

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 819 Truck License Taxes
SPONSOR(S): Williamson and others
TIED BILLS: IDEN./SIM. **BILLS:** SB 672

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	12 Y, 0 N	Roth	Vickers
2) Transportation & Tourism Appropriations Subcommittee	10 Y, 0 N	Cobb	Davis
3) Government Accountability Committee			

SUMMARY ANALYSIS

In Florida, there are annual license taxes for the operation of motor vehicles which are paid to the Department of Highway Safety and Motor Vehicles, upon the registration or renewal of each item. The amount of the tax depends on the type and size of the vehicle. Current law provides a restricted license plate with a reduced annual license tax for an eligible truck tractor or heavy truck, not operated as a for-hire vehicle, which is engaged exclusively in transporting raw, unprocessed, and non-manufactured agricultural or horticultural products, within a 150-mile radius of its home address.

The bill removes the 150-mile distance restriction on trucks with an agricultural restricted license plates, and expands the restriction to anywhere within the state.

The Revenue Estimating Conference met on January 12, 2018, and determined that there is a negative but insignificant impact to the General Revenue Fund and the State Transportation Trust Fund. The bill does not appear to have a fiscal impact on state expenditures.

The bill has an effective date of July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

In Florida, there are annual license taxes for the operation of motor vehicles, mopeds, motorized bicycles, tri-vehicles, and mobile homes. Upon the registration or renewal of each item, the license taxes are paid to the Department of Highway Safety and Motor Vehicles.¹ The amount of the tax depends on the type and size of the vehicle. For example, a truck tractor or heavy truck with a gross vehicle weight of 35,000 pounds or more, but less than 44,000 pounds is required to pay a \$405 license tax on an annual basis.² Whereas, a truck tractor or heavy truck with a gross vehicle weight of 44,000 pounds or more, but less than 55,000 pounds will pay \$773 in license taxes each year.³

Current law provides a restricted license plate with a reduced annual license tax for an eligible truck tractor or heavy truck, not operated as a for-hire vehicle, which is engaged exclusively in transporting raw, unprocessed, and nonmanufactured agricultural or horticultural products, within a 150-mile radius of its home address.⁴ The fees for the plates are as follows:

- \$87.75 (of which \$22.75 is transferred to the General Revenue Fund and \$65 to the State Transportation Trust Fund), if the vehicle's declared gross vehicle weight is less than 44,000 pounds.⁵
- \$324 (of which \$84 is transferred to the General Revenue Fund and \$240 to the State Transportation Trust Fund), if the vehicle's declared gross vehicle 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 assembling the same; or
 - A shipping point of a rail, water, or motor transportation company.⁶

Generally, a truck tractor or heavy truck, which does not qualify for such 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.⁷ Portions of annual license registration fees are deposited into the General Revenue Fund and the remaining fees are distributed to the State Transportation Trust Fund as provided in s. 320.20, F.S.

In FY 2016-2017, there were 646 vehicles weighing less than 44,000 pounds registered with agricultural restricted license plates. These registrations generated \$56,117.99 in fees. Additionally, there were 1,018 vehicles weighing more than 44,000 pounds registered with agricultural restricted license plates. These registrations generated \$284,312.22, totaling \$340,430.21 in fees for all vehicles registered with agricultural restricted plates in FY 2016-2017.⁸

The fee for the restricted license plate also applies to not-for-hire truck tractors and heavy trucks used exclusively in transporting raw, unprocessed and non-manufactured agricultural or horticultural products to be used to haul farm implements and fertilizers when delivered direct to the growers. "Not-for-hire" means that the owner of the motor vehicle must also be the owner of the raw, unprocessed,

¹ Section 320.08, F.S.

² Section 320.08(4)(h), F.S.

³ Section 320.08(4)(i), F.S.

⁴ Section 320.08(4)(n), F.S.

⁵ Section 320.08(4)(n)1., F.S.

⁶ Section 320.08(4)(n)2., F.S.

⁷ Section 320.08(4)(a)-(l), F.S.

⁸ Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: HB 819 (January 8, 2019).

and nonmanufactured agricultural or horticultural product, or the user of farm implements and fertilizer being delivered.⁹

Proposed Changes

The bill removes the 150-mile distance restriction on agricultural restricted license plates, and expands the restriction to anywhere within the state. This may result in an increase in the number of vehicles registered with agricultural restricted license plates.

B. SECTION DIRECTORY:

Section 1: Amends s. 320.08, F.S., relating to license taxes.

Section 2: Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference met on January 12, 2018, and determined that there is a negative but insignificant impact to the General Revenue Fund and the State Transportation Trust Fund.¹⁰

2. Expenditures:

The bill does not appear to have a fiscal impact to state expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Expanding the distance that the agricultural restricted license plates are authorized to travel may reduce the costs associated with shipping some agricultural products, benefiting the agricultural industry.

D. FISCAL COMMENTS:

None.

⁹ Section 320.08(4)(n)2., F.S.

¹⁰ Revenue Estimating Conference Impact Conference, Revenue Impact Results of 2017 CS/HB 1231, p. 408, available at <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2017/pdf/Impact0324.pdf> (March 24, 2017).

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure 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:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES