

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 575 Contributions to Relieve Homelessness

**SPONSOR(S):** Cusack

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1568

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Infrastructure</u>	<u>8 Y, 0 N</u>	<u>Cortese</u>	<u>Miller</u>
2) <u>Economic Expansion &amp; Infrastructure Council</u>	<u></u>	<u>Cortese</u>	<u>Tinker</u>
3) <u>Policy &amp; Budget Council</u>	<u></u>	<u></u>	<u></u>
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### SUMMARY ANALYSIS

This bill requires that application and renewal forms for motor vehicle registration and driver's license, renewal of driver's license or duplicate driver's license applications include an option to make a voluntary contribution of \$1 to aid the homeless. A voluntary check-off box would be added to these Department of Highway Safety & Motor Vehicle (DHSMV) application forms.

Any contributions collected would be deposited into the Grants and Donations Trust Fund of the Department of Children and Family Services and used by the State Office of Homelessness. The State Office of Homelessness will use the donations to supplement grants, provide information to the public about homelessness in the state, and provide literature for homeless persons seeking assistance.

The bill exempts contributions collected through this voluntary donation from the statutory requirements for organizations seeking voluntary contribution check-offs. The law prohibits the use of state funds to pay the required \$10,000 application fee; and according to the proponents of the bill the State Office of Homelessness does not have any other revenue source to pay the fee.

The bill becomes effective July 1, 2008.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Provide limited government-** This bill creates additional work for governmental organizations.

#### B. EFFECT OF PROPOSED CHANGES:

Section 320.02, F.S., provides vehicle owners with an opportunity to make voluntary contributions to six organizations or causes when registering a vehicle or when renewing a vehicle registration:

- Transportation Disadvantaged Trust Fund,
- Prevent Blindness Florida,
- Florida Mothers Against Drunk Driving, Inc.,
- Southeastern Guide Dogs, Inc.,
- Stop Heart Disease, and
- Children's Hearing Help Fund

Similarly, s. 322.08, F.S., provides driver license applicants with an opportunity to make voluntary contributions to six organizations or causes when applying for, or renewing a license:

- Election Campaign Financing Trust Fund,
- Florida Organ and Tissue Donor Education and Procurement Trust Fund,
- Florida Council of the Blind,
- Hearing Research Institute, Incorporated,
- Juvenile Diabetes Foundation International, and
- Children's Hearing Help Fund.

Currently, aid to the homeless is not an option for a voluntary contribution on motor vehicle registration and registration renewal forms, or on driver's license applications and renewal forms. By adding a voluntary check-off box to aid the homeless to the forms, it will give applicants the option to contribute funds to this cause. Any contributions made by applicants would be deposited into the Grants and Donations Trust Fund of the Department of Children and Family Services and used by the State Office of Homelessness. The State Office of Homelessness is housed within the Department of Children and Family Services. The bill requires that collected funds be used to "supplement grants"<sup>1</sup>... and to "provide information to the public about homelessness in the state, and provide literature for homeless persons seeking assistance."

Voluntary check-off contributions on vehicle registrations and driver's licenses must be authorized by a statutory change. Florida Statutes<sup>2</sup> require organizations to submit to the Department of Highway Safety and Motor Vehicles a request for the particular contribution being sought, an application fee not to exceed \$10,000, a short-term and long-term marketing plan, and an analysis outlining anticipated revenues and planned expenditures of such revenues. DHSMV must receive this information at least 90 days before convening of the next regular session. In addition, the law specifically prohibits the use

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<sup>1</sup> Section 420.622 (4)(5), F.S.

<sup>2</sup> Section 320.023, F.S., sets out requirements for vehicle registration check-offs and s. 322.081, F.S., sets out the similar requirements for driver's license check-offs.

of state funds to pay the application fee. The State Office of Homelessness has not met these requirements.

The language of the bill exempts contributions collected through this voluntary donation from the requirements listed above. According to proponents of this legislation, the State Office of Homelessness does not have a revenue source to pay the fee because the law prohibits the use of state funds for this purpose.

C. SECTION DIRECTORY:

**Section 1-** Adds a paragraph to subsection (16) of section 320.02, F.S., to include language permitting a voluntary contribution to aid the homeless on the application form for motor vehicle registration and renewals of registration.

**Section 2-** Subsection (6) of section 322.08, F.S., is amended to include language permitting a voluntary contribution to aid the homeless on the application form for a driver's license or duplicate license.

**Section 3-** Subsection (9) of section 322.18, F.S., is amended to include language permitting a voluntary contribution to aid the homeless on the application form for a renewal of issuance of driver's license or renewal extension.

**Section 4** – Provides an effective date of July 1, 2008.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Revenue generated by this voluntary contribution is based on public interest and is therefore indeterminate.

2. Expenditures:

This bill will require programming modifications to the DHSMV's Driver License and Motor Vehicle Information Systems, the cost of which will be absorbed within existing agency resources.<sup>3</sup> There will also be an additional impact on the workload of DCF employees, however the impact will be minimal.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Homelessness programs operated by local governments may receive an indeterminate amount of revenue through the State Office of Homelessness.

2. Expenditures:

None.

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<sup>3</sup> DHSMV Bill Analysis, HB 575

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Motorists who decide to donate would pay an additional dollar for vehicle registrations and driver's licenses.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill has an incorrect cross reference to s. 320.23, F.S., on line 28. This section should be amended to the correct reference, s. 320.023, F.S. Also, the DHSMV recommends that this act take effect October 1, 2008 instead of July 1, 2008 to allow time for implementation. The sponsor's staff has indicated that the sponsor is willing to offer amendments to make these changes.

D. STATEMENT OF THE SPONSOR

As the State of Florida faces a very challenging budget year and many homeless organizations are being told that there will be no, or very limited, funds from the State to assist their operations and expansions. The need for services continues to rise, and agencies have been encouraged to seek funding sources from private entities, try for federal matching dollars, and to think of any other creative ways to keep their operations on solid ground. House Bill 575 creates a potential funding source for these organizations.

Based on 2006-2007 data the current voluntary contributions in place both on the drivers license and the auto tag renewal have generated anywhere from \$18,000 to \$504,000. With the economy in decline and the threat of a recession on the horizon, we will find more and more homeless families who will need these services to make them whole again.

### IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On February 21, 2008, this bill was considered by the Committee on Infrastructure. Two amendments were adopted. The first amendment rectified an incorrect statute cross reference, and the second amendment changed the date the act will take effect to October 1, 2008. The bill was reported favorably with two amendments.