



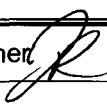
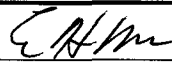
Local, Federal & Veterans Affairs Subcommittee

February 8, 2017
9:00 AM – 11:00 AM
12 HOB

Meeting Packet

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 179 Veteran Identification
SPONSOR(S): Combee
TIED BILLS: IDEN./SIM. **BILLS:** SB 444

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee		Renner 	Miller 
2) Transportation & Tourism Appropriations Subcommittee			
3) Government Accountability Committee			

SUMMARY ANALYSIS

For the roughly 1.5 million veterans living in Florida, there is no uniform veteran identification card that can be used as proof of veteran status for the purpose of obtaining discounts or waivers from various license and registration fees. Rather, veterans rely on a number of Department of Defense (DoD) or U.S. Veterans Affairs (VA) issued cards as proof. In Florida, a Department of Highway Safety and Motor Vehicles (DHSMV) issued driver license or identification card with the "V" designation on the card or a Florida Department of Veterans' Affairs (DVA) card for veterans with certain disabilities may be used as proof of veteran status.

Currently, the Department of Agriculture and Consumer Services (DACS) and the Department of Financial Services (DFS) will waive various license and registration fees for the following business and professions if a veteran provides a copy of the DD Form 214 or another acceptable form of identification as specified by DVA:

- Land surveying and mapping;
- Private investigation, security, and repossession services;
- Health studios;
- Telephone salespersons;
- Movers and moving brokers;
- The sale of liquefied petroleum gas;
- Pawnbrokers;
- Motor vehicle repair shops;
- Sellers of travel;
- Insurance representatives; and
- The carrying of concealed weapons or firearms.

The bill directs DHSMV to create a veteran identification card to be used as proof of veteran status for the purpose of obtaining discounts. The card must be issued to any honorably discharged veteran of any branch of the U.S. Armed Forces and who provides the following:

- A copy of the veteran's DD Form 214;
- A copy of a valid, unexpired driver license or identification card; and
- Payment of \$10.

Additionally, the bill adds the identification card as proof of veteran status in order for a veteran to obtain a waiver for license and registration fees for the above businesses and professions.

According to DHSMV, the bill will have a significant, negative fiscal impact to state expenditures, and an indeterminate, positive impact to state and local government revenues. See Fiscal Comments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Proof of Veteran status

Federal level

Many veterans want a veteran identification card proving their military service so they can receive discounts, fee waivers, or other benefits. However, there is no uniform veteran identification card that is available to all veterans.

The “Veterans Identification Card Act 2015,”¹ was enacted by Congress on July 20, 2015. The Act directs the VA to issue a veteran’s identification card to a requesting veteran who is neither entitled to military retired pay nor enrolled in the VA system of patient enrollment. The card is required to display the veteran’s name and photograph and serve as proof that the veteran has a DD Form 214² or other official document in his or her military personnel file that describes the veteran’s military service.³ The identification card cannot be used as proof of eligibility for any federal benefits and does not grant access to military installations. It is estimated that the cards will be implemented in 2017 at the earliest, and the price for the identification card is not yet determined.

Until the card becomes available, there are a few types of federal identification cards a veteran can use as proof of veteran status depending on factors such as status, disability, and health benefits. These cards include, but are not limited to, the following:

- **Veterans Identification Card**⁴ – Veterans can use this card at VA medical facilities. The card, issued by the VA, is free and is issued only to veterans who are eligible for VA medical benefits and only for the purpose of identification and check-in for VA medical appointments. The design of the card includes a picture of the veteran, their member ID, Plan ID, branch of service, and Service Connected, POW and Purple Heart indicators, if applicable. The card does not show a veteran’s Social Security Number or date of birth.
- **DD Form 2 (Retired) U.S. Uniformed Services ID**⁵ – This card is issued to retired Uniform Service⁶ members entitled to pay, members on the temporary disability retired list, and members on the permanent disability retired list.
- **DD Form 1173 U.S. Uniformed Services ID and Privilege Card**⁷ – This card is issued to Medal of Honor recipients, former members in receipt of retired pay, 100 percent disabled veterans, and other benefits-eligible categories as described in DoD policy.

¹ Veterans Identification Card Act 2015, Pub. L. No. 114-31, H.R. 91, 114th Cong. (July 20, 2015).

² Each veteran is issued a Department of Defense DD Form 214. This form contains information normally needed to verify military service of benefits, retirement, employment, membership in veterans’ organizations, and the veteran’s condition of discharge. See <http://www.dd214.us/> (last visited January 30, 2017).

³ Congress.gov, *H.R. 91-Veterans Identification Card Act 2015*, available at: <https://www.congress.gov/bill/114th-congress/house-bill/91> (last viewed January 27, 2017).

⁴ U.S. Department of Veterans Affairs site on *Veteran Identification Cards*, available at: https://iris.custhelp.com/app/answers/detail/a_id/911 (last viewed January 27, 2017).

⁵ Department of Defense Common Access Card site on *Uniformed Services ID Card*, available at: www.cac.mil/uniformed-services-id-card/ (last viewed January 29, 2017).

⁶ 10 U.S.C. §101(a)(5) defines the uniformed services as consisting of the Army, Marines, Navy, Air Force, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration.

⁷ Id.

- **DD Form 2765 Department of Defense/Uniformed Services ID and Privilege Card⁸** – This card is issued to Medal of Honor recipients, 100 percent disabled veterans, former members in receipt of retired pay, other benefits-eligible categories as described in DoD policy.

The design of the Uniformed Services ID cards includes a picture, branch affiliation, expiration date, DoD Identification Number, date of birth, benefits number, blood type, Geneva Convention category, and date of issue.

Florida

Much like the federal government, Florida does not have a uniform veteran identification card. Rather, veterans can show proof of status by having a “V” designation on either their Florida identification card⁹ or their Florida driver license¹⁰ for an additional \$1 fee plus the renewal fee, or a \$2 fee if the veteran only wants to receive a replacement credential with the “V” designation. The designation can be obtained when a veteran submits a copy of his or her DD Form 214 or another acceptable form specified by the DVA to the DHSMV.¹¹

Additionally, DVA may issue an identification card to any veteran who is a permanent residence of Florida and who has been determined by the VA to have a 100 percent service-connected permanent and total disability rating, or who has been determined to have a service-connected total and permanent disability rating of 100 percent and is receiving disability retirement pay from any branch of the U.S. Armed Forces.¹²

Virginia

Virginia is the only state that currently offers a veteran identification card.¹³ The card is issued by the Virginia Department of Motor Vehicles (DMV) and provides proof of veteran status in order for a veteran to receive discounts from retailers and restaurants. The design of the card shows the veteran’s photo, name, branch of service, and signature. To be eligible, the veteran must:

- Be a Virginia resident;
- Hold an unexpired Virginia commercial driver’s license, driver’s license, learner’s permit or DMV-issued ID card;
- Have served either in the active U.S. Armed Forces or for more than 180 days in the Virginia National Guard or U.S. Reserves;
- Have received an honorable discharge;
- Present a photocopy of a veteran service proof document that provide branch of service, discharge date and discharge status (e.g. DD Form 214)
- Consent that the information on the application will be shared with the Virginia Department of Veteran Services.
- Pay \$10

⁸ Id.

⁹ Section 322.051, F.S.

¹⁰ Section 322.14(1)(d), F.S.

¹¹ A “veteran” designation will replace the “V” designation when the new driver license and identification card design comes out at the end of 2017.

¹² Section 295.17, F.S.

¹³ Virginia Department of Motor Vehicles website on *Veteran Identification Cards*, available at https://www.dmv.virginia.gov/drivers/#id/vet_id.asp (last visited January 31, 2017).

Registration and License Fee Waivers

Department of Agriculture and Consumer Services (DACS)

Chapter 2016-166, Laws of Florida, among other matters, implemented various registration and license fee waivers for veterans, their spouses, and their businesses for several professions regulated by DACS.

The first-time application fee for a specified veteran of the U.S. Armed Forces, his or her spouse, or a business entity in which he or she has a majority ownership is waived for the following classes of licenses:

- Land surveyor and mapper¹⁴
- Health studio¹⁵
- Commercial telephone seller¹⁶
- Telemarketing salesperson¹⁷
- Movers and moving broker¹⁸
- Liquefied petroleum gas related license¹⁹
- Pawnbroker²⁰
- Motor vehicle repair shop²¹
- Sellers of travel²²

To qualify for the above fee waiver, the veteran, his or her spouse, or his or her business must submit an application within 60 months after the date of the veteran's discharge from the U.S. Armed Forces and provide a copy of his or her DD Form 214, or another form of identification as specified by the DVA; a valid marriage license when applicable; and proof of ownership interest, where applicable.

The initial application fee for licensure, for veterans who apply within 24 months of their honorable discharge from the armed forces, is waived for the following licenses:²³

- Private investigator, private investigator intern, private investigative/security agency manager, or private investigative agency manager;
- Security officer instructor, or security manager;
- Recovery agent, recovery agent intern, recovery agent manager, or recovery agent instructor; and
- Firearms instructor.

The veteran must submit a copy of his or her DD Form 214 or another form of identification as specified by the DVA in order to receive the waiver.

The initial fee for licensure, for veterans who apply within 24 months of their honorable discharge from the armed forces, is waived for the following licenses:

- Private investigative/security agency manager or a firearms instructor,²⁴
- Private investigator, private investigator intern, or private investigative agency manager;²⁵

¹⁴ Section 472.015(3), F.S.

¹⁵ Section 501.015(2), F.S.

¹⁶ Section 501.605(5)(b)

¹⁷ Section 501.607(2)(b), F.S.

¹⁸ Section 507.03(3)(b), F.S.

¹⁹ Section 527.02(3)(b), F.S.

²⁰ Section 539.001(3)(c), F.S.

²¹ Section 559.904(3)(b), F.S.

²² Section 559.928(2)(c), F.S.

²³ Section 493.6105(1)(c), F.S.

²⁴ Section 493.6107(6), F.S.

- Private investigator, private investigator intern, or private investigative agency manager;²⁵
- Security officer, security officer instructor, or a security manager;²⁶ and
- Recovery agent, recovery agent intern, recovery agent manager, or recovery agent instructor²⁷

The veteran must submit a copy of his or her DD Form 214 or another form of identification as specified by the DVA in order to receive the waiver.

Lastly, in order to receive an expedited processing of an application for a license to carry concealed weapons or firearms, a veteran must submit a copy of the DD Form 214, or another acceptable form of identification as specified by DVA.²⁸

Department of Financial Services (DFS)

Veterans who have retired within 24 months are exempt from the application filing fee for licensure as an insurance agent, customer representative, adjuster, service representative, managing general agent, or reinsurance intermediary. The applicant must submit a military service record, military personnel file, veteran record, discharge paper, or separation document, or a separation document that indicates the veteran was honorably discharged.²⁹

Effect of Proposed Changes

The bill requires DHSMV to create a veteran identification card to be used as proof of veteran status in order to obtain discounts or waivers offered to veterans for the exchange of goods and services. The card would be separate from a DHSMV issued driver license or personal identification card. The bill provides criteria for the design of the card which includes:

- A photograph of the veteran;
- The veteran's full name;
- Branch of service;
- Date of discharge;
- DoD identification number;
- Signature;
- The words "U.S. Armed Forces Veteran-Honorably Discharged;"
- The words "Proof of veteran status only. Not for official government use or identification;" and
- An image of a DoD style military dog tag in the background.

The DHSMV must issue the card to any honorably discharged veteran of any branch of the U.S. Armed Forces who provides the following:

- A copy of the veteran's DD Form 214 as issued by the DoD;
- A copy of the veteran's valid, unexpired Florida driver license or identification card or another form of photographic identification that is acceptable to the DHSMV; and
- Payment of a \$10 fee.

The bill prohibits the use of the veteran identification card as an identification card for a veteran with a 100 percent, service-connected permanent and total disability rating for compensation, or who has a service-connected total and permanent disability rating of 100 percent and receives disability retirement pay pursuant to s. 295.17, F.S., or as an identification card pursuant to s. 322.051, F.S.

²⁴ Section 493.6107(6), F.S.

²⁵ Section 493.6202(4), F.S.

²⁶ Section 493.6302(4), F.S.

²⁷ Section 493.6402(4), F.S.

²⁸ Section 790.06(5)(f), F.S.

²⁹ Section 626.171(6), F.S.

In addition to showing a DD Form 214 or another acceptable form of identification specified by DVA as proof of veteran status, the bill adds the veteran identification card to be used as proof of veteran status in order to receive waivers of registration or license fees for the following DACS and DFS businesses and occupations:

- Land surveying and mapping
- Private investigation, security, and repossession services
- Health studios
- Telephone salespersons
- Movers and moving brokers;
- The sale of liquefied petroleum gas
- Pawnbrokers
- Motor vehicle repair shops
- Sellers of travel
- Insurance representatives

Lastly, the veteran identification card may be used as proof of veteran status for the expedited processing of an application for a license to carry concealed weapons or firearms,

B. SECTION DIRECTORY:

- | | |
|------------|--|
| Section 1 | Creates s. 322.0511, F.S., relating to veteran identification cards. |
| Section 2 | Amends s. 472.015, F.S., relating to DACS licensure for land surveying and mapping. |
| Section 3 | Amends s. 493.6105, F.S., relating to DACS initial application for licensure for private investigation, security, and repossession services. |
| Section 4 | Amends s. 493.6107, F.S., relating to DACS initial license fees for private investigation, security, and repossession services. |
| Section 5 | Amends s. 493.6202, F.S., relating to DACS fees for private investigation, security, and repossession services. |
| Section 6 | Amends s. 493.6302, F.S., relating to DACS fees for private investigation, security, and repossession services. |
| Section 7 | Amends s. 493.6402, F.S., relating to DACS fees for private investigation, security, and repossession services. |
| Section 8 | Amends s. 501.015, F.S., relating to DACS health studios registration requirements. |
| Section 9 | Amends s. 501.605, F.S., relating to DACS licensure of commercial telephone sellers. |
| Section 10 | Amends s. 501.607, F.S., relating to DACS licensure of salespersons. |
| Section 11 | Amends s. 507.03, F.S., relating to DACS registration for movers and moving brokers. |
| Section 12 | Amends s. 527.02, F.S., relating to DACS and the regulation of the sale of liquefied petroleum gas. |
| Section 13 | Amends s. 539.001, F.S., relating to DACS pawnbroker licenses. |
| Section 14 | Amends s. 559.904, F.S., relating to DACS registration for motor vehicle repair shops. |
| Section 15 | Amends s. 559.928, F.S., relating to DACS registration for sellers of travel. |
| Section 16 | Amends s. 626.171, F.S., relating to DFS insurance representative applications for licensure. |
| Section 17 | Amends s. 790.06, F.S., relating to DACS licenses to carry concealed weapons or firearms. |
| Section 18 | Provides an effective date of July 1, 2017. |

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

DHSMV estimates approximately 65,000 individuals will purchase the new identification card in the first year. At a rate of \$10 per transaction, the bill would have a positive fiscal impact to state revenue totaling \$650,000; however, the bill does not specify where this revenue will be deposited.³⁰

2. Expenditures:

DHSMV estimates that approximately 4,560 programming hours, or \$313,440 in FTE and contracted resources, will be required to implement the bill. Additionally, because the current card printers are incapable of printing a newly designed identification card, DHSMV would be required to purchase an additional 320 printers, totaling approximately \$2,448,000, dedicated exclusively to the printing of the new card.³¹

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

DHSMV estimates approximately 65,000 individuals will purchase the new identification card in the first year. Tax collectors are permitted to collect a \$6.25 service charge on license and identification card transactions; therefore, there will likely be a positive impact to local government revenues totaling approximately \$406,250.³²

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Veterans who choose to obtain the voter identification card could receive license and registration fee waivers, resulting in a positive fiscal impact for those veterans.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None

2. Other:

None

³⁰ DHSMV draft analysis on file with staff. The information is subject to revision or correction in the final draft.

³¹ Id.

³² Id.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

1 A bill to be entitled
 2 An act relating to veteran identification; creating s.
 3 322.0511, F.S.; requiring the Department of Highway
 4 Safety and Motor Vehicles to create a veteran
 5 identification card for certain purposes; providing
 6 for the design of the card; providing veteran
 7 eligibility requirements; prohibiting use of the card
 8 for certain purposes; amending ss. 472.015, 493.6105,
 9 493.6107, 493.6202, 493.6302, 493.6402, 501.015,
 10 501.605, 501.607, 507.03, 527.02, 539.001, 559.904,
 11 559.928, 626.171, and 790.06, F.S.; authorizing use of
 12 the card as proof of veteran status for obtaining
 13 waivers of license or registration fees relating to
 14 land surveying and mapping, private investigation,
 15 security, and repossession services, health studios,
 16 telephone salespersons, movers and moving brokers, the
 17 sale of liquefied petroleum gas, pawnbrokers, motor
 18 vehicle repair shops, sellers of travel, insurance
 19 representatives, and the carrying of concealed weapons
 20 or firearms; providing an effective date.

21
 22 Be It Enacted by the Legislature of the State of Florida:

23
 24 Section 1. Section 322.0511, Florida Statutes, is created
 25 to read:

26 322.0511 Veteran identification cards.—

27 (1) The department shall create a veteran identification
28 card to be used as proof of veteran status for the purpose of
29 obtaining discounts or waivers offered to veterans for the
30 exchange of goods and services and for other purposes authorized
31 by law, except as provided in subsection (3). The veteran
32 identification card must bear the colors and design approved by
33 the department, including, but not limited to:

34 (a) In the foreground, a full-face photograph of the
35 veteran and his or her full name, branch of service, date of
36 discharge, United States Department of Defense identification
37 number, and signature. The words "U.S. Armed Forces Veteran -
38 Honorably Discharged" must appear at the top of the card, and
39 the words "Proof of veteran status only. Not for official
40 government use or identification" must appear at the bottom of
41 the card.

42 (b) In the background, an image of a military
43 identification "dog" tag.

44 (2) The department shall issue a veteran identification
45 card to a veteran of any branch of the United States Armed
46 Forces who has been honorably discharged and who provides to the
47 department:

48 (a) A copy of the veteran's DD Form 214 as issued by the
49 United States Department of Defense.

50 (b) A copy of the veteran's valid, unexpired driver

51 license or identification card as issued under this chapter or
 52 another form of photographic identification acceptable to the
 53 department.

54 (c) Payment of a \$10 fee.

55 (3) A veteran identification card issued pursuant to this
 56 section is not considered an identification card for the
 57 purposes of s. 295.17 or s. 322.051 and may not be used for the
 58 determination of any federal benefit.

59 Section 2. Paragraph (b) of subsection (3) of section
 60 472.015, Florida Statutes, is amended to read:

61 472.015 Licensure.—

62 (3)

63 (b) The department shall waive the initial license fee for
 64 an honorably discharged veteran of the United States Armed
 65 Forces, the spouse of such a veteran, or a business entity that
 66 has a majority ownership held by such a veteran or spouse if the
 67 department receives an application, in a format prescribed by
 68 the department, within 60 months after the date of the veteran's
 69 discharge from any branch of the United States Armed Forces. To
 70 qualify for the waiver:

71 1. A veteran must provide to the department a copy of his
 72 or her DD Form 214, as issued by the United States Department of
 73 Defense, his or her veteran identification card issued pursuant
 74 to s. 322.0511, or another acceptable form of identification as
 75 specified by the Department of Veterans' Affairs;

76 2. The spouse of a veteran must provide to the department
 77 a copy of the veteran's DD Form 214, as issued by the United
 78 States Department of Defense, the veteran's veteran
 79 identification card issued pursuant to s. 322.0511, or another
 80 acceptable form of identification as specified by the Department
 81 of Veterans' Affairs, and a copy of a valid marriage license or
 82 certificate verifying that he or she was lawfully married to the
 83 veteran at the time of discharge; or

84 3. A business entity must provide to the department proof
 85 that a veteran or the spouse of a veteran holds a majority
 86 ownership in the business, a copy of the veteran's DD Form 214,
 87 as issued by the United States Department of Defense, the
 88 veteran's veteran identification card issued pursuant to s.
 89 322.0511, or another acceptable form of identification as
 90 specified by the Department of Veterans' Affairs, and, if
 91 applicable, a copy of a valid marriage license or certificate
 92 verifying that the spouse of the veteran was lawfully married to
 93 the veteran at the time of discharge.

94 Section 3. Paragraph (c) of subsection (1) of section
 95 493.6105, Florida Statutes, is amended to read:

96 493.6105 Initial application for license.—

97 (1) Each individual, partner, or principal officer in a
 98 corporation, shall file with the department a complete
 99 application accompanied by an application fee not to exceed \$60,
 100 except that the applicant for a Class "D" or Class "G" license

101 is not required to submit an application fee. The application
 102 fee is not refundable.

103 (c) The initial application fee for a veteran, as defined
 104 in s. 1.01, shall be waived if he or she applies for a Class
 105 "C," Class "CC," Class "DI," Class "E," Class "EE," Class "K,"
 106 Class "M," Class "MA," Class "MB," Class "MR," or Class "RI"
 107 license within 24 months after being discharged from a branch of
 108 the United States Armed Forces. An eligible veteran must include
 109 a copy of his or her DD Form 214, as issued by the United States
 110 Department of Defense, his or her veteran identification card
 111 issued pursuant to s. 322.0511, or another acceptable form of
 112 identification as specified by the Department of Veterans'
 113 Affairs with his or her application in order to obtain a waiver.

114 Section 4. Subsection (6) of section 493.6107, Florida
 115 Statutes, is amended to read:

116 493.6107 Fees.—

117 (6) The initial license fee for a veteran, as defined in
 118 s. 1.01, shall be waived if he or she applies for a Class "M" or
 119 Class "K" license within 24 months after being discharged from
 120 any branch of the United States Armed Forces. An eligible
 121 veteran must include a copy of his or her DD Form 214, as issued
 122 by the United States Department of Defense, his or her veteran
 123 identification card issued pursuant to s. 322.0511, or another
 124 acceptable form of identification as specified by the Department
 125 of Veterans' Affairs with his or her application in order to

126 obtain a waiver.

127 Section 5. Subsection (4) of section 493.6202, Florida
 128 Statutes, is amended to read:

129 493.6202 Fees.—

130 (4) The initial license fee for a veteran, as defined in
 131 s. 1.01, shall be waived if he or she applies for a Class "C,"
 132 Class "CC," or Class "MA" license within 24 months after being
 133 discharged from any branch of the United States Armed Forces. An
 134 eligible veteran must include a copy of his or her DD Form 214,
 135 as issued by the United States Department of Defense, his or her
 136 veteran identification card issued pursuant to s. 322.0511, or
 137 another acceptable form of identification as specified by the
 138 Department of Veterans' Affairs with his or her application in
 139 order to obtain a waiver.

140 Section 6. Subsection (4) of section 493.6302, Florida
 141 Statutes, is amended to read:

142 493.6302 Fees.—

143 (4) The initial license fee for a veteran, as defined in
 144 s. 1.01, shall be waived if he or she applies for a Class "D,"
 145 Class "DI," or Class "MB" license within 24 months after being
 146 discharged from any branch of the United States Armed Forces. An
 147 eligible veteran must include a copy of his or her DD Form 214,
 148 as issued by the United States Department of Defense, his or her
 149 veteran identification card issued pursuant to s. 322.0511, or
 150 another acceptable form of identification as specified by the

151 Department of Veterans' Affairs with his or her application in
 152 order to obtain a waiver.

153 Section 7. Subsection (4) of section 493.6402, Florida
 154 Statutes, is amended to read:

155 493.6402 Fees.—

156 (4) The initial license fee for a veteran, as defined in
 157 s. 1.01, shall be waived if he or she applies for a Class "E,"
 158 Class "EE," Class "MR," or Class "RI" license within 24 months
 159 after being discharged from any branch of the United States
 160 Armed Forces. An eligible veteran must include a copy of his or
 161 her DD Form 214, as issued by the United States Department of
 162 Defense, his or her veteran identification card issued pursuant
 163 to s. 322.0511, or another acceptable form of identification as
 164 specified by the Department of Veterans' Affairs with his or her
 165 application in order to obtain a waiver.

166 Section 8. Subsection (2) of section 501.015, Florida
 167 Statutes, is amended to read:

168 501.015 Health studios; registration requirements and
 169 fees.—Each health studio shall:

170 (2) Remit an annual registration fee of \$300 to the
 171 department at the time of registration for each of the health
 172 studio's business locations. The department shall waive the
 173 initial registration fee for an honorably discharged veteran of
 174 the United States Armed Forces, the spouse of such a veteran, or
 175 a business entity that has a majority ownership held by such a

176 veteran or spouse if the department receives an application, in
 177 a format prescribed by the department, within 60 months after
 178 the date of the veteran's discharge from any branch of the
 179 United States Armed Forces. To qualify for the waiver;~~7~~

180 (a) A veteran must provide to the department a copy of his
 181 or her DD Form 214, as issued by the United States Department of
 182 Defense, his or her veteran identification card issued pursuant
 183 to s. 322.0511, or another acceptable form of identification as
 184 specified by the Department of Veterans' Affairs;

185 (b) The spouse of a veteran must provide to the department
 186 a copy of the veteran's DD Form 214, as issued by the United
 187 States Department of Defense, the veteran's veteran
 188 identification card issued pursuant to s. 322.0511, or another
 189 acceptable form of identification as specified by the Department
 190 of Veterans' Affairs, and a copy of a valid marriage license or
 191 certificate verifying that he or she was lawfully married to the
 192 veteran at the time of discharge; or

193 (c) A business entity must provide to the department proof
 194 that a veteran or the spouse of a veteran holds a majority
 195 ownership in the business, a copy of the veteran's DD Form 214,
 196 as issued by the United States Department of Defense, the
 197 veteran's veteran identification card issued pursuant to s.
 198 322.0511, or another acceptable form of identification as
 199 specified by the Department of Veterans' Affairs, and, if
 200 applicable, a copy of a valid marriage license or certificate

201 verifying that the spouse of the veteran was lawfully married to
 202 the veteran at the time of discharge.

203 Section 9. Paragraph (b) of subsection (5) of section
 204 501.605, Florida Statutes, is amended to read:

205 501.605 Licensure of commercial telephone sellers.—

206 (5) An application filed pursuant to this part must be
 207 verified and accompanied by:

208 (b) A fee for licensing in the amount of \$1,500. The fee
 209 shall be deposited into the General Inspection Trust Fund. The
 210 department shall waive the initial license fee for an honorably
 211 discharged veteran of the United States Armed Forces, the spouse
 212 of such a veteran, or a business entity that has a majority
 213 ownership held by such a veteran or spouse if the department
 214 receives an application, in a format prescribed by the
 215 department, within 60 months after the date of the veteran's
 216 discharge from any branch of the United States Armed Forces. To
 217 qualify for the waiver: ~~7~~

218 1. A veteran must provide to the department a copy of his
 219 or her DD Form 214, as issued by the United States Department of
 220 Defense, his or her veteran identification card issued pursuant
 221 to s. 322.0511, or another acceptable form of identification as
 222 specified by the Department of Veterans' Affairs;

223 2. The spouse of a veteran must provide to the department
 224 a copy of the veteran's DD Form 214, as issued by the United
 225 States Department of Defense, the veteran's veteran

226 identification card issued pursuant to s. 322.0511, or another
 227 acceptable form of identification as specified by the Department
 228 of Veterans' Affairs, and a copy of a valid marriage license or
 229 certificate verifying that he or she was lawfully married to the
 230 veteran at the time of discharge; or

231 3. A business entity must provide to the department proof
 232 that a veteran or the spouse of a veteran holds a majority
 233 ownership in the business, a copy of the veteran's DD Form 214,
 234 as issued by the United States Department of Defense, the
 235 veteran's veteran identification card issued pursuant to s.
 236 322.0511, or another acceptable form of identification as
 237 specified by the Department of Veterans' Affairs, and, if
 238 applicable, a copy of a valid marriage license or certificate
 239 verifying that the spouse of the veteran was lawfully married to
 240 the veteran at the time of discharge.

241 Section 10. Paragraph (b) of subsection (2) of section
 242 501.607, Florida Statutes, is amended to read:

243 501.607 Licensure of salespersons.—

244 (2) An application filed pursuant to this section must be
 245 verified and be accompanied by:

246 (b) A fee for licensing in the amount of \$50 per
 247 salesperson. The fee shall be deposited into the General
 248 Inspection Trust Fund. The fee for licensing may be paid after
 249 the application is filed, but must be paid within 14 days after
 250 the applicant begins work as a salesperson. The department shall

251 waive the initial license fee for an honorably discharged
252 veteran of the United States Armed Forces, the spouse of such a
253 veteran, or a business entity that has a majority ownership held
254 by such a veteran or spouse if the department receives an
255 application, in a format prescribed by the department, within 60
256 months after the date of the veteran's discharge from any branch
257 of the United States Armed Forces. To qualify for the waiver:⁷

258 1. A veteran must provide to the department a copy of his
259 or her DD Form 214, as issued by the United States Department of
260 Defense, his or her veteran identification card issued pursuant
261 to s. 322.0511, or another acceptable form of identification as
262 specified by the Department of Veterans' Affairs;

263 2. The spouse of a veteran must provide to the department
264 a copy of the veteran's DD Form 214, as issued by the United
265 States Department of Defense, the veteran's veteran
266 identification card issued pursuant to s. 322.0511, or another
267 acceptable form of identification as specified by the Department
268 of Veterans' Affairs, and a copy of a valid marriage license or
269 certificate verifying that he or she was lawfully married to the
270 veteran at the time of discharge; or

271 3. A business entity must provide to the department proof
272 that a veteran or the spouse of a veteran holds a majority
273 ownership in the business, a copy of the veteran's DD Form 214,
274 as issued by the United States Department of Defense, the
275 veteran's veteran identification card issued pursuant to s.

276 322.0511, or another acceptable form of identification as
 277 specified by the Department of Veterans' Affairs, and, if
 278 applicable, a copy of a valid marriage license or certificate
 279 verifying that the spouse of the veteran was lawfully married to
 280 the veteran at the time of discharge.

281 Section 11. Paragraph (b) of subsection (3) of section
 282 507.03, Florida Statutes, is amended to read:

283 507.03 Registration.—

284 (3)

285 (b) The department shall waive the initial registration
 286 fee for an honorably discharged veteran of the United States
 287 Armed Forces, the spouse of such a veteran, or a business entity
 288 that has a majority ownership held by such a veteran or spouse
 289 if the department receives an application, in a format
 290 prescribed by the department, within 60 months after the date of
 291 the veteran's discharge from any branch of the United States
 292 Armed Forces. To qualify for the waiver:7

293 1. A veteran must provide to the department a copy of his
 294 or her DD Form 214, as issued by the United States Department of
 295 Defense, his or her veteran identification card issued pursuant
 296 to s. 322.0511, or another acceptable form of identification as
 297 specified by the Department of Veterans' Affairs;

298 2. The spouse of a veteran must provide to the department
 299 a copy of the veteran's DD Form 214, as issued by the United
 300 States Department of Defense, the veteran's veteran

301 identification card issued pursuant to s. 322.0511, or another
 302 acceptable form of identification as specified by the Department
 303 of Veterans' Affairs, and a copy of a valid marriage license or
 304 certificate verifying that he or she was lawfully married to the
 305 veteran at the time of discharge; or

306 3. A business entity must provide to the department proof
 307 that a veteran or the spouse of a veteran holds a majority
 308 ownership in the business, a copy of the veteran's DD Form 214,
 309 as issued by the United States Department of Defense, the
 310 veteran's veteran identification card issued pursuant to s.
 311 322.0511, or another acceptable form of identification as
 312 specified by the Department of Veterans' Affairs, and, if
 313 applicable, a copy of a valid marriage license or certificate
 314 verifying that the spouse of the veteran was lawfully married to
 315 the veteran at the time of discharge.

316 Section 12. Paragraph (b) of subsection (3) of section
 317 527.02, Florida Statutes, is amended to read:

318 527.02 License; penalty; fees.—

319 (3)

320 (b) The department shall waive the initial license fee for
 321 an honorably discharged veteran of the United States Armed
 322 Forces, the spouse of such a veteran, or a business entity that
 323 has a majority ownership held by such a veteran or spouse if the
 324 department receives an application, in a format prescribed by
 325 the department, within 60 months after the date of the veteran's

326 discharge from any branch of the United States Armed Forces. To
327 qualify for the waiver:~~7~~

328 1. A veteran must provide to the department a copy of his
329 or her DD Form 214, as issued by the United States Department of
330 Defense, his or her veteran identification card issued pursuant
331 to s. 322.0511, or another acceptable form of identification as
332 specified by the Department of Veterans' Affairs;

333 2. The spouse of a veteran must provide to the department
334 a copy of the veteran's DD Form 214, as issued by the United
335 States Department of Defense, the veteran's veteran
336 identification card issued pursuant to s. 322.0511, or another
337 acceptable form of identification as specified by the Department
338 of Veterans' Affairs, and a copy of a valid marriage license or
339 certificate verifying that he or she was lawfully married to the
340 veteran at the time of discharge; or

341 3. A business entity must provide to the department proof
342 that a veteran or the spouse of a veteran holds a majority
343 ownership in the business, a copy of the veteran's DD Form 214,
344 as issued by the United States Department of Defense, the
345 veteran's veteran identification card issued pursuant to s.
346 322.0511, or another acceptable form of identification as
347 specified by the Department of Veterans' Affairs, and, if
348 applicable, a copy of a valid marriage license or certificate
349 verifying that the spouse of the veteran was lawfully married to
350 the veteran at the time of discharge.

351 Section 13. Paragraph (c) of subsection (3) of section
 352 539.001, Florida Statutes, is amended to read:

353 539.001 The Florida Pawnbroking Act.—

354 (3) LICENSE REQUIRED.—

355 (c) Each license is valid for a period of 1 year unless it
 356 is earlier relinquished, suspended, or revoked. Each license
 357 shall be renewed annually, and each licensee shall, initially
 358 and annually thereafter, pay to the agency a license fee of \$300
 359 for each license held. The agency shall waive the initial
 360 license fee for an honorably discharged veteran of the United
 361 States Armed Forces, the spouse of such a veteran, or a business
 362 entity that has a majority ownership held by such a veteran or
 363 spouse if the agency receives an application, in a format
 364 prescribed by the agency, within 60 months after the date of the
 365 veteran's discharge from any branch of the United States Armed
 366 Forces. To qualify for the waiver:7

367 1. A veteran must provide to the agency a copy of his or
 368 her DD Form 214, as issued by the United States Department of
 369 Defense, his or her veteran identification card issued pursuant
 370 to s. 322.0511, or another acceptable form of identification as
 371 specified by the Department of Veterans' Affairs;

372 2. The spouse of a veteran must provide to the agency a
 373 copy of the veteran's DD Form 214, as issued by the United
 374 States Department of Defense, the veteran's veteran
 375 identification card issued pursuant to s. 322.0511, or another

376 acceptable form of identification as specified by the Department
 377 of Veterans' Affairs, and a copy of a valid marriage license or
 378 certificate verifying that he or she was lawfully married to the
 379 veteran at the time of discharge; or

380 3. A business entity must provide to the agency proof that
 381 a veteran or the spouse of a veteran holds a majority ownership
 382 in the business, a copy of the veteran's DD Form 214, as issued
 383 by the United States Department of Defense, the veteran's
 384 veteran identification card issued pursuant to s. 322.0511, or
 385 another acceptable form of identification as specified by the
 386 Department of Veterans' Affairs, and, if applicable, a copy of a
 387 valid marriage license or certificate verifying that the spouse
 388 of the veteran was lawfully married to the veteran at the time
 389 of discharge.

390 Section 14. Paragraph (b) of subsection (3) of section
 391 559.904, Florida Statutes, is amended to read:

392 559.904 Motor vehicle repair shop registration;
 393 application; exemption.-

394 (3)

395 (b) The department shall waive the initial registration
 396 fee for an honorably discharged veteran of the United States
 397 Armed Forces, the spouse of such a veteran, or a business entity
 398 that has a majority ownership held by such a veteran or spouse
 399 if the department receives an application, in a format
 400 prescribed by the department, within 60 months after the date of

401 the veteran's discharge from any branch of the United States
 402 Armed Forces. To qualify for the waiver:~~r~~

403 1. A veteran must provide to the department a copy of his
 404 or her DD Form 214, as issued by the United States Department of
 405 Defense, his or her veteran identification card issued pursuant
 406 to s. 322.0511, or another acceptable form of identification as
 407 specified by the Department of Veterans' Affairs;

408 2. The spouse of a veteran must provide to the department
 409 a copy of the veteran's DD Form 214, as issued by the United
 410 States Department of Defense, the veteran's veteran
 411 identification card issued pursuant to s. 322.0511, or another
 412 acceptable form of identification as specified by the Department
 413 of Veterans' Affairs, and a copy of a valid marriage license or
 414 certificate verifying that he or she was lawfully married to the
 415 veteran at the time of discharge; or

416 3. A business entity must provide to the department proof
 417 that a veteran or the spouse of a veteran holds a majority
 418 ownership in the business, a copy of the veteran's DD Form 214,
 419 as issued by the United States Department of Defense, the
 420 veteran's veteran identification card issued pursuant to s.
 421 322.0511, or another acceptable form of identification as
 422 specified by the Department of Veterans' Affairs, and, if
 423 applicable, a copy of a valid marriage license or certificate
 424 verifying that the spouse of the veteran was lawfully married to
 425 the veteran at the time of discharge.

