

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Redirect of Vessel Registration Fees

Bill Number(s): CS/CS/SB1666

Entire Bill

Partial Bill: Section 5

Sponsor(s): Senator Benacquisto

Month/Year Impact Begins: 07/01/2019

Date of Analysis: 06/12/2019

Section 1: Narrative

- a. **Current Law:** Section 328.72 (15), F.S. states that from the county portion of vessel registration fees, \$1 shall be remitted to the Save the Manatee Trust Fund and \$1 shall be remitted to the Marine Resources Trust Fund.
- b. **Proposed Change:** Section 328.72 (15), F.S. is revised so that from the county portion of vessel registrations, in addition to the \$1 distributions to the Save the Manatee Trust Fund and Marine Resources Trust Fund, an amount which varies by class is to be distributed to the Marine Resources Trust Fund to fund derelict vessel removal grants.

Section 2: Description of Data and Sources

Highway Safety REC History

02/28/2019 Highway Safety REC

Section 3: Methodology (Include Assumptions and Attach Details)

The bill redirects part of the county portion of vessel registration fees to the Marine Resources Conservation Trust Fund. This distribution change will positively impact state trust and negatively impact local funds. The Highway Safety REC history was used to pull the 2017-18 transactions for each of the vessel classes being impacted. Only pleasure vessel transactions were included because commercial vessels are excluded from paying the county portion. The transactions for each vessel class and redirected fee amount were used to show what the impact would be had this provision been in place in fiscal year 2017-18. This amount was then grown by the total vessel growth rates per the most recent Highway Safety REC. The result is a negative impact to local funds and positive impact to state trusts of \$2.0M annually. The first year's cash impact is altered by the half month distribution lag and biennial lag. There will also be a subsequent GR service charge impact.

Section 4: Proposed Fiscal Impact

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			1.7	2.0		
2020-21			2.0	2.0		
2021-22			2.0	2.0		
2022-23			2.0	2.0		
2023-24			2.0	2.0		

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(1.7)	(2.0)		
2020-21			(2.0)	(2.0)		
2021-22			(2.0)	(2.0)		
2022-23			(2.0)	(2.0)		
2023-24			(2.0)	(2.0)		

List of affected Trust Funds:

Local Trust Funds

Marine Resources Conservation Trust Fund

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Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	1.7	2.0	(1.7)	(2.0)	0.0	0.0
2020-21	0.0	0.0	2.0	2.0	(2.0)	(2.0)	0.0	0.0
2021-22	0.0	0.0	2.0	2.0	(2.0)	(2.0)	0.0	0.0
2022-23	0.0	0.0	2.0	2.0	(2.0)	(2.0)	0.0	0.0
2023-24	0.0	0.0	2.0	2.0	(2.0)	(2.0)	0.0	0.0

	A	B	C	D	E	F	G	H
1								
2	2017-18 Vessel Registration MRCTF 4 Derelict Vessels Scenario							
3	Class	2017-18 trans.	%	Redirected Fee	Collections			
4	A-2	153,714	21.55%	\$ 0.25	\$ 38,428.50			
5	Class 1	469,218	65.80%	\$ 2.06	\$ 966,589.08			
6	Class 2	75,469	10.58%	\$ 9.26	\$ 698,842.94			
7	Class 3	12,969	1.82%	\$ 16.45	\$ 213,340.05			
8	Class 4	1,623	0.23%	\$ 20.06	\$ 32,557.38			
9	Class 5	147	0.02%	\$ 25.46	\$ 3,742.62			
10	Total	713,140			\$ 1,953,500.57			
11	Note: the scenario above shows what would have been collected had the proposed language been in place during FY 2017/18							
12								
13	Vessel Registration Local to MRCTF Shift Forecast (millions)							
14		Total Vessels	Growth Rate	MRCTF Impact	Local Impact			
15	2017-18*	773,822		\$ 1.95	\$ (1.95)			
16	2018-19*	774,596	0.10%	\$ 1.96	\$ (1.96)			
17	2019-20	775,370	0.10%	\$ 1.96	\$ (1.96)			
18	2020-21	777,697	0.30%	\$ 1.96	\$ (1.96)			
19	2021-22	778,474	0.10%	\$ 1.97	\$ (1.97)			
20	2022-23	780,031	0.20%	\$ 1.97	\$ (1.97)			
21	2023-24	780,577	0.07%	\$ 1.97	\$ (1.97)			
22	The bill is effective 07/2019. FY 2017-18 and 2018-19 values above are for calculation purposes only							