

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 683 Motor Vehicles
SPONSOR(S): Pilon
TIED BILLS: **IDEN./SIM. BILLS:** SB 1090

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	14 Y, 0 N	Thompson	Miller
2) Transportation & Economic Development Appropriations Subcommittee	11 Y, 0 N	Rayman	Davis
3) Economic Affairs Committee			

SUMMARY ANALYSIS

The voluntary contributions check-off process provides the opportunity for citizens to make a donation by checking a box on a form when registering a vehicle or renewing a registration, and when applying for a new replacement or driver license. Currently law provides motor vehicle registration applicants with 24 options for voluntary contributions, and driver license applicants with 17 options.

HB 683 creates a \$1 voluntary contribution check-off on an application form for both a motor vehicle registration and renewal registration, and an application form for an original, renewal, or replacement driver's license or identification card, for the Auto Club Group Traffic Safety Foundation, Inc. Funds received by the foundation from both of the proposed check-offs must be used to improve traffic safety culture in communities through effective outreach, education, and activities in the state that will save lives, reduce injuries, and prevent crashes. The foundation is required to comply with the respective voluntary check-off request procedures provided in statute.

The bill has an insignificant fiscal impact which Department of Highway Safety and Motor Vehicles (DHSMV) can absorb within existing resources.

The bill provides an effective date of July 1, 2013.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Voluntary Check-off – Motor Vehicle Registration Application

Section 320.023, F.S., outlines the procedure an organization must follow prior to seeking legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary contribution on a motor vehicle registration application (initial registration or renewal). The contribution allows a registered owner of a motor vehicle to voluntarily contribute to one or more of the authorized organizations. To become eligible, the organization must submit the following to the Florida Department of Highway Safety and Motor Vehicles (DHSMV) at least 90 days before the convening of the next regular session of the Legislature:

- A request for the contribution describing it in general terms;
- An application fee of not more than \$10,000 to defray DHSMV's costs for reviewing the application and developing the new check-off. State funds may not be used to pay the application fee; and
- A marketing strategy outlining short-term and long-term marketing plans for the contribution and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the contributions.¹

DHSMV must discontinue the check-off if less than \$25,000 has been contributed by the end of the fifth year, or if less than \$25,000 is contributed during any subsequent five-year period.²

Section 320.02(8), (14) and (15), F.S., section 320.08047, F.S., and section 328.72(11) and (16), F.S., provide motor vehicle registration applicants with 24 options for voluntary contributions.

Voluntary Check-off – Driver's License Application

Section 322.081, F.S., outlines the procedure an organization must follow prior to seeking legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary contribution on a driver's license or identification card application (initial, renewal, or replacement). The contribution allows a person applying for, renewing, or replacing a Florida driver's license or identification card to voluntarily contribute to one or more of the authorized organizations during the transaction. To become eligible, the organization must submit the following to DHSMV at least 90 days before the convening of the next regular session of the Legislature:

- A request for the contribution describing it in general terms;
- An application fee of not more than \$10,000 to defray DHSMV's costs for reviewing the application and developing the new check-off. State funds may not be used to pay the application fee; and
- A marketing strategy outlining short-term and long-term marketing plans for the contribution and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the contributions.³

DHSMV must discontinue the contribution if less than \$25,000 has been contributed by the end of the fifth year, or if less than \$25,000 is contributed during any subsequent five-year period.⁴

Section 215.20, F.S., provides for an 8 percent service charge on all income that is of a revenue nature and that is deposited in trust funds. The service charge is deposited in the General Revenue Fund. However, certain driver's license or identification card application contributions that are not classified as income of a revenue nature are excluded from this General Revenue Fund service charge.

¹ Section 320.023(1), F.S.

² Section 320.023(4)(a), F.S.

³ Section 322.081(1), F.S.

⁴ Section 322.081(4)(a), F.S.

Section 322.08(7), F.S., provides driver license applicants with 17 options for voluntary contributions.

Moratorium

In 2010, the Legislature established a moratorium prohibiting DHSMV from establishing new voluntary check-offs for both registration transactions, and driver's license or identification card transactions. The moratorium period is effective "between July 1, 2010, and July 1, 2013". However, an exemption applies if an organization has:

- Submitted a request to establish a voluntary contribution on a motor vehicle application or a driver's license or identification card application to DHSMV before May 1, 2010; and
- Submitted a valid financial analysis, marketing strategy, and application fee before September 1, 2010; or
- Filed a bill during the 2010 Legislative Session to establish a voluntary contribution and has met the requirements of s. 320.023, F.S., or s. 322.081, F.S.⁵

AAA The Auto Club Group Foundation, Inc.