426 Section 15. Paragraph (c) of subsection (2) of section
 427 559.928, Florida Statutes, is amended to read:

428 559.928 Registration.—

429 (2)

430 (c) The department shall waive the initial registration
 431 fee for an honorably discharged veteran of the United States
 432 Armed Forces, the spouse of such a veteran, or a business entity
 433 that has a majority ownership held by such a veteran or spouse
 434 if the department receives an application, in a format
 435 prescribed by the department, within 60 months after the date of
 436 the veteran's discharge from any branch of the United States
 437 Armed Forces. To qualify for the waiver:—

438 1. A veteran must provide to the department a copy of his
 439 or her DD Form 214, as issued by the United States Department of
 440 Defense, his or her veteran identification card issued pursuant
 441 to s. 322.0511, or another acceptable form of identification as
 442 specified by the Department of Veterans' Affairs;

443 2. The spouse of a veteran must provide to the department
 444 a copy of the veteran's DD Form 214, as issued by the United
 445 States Department of Defense, the veteran's veteran
 446 identification card issued pursuant to s. 322.0511, or another
 447 acceptable form of identification as specified by the Department
 448 of Veterans' Affairs, and a copy of a valid marriage license or
 449 certificate verifying that he or she was lawfully married to the
 450 veteran at the time of discharge; or

451 3. A business entity must provide to the department proof
452 that a veteran or the spouse of a veteran holds a majority
453 ownership in the business, a copy of the veteran's DD Form 214,
454 as issued by the United States Department of Defense, the
455 veteran's veteran identification card issued pursuant to s.
456 322.0511, or another acceptable form of identification as
457 specified by the Department of Veterans' Affairs, and, if
458 applicable, a copy of a valid marriage license or certificate
459 verifying that the spouse of the veteran was lawfully married to
460 the veteran at the time of discharge.

461 Section 16. Subsection (6) of section 626.171, Florida
462 Statutes, is amended to read:

463 626.171 Application for license as an agent, customer
464 representative, adjuster, service representative, managing
465 general agent, or reinsurance intermediary.—

466 (6) Members of the United States Armed Forces and their
467 spouses, and veterans of the United States Armed Forces who have
468 retired within 24 months before application for licensure, are
469 exempt from the application filing fee prescribed in s. 624.501.
470 Qualified individuals must provide a copy of a military
471 identification card, military dependent identification card,
472 military service record, military personnel file, veteran
473 identification card, veteran record, discharge paper, or
474 separation document, or a separation document that indicates
475 such members of the United States Armed Forces are currently in

476 good standing or were honorably discharged.

477 Section 17. Paragraph (f) of subsection (5) of section
478 790.06, Florida Statutes, is amended to read:

479 790.06 License to carry concealed weapon or firearm.—

480 (5) The applicant shall submit to the Department of
481 Agriculture and Consumer Services or an approved tax collector
482 pursuant to s. 790.0625:

483 (f) For expedited processing of an application:

484 1. A servicemember shall submit a copy of the Common
485 Access Card, United States Uniformed Services Identification
486 Card, or current deployment orders.

487 2. A veteran shall submit a copy of the DD Form 214,
488 issued by the United States Department of Defense, the veteran
489 identification card issued pursuant to s. 322.0511, or another
490 acceptable form of identification as specified by the Department
491 of Veterans' Affairs.

492 Section 18. This act shall take effect July 1, 2017.



Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Local, Federal & Veterans
 2 Affairs Subcommittee
 3 Representative Combee offered the following:

Amendment



6 Remove lines 35-39 and insert:
 7 veteran and his or her full name, branch of service, and
 8 signature. The words "Proof of veteran status only. Not for
 9 official

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 193 Towing and Storage Fees

SPONSOR(S): Cortes

TIED BILLS: IDEN./SIM. BILLS: SB 282

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee		Darden 	Miller 
2) Transportation & Infrastructure Subcommittee			
3) Government Accountability Committee			

SUMMARY ANALYSIS

County and municipal governments may contract with wrecker operators to tow or remove wrecked, disabled, or abandoned vehicles from streets, highways, and accident sites within their jurisdiction. Counties and municipalities may establish a wrecker operator system to apportion towing services across multiple wrecker operators. Wrecker operators who participate in the wrecker operator system are known as authorized wrecker operators.

Counties and municipalities are authorized to establish maximum rates for the towing and storage of vehicles pursuant to an ordinance or rule adopted pursuant to s. 125.0103, F.S. or s. 166.043, F.S..

Some municipalities impose an administrative fee on vehicles towed by an authorized wrecker operator if the vehicle is seized or towed in connection with certain misdemeanors or felonies. The administrative fee is collected by the towing company on behalf of the municipal government and, in addition to towing and storage fees, must be paid before the vehicle is released to the registered owner or lienholder.

The bill prohibits a county or municipality from enacting a rule or ordinance that imposes a fee or charge on authorized wrecker operators. The bill does not prohibit a county or municipality from levying a local business tax on authorized wrecker operators and does not impact the ability of a county or municipality to impose a "reasonable fee or charge" on the legal owner of a vehicle if a county or municipal law enforcement officer has caused the owner's vehicle to be towed to and impounded at a facility owned by the county or municipality.

The bill has no fiscal impact on state government. The bill would have a negative fiscal impact on local governments, to the extent these governments are currently imposing towing and storage fees.

The effective date of the bill is July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

County and Municipal Wrecker Operator Systems

A county or municipal government may contract with one or more wrecker operators to tow or remove wrecked, disabled, or abandoned vehicles from streets, highways, and accident sites.¹ After the establishment of such contract(s), the county or municipality must create a "wrecker operator system" to apportion towing assignments between the contracted wrecker services. This apportionment may occur through the creation of geographic zones, a rotation schedule, or a combination of those methods. Any wrecker operator that is included in the wrecker operator system is an "authorized wrecker operator" in the jurisdiction, while any wrecker operation not included is an "unauthorized wrecker operator."²

Unauthorized wrecker operators are not permitted to initiate contact with a wrecked or disabled vehicle.³ If the operator of a disabled vehicle initiates contact, an unauthorized wrecker operator must disclose in writing, before the vehicle is connect to the towing apparatus:

- their full name,
- driver's license number,
- that they are not a member of the wrecker operator system,
- that the vehicle is not being towed for the owner's insurance company or lienholder
- whether they have an insurance policy providing \$300,000 in liability coverage and \$50,000 in on-hook cargo coverage, and
- maximum rates for towing and storage.⁴

The unauthorized wrecker operator is also required to disclose this information to any law enforcement officer present.⁵ It is a second degree misdemeanor for an unauthorized wrecker operator to initiate contact or to fail to provide required information after contact has been initiated. An unauthorized wrecker operator misrepresenting his or her status as an authorized wrecker operator commits a first degree misdemeanor.⁶ Unauthorized wrecker operators also are prohibited from monitoring police radios to determine the location of wrecked or disabled vehicles.⁷

Counties are required to establish maximum rates for the towing and storage of vehicles removed from private property, removed from the scene of an accident, or where the vehicle is towed at the request of a law enforcement officer.⁸ Municipalities are also authorized to adopt maximum rate ordinances.⁹

Authority for Local Governments to Charge Fees

Counties and cities do not have authority to levy taxes, other than ad valorem taxes, except as provided by general law.¹⁰ However, local governments possess the authority to impose user fees or

¹ Section 323.002(1)(c), F.S.

² Section 323.002(1)(a)-(b), F.S.

³ Section 323.002(2)(b), F.S.

⁴ Section 323.002(2)(c), F.S.

⁵ *Id.*

⁶ Section 323.002(2)(d), F.S.

⁷ Section 323.002(2)(a), F.S.

⁸ Section 125.0103(1)(c), F.S.

⁹ Section 166.043(1)(c), F.S.

STORAGE NAME: h0193.LFV.DOCX

DATE: 2/1/2017

assessments by local ordinance, as such authority is within the constitutional and statutory home rule powers of local governments.¹¹ The key distinction between a tax and a fee is that fees are voluntary and benefit particular individuals in a manner not shared by others in the public.¹² On the other hand, a tax is a “forced charge or imposition, operating whether we like it or not and in no sense depends on the will or contract of the one on whom it is imposed.”¹³

Administrative Fees Related to Towing and Storage

Some municipalities charge administrative fees when a vehicle is towed in connection with certain misdemeanors or felonies.

The City of Sarasota seizes the vehicle of those arrested for crimes related to drugs or prostitution.¹⁴ The registered owner of the vehicle is then given two options:

- The registered owner may request a hearing where the city must show by a preponderance of the evidence that the vehicle was used to facilitate the commission of an act of prostitution or any violation of ch. 893, F.S., the Florida Comprehensive Drug Abuse Prevention and Control Act. The owner may post a bond equal to the civil penalty (\$500.00), hearing costs (\$50.00), and towing and storage fees (\$125.00 plus \$25.00 per day) to receive the vehicle back pending the outcome of the hearing, or the owner may leave the vehicle in impound, incurring additional fees.
- The registered owner may waive the right to a hearing and pay the civil penalty (\$500.00).

If the registered owner of the vehicle is unable to pay the administrative penalty with 35 days, the city disposes of the vehicle. The same process and rate structure is employed by the City of Bradenton.¹⁵

Other municipalities have enacted ordinances charging an administrative fee for any vehicle impoundment associated with an arrest. For example, the City of Sweetwater imposes an “impoundment administrative fee” on all vehicles seized incident to an arrest. The fee is \$500 if the impoundment stems from a felony arrest and \$250 if the impoundment stems from a misdemeanor.¹⁶

The City of Winter Springs imposes an administrative fee for impoundment arising from twelve offenses enumerated in the authorizing ordinance, ranging from prostitution to dumping litter weighing more than 15 pounds.¹⁷ The registered owner may request a hearing, either accruing additional storage fees pending the hearing or posting a bond equal to the amount of the administrative fee (\$550.00). If the registered owner waives the right to hearing, the administrative fee is reduced to \$250.00. These fees are payable to the city but are collected by towing companies.¹⁸

By contract, some municipalities require wrecker services to pay a monthly fee for serving as authorized wrecker operators. For example, the contract between the City of Sarasota and a wrecker operator requires the operator to pay the city \$10,151 per month for “the opportunity to provide” wrecker services, as well as \$500 for each impounded vehicle sold by the wrecker service.¹⁹

¹⁰ Art. VII, s. 1(a), Fla. Const.

