

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 Committee on Appropriations

BILL: SB 1522

INTRODUCER: Committee on Appropriations

SUBJECT: Fee Redirect

DATE: April 3, 2013

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|----------------------------------|
| 1. | Carey | Hansen | | AP SPB 7060 as introduced |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |

I. Summary:

SB 1522 redirects a portion of the existing fee, or surcharge, collected on an annual vehicle license registration from the State Transportation Trust Fund to the Highway Safety Operating Trust Fund. The purpose of the fee redirect is to provide a recurring revenue source to the DHSMV to offset costs of the Office of Motor Carrier Compliance. This bill conforms statutes relating to the Department of Transportation (FDOT) and the Department of Highway Safety and Motor Vehicles to the Senate Proposed General Appropriations Bill, SPB 7040.

The bill will have a negative revenue impact of \$12.9 million for FY 2013-14 on the State Transportation Trust Fund and a corresponding positive revenue impact on the Highway Safety Operating Trust Fund.

This bill substantially amends section 320.0804, Florida Statutes.

II. Present Situation:

Florida Highway Patrol Office of Motor Carrier Compliance

The Office of Motor Carrier Compliance was transferred from the FDOT to the Department of Highway Safety and Motor Vehicles (DHSMV) pursuant to chs. 2011-66 and 69, L.O.F. The motor carrier compliance program was transferred to the DHSMV with no direct revenue source for funding the Motor Carrier Compliance program. Since the transfer of the program, the FDOT provides a revenue transfer from State Transportation Trust Fund utilizing budget authority provided in the General Appropriations Act.

The Office of Motor Carrier Compliance is a separate budget entity within the DHSMV's Florida Highway Patrol (FHP). Motor Carrier Compliance personnel are sworn law enforcement officers who enforce all commercial motor vehicle (CMV) laws and regulations pertaining to weight, size, traffic, safety, registration and licensing, fuel use taxes, hazardous materials and CMV contraband interdiction. In addition to the law enforcement unit at the DHSMV, civilian weight inspectors with FDOT continue to operate twenty-one fixed scale weigh stations on the interstate highways and State Highway System. They enforce weight and size limits, fuel tax requirements and commercial vehicle registration and licensing laws.

The FHP commercial vehicle enforcement officers are equipped with portable scales and the necessary equipment for performing safety inspections. They inspect commercial motor vehicles for weight violations and conduct compliance review for safety and hazardous violations in all geographic areas including weigh stations and bypass routes. Due to passenger cars causing a majority of the crashes involving commercial vehicles, non-commercial motor vehicle traffic enforcement efforts have increased, i.e., speed details in work zones, high crash corridors, and aggressive driving.

The Office of Motor Carrier Compliance has a recurring base budget of \$32,217,226 for the 2013-2014 fiscal year. In addition to revenues from FDOT, a Federal Motor Carrier Safety Assistance Grant Program (MCSAP) provides about \$10 million annually in federal funds.

Surcharge on License Tax

The surcharge on the annual vehicle registration license tax is an existing fee of \$4.00. Of this amount, \$2.00 is deposited into the General Revenue Fund, and \$2.00 is deposited into the State Transportation Fund.¹

III. Effect of Proposed Changes:

This bill will redirect \$1.00 of the \$2.00 license tax surcharge which is currently deposited in the State Transportation Trust Fund from that fund into the Highway Safety Operating Trust Fund.

The Senate Proposed General Appropriations eliminates recurring budget authority of \$21,021,798, in the FDOT budget which provides for the transfer of revenues to the DHSMV for the Motor Carrier Compliance Program.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

¹ Section 320.0804, F.S.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None

C. Government Sector Impact:

The Impact Conference has not reviewed this bill, however, the unofficial estimated revenue impact of the fee redirect is shown below, as provided by the Department of Highway Safety and Motor Vehicles, and is based on the current forecast from the February 2013 Highway Safety Fee Estimating Conference. The revenues below include biennial registration fees and are based on an October 1, 2013 effective date.

| <u>REVENUES</u> | <u>FY 12-13</u> | <u>FY 13-14</u> | <u>FY 14-15</u> |
|-----------------------------|-----------------|-----------------|-----------------|
| General Revenue Fund | \$35,317,140 | \$36,188,128 | \$37,083,232 |
| State Transportation TF | \$35,317,140 | \$23,255,742 | \$18,523,271 |
| Highway Safety Operation TF | \$0 | \$12,932,386 | \$18,229,961 |

The fiscal impact to the FDOT's recurring base budget relating to the transfer of funds is shown below.

| | | | |
|---------------------------------|--------------|----------------|-----|
| State Transportation Trust Fund | \$20,835,343 | (\$21,021,798) | \$0 |
|---------------------------------|--------------|----------------|-----|

The October 1, 2013 implementation date will allow the DHSMV to make necessary programming changes related to fee distributions. The workload can be absorbed within existing resources.

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.)

None.

- B. **Amendments:**

None.

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