

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB FTSC 14-04 Relating to Motor Vehicle and Mobile Home Taxes, Fees and Surcharges

SPONSOR(S): Finance & Tax Subcommittee

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Finance & Tax Subcommittee		Flieger	Langston

SUMMARY ANALYSIS

The bill proposes to reduce certain fees, taxes, and surcharges applied to the licensure of motor vehicles and motor homes as follows:

Type of Fee or Tax	Current Fee	New Fee
Florida Real Time Vehicle Information System Fee s. 320.03(5), F.S.	\$1.25	\$0.50
Registration Service Charge s. 320.04(1)(a), F.S.	\$5.00	\$2.50
Automated Vending Fee s. 320.04(1)(b), F.S.	\$3.00	\$1.00
Retroreflection Material Fee s. 320.06(3)(b), F.S.	\$1.50	\$0.50
License Tax Surcharge s. 320.0804, F.S.	\$4.00	\$1.20
License Tax Surcharge s. 320.08046, F.S.	\$5.50	\$1.00
<u>Section 320.08, F.S., License Taxes</u> Motorcycles and Mopeds		
Any motorcycle	\$13.50	\$10.00
Any moped	\$6.75	\$5.00
Ancient or antique	\$8.50	\$7.50
Automobiles and Tri-Vehicles		
Net weight <2500 lbs.	\$19.50	\$14.50
Net weight 2500-3499 lbs.	\$30.50	\$22.50
Net weight ≥3500 lbs.	\$44.00	\$32.50
Ancient, antique, or street rod	\$10.25	\$7.50
Light Trucks		
Net weight <2000 lbs.	\$19.50	\$14.50
Net weight 2000-3000 lbs.	\$30.50	\$22.50
Net weight 3001-5000 lbs.	\$44.00	\$32.50
Trucks defined as "goats"	\$10.25	\$7.50
Ancient or antique	\$10.25	\$7.50

The bill also adjusts the distribution of the \$225 initial registration fee (s. 320.072, F.S.) from the current formula of 44.5 percent to the State Transportation Trust Fund and 55.5 percent to General Revenue to a new formula of 44.5 percent to the State Transportation Trust Fund, 14.3 percent to the Highway Safety Operating Trust Fund, and 41.2 percent to General Revenue.

The Revenue Estimating Conference has not yet heard this bill, but staff estimates that it will have a General Revenue Fund impact of -\$309 million in Fiscal Year 2014-15 (-\$395 million recurring) and an impact to the Highway Safety Operating Trust Fund of \$1.6 million in Fiscal Year 2014-15 (\$0.1 million recurring).

The bill has an effective date of September 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Registration License Fees, Taxes and Surcharges

Motor vehicles and mobile homes must be registered on either an annual or biannual basis in Florida. License taxes for private autos and light trucks range from \$19.50 to \$44.00 according to vehicle weight. A variety of fees and surcharges are applied in addition to the license taxes at the time of registration.

Section 320.03(5), F.S., requires that a fee of \$1.25 be charged on every license registration and deposited in the Highway Safety Operating Trust Fund. Fifty cents of that may be used exclusively to fund the Florida Real Time Vehicle Information (FRTVI) system; the remaining 75 cents may be used to fund general operations of the Department of Highway Safety and Motor Vehicles.

Section 320.04(1)(a), F.S., provides for a registration service charge of \$5 for each application handled in connection with the issuance or transfer of license plates, mobile home stickers, or validation stickers. Of that fee, \$2.50 is deposited into General Revenue; the remainder is retained by the department or tax collector.

Section 320.04(1)(b), F.S., provides that there is also a \$3 fee for the issuance of each validation sticker, vessel decal, and mobile home sticker from an automated vending facility or dispensing machine. Of that fee, \$2 is deposited into General Revenue, the remaining \$1 is held by the tax collector or license tag agent to provide for the operation of automated vending facilities and dispensing machines.