¹¹ *City of Boca Raton v. State*, 595 So. 2d 25, 30 (Fla. 1992).

¹² *City of Miami v. Quik Cash Jewelry & Pawn, Inc.*, 811 So.2d 756, 758 (Fla. 3rd DCA 2002).

¹³ *Id.* at 758-59.

¹⁴ Sarasota Police Department, *Vehicle Seizure Program*, available at <http://www.sarasotapd.org/vehicle-seizure-program/> (last accessed Jan. 31, 2017).

¹⁵ Bradenton, FL Code of Ordinances, ch. 54, art. IV (2016).

¹⁶ Sweetwater, FL Code of Ordinances, ch. 42-1, s. 42.1(c) (2017).

¹⁷ City of Winter Springs, Ordinance No. 2016-01 (effective October 23, 2016).

¹⁸ Winter Springs, FL Notice of Right to Hearing Form. A copy of this form is attached as Appendix A.

¹⁹ Agreement for Wrecker Towing and Storage Services, City of Sarasota and J&G WFR, Inc. dba Direct Towing. A copy of the relevant portions of the contract is attached as Appendix B.

Effect of Proposed Changes

The bill would prohibit a county or municipality from enacting a rule or ordinance that imposes a fee or charge on authorized wrecker operators. This prohibition includes, but is not limited to, situations where:

- The county or municipality contacts the wrecker operator or vehicle storage company to provide services;
- The vehicle is impounded as a result of the commission or attempted commission of a crime;
- A county or municipal law enforcement officer causes a vehicle to be towed after an accident, where the vehicle became disabled, or the owner/operator is incapacitated; or
- The vehicle is towed at the request of a property owner as permitted by s. 715.07(2), F.S.

The prohibition would not impact the ability of the county or municipality to levy a business tax under ss. 205.0315, 205.033, or 205.0535, F.S. It would also not impact the ability of the county to impose a "reasonable fee or charge" by ordinance on the legal owner of a vehicle if a county or municipal law enforcement officer has caused the owner's vehicle to be towed to and impounded at a facility owned by the county or municipality.

B. SECTION DIRECTORY:

- Section 1: Creates s. 125.01047, F.S., prohibiting counties from enacting ordinances imposing specific fees and charges on authorized wrecker operators.
- Section 2: Creates s. 166.04465, F.S. prohibiting municipalities from enacting ordinances imposing specific fees and charges on authorized wrecker operators.
- Section 3: Provides an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill may have an insignificant negative fiscal impact on local governments, to the extent these governments are using fees connected to towing as a revenue source.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill will reduce expenses for towing companies that are located in municipalities currently charging a fee.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Florida Constitution may apply because this bill limits the ability of counties and municipalities to impose certain fees; however, an exemption may apply as the fiscal impact is likely to be insignificant.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

APPENDIX A



NOTICE OF RIGHT TO HEARING

Case#: []
Dated this [] day of [], 20 []

HAND DELIVERED TO:

NAME: [] DOB []
ADDRESS: []
D/L # [] Sex: [] Race: []

SECTION 1:

The following property was taken on the [] day of [], 20 [], on or about [] hours by members of the Winter Springs Police in the vicinity of [] because the undersigned police officer has probable cause to believe that the vehicle:

- Was used to facilitate the commission or attempted commission of an act of prostitution, assignation or lewdness as defined in §796.07, F.S. or the exposure of sexual organs as set forth in section 800.03 F.S.
Was knowingly used in the commission of any misdemeanor act of possession or attempted possession of any controlled substance as defined in section 893.02 F.S.
Was used, intended or attempted to be used, to facilitate the commission of any misdemeanor violation of Chapter 893 F.S.
Was used, intended or attempted to be used, to facilitate the commission of any misdemeanor violation of section 316.061 F.S.
Was used, intended or attempted to be used, to facilitate the commission of any misdemeanor violation of section 322.34 F.S.
Was operated by a person driving under the influence defined in section 316.193 F.S. when such violation is a misdemeanor.
Was used in the commission of the offense of driving without a valid license or permit in violation of 322.03 F.S.
Was being operated on a public street and is not covered by liability insurance as required by Chapter 324 F.S.
Was used in the commission of the misdemeanor offense of criminal mischief in violation section 806.13 F.S.
Was used to dump litter in any manner prohibited by section 403.413(4) F.S. exceeding 15 lbs. or 27 cu. ft. in volume not exceeding 500 lbs. or 100 cu. ft. and not for commercial purposes.
Was being operated by a person presenting proof of insurance in violation of section 316.646(4) F.S. knowingly not in force.
Was parked in a way impeding traffic, creating a hazard, obstructing a street or city utility or left unattended because the driver was taken into custody by law enforcement.

Such property is being held pending civil proceedings under Winter Springs Code, Section 12 and is described as: YEAR [] MAKE [] MODEL [] COLOR [] TAG [] VIN/HIN [] STATE []

Other []

And is currently being held at:

Tri-County Towing
1155 Belle Ave.
Winter Springs, FL 32708
(407) 695-4400

Winter Springs Police Department
300 N. Moss Rd.
Winter Springs, FL 32708
(407) 327-1000

Received By (Operator/Owner) Signed

Received By (Operator/Owner) Print

Delivered By (Officer/Clerk) Signed

Delivered By (Officer/Clerk) Print

SECTION 2:

Pursuant to City Code, Section 12-100 the owner has the right to request a hearing in the following manner:

Within seven (7) business days of receipt of this notice, the owner, co-owner or lienholder may request a hearing by delivering to the Police Department, at 300 N. Moss Rd., Seminole County, Winter Springs, Florida 32708, a written request for a hearing.

Such request for a hearing shall include a valid telephone number and correct address where the owner, co-owner, or lienholder may be contacted.

The written notice must be received by the Police Department within the allotted time or the right to a hearing shall be deemed to be waived.

SECTION 3:

In order to retrieve the above described vehicle, the owner has the below options:

Owner, Co-Owner, or Lienholder Requesting a Hearing:

The Owner, Co-Owner, or Lienholder may secure release of the vehicle by posting a bond (cash, money order, or certified check payable to the City of Winter Springs) in the amount of \$550.00 submitted to the towing company. The Owner, Co-Owner, or Lienholder may then take possession of the vehicle from the towing company after payment of towing and storage charges payable to the towing company.

The Owner, Co-Owner, or Lienholder may leave the vehicle impounded and request a hearing directly from the police department Support Services Bureau.

Owner, Co-Owner, or Lienholder Waiving a Hearing and Submitting Civil Penalty:

The Owner, Co-Owner, or Lienholder may secure release of the vehicle by submitting a civil penalty (cash, money order, or certified check payable to the City of Winter Springs) in the amount of \$250.00 and submitted to the towing company during business hours.

The Owner, Co-Owner, or Lienholder then may receive the vehicle from the towing company after payment of towing and storage charges payable to the the towing company.

An executed written waiver shall bind both the owner and co-owner except as otherwise provided herein.

APPENDIX B

AGREEMENT FOR WRECKER TOWING AND STORAGE SERVICES

THIS AGREEMENT FOR WRECKER TOWING AND STORAGE SERVICES, made and entered into this 5 day of MAY, 2010 by and between the CITY OF SARASOTA, FLORIDA, a municipal corporation, hereinafter referred to as "CITY," and J & G WFR, INC. DBA DIRECT TOWING, a Florida corporation, hereinafter referred to as "DIRECT".

WITNESSETH:

WHEREAS, CITY has publicly announced an invitation to Bid to obtain annual wrecker towing and storage services on an as needed basis pursuant to invitation to Bid No. 10-08MK; and

WHEREAS, DIRECT has submitted a responsive bid which has been accepted by CITY to provide the CITY with the annual wrecker towing and storage services on an as needed basis; and

WHEREAS, CITY and DIRECT desire to formalize the terms and conditions of DIRECT's performance of such services as set forth herein; and

WHEREAS, the City Manager, pursuant to Sarasota City Code Section 2-5 (3) v. is authorized to administratively approve and execute this Agreement on behalf of CITY so long as the total compensation paid to DIRECT during the entire term of this Agreement, as may be extended, does not exceed Two Hundred Thousand Dollars (\$200,000.00).

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND THE MUTUAL COVENANTS CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

1. Definitions: The following terms shall have the meanings herein ascribed to them:

A. City Manager shall mean the City manager of the City of Sarasota, Florida, or his designee.

B. Police Chief shall mean the Chief of Police of the City of Sarasota, Florida, or his designee.

C. Project shall mean the Scope of Services to be performed by DIRECT in furtherance of this Agreement. The Scope of Services shall include all labor, materials, tools, equipment, insurance and the like required to perform vehicle and vessel towing and storage services within the boundaries of the towing area on an as needed basis for CITY. A more detailed description of the Scope of Services is set forth in the City of Sarasota Police Department Vehicle and Vessel Towing and Storage Services section found on pages 13 through 20, inclusive, of invitation to Bid No. 10-08MK. A copy of invitation to Bid No. 10-08MK, as well as the Bid Form submitted by DIRECT in response thereto, are on file in the offices of

the Financial Administration Purchasing Division of CITY. Invitation to Bid No. 10-08MK, as well as DIRECT's Bid Form submitted in response thereto are deemed incorporated by reference into this Agreement. DIRECT covenants to strictly comply with all of the terms and conditions of Bid No. 10-08MK as well as DIRECT's Bid Form submitted in response thereto. In the event of any conflict between the terms set forth in the main body of this Agreement and Invitation to Bid No. 10-08MK, the terms and conditions set forth in the main body of this Agreement shall control.

