

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: April 23, 1998 Revised: _____

Subject: Motor Vehicle Registration; Driver's Licenses

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Vickers</u>	<u>Johnson</u>	<u>TR</u>	<u>Favorable/CS</u>
2.	<u>Wilson</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable/CS</u>
3.	<u>Keating</u>	<u>Smith</u>	<u>WM</u>	<u>Favorable/CS</u>
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The bill directs the Department of Highway Safety and Motor Vehicles to modify motor vehicle registration and renewal forms and driver's license application forms to include language permitting a voluntary contribution to Florida Mothers Against Drunk Drivers, Inc. The bill provides that the department must distribute the proceeds from voluntary contributions monthly.

In addition, the bill establishes requirements for organizations seeking to establish a voluntary contribution on a motor vehicle registration or driver's license form and provides criteria for the discontinuance of an approved voluntary contribution. The bill establishes certain audit and accountability requirements for organizations receiving funds through voluntary contributions.

The bill also provides that drivers eligible for a 6-year renewal driver's license will not have to pay the \$15 renewal fee. In addition, the bill provides for an increase of \$25 for drivers eligible for the 4-year renewal driver's license, for a total of \$40 for a 4-year renewal driver's license.

The bill amends sections 320.02 and 322.21, and creates sections 320.023 and 322.081, Florida Statutes.

II. Present Situation:

Currently, s. 320.02, F.S., requires that language be included on the application for motor vehicle registration and renewal permitting certain voluntary contributions to designated trust funds and non-profit organizations. Voluntary contributions currently authorized under s. 320.02, F.S., include:

- Election Campaign - \$5 (s. 320.02(13), F.S.)
- Child Safety Seats - \$2 (s. 320.02(8), F.S.)
- Non-Game Wildlife - \$1 (s. 320.02(8), F.S.)
- Prevent Blindness Florida - \$1 (s. 320.02(16), F.S.)
- Transportation Disadvantaged - \$1 (s. 320.05(15), F.S.)
- Organ and Tissue Donor - \$1 (s. 320.08047, F.S.)

The Department of Highway Safety and Motor Vehicles charges \$20 for a Class D and Class E original driver's license, which is valid for 6 years and expires on the applicant's birthday. A renewal driver's license is \$15 and is valid for 4 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 7 years, the renewal driver's license is valid for 6 years.

A conviction, according to s. 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.

III. Effect of Proposed Changes:

The bill amends s. 320.02, F.S., to require that the application form for motor vehicle registration and renewal include language permitting a voluntary contribution to Florida Mothers Against Drunk Driving, Inc. The bill also directs the department to transfer these funds on a monthly basis.

The bill creates s. 320.023, F.S., to provide requirements for entities seeking to establish a voluntary check off on motor vehicle registration or driver's license renewals. This section provides that an organization seeking a voluntary check off must submit to the department, at least 90 days before the convening of the next regular session of the Legislature, a request which describes the proposed voluntary contribution in general terms. Additionally, the organization must submit an application fee, not to exceed \$10,000 to defray the department's cost for reviewing the application and developing the voluntary contribution check off, if authorized. State funds cannot be used to pay the application fee. The organization must also submit a marketing strategy outlining short-term and long-term marketing plans for the requested voluntary contribution and a financial analysis outlining the anticipated revenues and planned expenditures from the voluntary contribution. If the voluntary contribution is not approved by the Legislature, the application fee must be refunded to the requesting organization.

The bill provides that the department must discontinue the voluntary contribution if less than \$25,000 has been contributed by the end of the 5th year, or less than \$25,000 is contributed during any subsequent 5-year period. In addition, the department is authorized to discontinue the voluntary contribution and distribution of associated proceeds if the organization ceases existence,

if the organization stops providing services that are authorized to be funded from the voluntary contributions, or if the organization requests that the voluntary contribution be discontinued.

A voluntary contribution may not be used for commercial or for-profit activities. Similarly, voluntary contributions may not be used to fund general or administrative expenses, except as authorized by law, or to pay the cost of the audit or report required by law.

The bill requires that organizational recipients of any voluntary contributions in excess of \$15,000, not otherwise subject to annual audit by the Auditor General, must submit an audit of expenditures. The audit must be prepared by a certified public accountant licensed under ch. 473, F.S., and state whether expenditures were made in accordance with law. In lieu of an annual audit, any organization receiving less than \$15,000 in voluntary contributions may annually report, under penalties of perjury, that proceeds were used in compliance with law. The bill stipulates that voluntary contributions authorized by law must be distributed to an organization under an appropriation by the Legislature.

The bill provides that by February 1, of each year, the department must determine which recipients have complied with the audit and accountability requirements contained in this section. If the department determines that an organization has not complied with the provisions of this section, the department is directed to discontinue the distribution of funds until it determines that the organization is in compliance. If the organization fails to comply within 12 months, the proceeds are to be deposited into the Highway Safety Operating Trust Fund to offset department costs. The Auditor General and the department are authorized to examine all records pertaining to the use of funds from the voluntary contributions authorized.

The bill also creates s. 322.081, F.S., to provide the same process for the use of driver's licenses to achieve the voluntary check-off provisions created for motor vehicle registration.

The bill provides that drivers eligible for a 6-year renewal driver's license will not have to pay the \$15 renewal fee. In addition, the bill provides for an increase of \$25 for drivers eligible for the 4-year renewal driver's license, for a total of \$40 for a 4-year renewal driver's license.

The bill will take effect July 1, 1998.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

Drivers eligible for a 6-year renewal driver’s license will not have to pay the \$15 renewal fee while drivers eligible for a 4-year renewal driver’s license will have to pay a \$40 renewal fee, which will cost such drivers an additional \$25. The fiscal impact from the proposed changes in drivers’ license renewal fees is estimated to have a recurring loss in general revenue of \$10.3 million.

Issue/Fund	General Revenue		Trust		Local		Total	
	1st Year \$	Recurring \$	1st Year \$	Recurring \$	1st Year \$	Recurring \$	1st Year \$	Recurring \$
Renewal 6-year license	(23.1)	(23.1)	0.0	0.0	0.0	0.0	(23.1)	(23.1)
Renewal 4-year license	<u>12.8</u>	<u>12.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>12.8</u>	<u>12.8</u>
Total	(10.3)	(10.3)	0.0	0.0	0.0	0.0	(10.3)	(10.3)

B. Private Sector Impact:

Florida Mothers Against Drunk Driving, Inc., would receive an indeterminate amount of revenue to support its programs. The bill establishes a procedure for other organizations to follow in order to request the establishment of voluntary contributions on both drivers license forms and motor vehicle registrations.

Drivers classified as “safe drivers,” those renewing a 6-year driver’s license, may renew their licenses for free.

Drivers classified as “unsafe drivers” will have a fee increase of \$25 on their 4-year driver’s license renewal.

C. Government Sector Impact:

The department reports that implementation of this bill will require \$9,000 in contracted computer programming.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Representatives of Florida Mothers Against Drunk Driving, Inc., indicated that funds generated through this voluntary contribution would be used exclusively for Florida-based safety and education programs. There is, however, no specific provision in the bill that the proceeds received will be used for any specific safety or education purpose, only a prohibition against their unauthorized use.

The bill establishes requirements for requests to establish voluntary contributions which are substantially similar to requirements established for organizations requesting specialty license plates.

VIII. Amendments:

None.