

STORAGE NAME: h0797.tr

DATE: March 13, 1997

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

BILL #: HB 797

RELATING TO: Driver Licenses

SPONSOR(S): Rep. Healey

STATUTE(S) AFFECTED: ss. 322.12, 322.121, 322.18, and 322.21

COMPANION BILL(S): None

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

- (1) LAW ENFORCEMENT & PUBLIC SAFETY (W/D)
 - (2) TRANSPORTATION
 - (3) FINANCE & TAXATION
 - (4) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (5)
-

I. SUMMARY:

The bill modifies driver license laws relating to: examination requirements, issuance periods, and fees.

The bill requires an applicant for an original or renewal driver's license who is at least 75 years old to be examined by DHS&MV every 3 years, instead of every 14 or 18 years as authorized by current law. A person 75 and over would no longer have the option of renewing their driver's license without being examined by DHS&MV. The driver's license examination for this age group would include vision, hearing, and any other tests that DHS&MV determines necessary to ensure the safety of the driver and the motoring public.

The bill also repeals the 4-year license and provides for a 6-year license for all drivers under the age of 75. However, applicants for a renewal license who have been assessed more than 3 points within the previous 3 years will be issued a 3-year license.

Finally, the bill changes the fee structure for original and renewal licenses from a flat rate to an annual rate. For example, the cost of an original driver's license would change from \$20 for 6 years to \$4 per year. As a result, the total fee for an original 6-year license would increase from \$20 to \$24.

The new fee structure has the effect of eliminating the reduced rate that "safe drivers" receive on renewals. Currently, 4 and 6-year renewal licenses are \$15. A safe driver who receives a 6-year renewal pays the equivalent of an annualized rate of \$2.50. In contrast, the driver with a 4-year renewal pays the equivalent of an annualized rate of \$3.75. Because the bill establishes a flat rate of \$4 per year, the annualized rate paid by safe drivers would increase from \$2.50 to \$4 per year, or 60 percent. The rate paid by drivers with the 3-year license would increase from \$3.75 to \$4 per year, or 7 percent.

This bill changes the fee structure for a Florida driver's license from a flat rate to an annual rate. This revised fee structure will increase revenue to the General Revenue Fund by approximately \$19 million in FY 1997-98 and \$20 million in FY 1998-99.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

A 1995 House of Representatives, Committee on Transportation, interim project on high risk drivers concluded that for the most part, the risk of crash involvement is dramatically higher at both the beginning and end of a typical driving career. High crash rates for young drivers are due primarily to an individual's behavioral choices rather than a lack of knowledge or skills, and high crash rates of elder drivers are due primarily to declining abilities.

The Legislature has continuously worked to make Florida's highways safer. In 1996 several provisions intended to encourage and develop more responsible driving behaviors among young drivers became law. Two notable requirements were the creation of a learner's license (s. 322.1615, F.S.) and nighttime driving restrictions (s. 322.16, F.S.). In 1994, the House Committee on Transportation developed a committee bill (CS/HB 1419) to ensure that drivers who are 75 years and older have the necessary skills to operate a motor vehicle. CS/HB 1419 failed to become law.

Driver's License Examination Requirements

DHS&MV is currently required to examine every first time applicant, regardless of age, prior to the issuance of an original Florida driver license. The examination includes a test of eyesight, ability to read and understand highway signs, knowledge of traffic laws, and a demonstration of motor vehicle operation skills. However, a person coming to Florida with a valid out-of-state license may reciprocate their license and is only required to pass the eye exam.

Once a license is issued, DHS&MV continuously monitors driver performance to ensure that Florida's roads are safe. One way DHS&MV monitors driver performance is through reexaminations of drivers that it believes are incompetent or otherwise not qualified to drive (s. 322.221, F.S.). On written notice of at least 5 days, DHS&MV, having good cause, may require a licensed driver to submit to an examination or reexamination. "Good cause" includes, but is not limited to, the recommendation from a court, a law enforcement agency, or a physician.