2. Scope of Services: DIRECT shall diligently and timely provide all labor, material and equipment required for the Scope of Services for the Project in strict conformance with Bid No. 10-08MK as well as DIRECT's Bid Form submitted in response thereto and in strict conformance with all the terms and conditions of this Agreement. The parties hereby agree to be bound by the terms and conditions set forth in Bid No. 10-08MK as well as DIRECT's Bid Form submitted in response thereto. The Police Chief will notify DIRECT when an assignment within the Project Scope of Services may be available. DIRECT covenants to provide the Project Scope of Services within the time limits set forth in Invitation to Bid No. 10-08MK.

3. Payment: In consideration for CITY providing DIRECT the opportunity to provide the Scope of Services, DIRECT agrees to pay CITY a fee in the amount of Ten Thousand One Hundred Fifty One and 00/100 Dollars (\$10,151.00) per month. Said payment shall be submitted to the CITY prior to the 10th day of each month. This monthly payment shall be due and payable by DIRECT to CITY in advance for each month during the term of this Agreement. Furthermore, in consideration of the CITY not placing, attempting to foreclose or foreclosing a vehicle impoundment lien upon a vehicle impounded pursuant to Section 33-271 of the Sarasota City Code, DIRECT agrees to waive any and all storage charges to which the CITY would be obligated to pay as a result of the operation of any provision of Chapter 822, Florida Statutes, on any vehicles impounded by the City and stored by DIRECT. As further

consideration, DIRECT shall pay CITY Five Hundred Dollars (\$500.00) for each sale by DIRECT of a vehicle that was sold subsequent to a seizure initiated by the police department of CITY. Said payment shall be made to CITY within thirty (30) days of DIRECT'S sale of a vehicle which had been seized.

4. Term: This Agreement shall be effective upon complete execution by each of the parties hereto. The initial term of this Agreement shall expire one year thereafter. This Agreement may be extended upon mutual agreement of the parties for up to two additional one year periods under the same terms and conditions pursuant to an amendment to this Agreement.

5. Public Records: DIRECT acknowledges that it shall be responsible to totally and fully comply with the Florida Public Records Law as set forth in Chapter 119, Florida Statutes and all other relevant laws, rules and regulations regarding public records.

6. Termination Without Default: The City Manager shall have the right at any time upon fifteen (15) days written notice to DIRECT to terminate the services of DIRECT hereunder for any reason whatsoever. If the City Manager terminates this Agreement pursuant to this Section 6, DIRECT shall be entitled to a pro-rated refund of the monthly payment required by Section 3 above. The amount of the refund shall be pro-rated based upon the number of days remaining in the calendar month starting with the day after the effective date of termination.

7. Termination With Default: DIRECT acknowledges that the conditions, covenants and requirements on its part to be kept, as set forth herein, are material inducements to CITY entering into this Agreement. Should DIRECT fail to perform any of the conditions, covenants and requirements on its part to be kept, the City Manager shall give written notice thereof to DIRECT specifying those acts or things which must occur in order to cure said default, including the time within which such cure shall occur. DIRECT shall have seventy two (72) hours measured from the date and time of the written notice within which to cure the default.

1 A bill to be entitled

2 An act relating to towing and storage fees; creating
 3 ss. 125.01047 and 166.04465, F.S.; prohibiting
 4 counties and municipalities from enacting certain
 5 ordinances or rules to impose a fee or charge on
 6 wrecker operators or vehicle storage companies;
 7 providing exceptions; providing an effective date.
 8

9 Be It Enacted by the Legislature of the State of Florida:
 10

11 Section 1. Section 125.01047, Florida Statutes, is created
 12 to read:

13 125.01047 Rules and ordinances relating to towing or
 14 storage services.-

15 (1) A county may not enact an ordinance or rule that would
 16 impose a fee or charge on an authorized wrecker operator, as
 17 defined in s. 323.002(1), or a vehicle storage company for
 18 towing, storing, or impounding a vehicle by the wrecker operator
 19 or vehicle storage company. This prohibition applies to and
 20 includes, but is not limited to, situations where:

21 (a) The county contacts the wrecker operator or the
 22 vehicle storage company to provide such services.

23 (b) A county law enforcement officer causes a vehicle to
 24 be towed, stored, or impounded after an accident or after the
 25 vehicle has become disabled.

26 (c) A vehicle is towed, stored, or impounded as a result
 27 of the commission or attempted commission of a crime or
 28 misdemeanor.

29 (d) A county law enforcement officer causes a vehicle to
 30 be towed, stored, or impounded when the owner or operator is
 31 incapacitated.

32 (e) A vehicle is towed at the request of a person who is
 33 not a law enforcement officer or at the request of a person as
 34 set forth in s. 715.07(2).

35 (2) The prohibition set forth in subsection (1) does not
 36 affect a county's authority to:

37 (a) Levy a reasonable business tax under s. 205.0315, s.
 38 205.033, or s. 205.0535.

39 (b) Impose a reasonable fee or charge, not to exceed the
 40 maximum rates approved by ordinance or rule under s. 125.0103 or
 41 s. 166.043, on the legal owner of a vehicle if a county law
 42 enforcement officer has caused the owner's vehicle to be towed
 43 to and impounded at a facility owned by the county.

44 Section 2. Section 166.04465, Florida Statutes, is created
 45 to read:

46 166.04465 Rules and ordinances relating to towing or
 47 storage services.—

48 (1) A municipality may not enact an ordinance or rule that
 49 would impose a fee or charge on an authorized wrecker operator,
 50 as defined in s. 323.002(1), or a vehicle storage company for

51 towing, storing, or impounding a vehicle by the wrecker operator
 52 or vehicle storage company. This prohibition applies to and
 53 includes, but is not limited to, situations where:

54 (a) The municipality contacts the wrecker operator or the
 55 vehicle storage company to provide such services.

56 (b) A municipal law enforcement officer causes a vehicle
 57 to be towed, stored, or impounded after an accident or after a
 58 vehicle has become disabled.

59 (c) A vehicle is towed, stored, or impounded as a result
 60 of the commission or attempted commission of a crime or
 61 misdemeanor.

62 (d) A municipal law enforcement officer causes a vehicle to
 63 be towed, stored, or impounded when the owner or operator is
 64 incapacitated.

65 (e) A vehicle is towed at the request of a person who is
 66 not a law enforcement officer or at the request of a person as
 67 set forth in s. 715.07(2).

68 (2) The prohibition set forth in subsection (1) does not
 69 affect a municipality's authority to:

70 (a) Levy a reasonable business tax under s. 205.0315, s.
 71 205.043, or s. 205.0535.

72 (b) Impose a reasonable fee or charge, not to exceed the
 73 maximum rates approved by ordinance or rule under s. 125.0103 or
 74 s. 166.043, on the legal owner of a vehicle if a municipal law
 75 enforcement officer has caused the owner's vehicle to be towed

76 | to and impounded at a facility owned by the municipality.

77 | Section 3. This act shall take effect July 1, 2017.



Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Local, Federal & Veterans
 2 Affairs Subcommittee
 3 Representative Cortes, B. offered the following:

Amendment (with title amendment)

6 Remove lines 19-34 and insert:
7 or vehicle storage company.

8 Remove lines 52-67 and insert:
9 or vehicle storage company.

10 Between lines 76 and 77, insert:

11 Section 3. Subsection (5) is added to section 323.002,
12 Florida Statutes, to read:

13 323.002 County and municipal wrecker operator systems;
14 penalties for operation outside of system.-

15 (5) (a) Except as provided in paragraph (b) of this
16 subsection, no county or municipality shall adopt or maintain in



Amendment No.

17 effect an ordinance or rule which imposes any charge, cost,
18 expense, fine, fee, or penalty, other than the reasonable costs
19 of towing and storage incurred by an authorized wrecker
20 operator, on the registered owner or lienholder of a vehicle
21 removed and impounded by an authorized wrecker operator under
22 this chapter.

23 (b) A county or municipality may impose a reasonable fee or
24 charge for towing and storage expenses, not to exceed the
25 maximum rates approved by ordinance or rule under s. 125.0103 or
26 s. 166.043, on the legal owner of a vehicle if a county or
27 municipal law enforcement officer has caused the owner's vehicle
28 to be towed to and impounded at a facility owned by the county
29 or municipality.

31 -----

32 **T I T L E A M E N D M E N T**

33 Remove line 7 and insert:
34 providing exceptions; amending s. 323.002, F.S.; prohibiting
35 counties and municipalities from imposing additional fees on
36 registered owner or lienholder of a vehicle; providing an
37 exception; providing an effective date.

Community Redevelopment Agencies

STATE OF FLORIDA AUDITOR GENERAL

Local Government Financial Reporting
System Performance Audit – Report
No. 2015-037 – CRA Findings

House Local, Federal, and Veterans
Affairs Sub-Committee
February 8, 2017 Meeting



Sherrill F. Norman, CPA
Auditor General

Local Government Financial Reporting System



LGFRS means any statutory provisions related to local government financial reporting, which should provide for the accumulation of financial and other information to be used by the Legislature and other officials to: (Section 11.45(2)(g), FS)

- Enhance citizen participation in local government;
- Improve the financial condition of local governments;
- Provide essential government services in an efficient and effective manner; and
- Improve decision-making on the part of the Legislature, State agencies, and local government officials on matters relating to local governments.

