

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Exemption For Veterans

Bill Number(s): SB 100

Entire Bill

Partial Bill:

Sponsor(s): Steube

Month/Year Impact Begins: 07/01/2018

Date of Analysis: 11/03/2017 (Revised)

Section 1: Narrative

a. Current Law:

Sections 1 and 2: Sections 322.051, F.S. and 322.14, F.S. allow for the word “veteran” to be displayed upon an identification card or driver license upon payment of an additional \$1 fee during the renewal process and allow for the word “veteran” to be added to an identification card or driver license upon payment of a \$2 fee. These fees are deposited into the Highway Safety Operating Trust Fund.

Section 3: Section 322.135, F.S. allows the local tax collectors to charge a \$6.25 service fee for providing services under Chapter 322, except for a reexamination fee requested by the Medical Advisory Board, voter registration transaction, or if the imposition violates any state or federal law.

b. Proposed Change:

Sections 1 and 2: Revises sections 322.051, F.S. and 322.14, F.S. so that the \$1 and \$2 fees for adding the word veteran to a driver license or identification card are abolished.

Section 3: Revises 322.135, F.S. to prohibit local tax collectors from charging the \$6.25 service fee to any veteran presenting proof of veteran status for any service pursuant to Chapter 322.

Section 2: Description of Data and Sources

07/28/2017 Highway Safety REC

07/10/2017 Demographic Estimating Conference

2016 American Community Survey

Email and telephone contact with HSMV staff

Section 3: Methodology (Include Assumptions and Attach Details)

Sections 1 and 2: The FY 2016-17 revenue from the \$1 and \$2 fees was retrieved from the Highway Safety REC History. This fee is included with other items in the Highway Safety REC. The growth rates for the line item which includes the relevant fees was used to grow the FY 2016-17 actual to derive a forecast, which will be the total reduction.

Section 3: HSMV staff provided the FY 2016-17 actual for the \$6.25 tax collector fee retained from Chapter 322 driver license services. Note that the fee exemption does not apply to title and registration services per Chapters 319 and 320. A forecast through FY 2022-23 was derived using the growth rates for all driver license fees per the July 28, 2017 Highway Safety REC. The percentage that veterans represent of the civilian population 18 years of age and older was calculated using the 2016 American Community Survey. Assuming the veteran population remains flat, the veteran percentage of the civilian population was calculated for each year of the forecast using population growth rates from the 07/10/17 Demographic Estimating Conference to grow the civilian population. These percentages were applied to the forecast of the \$6.25 tax collector fee to derive the amount of the fee that is paid by veterans. In order to take advantage of the fee exemption, veterans are required to present paperwork in person. Thus, the middle scenarios assumes a participation rate of 15%.

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

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Bill Number(s): SB 100

Section 4: Proposed Fiscal Impact

Sections 1 and 2

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(0.1)	(0.1)		
2019-20			(0.1)	(0.1)		
2020-21			(0.1)	(0.1)		
2021-22			(0.1)	(0.1)		
2022-23			(0.1)	(0.1)		

Section 3

LOCAL	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.5)	(0.5)	(0.3)	(0.4)	(0.2)	(0.2)
2019-20	(0.5)	(0.5)	(0.4)	(0.4)	(0.2)	(0.2)
2020-21	(0.5)	(0.5)	(0.4)	(0.4)	(0.2)	(0.2)
2021-22	(0.5)	(0.5)	(0.3)	(0.3)	(0.2)	(0.2)
2022-23	(0.5)	(0.5)	(0.3)	(0.3)	(0.2)	(0.2)

List of affected Trust Funds:

Highway Safety Operating Trust Fund

Local Trust Funds

Section 5: Consensus Estimate (Adopted: 11/03/2017): The Conference adopted following estimates:

Sections 1 and 2: The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2019-20	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2020-21	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2021-22	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2022-23	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)

Section 3: The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	(0.3)	(0.4)	(0.3)	(0.4)
2019-20	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.4)	(0.4)
2020-21	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.4)	(0.4)
2021-22	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)
2022-23	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)

SB 100 Exemptions for Veterans

2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23

Sections 1 and 2 - Veteran License and ID Card Discount

Veteran Status D.L. Fee per HS REC History	\$ 72,431						
Miscellaneous 18B Forecast	\$ 203,472	\$ 197,627	\$ 201,794	\$ 205,918	\$ 209,992	\$ 213,999	\$ 217,930
Miscellaneous 18B Forecast Growth Rate		-2.87%	2.11%	2.04%	1.98%	1.91%	1.84%
Discounted Veteran Status D.L. Fee (HSOTF)		\$ (70,350)	\$ (71,834)	\$ (73,302)	\$ (74,752)	\$ (76,178)	\$ (77,578)

Section 3 - Tax Collector Fee Discount for Veterans

\$6.25 Fee Charged for DL Transactions	\$ 22,175,844	\$ 26,905,558	\$ 28,132,829	\$ 28,255,556	\$ 27,925,137	\$ 26,839,474	\$ 24,262,205
DL Growth Rate per HS REC		21.33%	4.56%	0.44%	-1.17%	-3.89%	-9.60%
Civilian Population (ACS)	16,404,755	16,665,591	16,925,574	17,182,843	17,437,149	17,686,500	17,930,574
Population Growth Rates (DEC)		1.59%	1.56%	1.52%	1.48%	1.43%	1.38%
Veteran Population (ACS)	1,429,330	1,429,330	1,429,330	1,429,330	1,429,330	1,429,330	1,429,330
Veteran % of Civilian Population	8.71%	8.58%	8.44%	8.32%	8.20%	8.08%	7.97%
\$6.25 Fee for DL Transactions Paid by Veterans			\$ 2,375,760	\$ 2,386,124	\$ 2,358,221	\$ 2,266,539	\$ 2,048,893
High (20% participation)			\$ (475,152)	\$ (477,225)	\$ (471,644)	\$ (453,308)	\$ (409,779)
Middle (15% participation)			\$ (356,364)	\$ (357,919)	\$ (353,733)	\$ (339,981)	\$ (307,334)
Low (10% participation)			\$ (237,576)	\$ (238,612)	\$ (235,822)	\$ (226,654)	\$ (204,889)

REVENUE ESTIMATING CONFERENCE

Tax: State Transportation Trust Fund

Issue: Law Enforcement Exemption

Bill Number(s): HB 141

Entire Bill

Partial Bill:

Sponsor(s): Harrison

Month/Year Impact Begins: 07/01/2018

Date of Analysis: 11/03/2017

Section 1: Narrative

- a. **Current Law:** S. 338.155, F.S. provides the following exemptions from paying a toll while using a toll facility: employees of the agency operating the toll facility when using the facility on official state business, state military personnel while on official military business, handicapped persons, persons exempt from toll payment by the authorizing resolution for the bonds used to finance the facility, persons using the facility as a temporary detour route, any law enforcement officer operating a marked official vehicle while on official law enforcement business, a person participating in the funeral procession of a law enforcement officer or firefighter killed in the line of duty, and if tolls have been suspended due to an emergency evacuation.

- b. **Proposed Change:** S. 338.155, F.S. is revised to no longer require that law enforcement vehicles be marked to qualify for the toll exemption. The toll exemption is also revised to change “handicapped person” to “person with a disability.”

Section 2: Description of Data and Sources

Correspondence with staff from FDOT, HSMV, FDLE, the Florida Sheriff’s Association, and the Leon County Sheriff’s Office

Section 3: Methodology (Include Assumptions and Attach Details)

Changing the toll exemption from “handicapped person” to “person with a disability” will have no effect on eligibility. There will be a negative impact to the State Transportation Trust Fund, Florida Turnpike Trust Funds, and various local trust funds from exempting unmarked law enforcement vehicles from paying tolls. The value of toll payments by unmarked law enforcement vehicles is not quantifiable. Staff from various state and local law enforcement agencies were queried about ratios of marked vs. unmarked law enforcement vehicles. According to HSMV staff, the FHP has 1,932 (84.2%) marked and 363 (15.8%) unmarked vehicles. According to staff from local sheriff’s offices, vehicles in the law enforcement fleet tend to move between marked and unmarked. Generally, while few vehicles on patrol are unmarked, the fleet can be as high as half. The high estimate is negative indeterminate while the low estimate is negative insignificant.

Section 4: Proposed Fiscal Impact

Trust/Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(**)	(**)			(*)	(*)
2019-20	(**)	(**)			(*)	(*)
2020-21	(**)	(**)			(*)	(*)
2021-22	(**)	(**)			(*)	(*)
2022-23	(**)	(**)			(*)	(*)

List of affected Trust Funds:

State Transportation Trust Fund

Turnpike Trust Funds

Local Trust Funds

Section 5: Consensus Estimate (Adopted: 11/03/2017): The Conference adopted the high estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	(**)	(**)	(**)	(**)	(**)	(**)
2019-20	0.0	0.0	(**)	(**)	(**)	(**)	(**)	(**)
2020-21	0.0	0.0	(**)	(**)	(**)	(**)	(**)	(**)
2021-22	0.0	0.0	(**)	(**)	(**)	(**)	(**)	(**)
2022-23	0.0	0.0	(**)	(**)	(**)	(**)	(**)	(**)

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees
Issue: Redirection to Tax Collectors
Bill Number(s): HB 185 and SB 322

- Entire Bill**
 Partial Bill:

Sponsor(s): Representative Mariano and Senator Book
Month/Year Impact Begins: 07/01/2018
Date of Analysis: 11/03/2017

Section 1: Narrative

- a. Current Law:** Section 322.12, F.S. charges a \$10 fee for each subsequent knowledge test and a \$20 fee for each subsequent skills tests if the initial test does not yield a passing score; each fee is to be deposited into the Highway Safety Operating Trust Fund. Section 322.21 charges a \$45 fee for each license reinstatement following a suspension, to be deposited \$15 into the General Revenue Fund and \$30 into the Highway Safety Operating Trust Fund; and charges a \$75 fee for each license reinstatement following a revocation or disqualification, to be deposited \$35 into the General Revenue Fund and \$40 into the Highway Safety Operating Trust Fund.
- b. Proposed Change:** Revises section 322.12, F.S. so that the \$10 fee for subsequent knowledge tests and \$20 fee for subsequent skills tests are deposited into either the Highway Safety Operating Trust Fund or retained by the tax collector depending upon who administers the test. Revises 322.21 to change the fee distribution for reinstatements so that tax collectors retain half of the portion currently deposited into the Highway Safety Operating Trust Fund when the transaction is processed by the tax collector.

Section 2: Description of Data and Sources

07/28/2017 Highway Safety REC
 Email and telephone contact with HSMV staff

Section 3: Methodology (Include Assumptions and Attach Details)

The prior year percentage of transactions which were processed by the tax collector were applied to the fees per the July 2017 Highway Safety REC to provide a middle estimate. The tax collector percentages are as follows:

Tax Collector Percentages	
Tests	70%
Reinstatement - Suspension	79%
Reinstatement - Revocation	79%
Reinstatement - Disqualification	61%

After the above percentages are applied, there is **no** subsequent GR service charge impact because the bill specifies that the tax collectors will pay the GR service change similar to the Highway Safety Operating Trust Fund.

Section 4: Proposed Fiscal Impact

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(4.7)	(4.9)		
2019-20			(4.9)	(4.9)		
2020-21			(5.0)	(5.0)		
2021-22			(5.1)	(5.1)		
2022-23			(5.1)	(5.1)		

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Redirection to Tax Collectors

Bill Number(s): HB 185 and SB 322

LOCAL	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			4.7	4.9		
2019-20			4.9	4.9		
2020-21			5.0	5.0		
2021-22			5.1	5.1		
2022-23			5.1	5.1		

List of affected Trust Funds:

Highway Safety Operating Trust Fund

Local Trust Funds

Section 5: Consensus Estimate (Adopted: 11/03/2017): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	(4.7)	(4.9)	4.7	4.9	0.0	0.0
2019-20	0.0	0.0	(4.9)	(4.9)	4.9	4.9	0.0	0.0
2020-21	0.0	0.0	(5.0)	(5.0)	5.0	5.0	0.0	0.0
2021-22	0.0	0.0	(5.1)	(5.1)	5.1	5.1	0.0	0.0
2022-23	0.0	0.0	(5.1)	(5.1)	5.1	5.1	0.0	0.0