Driver's License Issuance Periods

An initial driver license issuance is valid for 6 years, concurrent with the applicant's birthday.

A renewal driver's license is valid for 4 years. However, if the applicant's driving record includes *no* convictions for the preceding 3 years or no revocations, disqualifications, or suspensions over the preceding 7 years, the renewal driver's license is valid for 6 years.

Currently, DHS&MV may issue 4-year and 6-year license extensions by mail, electronic, or telephonic means without reexamination, unless renewal applicants are directed by DHS&MV to appear for an in-person examination. All licensed drivers are eligible for two consecutive license extensions without a required examination by DHS&MV. Therefore, the maximum time from the original driver license issuance to the end of the second license renewal could be 18 years (6 year original license and 2 mail-in renewal periods of 6 years each = 18 years).

Driver's License Fees

The fee for an original operator's (class D) or restricted (class E) driver's license is \$20 and the fee for renewal or extension is \$15. The renewal fee is applicable for both a 4 and a 6-year license. Driver license fees are deposited into the General Revenue Fund.

B. EFFECT OF PROPOSED CHANGES:

The bill modifies driver license laws relating to: examination requirements, issuance periods, and fees.

Driver's License Examination Requirements

The bill requires applicants for an original or renewal license who are at least 75 years old to be examined by DHS&MV every 3 years. Persons 75 and over would no longer have the option of renewing their driver's license without being examined by DHS&MV. The examination for this age group would include vision, hearing, and any other tests that DHS&MV determines necessary to ensure the safety of the driver and the motoring public.

Driver's License Issuance Periods

The bill repeals the 4-year license and provides for a 6-year license for all drivers under the age of 75.

Although the 4-year license is repealed, the bill creates a 3-year license. All applicants who are 75 years of age or older or applicants who have been assessed more than 3 points, rather than any convictions, within the last 3 years will be issued a 3-year license. Applicants between the age of 73 years and 6 months and 75 years of age would be issued a driver's license that is only valid through midnight of the applicant's 78th birthday.

Driver's License Fees

This bill amends the fee structure for an *original* driver license from a flat fee of \$20 to an annual fee rate of \$4 per year. As a result, the total fee for an original license would be \$24 for the 6-year license and \$12 for the 3-year license.

The bill also amends the fee for a *renewal or extension* of a driver's license. The fee is revised from \$15.00 to \$4.00 per year. Therefore, the renewal fee would be \$24 for the 6-year license and \$12 for the 3-year license.

Based on the revised fee amounts, a driver obtaining an original driver's license and 2 consecutive 6 year renewals will pay an additional \$22 over the current fee amount.

The new fee structure has the effect of eliminating the reduced rate that "safe drivers" receive on renewals. Currently, 4 and 6-year renewal licenses are \$15. A safe driver who receives a 6-year renewal pays the equivalent of an annualized rate of \$2.50. In contrast, the driver with a 4-year renewal pays the equivalent of an annualized rate of \$3.75. Safe drivers are those that have *no* convictions for the preceding 3 years or revocations, disqualifications, or suspensions over the preceding 7 years. Because the bill establishes a flat rate of \$4 per year, the rate paid by safe drivers would increase from \$2.50 ($\$15/6 \text{ years} = \2.50) to \$4 per year, or 60 percent. The rate paid by drivers with the 3-year license would increase from \$3.75 ($\$15/4 \text{ years} = \3.75) to \$4 per year, or 7 percent.

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, 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?

Yes, persons 75 years and older will be required to have a driver's license examination every 3 years by DHS&MV. Also, drivers with 3 or more points will have to renew their driver's license every 3 years.

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

The bill does not appear to increase or decrease any 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?

No, this bill does not appear to directly increase anyone's taxes.

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

Yes, the bill amends the fee structure for an original driver's license from a flat fee of \$20 to \$4 per year. As a result, the total fee for an original license would be \$24 for the 6-year license and \$12 for the 3-year license.

