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HOUSE OF REPRESENTATIVES
COMMITTEE ON
TRANSPORTATION
ANALYSIS

BILL #: HB 141

RELATING TO: Transportation Disadvantaged

SPONSOR(S): Representative(s) Greenstein, Fasano, Lynn, Crow and others

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:
(1) TRANSPORTATION
(2) FISCAL POLICY & RESOURCES
(3) COUNCIL FOR READY INFRASTRUCTURE
(4)
(5)

I. SUMMARY:

Currently, 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 2000-2001, the fee generated $17.9 million.

HB 141 extends the $1.50 nonrefundable fee to the initial and renewal registrations of motorcycles and certain trailers, as well as to all tag transfers and temporary tags. Heavy commercial trucks and vehicles (dubbed “goats”) designed to haul citrus fruit within a grove or crops within the confines of the farm where raised would be exempt from the fee, as would certain commercial trailers.

Based on registration data compiled by the Department of Highway Safety and Motor Vehicles, passage of HB 141 would generate an additional $7.4 million in fiscal year 2002-2003.

HB 141 would take effect October 1, 2002.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1.	Less Government	Yes []	No [x]	N/A []
2.	Lower Taxes	Yes []	No [x]	N/A []
3.	Individual Freedom	Yes []	No []	N/A [x]
4.	Personal Responsibility	Yes []	No []	N/A [x]
5.	Family Empowerment	Yes []	No []	N/A [x]

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

HB 141 expands governmental activity by extending the application of the current $1.50 nonrefundable fee on vehicle registrations to more types of vehicles and to tag transfers and temporary tags. The resulting revenue increase creates more opportunities for the Transportation Disadvantaged program to expand.

HB 141 raises revenue by extending an existing $1.50 nonrefundable fee on certain vehicle registrations to motorcycles and certain types of trailers, as well as to tag transfers and to temporary tags. The bill is expected to affect the owners of 4.9 million vehicles, and generate, at a minimum, an estimated $7.4 million in fiscal year 2002-2003.

B. PRESENT SITUATION:

Background
The Transportation Disadvantaged program, created in 1979 by the Legislature pursuant to Part I of Chapter 427, F.S., coordinates a network of local and state programs providing transportation services for elderly, disabled and low-income citizens.

Over the years, the Legislature has modified the program's administrative structure, program responsibilities, and funding. A 27-member Commission for the Transportation Disadvantaged (the Commission) sets state policy and oversees its statewide implementation, and distributes a share of its budgeted funds to the local providers, based on its criteria.

The Commission's activities are funded by the following revenue sources:

-- a $1.50 non-refundable fee on the initial and renewal registration of each private-use automobile and each truck with a net weight of 5,000 pounds or less, pursuant to s. 320.03, F.S. In fiscal year 2000-2001, this generated $17.9 million in revenue for the Commission.

-- a state block grant awarded annually by the Florida Department of Transportation. In fiscal year 2000-2001, the block grant award was $8.18 million.

-- $5.00 from the purchase of each $15 "temporary disabled' placard, pursuant to s. 320.0848(4), F.S.. In fiscal year 2000-2001, this generated $173,000 for the Commission.

-- a $1 "check-off" fee donated by vehicle owners upon vehicle registration or renewal, pursuant to s. 320.02(15), F.S. In fiscal year 2000-2001, these contributions totaled $26,000.

These funds are deposited in the Transportation Disadvantaged Trust Fund, which the Commission distributes to local providers to pay for unsponsored trips, purchase equipment, and perform related responsibilities. In previous years, each local provider has received funding from the Commission.

In FY 00-01, the Commission's budget was about $26.3 million. The Commission's budget is about 10 percent of the total funds spent statewide – about $224.9 million in FY 2000-2001 -- to provide transportation disadvantaged services in local communities. Local governments contributed the most funds, at $70.2 million, while Medicaid funding from the state Agency on Health Care Administration totaled $65.68 million. Riders' contributions brought in another $20.29 million. In all, there are 13 different agencies or categories of fund sources for the statewide Transportation Disadvantaged program. The entities within each county that provide transportation services for eligible clients apply for non-Commission funds from state and federal agencies, and receive them directly. The Commission has no control over these funds.

Program structure

There are three distinct entities in the Transportation Disadvantaged program, each with distinct responsibilities:

Specifically, 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. One of the Commission's key responsibilities is ensuring 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. The Commission also approves the local entities that manage the delivery transportation services to eligible clients.

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 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.

Local planning agencies, such as a metropolitan planning organization (MPO) or regional planning council, appoint and staff each local coordinating board. A local elected official chairs each coordinating board. The size and composition of each coordinating board are established by the Commission. Local coordinating boards identify local service needs and provide information, advice and direction to the entity that coordinates – and may actually provide – the actual transportation services. These boards also are responsible for recommending the local community transportation coordinator to 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.

C. EFFECT OF PROPOSED CHANGES:

HB 141 would extend the current $1.50 nonrefundable fee on certain vehicles to: the initial and renewal registrations of motorcycles; to all trucks except those taxed pursuant to ss. 320.0715 and 320.08(3)(d) and (4), F.S.; to all trailers except those taxed pursuant to s. 320.08(5)(a) and (b), F.S.; all tag transfers; and temporary tags.

The exempted trucks weigh at least 5,001 pounds and are truck-tractors, or are large commercial motor vehicles, or haul citrus and other farm products within the confines of the grove or farm where the products are raised. The exempted trailers are either semi–trailers used in conjunction with truck tractors or which are equipped with and haul well-drilling, excavation or similar equipment.

HB 141 would affect the owners of 4.9 million vehicles registered in Florida, and generate an estimated $7.4 million in fiscal year 2002-2003, according to data supplied by the Department of Highway Safety and Motor Vehicles.

Commission staff estimates that the new revenues would finance up to 2 million additional trips a year.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: Amends s. 320.03(9), F.S., to extend the existing $1.50 nonrefundable fee to the initial and renewal registrations of motorcycles, all trucks except those taxed under ss. 320.0715 and 320.08(3)(d) & (4), F.S., and all trailers except those taxed under 320.08(5)(a) and (b), F.S. Also extends the fee to tag transfers and to temporary tags.

Section 2: Specifies this act shall take effect October 1, 2002.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

According to the DHSMV, passage of HB 141 is projected to impact the owners of 4.9 million vehicles and generate an estimated $7.4 million for the Transportation Disadvantaged Trust Fund, in fiscal year 2002-2003. In fiscal year 2003-2004, 6.7 million vehicles will be impacted and generate an estimated $10.1 million for the trust fund.

2. Expenditures:

The DHSMV expects to incur an estimated cost of $13,500 to upgrade 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 a portion of the increased revenues will be distributed to local governments as grants for their TD programs.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate, but likely positive. 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.

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

HB 141 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:

HB 141 will not reduce the authority of countries and municipalities to raise total aggregate revenues.

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

HB 141 does not reduce the total aggregate percent of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

HB 141 does not give any state agencies additional rulemaking authority. The DHSMV's existing rulemaking authority appears sufficient to implement HB 141.

C. OTHER COMMENTS:

The Commission for Transportation Disadvantaged supports HB 141. 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. According to Commission staff, not everyone who qualifies for the TD program is able to get transportation. In fiscal year 1999-2000, local providers turned down 581,312 requests for transportation because of a lack of vehicles, drivers or other resources.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

Not applicable.

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION :

Prepared by:	Staff Director:
Joyce Pugh	Phillip B. Miller