a motorcycle safety education fee, seven percent is deducted as a cost of general government and deposited into the General Revenue Fund. During FY 1995-96, DHS&MV collected \$0.5 million in motorcycle education fees, of which approximately \$35,496 was deposited into the General Revenue Fund.

Although the motorcycle safety education fee is subject to the seven percent General Revenue Fund surcharge, other revenues and trust funds monies are exempt from the deduction (s. 215.22, F.S.). Statutorily authorized exemptions include:

- Student financial aid or prepaid tuition receipts
- Trust funds administered by the Department of the Lottery
- Retirement or employee benefit funds

**Florida Motorcycle Safety Education Program**

Every first-time applicant for licensure to operate a motorcycle who is under 21 years of age must complete a motorcycle safety course prior to being licensed to operate a motorcycle (s. 322.0255, F.S.). Motorcycle safety courses are offered as part of the Florida Motorcycle Safety Education Program, which is administered by DHS&MV. DHS&MV is authorized to enter into agreements with organizations to provide the courses. The program is funded from a \$2.50 motorcycle safety education fee that is assessed on motorcycles registered in Florida.

Subject to the availability of funds, DHS&MV is authorized to reimburse each organization that offers a motorcycle safety education course an amount not to exceed \$50 for each student who successfully *completes* the course. Revenues from the motorcycle safety education fee are used to cover the cost of reimbursement. In addition to the amount of any reimbursement, each course provider is authorized to charge each student a tuition fee sufficient to defray the cost of conducting the course.

**Motorcycle Endorsement Fee**

A Florida licensed motorcycle operator must possess a motorcycle endorsement to operate a motorcycle on public roads in the state. The endorsement indicates that the operator has successfully completed a separate written and driving skills test that is motorcycle related (ss. 322.12 and 322.57, F.S.). DHS&MV charges \$5 for each motorcycle endorsement issued, and revenues are deposited into the General Revenue Fund pursuant to s. 322.21, F.S.

**B. EFFECT OF PROPOSED CHANGES:**

The bill amends several provisions of law related to the Florida Motorcycle Education Program, which includes the following:

- Exempts the \$2.50 Motorcycle Safety Education fee from the 7 percent General Revenue Fund surcharge. The amount exempted from the surcharge would be retained in the Highway Safety Operating Trust Fund and used to administer the Florida Motorcycle Safety Education Program.
- Authorizes DHS&MV to purchase and maintain motorcycles, equipment, and materials for use in motorcycle safety courses.
- Deletes the \$50 cap on reimbursements by DHS&MV for each student who successfully completes the course and requires DHS&MV to reimburse the course provider when the student *begins the on-cycle portion* of the course.
- Increases the motorcycle endorsement fee from \$5 to \$8. The additional \$3 is required to be deposited into the Highway Safety Operating Trust Fund and must be used for motorcycle education programs.

**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?

The bill does not appear to create, increase or reduce, either directly or indirectly any authority to make rules or adjudicate disputes.

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

DHS&MV would be required to reimburse the course provider when the student begins the on-cycle portion of the course.

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

The bill does not appear to create an entitlement to a government service or benefit.

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

This bill does not appear to eliminate or reduce an agency or program.

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

NA

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

NA

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

NA

2. Lower Taxes:

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

This bill does not appear to directly increase anyone's taxes.

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

This motorcycle endorsement fee is increased from \$5 to \$8.

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

This bill does not appear to reduce total taxes, both rates and revenues.

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

This bill does not appear to reduce total fees, both rates and revenues.

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

This bill does not appear to authorize any fee or tax increase by any local government.

3. Personal Responsibility:

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

This bill does not appear reduce or eliminate an entitlement to government services or subsidy.

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

Yes, the endorsement fee is used to pay for the Florida Motorcycle Education Program.

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?

The bill does not appear to prohibit, or create new government interference with, any presently lawful activity.

5. Family Empowerment:

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

This bill does not appear to purport to provide services to families or children.

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

NA

- (2) Who makes the decisions?

NA

- (3) Are private alternatives permitted?

NA

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

NA

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

NA

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

This bill does not appear to directly affect the legal rights and obligations between family members.

- 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:

This bill does not appear to create or change a program providing services to families or children.

- (1) parents and guardians?

NA

- (2) service providers?

NA

- (3) government employees/agencies?

NA

D. STATUTE(S) AFFECTED:

ss. 215.22, 322.0255, and 322.21, F.S.

E. SECTION-BY-SECTION RESEARCH:

None.

IV. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

- 1. Non-recurring Effects:

None.

- 2. Recurring Effects:

<u>General Revenue Fund</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-2000</u>
Exemption from 7% General			
Fund Revenue surcharge	(\$39,705)	(\$40,499)	(\$41,309)
\$3 increase in endorsement	16,013	16,013	16,013
Total General Revenue Fund	<u>(\$23,692)</u>	<u>(\$24,486)</u>	<u>(\$25,296)</u>

<u>Highway Safety Operating Trust Fund</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>
Exemption from 7 percent General Fund Revenue surcharge	\$39,705	\$40,499	\$41,309
\$3 increase in endorsement	<u>212,743</u>	<u>212,743</u>	<u>212,743</u>
Total Highway Safety Operating Trust Fund	<u>\$252,448</u>	<u>\$253,242</u>	<u>\$254,052</u>

Note: Information provided by the Department of Highway Safety and Motor Vehicles. The exemption amount is based upon actual revenues for Fiscal Year 1996-97. The \$3.00 increase in the motorcycle endorsement fee is based on estimated data for Fiscal Year 1996-97, assuming 76,252 persons will either renew or add this endorsement to their driver's license.

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>	<u>FY 1999-2000</u>
Total General Revenue Fund	<u>(\$23,692)</u>	<u>(\$24,486)</u>	<u>(\$25,296)</u>
Total Highway Safety Operating Trust Fund	<u>\$252,448</u>	<u>\$253,242</u>	<u>\$254,052</u>

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:

Motorcycle operators will have to pay an additional \$3 for the endorsement.

2. Direct Private Sector Benefits:

Eliminating the \$50 cap on reimbursements and making reimbursements contingent on starting the on-cycle portion of the course, instead of successful completion of the course, could result in additional revenues for course providers.

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

None.

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties and municipalities to expend funds. Therefore, the provisions of this bill are exempt from the mandate provisions of Article VII, Section 18 of the Florida Constitution.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The counties' and municipalities' authority to raise revenue is not affected by this bill. Therefore, the bill is exempt from the mandate provisions of Article VII, Section 18 of the Florida Constitution.

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

This bill would not reduce the percentage of a state tax that is shared with counties and municipalities. Therefore, the bill is exempt from the mandate provisions of Article VII, Section 18 of the Florida Constitution.

VI. COMMENTS:

None.

VII. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee Substitute incorporates two amendments:

- Amendment One updates a statutory reference
- Amendment Two updates the enacting date

These amendments were proposed by staff as technical changes to update certain references in the bill, as it was carried over to the 1998 Session pursuant to House Rule 96.

VIII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

Prepared by:

Legislative Research Director:

Thomas E. Duncan

John R. Johnston

**CARRIED OVER RESEARCH PREPARED BY COMMITTEE ON GOVERNMENTAL  
RULES AND REGULATIONS:**

Prepared by:

Legislative Research Director:

David M. Greenbaum

David M. Greenbaum

AS FURTHER REVISED BY THE COMMITTEE ON FINANCE AND TAXATION:

Prepared by:

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Carol L. Dickson-Carr

Keith G. Baker, Ph.D.