

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 5503 PCB TED 10-09 Transportation Revenue
SPONSOR(S): Transportation & Economic Development Appropriations Committee and Glorioso
TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Transportation & Economic Development Appropriations Committee	9 Y, 5 N	Fennell	Creamer
1)	Full Appropriations Council on Education & Economic Development	10 Y, 6 N, As CS	Fennell	Voyles
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

This bill reinstates the general revenue service charge of 8 percent on fuel and transportation tax revenues collected and deposited into the State Transportation Trust Fund (STTF). The bill also redirects a portion of initial registration fees imposed on certain antique vehicles, trucks and recreational type vehicles (e.g. camping trailer) from the STTF into the Highway Safety Operating Trust Fund.

The bill requires the Department of Transportation to reduce work program levels to balance the finance plan resulting from reductions in the General Appropriations Act or the reinstatement of the general revenue service charge on taxes deposited into the STTF, except for funds provided to the Florida Rail Enterprise in fiscal year 2014-15 for maintenance, safety, revitalization, and expansion of the State's rail system. However, the Department must first reduce financial projects not programmed for contract letting before any other project or phase thereof is deferred. These reductions shall not negatively impact safety, maintenance, financial projects for the purchase of Central Florida Commuter Rail Corridor, or project contingency levels as of July 1, 2009.

This bill conforms to the House of Representatives proposed General Appropriations Act by allowing for the redirection of current State Transportation Trust Fund revenues at the Florida Department of Transportation to the General Revenue fund in order to fund legislative priorities. In addition, the bill changes the distribution of a portion of initial vehicle registration fees from the State Transportation Trust Fund to the Highway Safety Operating Trust Fund. This redirect is due to an estimated decline in the Highway Safety Operating Trust Fund revenues.

There bill would result in a significant positive fiscal impact to the General Revenue fund; however, the bill would reduce the revenues received by the STTF by the same amount.

This bill shall take effect July 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
Estimated revenues are less than the 3 year outlook of base funding, critical needs and high priority needs. This bill will increase recurring revenues to the general revenue fund.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Service Charge Exemptions; Department of Transportation (Sections 1 and 2)

Current Situation

Section 215.20, F.S., levies service charges on an array of state trust funds which receive "income of a revenue nature." These service charges are deposited into the General Revenue Fund as a reimbursement of the estimated pro rata share of the "cost of general government" paid from the General Revenue Fund.

Pursuant to s. 215.211(1) and (2), F.S., the Department of Transportation is exempt from paying the service charges under s. 215.20, F.S., on certain fuel and transportation taxes deposited into the State Transportation Trust Fund. The amount exempted from the General Revenue Fund service charge is deposited into the State Transportation Trust Fund.

Proposed Changes

The bill eliminates Department of Transportation exemptions in s. 215.211(1) and (2), F.S. The fuel and transportation taxes deposited into the State Transportation Trust Fund will be subject to the 8 percent General Revenue Fund service charges described in s. 215.20, F.S.

Redirect of a portion of the fees collected for initial registration of certain motor vehicles (Section 3)

Current Situation

Section 320.072, F.S., imposes a fee of \$225 on the initial registration of antique automobiles, trucks and recreational type vehicles with certain exemptions. Forty four and a half percent of the proceeds

are remitted to the Department of Transportation and deposited into the State Transportation Trust Fund, with the remaining 55.5 percent deposited into the General Revenue fund.

Proposed Changes

The bill redirects 10 percent of the 44.5 percent being deposited into the State Transportation Trust Fund into the Highway Safety Operating Trust Fund.

Transportation Work Program and Financing Plan adjustments (Section 4)

Current Situation

Section 339.135, F.S., requires the Department of Transportation to reduce work program levels to balance the finance plan to revised funding levels resulting from any reduction in the 2009-10 General Appropriations Act. Additionally, for the 2009-2010 fiscal year, before reducing any project or phase thereof, the Department is required to reduce financial projects not programmed for contract letting. These reductions should not negatively impact safety or maintenance, or project contingency levels as of April 21, 2009.

Proposed Changes

The bill extends the provisions requiring the Department to reduce work program levels to balance the finance plan due to reductions in the 2010-11 General Appropriations Act to include the 2010-11 through 2014-15 fiscal years. The bill also requires the Department to reduce work program levels to balance the finance plan due to the reinstatement of the general revenue service charge on proceeds of certain fuel and transportation tax revenues.

The bill extends the provision requiring reductions to the work program to first come from projects not programmed for contract letting to include the fiscal years 2010-11 through 2014-15, and mandates that these reductions shall not negatively impact financial projects for the purchase of the Central Florida Commuter Rail Corridor or project contingency levels as of July 1, 2009.

B. SECTION DIRECTORY:

Section 1. Amends s. 215.211, F.S., removing provisions that eliminate the service charge provided in s. 215.20(1) and (3) from the proceeds of the taxes distributed under ss. 206.606(1), 207.026, 212.0501(6), 319.32(5), 216.608 and 320.072(4).

Section 2. Reenacts s. 215.20, F.S.

Section 3. Amends ss. 320.072(4), F.S., revising the distribution of fees collected under the section.

Section 4. Amends ss. 339.135(4)(a), F.S., changing the effective fiscal years; requires reductions to the work program levels to balance to the finance plan due to reinstatement of the service charge under 215.20(1); making funds provided to the Florida Rail Enterprise not applicable; requiring reductions to projects not programmed for contract letting to not negatively impact financial projects for the purchase of the Florida Commuter Rail Corridor; and changes the date of applicable project contingency levels referenced in the section.

Section 5. Provides an effective date of July 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Section 1 of the bill increases the General Revenue Fund in fiscal year 2010-2011, based on the 8 percent service charge that will be imposed on certain State Transportation Trust Fund revenues, by \$148.1 million while reducing the State Transportation Trust Fund by the same amount.

Section 2 of the bill increases the Highway Safety Operating Trust Fund in fiscal year 2010-2011 by approximately \$8.5 million while reducing the State Transportation Trust Fund by the same amount.

These estimates are based on preliminary staff analysis. The Economic and Demographic Research Impact Conference has not provided an official estimate on the fiscal impacts of the bill.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

N/A

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

This bill does not provide rule-making authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 23, 2010, the Full Appropriations Council on Education and Economic Development amended the change to section 320.072, F.S., and removed the requirement that the service charge imposed by section 215.20, F.S., be deducted prior to the deposit of funds into the State Transportation Trust Fund and the Highway Safety Operating Trust Fund.