

**STORAGE NAME:** h0079.tr.doc  
**DATE:** February 8, 2001

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
TRANSPORTATION  
ANALYSIS**

**BILL #:** HB 79  
**RELATING TO:** Transportation Disadvantaged  
**SPONSOR(S):** Representative(s) Greenstein and Bucher

**TIED BILL(S):**

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

- (1) TRANSPORTATION
  - (2) LOCAL GOVERNMENT & VETERANS AFFAIRS
  - (3) FISCAL POLICY & RESOURCES
  - (4) COUNCIL FOR READY INFRASTRUCTURE
  - (5)
- 

I. SUMMARY:

Pursuant to s. 320.03(9), F.S., a nonrefundable fee of \$1.50 is charged on the initial and renewal Florida registrations of each automobile for private use and on each truck with a net weight of no more than 5,000 pounds. The collected fees are deposited into the Transportation Disadvantaged Trust Fund, which helps pay for a state coordinated program to provide transportation for elderly, disabled and low-income citizens. In fiscal year 1999-2000, the fee generated \$22.58 million.

The total funds expended by various agencies through the TD program last fiscal year was \$235 million, generated through a variety of state, federal and local sources.

HB 79 proposes extending the \$1.50 nonrefundable fee to the initial and renewal registrations of trailers and motorcycles, and to all trucks regardless of weight, as well as to all tag transfers and temporary tags. A fiscal analysis by the Department of Highway Safety and Motor Vehicles indicates passage of HB 79 would generate at least an additional \$9.42 million in fiscal year 2001-2002.

If passed, HB 79 would take effect July 1, 2001.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1. Less Government Yes  No  N/A

HB 79 expands governmental activity by extending the application of the current \$1.50 nonrefundable fee on vehicle registrations to trucks regardless of weight, to all trailers and motorcycles, and to tag transfers and temporary tags on all motor vehicles. The resulting increase in revenues creates more opportunities for the Transportation Disadvantaged program to expand.

2. Lower Taxes Yes  No  N/A

HB 79 proposes extending an existing \$1.50 nonrefundable fee on certain vehicle registrations to all trucks, regardless of weight, trailers and motorcycles, as well as to tag transfers and to temporary tags. This is projected to impact the owners of 6.3 million vehicles, and generate, at a minimum, an estimated \$9.42 million in fiscal year 2001-2002.

3. Individual Freedom Yes  No  N/A

4. Personal Responsibility Yes  No  N/A

5. Family Empowerment Yes  No  N/A

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

**Background and responsibilities**

In 1979, the Legislature created in chapter 427, F.S., the Transportation Disadvantaged (TD) Program. Administratively a part of the Department of Transportation (DOT), the TD Program was directed to coordinate a network of existing local and state programs providing transportation services for elderly, disabled and low-income citizens. A nine-member council, chaired by the DOT secretary, directed the program. DOT provided staff support.

Section 427.011(1), F.S. defines the "Transportation Disadvantaged" as:

"...those persons who because of physical or mental disability, income status, or age are unable to transport themselves or to purchase transportation and are, therefore, dependent upon others to obtain access to health care, employment, education, shopping, social activities, or other life-sustaining activities, or children who are handicapped or high-risk or at-risk as defined in s. 411.202."

In 1989 the Legislature revamped the TD program. Chapter 89-376, Laws of Florida, replaced the council with a Florida Commission for the Transportation Disadvantaged (the Commission) to oversee the program's activities and to accept and apply for grants, gifts and other funds to help carry out the program's mission. The DOT Secretary still serves on the Commission, but the chair and vice chair are now elected by the Commission members; the Commission also received authority to hire an executive director and other staff. The legislation also created the

Transportation Disadvantaged Trust Fund, and directed that a \$1.50 nonrefundable vehicle registration fee be earmarked for funding the Commission's activities.

The 27-member Commission is the independent state entity responsible for ensuring the coordination and delivery of TD services throughout the state. Various state and federal agencies provide funding for specific client groups. At the local level, coordination of TD services is accomplished through planning agencies, local advisory boards, community transportation coordinators, and transportation operators.

The Commission assists communities in establishing coordinated transportation systems; manages contracts and memoranda of agreement; develops a five-year transportation disadvantaged plan; and addresses statewide transportation issues impacting TD eligible persons. The Commission also is responsible for assuring that state agencies purchase transportation services from within the TD coordinated system, unless a more cost-effective provider outside the coordinated system can be found by the purchasing agency. For example, most TD trips are "paratransit," where a van or taxi picks up a client at a specified location and delivers him or her to a specific destination. This is also described as "door-to-door service." For clients who are mobile and in good health, a less-expensive TD alternative is a discounted bus or rail pass, which is offered in some communities.

In addition, the Commission also administers the Transportation Disadvantaged Trust Fund. The trust fund is used to subsidize trips, provide funding for TD eligible persons not otherwise funded, and provide for administrative expenses. The Commission has no direct authority over transportation policies or funds used to purchase TD services by participating agencies.

### **How the TD Program Works**

At the local level, the TD Program is implemented through a network of planning agencies, local advisory boards, community transportation coordinators, and transportation operators. Florida's 67 counties are currently divided into 50 TD service areas. While most urban counties are single-county service areas, some rural counties are organized into multi-county service areas. The following entities work cooperatively within each local service area:

- Planning agencies are responsible for recommending the local community transportation coordinator to the Commission. In addition, the planning agencies appoint and staff the local coordinating board. A metropolitan planning organization, regional planning council, or county planning unit may serve as the official planning agency.
- Local coordinating boards identify local service needs and provide information, advice and direction to the community transportation coordinator. A local elected official chairs the board. The size and composition of each board are established by the Commission.
- Community Transportation Coordinators (CTCs) are the entities responsible for the actual arrangement or delivery of transportation services within their local service area. Services provided by CTCs include scheduling transportation services, processing reimbursements, contracting and monitoring of transportation operators, and delivery of transportation services. A CTC may be a government entity, a transit agency, a private not-for-profit agency or a for-profit company. A CTC may function as a sole source provider or it may broker part or all of the trips to other transportation operators.
- Transportation operators or providers contract with the CTC for transportation services. Alternatively, transportation operators may contract directly with the sponsoring agency. There are approximately 400 transportation providers currently participating in the TD Program. This total includes a number of CTCs who provide direct transportation service in addition to coordinating the activities of other transportation providers within their local service area.