Section 320.06(3)(b), F.S., provides for an additional fee of \$1.50 to be collected on each motor vehicle registration or renewal. Of that, \$1 is deposited into General Revenue and 50 cents are deposited into the Highway Safety Operating Trust Fund (HSOTF) to treat license plates and validation stickers with retroreflection material.

Section 320.0804, F.S., provides for a \$4 surcharge on each license tax imposed under s. 320.08, F.S., except those for mobile homes. From the total fee, \$1 is deposited in the State Transportation Trust Fund, \$1 is deposited in the HSOTF, and \$2 is deposited into General Revenue.

Section 320.08046, F.S., levies an additional \$5.50 surcharge on each license tax imposed under s. 320.08, F.S., except those for mobile homes. From the total fee, \$4.50 is deposited into General Revenue with the remaining \$1 deposited into the Grants and Donations Trust Fund in the Department of Juvenile Justice to fund the juvenile crime prevention programs and the community juvenile justice partnership grants program.

Subsections (1) through (3) of s. 320.08, F.S. provide for a variety of license taxes on motorcycles, mopeds, automobiles, tri-vehicles, and light trucks (see table below). A portion of those fees are deposited into General Revenue, with the remainder distributed pursuant to s. 320.20, F.S.¹

¹ The proceeds are first deposited in the district Capital Outlay and Debt Service School Trust Fund to comply with the provisions of s. 9(d), Art. XII, of the Florida Constitution. The remainder is deposited in the State Transportation Trust Fund to fund a variety of purposes.

Type of Vehicle	Total Fee	General Revenue Portion
Motorcycles and Mopeds		
Any motorcycle	\$13.50	\$3.50
Any moped	\$6.75	\$1.75
Ancient or antique	\$8.50	\$3.50
Automobiles and Tri-Vehicles		
Net weight <2500 lbs.	\$19.50	\$5.00
Net weight 2500-3499 lbs.	\$30.50	\$8.00
Net weight ≥3500 lbs.	\$44.00	\$11.50
Ancient, antique, or street rod	\$10.25	\$2.75
Light Trucks		
Net weight <2000 lbs.	\$19.50	\$5.00
Net weight 2000-3000 lbs.	\$30.50	\$8.00
Net weight 3001-5000 lbs.	\$44.00	\$11.50
Trucks defined as "goats" ²	\$10.25	\$2.75
Ancient or antique	\$10.25	\$2.75

License Plates

Sections 320.06 and 320.0607, F.S., provide that license plates for vehicle identification shall be issued for a 10-year period with an initial fee of \$28. The fee for replacement of the plate after that 10-year period, also \$28, is paid at the time of registration renewal in 10 annual increments of \$2.80 credited towards the total. The revenue from these fees is deposited in the HSOTF.

Initial Application Fee Distribution

A fee of \$225 is imposed upon the initial application for registration of automobiles, light trucks, motor homes, and truck campers³. Section 320.072(4), F.S., provides that 44.5 percent of that fee is deposited in the State Transportation Trust Fund (STTF), with the remaining 55.5 percent deposited into General Revenue.

Proposed Changes

Registration License Fees, Taxes and Surcharges

The bill proposes to reduce the fees, taxes, and surcharges described above as follows:

Type of Fee or Tax	Current Fee	Current GR portion	New Fee	New GR portion
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² A "goat" is a motor vehicle designed, constructed, and used principally for the transportation of citrus fruit within citrus groves or for the transportation of crops on farms, and which can also be used for the hauling of associated equipment or supplies, including required sanitary equipment, and the towing of farm trailers.

³ Also known as the "new wheels on the road" fee

Florida Real Time Vehicle Information System Fee s. 320.03(5), F.S.	\$1.25	\$0	\$0.50	\$0
Registration Service Charge s. 320.04(1)(a), F.S.	\$5.00	\$2.50	\$2.50	\$0
Automated Vending Fee s. 320.04(1)(b), F.S.	\$3.00	\$2.00	\$1.00	\$0
Retroreflection Material Fee s. 320.06(3)(b), F.S.	\$1.50	\$1.00	\$0.50	\$0
License Tax Surcharge s. 320.0804, F.S.	\$4.00	\$2.00	\$1.20	\$0
License Tax Surcharge s. 320.08046, F.S.	\$5.50	\$4.50	\$1.00	\$0
Section 320.08 License Taxes				
Motorcycles and Mopeds				
Any motorcycle	\$13.50	\$3.50	\$10.00	\$0
Any moped	\$6.75	\$1.75	\$5.00	\$0
Ancient or antique	\$8.50	\$3.50	\$7.50	\$2.50
Automobiles and Tri-Vehicles				
Net weight <2500 lbs.	\$19.50	\$5.00	\$14.50	\$0
Net weight 2500-3499 lbs.	\$30.50	\$8.00	\$22.50	\$0
Net weight ≥3500 lbs.	\$44.00	\$11.50	\$32.50	\$0
Ancient, antique, or street rod	\$10.25	\$2.75	\$7.50	\$0
Light Trucks				
Net weight <2000 lbs.	\$19.50	\$5.00	\$14.50	\$0
Net weight 2000-3000 lbs.	\$30.50	\$8.00	\$22.50	\$0
Net weight 3001-5000 lbs.	\$44.00	\$11.50	\$32.50	\$0
Trucks defined as "goats"	\$10.25	\$2.75	\$7.50	\$0
Ancient or antique truck	\$10.25	\$2.75	\$7.50	\$0

With the exception of the reduction in the Florida Real Time Information System fee and 80 cents of the reduction in the surcharge imposed by s. 320.0804, F.S., both of which would otherwise be deposited in the HSOTF, the reduction in fees in the chart above exclusively affects funds currently deposited into General Revenue.

License Plates

The bill provides that to retain the efficient administration of the taxes and fees imposed by Chapter 320, F.S., the 80 cent increase in license plate replacement fees enacted by ch. 2009-71, L.O.F., is negated by the reduction in the HSOTF portion of the surcharge imposed by s. 320.0804, F.S.

Initial Application Fee Distribution

The bill provides an adjustment to the distribution of the \$225 initial registration fee. From the revenue, 44.5 percent will be deposited to the State Transportation Trust Fund, 14.3 percent to the HSOTF, and 41.2 percent into General Revenue

The bill also provides that the revenue from biennial license taxes, fees, and surcharges collected pursuant to s. 320.07, F.S., shall be distributed in accord with the provisions of law in effect at the time they are collected. Also, the bill clarifies that the amendments made by the act do not create a right to a refund of fees, taxes and surcharges collected prior to September 1, 2014 for biennial registrations.

The bill has an effective date of September 1, 2014.

B. SECTION DIRECTORY:

Section 1. Amending s. 320.03, F.S., reducing the Florida Real Time Vehicle Information fee.

Section 2. Amending s. 320.04, F.S., reducing registration service charges.

Section 3. Amending s. 320.06, F.S., reducing a retroreflection material fee and providing that a fee increase is negated elsewhere.

- Section 4. Amending s. 320.072, F.S., providing for the disposition of funds collected from the initial registration fee.
- Section 5. Amending s. 320.08, F.S., reducing various license taxes.
- Section 6. Amending s. 320.0804, F.S., reducing a license tax surcharge.
- Section 7. Amending s. 320.08046, F.S., reducing a license tax surcharge.
- Section 8. Clarifying the treatment of biennial registration fees collected before September 1, 2014.
- Section 9. Providing an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference has not yet heard this bill, but staff estimates that it will have a General Revenue Fund impact of -\$309 million in Fiscal Year 2014-15 (-\$395 million recurring) and an impact to the Highway Safety Operating Trust Fund of \$1.6 million in Fiscal Year 2014-15 (\$0.1 million recurring).

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill will reduce the taxes, fees, and surcharges paid by any Floridian who registers a motor vehicle or mobile home.

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