

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB CCJ 09-09 DJJ Surcharge on license tax

SPONSOR(S): Criminal & Civil Justice Appropriations Committee

TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Criminal & Civil Justice Appropriations Committee		McAuliffe	Davis
1)				
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

This Proposed Committee Bill (PCB) increases the existing \$1.00 surcharge on the annual license tax imposed for the operation of a motor vehicle to \$1.50. The PCB provides that of the \$1.50 surcharge, 58 cents will be deposited into the General Revenue Fund, and 92 cents will be deposited into the Grants and Donations Trust Fund in the Department of Juvenile Justice to fund the community juvenile justice partnership grants and prevention programs. Currently, 42 cents is deposited into the Grants and Donations Trust Fund, and all of the increase will be dedicated to this fund.

The Revenue Estimating Conference projects this 50 cent increase will generate an estimated \$6,909,901 increase in revenues to the Grants and Donations Trust Fund in the Department of Juvenile Justice in Fiscal Year 2009-10. After the service charge to general revenue of \$483,693, the net revenue increase to the trust fund will be \$6,426,208.

The PCB conforms Florida Statutes to the proposed House of Representatives FY 2009-10 General Appropriations Act by increasing trust fund revenues and allowing a recurring fund shift to offset General Revenue reductions of \$6.4 million.

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.
- 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:

Current Situation

Section 320.08046, F.S., currently provides a \$1.00 surcharge on the annual license tax imposed for the operation of a motor vehicle. From that \$1.00 surcharge, 58 percent is deposited into the General Revenue Fund, and 42 percent is deposited into the Grants and Donations Trust Fund in the Department of Juvenile Justice to fund the community juvenile justice partnership grants. Currently this surcharge is generating approximately \$18 million, \$10.5 directed to General Revenue and \$7.5 million going to DJJ's Grants and Donations Trust Fund.

Effect of Proposed Change

This PCB increases the \$1.00 surcharge on the annual license tax by 50 cents to \$1.50. The PCB provides that of the \$1.50 surcharge, 58 cents will be deposited into the General Revenue Fund, and 92 cents will be deposited into the Grants and Donations Trust Fund in the Department of Juvenile Justice to fund the community juvenile justice partnership grants and prevention programs.

The PCB conforms Florida Statutes to the proposed General Appropriations Act by increasing trust fund revenues and allowing a recurring fund shift to offset General Revenue reductions of \$6.4 million.

B. SECTION DIRECTORY:

Section 1. Amends s. 320.08046, F.S., revising a surcharge.

Section 2. Provides the act will take effect October 1, 2009.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference projects this 50 cent increase will generate an estimated \$6,909,901 increase in revenues to the Grants and Donations Trust Fund in the Department of Juvenile Justice in Fiscal Year 2009-10. After the service charge to general revenue of \$483,693, the net revenue increase to the trust fund will be \$6,426,208. The approximately \$10 million in revenues currently directed to General Revenue are not projected to change.

2. Expenditures:

The PCB authorizes use of these funds on the community juvenile justice partnership grants and prevention programs within the Department of Juvenile Justice.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The surcharge applied to the annual motor vehicle license tax will increase by 50 cents.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

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

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES