

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 672

INTRODUCER: Senator Stargel and others

SUBJECT: Truck License Taxes

DATE: March 2, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Jones</u>	<u>Miller</u>	<u>TR</u>	<u>Favorable</u>
2.	<u>Wells</u>	<u>Hrdlicka</u>	<u>ATD</u>	<u>Recommend: Favorable</u>
3.	<u>Wells</u>	<u>Hansen</u>	<u>AP</u>	<u>Favorable</u>

I. Summary:

SB 672 revises the eligibility requirement for the agricultural restricted license plate. The bill allows truck tractors or heavy trucks, not operated as for-hire vehicles, engaged exclusively in transporting raw, unprocessed, and nonmanufactured agricultural or horticultural products that operate *within the state*, instead of within a 150-mile radius of the truck's home address, to be eligible for the restricted plate. The annual fee for the plate is:

- \$87.75 if such vehicle's declared gross weight is less than 44,000 pounds; or
- \$324 if the vehicle's declared gross weight is 44,000 pounds or more and such vehicle only transports from the point of production to the point of primary manufacture; the point of assembly; or to a shipping point.

The Revenue Estimating Conference has estimated that the bill will reduce the General Revenue Fund by \$7,233 and the State Transportation Trust Fund by \$20,617, beginning in Fiscal Year 2018-2019, with an insignificant reduction in recurring revenues for the next five years.

The bill takes effect July 1, 2018.

II. Present Situation:

Under s. 320.08(4)(n), F.S., a restricted agricultural license plate is available for a truck tractor or heavy truck, not operated as a for-hire vehicle, engaged exclusively in transporting raw, unprocessed, and nonmanufactured agricultural or horticultural products within a 150-mile radius of its home address. The annual fee for the plate is:

- \$87.75 if the vehicle's declared gross weight is less than 44,000 pounds; or
- \$324 if the vehicle's declared gross weight is 44,000 pounds or more and the vehicle only transports:
 - From the point of production to the point of primary manufacture;
 - From the point of production to the point of assembling the same; or

- From the point of production to a shipping point by rail, water, or motor transportation company.

For these purposes, a truck tractor or heavy truck is considered to be not operated as a for-hire vehicle when the owner of the truck is also the owner of the raw, unprocessed, and nonmanufactured agricultural or horticultural product or the user of the farm implements and fertilizer being delivered. The Department of Highway Safety and Motor Vehicles (DHSMV) may require any documentation deemed necessary to determine eligibility before issuance of this restricted plate.

Generally, a truck tractor or heavy truck, which does not qualify for the restricted plate, is required to pay an annual registration fee that can range from \$60.75 to \$1,322, depending on the vehicle's overall gross weight.¹ Portions of annual license registration fees are deposited into the General Revenue Fund² and the remaining funds are distributed to the State Transportation Trust Fund as provided in s. 320.20, F.S.

According to the DHSMV, in Fiscal Year 2016-2017, 1,608 trucks registered as restricted agricultural trucks. Of those, approximately 60 percent were over 44,000 pounds.³

III. Effect of Proposed Changes:

The bill amends s. 320.08(4)(n), F.S., removing the 150-mile radius restriction for trucks to be issued an agricultural restricted license plate. Instead, truck tractors or heavy trucks that operate *within the state* and otherwise meet the criteria for the restricted plate are eligible for the restricted plate. It is likely that the bill will increase the number of vehicles that qualify for the agricultural restricted plate.

The bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹ See s. 320.08(4)(a)-(l), F.S.

² As required by s. 320.08, F.S.

³ Email from Kevin Jacobs, DHSMV, RE: SB 672 (Jan. 8, 2018) (on file with the Senate Committee on Transportation).

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference (REC) reviewed a similar provision in CS/HB 1231 in the 2017 legislative session.⁴ The REC estimated the change in the requirement for the agricultural restricted plate would have a negative, but insignificant, impact on revenues deposited in the General Revenue Fund and the State Transportation Trust Fund.⁵

B. Private Sector Impact:

Expanding the distance that vehicles with an agricultural plate are authorized to travel may reduce the costs associated with shipping agricultural products within the state.

C. Government Sector Impact:

The DHSMV may incur minimal programming costs to implement the bill.

The Revenue Estimating Conference has estimated that the bill will reduce the General Revenue Fund by \$7,233 and the State Transportation Trust Fund by \$20,617, beginning in Fiscal Year 2018-2019, with an insignificant reduction in recurring revenues for the next five years.⁶

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 320.08 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

⁴ REC Impact Conference, *Farm Use Trucks – Revision of Eligibility Requirement for the Agricultural Restricted License Plate, CS/HB 1231* (Mar. 24, 2017), available at

http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2017/_pdf/page408-410.pdf (last visited Jan. 11, 2018).

⁵ *Id.*

⁶ Revenue Estimating Conference, *Agriculture Restricted Truck Licenses: SB 672*, January 12, 2018.

B. Amendments:

None.

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