### **Program Funding**

TD Program services are purchased through a variety of local, state, and federal sources. The subject of HB 79 – a \$1.50 nonrefundable fee charged on the initial and renewal registration of automobiles and trucks weighing no more than 5,000 pounds – is one of numerous funding sources. According to the Commission's 2000 Annual Report, fiscal year 1999-2000 TD expenditures by all participating agencies totaled \$235.78 million. This expenditure translated into approximately 43.3 million one-way trips. That equates to a cost of \$5.44 per trip.

At the state level, the Agency for Health Care Administration, which administers the Medicaid program, was the single largest funding entity, contributing \$58.15 million in fiscal year 1999-2000. The Commission, through the TD Trust Fund, was the second largest funding entity, contributing \$22.58 million. Other state agencies purchasing services through the TD Program included: Department of Children and Families; the Department of Transportation; the Department of Elderly Affairs; and the Department of Labor and Employment Services. Local and federal funding accounted for \$125 million of the \$235.78 million in fiscal year 1999-2000. Ridership fees and private donations totaled \$20.29 million in fiscal year 1999-2000.

### **Demographics of the TD program**

In fiscal year 1999-2000, TD services were provided to 667,914 people. Of that number, 35 percent were elderly, 19 percent were at-risk children, 17 percent low-income, 15 percent low-income and disabled, and 12 percent were disabled.

Of the 43.3 million trips taken: 11.7 million were for medical visits; 10.9 million for grocery and other shopping; 10.6 million were to schools or other training classes; 7.9 million were to job sites; and 2.2 million for visits to Senior Centers or other destinations.

#### **C. EFFECT OF PROPOSED CHANGES:**

HB 79 would extend the current \$1.50 nonrefundable fee on certain vehicles to: the initial and renewal registrations of trailers and motorcycles; to all trucks regardless of weight; all tag transfers; and temporary tags.

This would affect the owners of more than 6.3 million vehicles registered in Florida, and generate an estimated \$9.42 million in fiscal year 2001-2002, according to the Department of Highway Safety and Motor Vehicles.

#### **D. SECTION-BY-SECTION ANALYSIS:**

**Section 1:** Amends s. 320.03(9), F.S., to extend existing \$1.50 nonrefundable fee to the initial and renewal registrations of trailers, motorcycles and all trucks regardless of weight. Also extends the fee to tag transfers and to temporary tags.

**Section 2:** Provides an effective date of July 1, 2001.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Department of Highway Safety and Motor Vehicles, which is responsible for vehicle registrations, has projected that passage of HB 79 will generate an estimated revenue increase of \$9.42 million in fiscal year 2001-2002.

2. Expenditures:

The Department of Highway Safety and Motor Vehicles has commented that passage of HB 79 will require a \$13,500 upgrade of the computer software that tracks vehicle registrations.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Local governments may benefit indirectly from the expanded application of the \$1.50 nonrefundable fee, depending on how the increased revenues are distributed. It is possible that the increased revenues will be distributed to local governments as grants for their TD programs.

2. Expenditures:

Not applicable.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Several counties contract with for-profit and not-for-profit private entities to provide vans and drivers for TD services. So, it is likely that the Commission and local governments would expend at least a portion of the additional revenues on private-sector providers. The exact amount cannot be determined at this time.

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The mandates provision is not applicable to an analysis of HB 79 because the proposed bill does not require cities or counties to expend funds, or to take actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

HB 79 does not reduce the revenue-raising authority of counties or municipalities.

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

HB 79 does not reduce the state tax revenues shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

HB 79 does not raise any constitutional issues.

B. RULE-MAKING AUTHORITY:

HB 79 does not give any state agencies additional rulemaking authority. The Department of Highway Safety's existing rulemaking authority appears sufficient to implement HB 79.

C. OTHER COMMENTS:

The Commission supports HB 79. It cites a study by the University of South Florida's Center for Urban Transportation Research that indicates the need for TD services is growing. Currently, about 6 million Floridians are eligible, and that number will increase to 8.25 million people by 2015, according to the study. And not everyone who qualifies for the TD program is able to get transportation, Commission staff said. In fiscal year 1999-2000, local providers turned down 581,312 requests for transportation because of a lack of vehicles, drivers or other resources.

The Department of Highway Safety and Motor Vehicles, in its analysis, said HB 79 is unclear as to whether registrations of "truck tractors" would be subject to the \$1.50 fee, so it did not include them in its calculations. Including truck tractors would add an additional \$672,066 to the fiscal year 2001-2002 revenue. The confusion arises from the fact that "truck tractors" are not defined in statute by weight, as other trucks are in s. 320.01, F.S. The Department also recommends changing the effective date from July 1, 2001, to October 1, 2001, to give it more time to implement the law change.

The Florida Trucking Association is opposed to HB 79's inclusion of trucks heavier than 5,000 pounds and large trailers, and has drafted an amendment to exempt them. This change would remove 424,554 heavy trucks and 91,030 trailers from the proposed fee requirements, subtracting \$773,376 from the estimated revenue of \$9.42 million.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

Prepared by:

Staff Director:

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