

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Transportation and Economic Development Appropriations Committee

BILL: CS/SB 40-A

INTRODUCER: Transportation and Economic Development Appropriations Committee and Senator Fasano

SUBJECT: Highway Safety and Motor Vehicles

DATE: January 7, 2009 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Carey	Noble	TA	Fav/CS
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

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|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill provides necessary changes to current law to provide for adjustments to transportation and economic development appropriations. The bill provides a revenue increase to the General Revenue Fund, provides for the redirection of trust fund revenues and authorizes the use of certain revenues. Specifically, the bill:

- Increases the civil penalty late fee required in s. 318.18, F.S., and directs those revenues to the General Revenue Fund.
- Redirects the \$2.00 processing fee collected on the purchase of personalized prestige or specialty license plates to the Highway Safety Operating Trust Fund.
- Redirects the 50 cents reflectorization fee collected on each motor vehicle registration or renewal registration to the Highway Safety Operating Trust Fund.
- Provides that the \$2.50 motorcycle safety education fee assessed when registering a motorcycle may be used for the Florida Motorcycle Safety Education Program established in s. 322.0255, F.S., or the general operations of the department.
- Eliminates the Motorcycle Safety Education Course Reimbursements.

The bill provides a recurring revenue increase of \$6.2 million directed to the General Revenue Fund. The redirection of fees provides a revenue increase of \$13.3 million to the Highway Safety Operating Trust Fund and decreases the State Transportation Trust Fund revenues by that same amount.

This bill substantially amends sections 318.18, 320.06, 320.08050, 320.08056, 322.025 and 322.0225 of the Florida Statutes.

II. Present Situation:

Section 318.18(8)(a), F.S., requires any person who fails to timely pay a traffic fine included in 318.15(1)(a), F.S., to pay an additional \$12 civil penalty, \$2.50 of which is remitted to the General Revenue Fund and \$9.50 of which is remitted to the Highway Safety Operating Trust Fund.

Section 320.06 (3)(b), F.S., requires the DHSMV to collect an additional 50 cents on each motor vehicle registration or motor vehicle renewal registration, in order to ensure “all license plates and validation stickers be fully treated with retroreflective material.” This fee is currently deposited into the State Transportation Trust Fund.

Currently, s. 320.08(1)(c), F.S., provides that for each motorcycle registered in Florida, a \$2.50 motorcycle safety education fee is collected and deposited into the Highway Safety Operating Trust Fund. These funds are used *exclusively* to fund motorcycle driver improvement programs implemented pursuant to s. 322.025, F.S., or the Florida Motorcycle Safety Education Program. This program was established in 1989 to provide motorcycle safety courses in Florida.¹ Organizations participating in the Florida Rider Training Program charge students a registration fee to attend a course, not to exceed \$20 per student.²

Section 320.0805, F.S., governs the issuance of personalized prestige license plates. To receive a personalized prestige license plate, the motor vehicle owner must pay the appropriate license tax, an annual use fee of \$10, and a processing fee of \$2. This \$2 fee is currently deposited into the State Transportation Trust Fund.

Section 320.08056, F.S., governs the issuance of specialty license plates. To receive a specialty plate, the motor vehicle owner must pay the appropriate license tax, license plate fee, license plate annual use fee,³ and a processing fee of \$2. This \$2 fee is currently deposited into the State Transportation Trust Fund.

Currently, s. 322.025(1), F.S., provides that motorcycle driver improvement programs shall be funded exclusively from the \$2.50 motorcycle safety education fee authorized in s. 320.08(1) (c), F.S., and deposited in the Highway Safety Trust Fund.

¹ Section 322.0255(1), F.S. See also s. 7, ch. 88-405, Laws of Florida.

² Section 322.0255(6), F.S.

³ The available plates and associated fees are listed in ss. 320.08056(4)(a) - (III), F.S.

Currently, s. 322.0255(5), F.S., requires the Department to reimburse sponsors that provide an approved motorcycle safety education course for each student who begins the on cycle portion of the course, subject to the availability of funds. The reimbursements are funded from the \$2.50 motorcycle safety education fee authorized in s. 320.08(1)(c), Florida Statutes. Historically, the reimbursement fee intended to help establish the privatization of the Florida Rider Training Program. Course completion was not required to obtain a motorcycle endorsement, unless the rider was under 21 years old. Some sponsors adjusted their course prices based on the reimbursement, which meant a lower cost to the student. Florida law changed on July 1, 2008 to require course completion in order to obtain a motorcycle endorsement, regardless of age. In addition, there are now 63 approved training providers and in fiscal year 2007-08, approximately 34,000 students completed the course. Because of the increased demand and increased course availability, this subsidy is no longer necessary and was not provided in 2007-2008.

III. Effect of Proposed Changes:

Section 1 amends s. 318.18(8)(a), F.S., increasing the civil penalty from \$12 to \$16, of which the additional \$4 shall be remitted to the Department of Revenue for deposit in the General Revenue Fund.

Section 2 amends s. 320.06 (3)(b), F.S., naming the Highway Safety Operating Trust Fund as the depository for the additional 50 cents collected for motor vehicle registrations and renewals to cover the cost of retroreflective material on license plates and decals.

Section 3 amends s. 320.08 (c), F.S., allowing the Department to not only use the \$2.50 motorcycle safety education fee for the motorcycle driver improvement program, but also for general operations of the Department. The funds will remain in the Highway Safety Operating Trust Fund.

Section 4 amends s. 320.0805 (2), (c), F.S., naming the Highway Safety Operating Trust Fund as the trust fund to deposit the \$2 processing fee for personalized license plates.

Section 5 amends s. 320.08056 (3)(b), F.S., naming the Highway Safety Operating Trust Fund as the fund to deposit the \$2 processing fee for personalized prestige license plates.

Section 6 amends s. 322.025, F.S., to revise the use of funding for the driver improvement program. Specifically, this section is amended to allow the \$2.50 education fee to fund a motorcycle driver improvement program *or* for the general operations of the DHSMV.

Section 7 amends s. 322.0255, F.S., to eliminate provisions regarding certain reimbursements from DHSMV to motorcycle safety education providers.

Section 8 provides this act shall take effect on February 1, 2009, or upon becoming law, whichever occurs later.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill increases the additional civil penalty required when any person fails to pay a traffic fine on time from \$12 to 16. The \$4 increase is directed to the General Revenue Fund. The DHSMV estimates the following fiscal impact.

	<u>FY 08-09</u>	<u>FY 09-10</u>
Civil Penalty Late Fee	\$2.1 m	\$6.2 m

The bill redirects existing fees from the State Transportation Trust Fund to the Highway Safety Operating Trust Fund. Based on prior year transaction counts, the DHSMV estimates the following fiscal impact to the trust funds.

	<u>FY 08-09</u>	<u>FY 09-10</u>
50 cents Reflectorization Fee	\$3.7 m	\$9.2 m
\$2.00 Fee for Processing Specialty and Prestige Plates	\$1.7 m	\$4.1 m
TOTAL	\$5.4 m	\$13.3

B. Private Sector Impact:

Any person who fails to pay a traffic fine within the 30 day time frame will be required to pay an additional late fee of \$4 to be deposited into the General Revenue Fund.

C. Government Sector Impact:

The DHSMV estimates that the bill will generate \$6.2 recurring general revenue funds.

The bill redirects \$13.3 million from the Department of Transportation’s State Transportation Trust Fund to the DHSMV Highway Safety Operating Trust fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Transportation and Economic Development Appropriations:

The Committee Substitute for Senate Bill 40-A provides the following:

- Increases the civil penalty late fee required in s. 318.18, F.S., from \$12 to \$16 and directs the additional revenue to the General Revenue Fund;
- Redirects the \$2.00 processing fee required in ss. 320.0805 and 320.08056, F.S., for personalized prestige license plates and specialty license plates to the Highway Safety Operating Trust Fund;
- Provides that a portion of the \$2.50 Motorcycle Safety Education Fee collected pursuant to ss. 320.08(c) and 322.025, F.S., may be used for general operations of the Department of Highway Safety and Motor Vehicles, in addition to Motor Safety Education programs;
- Revises requirements for funding motorcycle driver improvement programs in s. 322.025, F.S.;
- Removes requirement that the department shall reimburse motorcycle safety education course providers as provided in s. 322.0255, F.S.; and
- Provides an effective date of February 1, 2009, or upon becoming a law, whichever occurs later.

- B. **Amendments:**

None.