Effective October 1, 2011, Tampa-based AAA Auto Club South and Dearborn, Michigan-based, The Auto Club Group, affiliated and combined operations. The enterprise is known as The Auto Club Group and provides membership, travel, insurance, and financial services to more than 8.4 million members through a network of nearly 8,000 employees in approximately 300 office locations. Corporate headquarters are located in both Dearborn and Tampa. The Auto Club Group belongs to the national AAA federation with nearly 53 million members in the United States and Canada whose mission includes protecting and advancing freedom of mobility and improving travel safety.⁶

The Auto Club Group Traffic Safety Foundation, Inc., is a nonprofit corporation under s. 501(c)(3) of the Internal Revenue Code. The foundation raises money to help fund AAA The Auto Club Group traffic safety programs. The staff person responsible for the foundation is paid by AAA, not the foundation. AAA donates over \$500,000 each year to the foundation for the sole purpose of traffic safety programs.⁷

Proposed Changes

Section 320.02, F.S., creates a \$1 voluntary contribution check-off on an application form for a motor vehicle registration and renewal registration for the Auto Club Group Traffic Safety Foundation, Inc. Funds received by the foundation must be used to improve traffic safety culture in communities through effective outreach, education, and activities in the state that will save lives, reduce injuries, and prevent crashes. The foundation is required to comply with the motor vehicle registration voluntary check-off request procedures provided in s. 320.023, F.S.

Section 322.08, F.S., creates a \$1 voluntary contribution check-off on an application form for an original, renewal, or replacement driver's license or identification card for the Auto Club Group Traffic Safety Foundation, Inc. Funds received by the foundation must be used to improve traffic safety culture in communities through effective outreach, education, and activities in the state that will save lives, reduce injuries, and prevent crashes. The foundation is required to comply with the driver's license or identification card voluntary check-off request procedures provided in s. 320.081, F.S.

The bill adds the Auto Club Group Traffic Safety Foundation, Inc. to the exemption from the General Revenue fund service charge.

⁵ s. 26, chapter 2010-223, L.O.F.

⁶ AAA website, *About the Auto Club Group*, available at <http://autoclubsouth.aaa.com/newsandsafety/media.aspx> (last visited March 22, 2013).

⁷ Information submitted by the AAA The Auto Club Group, March 22, 2013 (on file with the Transportation & Highway Safety Subcommittee).

B. SECTION DIRECTORY:

Section 1 amends s. 320.02, F.S., relating to motor vehicle registration.

Section 2 amends s. 320.08, F.S., relating to application for license.

Section 3 provides an effective date of July 1, 2013.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

There is a \$20,000 application fee required to be paid by the Auto Club Group Traffic Safety Foundation, Inc., a nonprofit organization, for the motor vehicle and driver's license application.

2. Expenditures:

The DHSMV programming cost to redesign the application is \$65,600, nonrecurring from the Highway Safety Operating Trust Fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

According to DHSMV, driver license and tax collector offices will be minimally impacted by collecting additional funds when an individual elects to make this voluntary contribution.⁸

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

According to DHSMV, individuals who choose to contribute to support the Auto Club Group Traffic Safety Foundation, Inc., in this state will pay a \$1 voluntary contribution when registering a vehicle, or when obtaining or renewing their driver license or identification card. However, the revenue generated from contributions is based on public interest and cannot be predicted.⁹

D. FISCAL COMMENTS:

According to DHSMV, its cost to redesign the application forms associated with a motor vehicle registration and renewal registration, and issuance of an original, renewal, or replacement driver license or identification card, is approximately \$65,600. The cost will be partially offset by the \$20,000 application fee the organization is required to pay for both of the check-off requests (\$10,000 each).¹⁰ Revenue generated from these contributions is based on public interest and cannot be predicted.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

⁸ Florida Department of Highway Safety and Motor Vehicles agency analysis for HB 683, February 19, 2013, at page 4 (on file with the Transportation & Highway Safety Subcommittee).

⁹ *Id.*

¹⁰ *Id.*, at page 3.

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Other Comments

The moratorium period prohibiting DHSMV from establishing new voluntary check-offs for both registration transactions, and driver's license or identification card transactions is effective "between July 1, 2010, and July 1, 2013". As such, new voluntary check-offs will be permissible beginning July 1, 2013. The effective date of the bill is July 1, 2013.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES