

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Community Affairs Committee

BILL: SB 2632

INTRODUCER: Senator Webster

SUBJECT: Motor Vehicle Lease/Surcharge

DATE: March 24, 2006

REVISED: 3/28/06

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Vickers	Yeatman	CA	Fav/1 amendment
2.			TR	
3.			GE	
4.			TA	
5.				
6.				

Please see last section for Summary of Amendments

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Technical amendments were recommended

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Amendments were recommended

☐

Significant amendments were recommended

I. Summary:

This bill authorizes counties to impose an additional \$2 per day surcharge on the lease or rental of motor vehicles designed to carry fewer than nine passengers, regardless of whether the vehicle is licensed in this state. The surcharge may only apply to the first 30 days of each lease or rental. Imposition of the surcharge is subject to approval via a countywide referendum. Proceeds of the local option rental car surcharge must be deposited in the Local Option Fuel Trust Fund and be used for transportation facilities.

This bill substantially amends section 212.0606 of the Florida Statutes.

II. Present Situation:

Section 212.0606, F.S., authorizes a surcharge of \$2.00 per day or any part of a day on the lease or rental of a motor vehicle licensed for hire and designed to carry less than nine passengers regardless of whether such motor vehicle is licensed in Florida. The surcharge applies to only the first 30 days of the term of any lease or rental. However, the surcharge does not apply to a motor vehicle provided at no charge to a person whose motor vehicle is being repaired, adjusted, or serviced by the entity providing the replacement motor vehicle. After deduction for administrative fees and the General Revenue Service Charge, the rental car surcharge is distributed as follows:

- 80% of the surcharge to the State Transportation Trust Fund;
- 15.75% of the surcharge to the Tourism Promotion Trust Fund; and
- 4.25% of the surcharge to the Florida International Trade and Promotion Trust Fund.

Beginning in fiscal year 2007-2008, the proceeds of the rental car surcharge that are deposited into the State Transportation Trust Fund will be allocated to each Department of Transportation (DOT) district for projects, based on the amount of proceeds collected in the counties within each respective district. There are seven transportation districts ranging in size from two counties up to eighteen counties. All counties with the exception of Glades and Lafayette collect some rental car surcharges that are deposited into the Transportation Trust Fund. In fiscal year 2005-2006, statewide rental car surcharge revenues totaled \$133 million.¹ The counties accounting for the largest portion of this revenue included: Orange (\$30.9 million), Broward (\$19.7 million), Dade (\$18.2 million), Hillsborough (\$12.3 million), and Palm Beach (\$9.3 million).² The Department of Revenue estimates that the rental car surcharge will generate \$137.4 million in fiscal year 2006-2007 and \$139.7 million in fiscal year 2007-2008.

The 1-cent county fuel tax is distributed pursuant to s. 206.60, F.S., and may be used solely for the acquisition of right-of-way, the construction, reconstruction, operation, maintenance, and repair of transportation facilities, roads, bridges, bicycle paths, and pedestrian pathways in counties; or the reduction of bonded indebtedness incurred to build those aforementioned projects.

III. Effect of Proposed Changes:

The bill amends s. 212.0606, F.S., to provide for imposition of an additional \$2.00 local surcharge per day or any part of a day on the lease or rental of a motor vehicle licensed for hire and designed to carry less than nine passengers regardless of whether such motor vehicle is licensed in Florida. The surcharge does not apply to a motor vehicle provided at no charge to a person whose motor vehicle is being repaired, adjusted, or serviced by the entity providing the replacement motor vehicle. The surcharge must be approved by the voters in a countywide referendum and the proceeds of the surcharge must be deposited in the Local Option Fuel Trust Fund to be used for the construction and maintenance of transportation facilities.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

¹ Information provided by the Department of Revenue. This figure represents the net amount available following deductions for General Revenue Service Charges and DOR administrative fees.

² Information provided by the Department of Revenue.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

The bill would authorize counties, pursuant to a countywide referendum, to impose an additional \$2 per day surcharge on the lease or rental of a motor vehicle licensed for hire and designed to carry fewer than nine passengers.

B. Private Sector Impact:

Individuals renting or leasing certain vehicles may be required to pay an additional \$2.00 per day surcharge in counties enacting this proposal.

Representatives of several rental car firms indicated that the bill will have a negative impact on their specific businesses.

C. Government Sector Impact:

The Revenue Estimating Conference has not met to determine the fiscal impact of this bill. The state would realize an indeterminate amount of additional revenue associated with the General Revenue Service Charges. Local governments imposing the local option surcharge would realize an indeterminate amount of additional revenue for the construction and maintenance of transportation facilities.

VI. Technical Deficiencies:

In its analysis of the bill, the Department of Revenue recommended several technical amendments to facilitate implementation of the bill.

VII. Related Issues:

None.

VIII. Summary of Amendments:

Barcode #265380 by Community Affairs:

This amendment revises certain administrative and procedural requirements recommended by the Department of Revenue to facilitate implementation.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
