

TAX:
ISSUE: TRANSPORTATION DISADVANTAGED TRUST FUND
BILL NUMBER(S): House Bill 141
SPONSOR(S): REPRESENTATIVE GREENSTEIN
MONTH/YEAR COLLECTION IMPACT BEGINS:
DATE OF ANALYSIS:

SECTION 1: NARRATIVE

a. Current Law:

Currently, s. 320.03(9), F.S., specifies that a non-refundable fee of \$1.50 be charged on the initial and renewal registration of private passenger automobiles and light trucks having a net weight of 5,000 pounds or less. Such funds are deposited into the Transportation Disadvantaged Trust Fund for the purpose of facilitating transportation for those whose abilities are impaired by age, physical or mental disability. Registrants of trucks exceeding 5,000 pounds, trailers, motorcycles, and transactions involving temporary tags and transfers are presently exempt from this fee.

b. Proposed Change:

This bill amends s. 320.03(9), F.S., to provide for a \$1.50 fee to be charged on the initial and renewal registration of trucks regardless of weight, trailers, motorcycles, and transactions involving tag transfers and temporary tags. However, commercial motor vehicles taxed pursuant to s. 320.0715, F.S., certain trucks defined as "goats" per s. 320.08(3)(d), and trucks exceeding 5,000 pounds in weight as established per s. 320.08(4), F.S., remain exempt per the provisions of this bill. Revenue generated from this fee would be deposited into the Transportation Disadvantaged Trust Fund.

If enacted, this bill would generate approximately \$7.4 million in revenue during the first year of implementation and \$10.1 million annually in subsequent years to the Transportation Disadvantaged Trust Fund. This estimate assumes an additional 4.9 million registrants paying the \$1.50 non-refundable fee during the first year and approximately 6.7 million registrants in subsequent years.

SECTION 2: DESCRIPTION OF DATA & SOURCES

Utilized were the actual fiscal year 1999-00 number of transactions for vehicle or transaction type subject to the additional \$1.50 fee per, HB 141. This data was retrieved from DHSMV's Annual Revenue Report, produced by the Bureau of Accounting's revenue section.

SECTION 3: ASSUMPTIONS & RATIONALE

This revenue analysis assumes 4,936,655 additional registrants paying the \$1.50 fee in fiscal year 2002-2003, 6,713,851 registrants paying the \$1.50 fee in fiscal year 2003-2004, and 6,848,128 registrants paying the \$1.50 fee in 2004-2005. A two percent growth factor was assumed in estimating the registration population, based on a historical average annual increase of 2% for registered vehicles in Florida.

SECTION 4: METHODOLOGY

Eighteen different vehicle types or transactions were identified per the DHSMV Revenue Report as being subject to the proposed \$1.50 fee. The number of these transactions for each vehicle type or transaction was multiplied by \$1.50, summed, totaled and grown by 2% for two subsequent years to arrive at a FY 2002-03 total of \$9,873,311 or \$7,404,983, adjusted for a October 1, 2003 implementation date. Fiscal years 2003-04 and 2004-05 were also increased by 2% to yield projected revenue of \$10,070,777 and \$10,272,193, respectively.

SECTION 5: IMPACT SUMMARY (DETAILS ATTACHED)

| State Impact – All Funds | FY 2002-03 Annualized Cash | FY 2002-03 Annualized Cash | FY 2003-04 Cash |
|--------------------------|-------------------------------|-------------------------------|--------------------|
| High | | | |
| Middle | \$7,404,983 | \$10,070,777 | \$10,272,193 |
| Low | | | |

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Note: FY 2002-03 represents 2nd quarter implementation per bill language. Annualized revenue: \$9,873,311
This proposed revenue increase would be deposited into the State Transportation Trust Fund.

| Consensus Estimate Adopted: <i>2/8/02</i> | FY 2002-03 Annualized | FY 2002-03 Cash | FY 2003-04 Cash |
|--|-----------------------|--------------------|--------------------|
| General Revenue | <i>.7</i> | | |
| <i>Transportation</i> | | <i>.5</i> | <i>.8</i> |
| <i>Disadvantaged T.F.</i> | <i>9.4</i> | <i>6.9</i> | <i>9.5</i> |
| Total State Impact | <i>10.1</i> | <i>7.4</i> | <i>10.3</i> |
| Total Local Impact | <i>—</i> | <i>—</i> | <i>—</i> |
| Total Impact | <i>10.1</i> | <i>7.4</i> | <i>10.3</i> |