Tax Collectors Redirect

FY 2018-19

	Current Law		SB 322		
	GR	HSOTF	GR	HSOTF	LOCAL
Knowledge Tests		3,852,991		1,155,897	2,697,094
Skills Tests		1,375,550		412,665	962,885
Reinstatement - Suspension	668,258	1,336,053	668,258	808,312	527,741
Reinstatement - Revocation	1,772,183	2,025,352	1,772,183	1,225,338	800,014
Reinstatement - Disqualification	920,167	1,051,620	920,167	730,876	320,744
Total	3,360,608	9,641,566	3,360,608	4,333,088	5,308,478
Difference			-	(5,308,478)	5,308,478
GR Service Charge	771,325	(771,325)	771,325	(346,647)	(424,678)
Total with GR Service Charge	4,131,933	8,870,240	4,131,933	3,986,441	4,883,800
Difference with GR Service Charge			-	(4,883,800)	4,883,800

FY 2019-20

Knowledge Tests		3,903,716		1,171,115	2,732,601
Skills Tests		1,377,716		413,315	964,401
Reinstatement - Suspension	678,389	1,356,307	678,389	820,566	535,741
Reinstatement - Revocation	1,799,049	2,056,056	1,799,049	1,243,914	812,142
Reinstatement - Disqualification	934,117	1,067,562	934,117	741,956	325,607
Total	3,411,555	9,761,357	3,411,555	4,390,865	5,370,492
Difference			-	(5,370,492)	5,370,492
GR Service Charge	780,909	(780,909)	780,909	(351,269)	(429,639)
Total with GR Service Charge	4,192,464	8,980,449	4,192,464	4,039,596	4,940,853
Difference with GR Service Charge			-	(4,940,853)	4,940,853

FY 2020-21

Knowledge Tests		3,957,205		1,187,162	2,770,044
Skills Tests		1,379,855		413,957	965,899
Reinstatement - Suspension	688,402	1,376,327	688,402	832,678	543,649
Reinstatement - Revocation	1,825,603	2,086,403	1,825,603	1,262,274	824,129
Reinstatement - Disqualification	947,905	1,083,320	947,905	752,907	330,412
Total	3,461,909	9,883,110	3,461,909	4,448,977	5,434,133
Difference			-	(5,434,133)	5,434,133
GR Service Charge	790,649	(790,649)	790,649	(355,918)	(434,731)
Total with GR Service Charge	4,252,558	9,092,461	4,252,558	4,093,059	4,999,403
Difference with GR Service Charge			-	(4,999,403)	4,999,403

FY 2021-22

Knowledge Tests		4,001,369		1,200,411	2,800,958
Skills Tests		1,381,959		414,588	967,371
Reinstatement - Suspension	698,253	1,396,022	698,253	844,593	551,429
Reinstatement - Revocation	1,851,727	2,116,260	1,851,727	1,280,337	835,923
Reinstatement - Disqualification	961,469	1,098,822	961,469	763,681	335,141
Total	3,511,449	9,994,432	3,511,449	4,503,610	5,490,822
Difference			-	(5,490,822)	5,490,822
GR Service Charge	799,555	(799,555)	799,555	(360,289)	(439,266)
Total with GR Service Charge	4,311,004	9,194,877	4,311,004	4,143,321	5,051,556
Difference with GR Service Charge			-	(5,051,556)	5,051,556

FY 2022-23

Knowledge Tests		4,046,025		1,213,808	2,832,218
Skills Tests		1,384,066		415,220	968,846
Reinstatement - Suspension	707,910	1,415,329	707,910	856,274	559,055
Reinstatement - Revocation	1,877,337	2,145,528	1,877,337	1,298,044	847,483
Reinstatement - Disqualification	974,766	1,114,019	974,766	774,243	339,776
Total	3,560,013	10,104,967	3,560,013	4,557,589	5,547,378
Difference			-	(5,547,378)	5,547,378
GR Service Charge	808,397	(808,397)	808,397	(364,607)	(443,790)
Total with GR Service Charge	4,368,410	9,296,570	4,368,410	4,192,982	5,103,588
Difference with GR Service Charge			-	(5,103,588)	5,103,588