The bill also amends the fee structure for a renewal or extension of a driver's license. The fee is revised from \$15.00 to \$4.00 per year. Therefore, the renewal fee would be \$24 for the 6-year license and \$12 for the 3-year license.

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

No, this bill does not appear to reduce total taxes, both rates and revenues.

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

No, 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?

No, 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?

No, this bill does not appear to 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, fees from driver license applications are used to fund driver license offices and exams.

4. Individual Freedom:

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

No, the bill does not increase the allowable options of individuals or private organizations/associations to conduct their own affairs.

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

Yes, persons 75 years and older will have to be examined every 3 years by DHS&MV.

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. SECTION-BY-SECTION ANALYSIS:

Section 1: Creates s. 322.12(6), F.S., to provide that DHS&MV shall examine every applicant for an original driver license, or renewal thereof, who is 75 years of age or older, every three years.

Section 2: Amends s. 322.121, F.S., to conform license renewal criteria to points assessed rather than convictions and repeals unnecessary language.

Section 3: Amends s. 322.18, F.S. to provide that all licenses shall be renewable every 3 or 6 years, pursuant to the terms of issuance. Also, an applicant for an original driver license, who is 75 years of age or older, must be issued a 3-year license.

Section 4: Amends s. 322. 21, F.S., to establish fees for the 3 and 6-year driver's license.

Section 5: Provides an effective date of July 1, 1997.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

<u>EXPENDITURES</u>	<u>1997-98</u>	<u>1998-99</u>
General Revenue Fund	\$.014 m	

This provides 440 hours at \$31.20 per hour for programming modifications to the Driver License Software systems.

2. Recurring Effects:

<u>REVENUES</u>	<u>1997-98</u>	<u>1998-99</u>
General Revenue Fund		
Original 6 Year License	\$ 2.9 m	\$ 2.9 m
Renewal 6 Year License	15.3 m	16.6 m
Original 3 Year License	1.4 m	1.4 m

Renewal 3 Year License	<u>(.8) m</u>	<u>(.8) m</u>
Total Revenue	<u>\$18.8 m</u>	<u>\$20.1 m</u>
<u>EXPENDITURES</u>	<u>1997-98</u>	<u>1998-99</u>
General Revenue Fund	<u>\$.08 m</u>	<u>\$.08 m</u>

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

<u>REVENUES</u>	<u>1997-98</u>	<u>1998-99</u>
General Revenue Fund	<u>\$18.8 m</u>	<u>\$20.1 m</u>
<u>EXPENDITURES</u>		
General Revenue Fund	<u>\$.094 m</u>	<u>\$.08 m</u>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Unknown

2. Recurring Effects:

Unknown

3. Long Run Effects Other Than Normal Growth:

Unknown

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Unknown

2. Direct Private Sector Benefits:

Unknown

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

Unknown

D. FISCAL COMMENTS:

On page 7, line 19, of HB 797 the fee for an original license is changed from \$20 to \$4. According to the sponsor, the \$4 flat rate is a scrivener's error and the fee should be \$4 *per year*. This analysis is based on the sponsor's intent and the amounts indicated for the original driver's license are based on the \$4 per year fee.

The fiscal analysis represents the estimated number of original applicants annually at \$24 rather than the current \$20.

The fiscal analysis represents the estimated number of renewals at \$24 and \$12 rather than the current \$15.

DHS&MV estimates that there are more than 932,000 drivers 75 years of age or older. The fiscal analysis assumes that processing drivers every 3 years, rather than 4 or 6 years, will result in an increased number of applicants annually paying the new rate.

The fiscal analysis assumes no additional funding to the Department for any increased workload. According to DHS&MV, any workload increase will be handled within existing resources and the continued use of third party examiners and tax collectors.

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 expend funds or take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This 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:

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

V. COMMENTS:

DHS&MV recommends that the effective date of the bill be changed to October 1, 1997, to provide sufficient time for computer programming changes and to inform the public of the new driver's license requirements.

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VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

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