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DATE: April 2, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
TRANSPORTATION
ANALYSIS**

BILL #: HB 1173

RELATING TO: Traffic Violations/Civil Penalties

SPONSOR(S): Representative(s) Trovillion

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) TRANSPORTATION YEAS 13 NAYS 0
 - (2) COUNCIL FOR READY INFTRASTUCTURE
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

The bill provides that in a municipality or county receiving in excess of 25 percent of its total annual revenue (excluding grants), for the prior fiscal year from civil penalties assessed for traffic violations, any revenue above the 25 percent must be distributed each month to the following:

- 50 percent to the Highway Safety Operating Trust Fund; and
- 50 percent to the Brain and Spinal Cord Injury Rehabilitation Trust Fund.

Only two cities would apparently be affected by the proposed changes in the bill. These cities are Lawtey and Waldo, with annual local government financial reports from 1999 showing revenues of approximately 38 and 33 percent, respectively, from fines and forfeitures.

The bill has an indeterminate fiscal impact on state and local government due to the uncertainty of the amount of revenue for each county or municipality that will be generated from civil penalties assessed from traffic violations in the upcoming fiscal years.

The bill has an effective date of July 1, 2001.

The bill does have a fiscal impact on revenues with limited applicability. As applied, it only impacts two municipalities, Waldo and Lawtey. It is uncertain what the fiscal impacts might be on other counties and cities in future years, if the applicability is expanded.

This bill was considered by the House Transportation Committee on March 28, 2001. An amendment was adopted, which is traveling with the bill, which provides that the excess revenues to be deposited in the Highway Safety Operating Trust Fund and the Brain and Spinal Cord Injury Rehabilitation Trust Fund would first be sent to the Department of Highway Safety and Motor Vehicles for distribution to the trust funds.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Currently, section 318.21, F.S., provides for the disposition of civil penalties collected for traffic violations by county courts. Of the civil penalties, 56.4 percent is distributed to the municipality or county in which the traffic violation occurred.

Furthermore, county courts must distribute two-thirds of any fine or forfeiture associated with any traffic violation to the municipality in which the violation occurred. Remaining funds are distributed to the county. The revenue received by the county or municipality must be used to fund local criminal justice training, to fund school crossing guards, and for any other lawful purpose.

For most local governments, the revenue received from civil traffic fines is a very small percentage of their total revenue. However, four local governments generate revenue from fine collections that exceed 10 percent of their total revenue, excluding grant revenue. According to information provided by the Legislative Committee on Intergovernmental Relations, the local governments whose fine revenue exceeded 10 percent of their total revenue in 1999 included:

- Lawtey—38.4 percent
- Waldo —33.7 percent
- Melbourne Beach—13.3 percent
- Edgewood—10.5 percent

C. EFFECT OF PROPOSED CHANGES:

The bill provides that any municipality or county receiving more than 25 percent of its total annual revenue for the prior fiscal year, excluding grant revenue, from civil penalties collected for traffic violations, must distribute:

- 50 percent of the excess to the Highway Safety Operating Trust Fund; and
- 50 percent of the excess to the Brain and Spinal Cord Injury Rehabilitation Trust Fund.

Proposed changes in the bill would apparently affect only two cities – Lawtey and Waldo. The cities' annual local government financial reports from 1999 show revenues of approximately 38 and 33 percent, respectively, from fines and forfeitures.

D. SECTION-BY-SECTION ANALYSIS:

N/A.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See D. Fiscal Comments below.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See D. Fiscal Comments below.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The municipalities of Lawtey and Waldo will potentially lose civil traffic violation revenue which would be deposited in the Highway Safety Operating Trust Fund and the Brain and Spinal Cord Injury Rehabilitation Trust Fund. Had the bill been in effect last year, 1999 data suggests that Lawtey would have lost approximately \$56,000 to the designated trust funds, and Waldo would have lost approximately \$97,000.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require a city or county to spend funds or to take any action requiring the expenditure of any funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

If the authority of local governments to collect revenues from traffic fines is considered revenue-raising authority, this bill appears to come under the constitutional provision on mandates. However, given the narrow application that the bill has to only two municipalities and the dollar amount involved, the bill would be exempt under the constitution as having an insignificant fiscal impact.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the amount of state tax shared with any city or county.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

This bill was considered by the House Transportation Committee on March 28, 2001. An amendment was adopted, which is traveling with the bill, which provides that the excess revenues to be deposited in the Highway Safety Operating Trust Fund and the Brain and Spinal Cord Injury Rehabilitation Trust Fund would first be sent to the Department of Highway Safety and Motor Vehicles for distribution to the trust funds.

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

Prepared by:

Staff Director:

Phillip B. Miller

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