

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 819 Truck License Taxes
SPONSOR(S): Government Accountability Committee, 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	16 Y, 0 N, As CS	Roth	Williamson

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 vehicle. 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 or forestry products within a 150-mile radius of its home address.

The bill expands eligibility for the restricted license plate to include qualifying trucks operating anywhere within the state or within a 150-mile radius of their home address.

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 local governments.

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:

- For a vehicle with a declared gross vehicle weight of less than 44,000 pounds - \$87.75, of which \$22.75 is transferred to the General Revenue Fund and \$65 to the State Transportation Trust Fund.⁵
- For a vehicle with a declared gross vehicle weight of 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 - \$324, of which \$84 is transferred to the General Revenue Fund and \$240 to the State Transportation Trust Fund.⁶

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, and nonmanufactured agricultural or horticultural product, or the user of farm implements and fertilizer being delivered.⁷

Current law also provides a restricted license plate for a truck tractor that is used within 150 miles of its home address for hauling forestry products, or used primarily for hauling forestry products and equipment used by the owner of the truck tractor.⁸ The fee paid for the plate is \$324, with \$84 deposited into the General Revenue Fund and \$240 deposited into the State Transportation Trust Fund.⁹

In fiscal year (FY) 2016-2017, there were 646 vehicles weighing less than 44,000 pounds registered with agricultural restricted license plates. These registrations generated \$56,118 in fees. Furthermore, there were 1,018 vehicles weighing more than 44,000 pounds registered with agricultural restricted

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)(n)2., F.S.

⁸ Section 320.08(4)(m), F.S.

⁹ Section 320.08(4)(m), F.S.

license plates. These registrations generated \$284,312. The total amount of fees for all vehicles registered with agricultural restricted plates was \$340,430 in FY 2016-2017.¹⁰

Additionally in FY 2016-2017, there were 1,547 vehicles with forestry-restricted license plates. These registrations generated \$446,845.¹¹

Proposed Changes

The bill expands the existing 150-mile restriction to anywhere within the state or within a 150-mile radius of their home address for trucks with an agricultural or forestry restricted license plate. This may result in an increase in the number of vehicles registered with agricultural or forestry restricted license plates. It will also allow persons with restricted license plates to do business statewide in addition to conducting business in bordering states within 150-miles of their home address.¹²

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 the expansion of the restricted agricultural-use license plate creates a negative but insignificant impact to the General Revenue Fund and the State Transportation Trust Fund.¹³ Additionally, the Revenue Estimating Conference met in April 2017, and determined that the expansion of the restricted forestry-use license plate creates a negative but insignificant impact to the General Revenue Fund and the State Transportation Trust Fund.¹⁴

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.

¹⁰ Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: HB 819 (January 8, 2018).

¹¹ Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: HB 819 (February 8, 2018).

¹² Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: HB 819 (January 31, 2018).

¹³ Revenue Estimating Conference Impact Conference, Revenue Impact Results of 2018 HB 819, pp. 282-284, available at http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2018/_pdf/Impact0112.pdf (January 12, 2018).

¹⁴ Revenue Estimating Conference Impact Conference, Revenue Impact Results of 2017 HB 1231, p. 581 (April 2017).

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

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

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 8, 2018, the Government Accountability Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment:

- Restored the existing 150-mile radius for restricted license plates for trucks transporting agricultural and horticultural products; and
- Allowed trucks used for hauling forestry products to qualify for the restricted license plate statewide or within a 150-mile radius of their home address.

This analysis is written to the committee substitute as reported favorably by the Government Accountability Committee.