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Community Redevelopment Agencies (CRAs)

- CRAs are special districts created by cities or counties to redevelop slum and blighted areas or to address a shortage of affordable housing for low to moderate income individuals or the elderly.
- CRAs are funded through tax increment financing as described in Section 163.387(1)(a), FS
- Of the 1660 special districts, 219 are CRAs (13% of all special districts)
- CRAs are dependent districts, usually because:
 - Membership of CRA's governing body is identical to that of the governing body of a single county or a single municipality, or
 - Members of CRA's governing body are appointed by the governing body of a single county or a single municipality

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 1: Expenditures of a community redevelopment agency (CRA)

- As special districts, CRAs are limited to the express powers provided by law
- Section 163.387(6), FS, provides that CRAs may expend CRA trust fund moneys as provided in the CRA plan for enumerated purposes but is preceded by the phrase “including but not limited to”
- Our audits of CRAs have disclosed that many CRAs use CRA trust fund moneys for promotional activities or for purposes that may not be consistent with the intent of the Redevelopment Act
- **Recommend revising Section 163.387(6), FS, to limit CRA trust fund expenditures to specified purposes (expanded to include all authorized purposes)**

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 2: CRA Governance

- The CRA governing board was the same as the governing body of the entity that created the CRA for 67 percent of active CRAs as of 9/30/14.
- Taxing authorities, other than the entity that created the CRA, must remit tax increment revenues to the CRA but likely have no say in how those moneys are expended
- Our audits of municipal CRAs disclosed instances in which the CRAs appeared to have paid moneys to the municipality that created the CRA for general operating expenses, contrary to Section 163.370(3), FS
- **Recommend revising Chapter 163, FS, to require county approval for the adoption and amendment of all municipal CRA plans**

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 3: CRA Exemptions

- 31 CRAs that adopted a CRA plan or were authorized to issue debt prior to 10/1/84 are not subject to provisions in law governing the contents of a CRA's plan
- One of the CRAs we audited was created in 1981 and its CRA plan was very general, making it difficult to identify authorized CRA activities
- **Recommend repealing Section 163.362(11), FS, to impose the same requirements as to the contents of CRA plans on all CRAs**

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 4: CRA Trust Fund Unexpended Balances

- Section 163.387(7), FS, governs the disposition of unexpended balances in the CRA trust fund at fiscal year-end
- No mechanism is provided for CRAs to establish reserves to mitigate current and future risks (e.g., revenue shortfalls)
- **Recommend revising Section 163.387(7), FS, to allow CRAs to establish reserves**

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 5: CRA audits

- Section 163.387(8), FS, requires the CRA to provide for an annual financial audit of the CRA trust fund
- Use of moneys in the CRA trust fund are restricted to those purposes specified in Section 163.387(6), FS, and in the CRA plan, and disposition of CRA trust fund moneys is specified in Section 163.387(7), FS
- Our audits of CRAs have disclosed noncompliance with Sections 163.387(6) and (7), FS
- **Recommend revising Section 163.387(8), FS, to require financial auditors to determine CRAs' compliance with Section 163.387(6) and (7), FS**



Questions?

Local Government Revenue Sharing

Presentation to
Local, Federal & Veterans Affairs Subcommittee
Florida House of Representatives
February 8, 2017



- Background on Local Government Revenue Sharing Programs
 - Funding Sources
 - Distribution Formulas
 - Requirements for a Newly Incorporated City to Receive Funds
 - Effects of Incorporation
- Background on Certain Local Revenue Sources
 - Those that must be shared with newly incorporated cities
- Timeline for Newly Incorporated Cities to Receive Revenue Sharing
 - Statutory Timeline
 - Adjustments to Statutory Timeline in Special Acts
- Proposed Incorporation Feasibility Studies
 - Things to consider

Revenue Sharing Programs

- County Revenue Sharing
- Municipal Revenue Sharing
- Local Government Half-cent Revenue Sharing Program

Revenue Sharing funds received by cities and counties are affected when a new city incorporates

Local Revenue Sources

- Certain Local Revenue Sources are also impacted when a new city incorporates
 - Certain Local Option Sales Surtaxes
 - Certain Local Option Gas Taxes
 - Local Communication Services Tax

County Revenue Sharing

- Funding for County Revenue Sharing (estimates)
 - 2.0810 % of net state 6% Sales Tax (\$469.2 M in 2016-17)
 - Section 212.20, Florida Statutes
 - 2.9% of net Cigarette Tax collections (\$7.2 M in 2016-17)
 - Section 210.20, Florida Statutes
- Apportionment Formula
 - Determines amount received for each county
 - Sections 218.20 to 218.26, Florida Statutes
 - Distributions are calculated on a statewide basis

County Revenue Sharing Apportionment Formula

- Distribution percentage for each county is:

$$\frac{\text{County Population}}{\text{State Population}} + \frac{\text{County Unincorporated Population}}{\text{Statewide Unincorporated Population}} + \frac{\text{County Sales Tax Collections}}{\text{Statewide Sales Tax Collections}}$$

County Revenue Sharing Effect of Incorporation

- All other things being equal:
 - County within which incorporation occurs receives less County Revenue Sharing
 - All other counties will receive more revenue sharing due to reduced unincorporated population
 - Impact will begin in the state fiscal year following incorporation

Municipal Revenue Sharing

- Funding for Municipal Revenue Sharing (estimates)
 - 1.3653% of net state 6% Sales Tax (\$307.8 M in 2016-17)
 - Section 212.20, Florida Statutes
 - One-cent Municipal Fuel Tax on Motor Fuel (\$97.4 M in 2016-17)
 - Section 206.605, Florida Statutes
 - This portion of Municipal Revenue Sharing may only be used only for transportation expenditures
- Apportionment Formula
 - Determines amount received for each municipality
 - Sections 218.20 to 218.26, Florida Statutes
 - Distributions are calculated on a statewide basis
 - Much more complicated than the County Revenue Sharing formula

Municipal Revenue Sharing Apportionment Formula

Apportionment =
Factor

$$\frac{\textit{Proportion of Adjusted Municipal Population} + \textit{Proportion of Derived Municipal Sales Tax Collections} + \textit{Proportion of Municipalities Relative Ability To Raise Revenues}}{3}$$

Each of these terms have substantial sub-calculations. These are not discussed further in this presentation.

Municipal Revenue Sharing Effect of Incorporation

- All other things being equal:
 - City that incorporated will receive Municipal Revenue Sharing
 - All other cities will receive less Municipal Revenue Sharing due to eligibility for new city to receive funds and total statewide funds being fixed
 - Impact will begin in the month a newly incorporated city starts receiving Municipal Revenue Sharing

Local Government Half-cent Revenue Sharing Program

- Funding Source (Ordinary Distribution - estimate)
 - 8.9744% of net state 6% Sales Tax (\$1,998.6 M in 2016-17)
 - Section 212.20, Florida Statutes
 - Distributes an amount of state 6% Sales Tax collected within a county to that county and cities within that county
- Apportionment Formula
 - Determines the share received by each city and the county
 - Section 218.62, Florida Statutes

Local Government Half-cent Revenue Sharing Program Apportionment Formula – Municipal Calculation

- County formula for any given county. The result is applied to the total half-cent from activity that took place in the county.

$$\frac{\text{County Unincorporated Population} + \left(\frac{2}{3} \times \text{County Incorporated Population} \right)}{\text{County Population} + \left(\frac{2}{3} \times \text{County Incorporated Population} \right)}$$

Local Government Half-cent Revenue Sharing Program
Apportionment Formula – Municipal Calculation

- Municipal formula for any given city. The result is applied to the total half-cent from activity that took place in the county.

$$\frac{\text{Municipal Population}}{\text{County Population} + \left(\frac{2}{3} \times \text{County Incorporated Population} \right)}$$

Local Government Half-cent Revenue Sharing Program Effect of Incorporation

- No impact outside of county where incorporation occurred
- Newly incorporated city will receive funds
- All other cities will receive less due to increased total county incorporated population
- County will receive less due to decreased unincorporated population and increased incorporated population
- Impact begins two months after newly incorporated city becomes eligible to receive Local Government Half-cent Revenue Sharing

Local Option Sales Surtaxes

- The following Local Option Sales Surtaxes must be shared with cities (including newly incorporated cities)
 - Established in Section 212.055, Florida Statutes
 - Local Government Infrastructure Surtax
 - 25 counties levying in 2016-17
 - Small County Surtax
 - 29 counties levying in 2016-17
 - Both of these surtaxes are either distributed based on an interlocal agreement, or if no agreement exists, by the Local Government Half-cent Revenue Sharing formula
- New cities begin sharing 60 days after the Department receives notification of a new interlocal agreement

Local Option Fuel Taxes

(Sections 206.46 and 336.025, Florida Statutes)

- 1 – 6 Cent Local Option Fuel Tax
- 1 – 5 Cent Local Option Fuel Tax
- Both levies are required to be shared with cities
 - Either by interlocal agreement or by a formula based on historic transportation expenditures
- New cities can began receiving revenues beginning in the first full fiscal year following incorporation
 - By interlocal agreement
 - If no interlocal agreement, the distribution will be based on the county's transportation expenditure by lane mile multiplied by the number of lane miles in the new municipality

Local Communication Services Tax

- Local Communication Services Tax (CST) is based on city boundaries
 - Board of County Commissioners can levy Local CST in the unincorporated area
 - Cities can levy within their boundaries
- Under Section 202.21, Florida Statutes, a city must notify the Department of the passage of an ordinance to impose the CST by September 1 of a given year for that levy to take effect the following January 1.

Statutory Timeline for Newly Incorporated City to Receive Shared Revenues

- Formation of new city
 - Voter approval by referendum to establish new city
 - Election of the Governing Body
 - Meeting of the Governing Body
- Department of Revenue cannot distribute funds to a newly incorporated city until all of the above have occurred

Statutory Timeline for Newly Incorporated City to Receive Shared Revenues (continued)

- Eligibility to Share in Local Revenue Sources
 - Local Option Sales Taxes (Section 212.055, Florida Statutes)
 - 60 days after the establishment of a new interlocal agreement
 - Local Option Fuel Taxes (Section 336.025, Florida Statutes)
 - Beginning of 1st full fiscal year after incorporation
 - Based on lane mile formula
- Local Communication Services Tax (Section 202.21, Florida Statutes)
 - Must notify the Department by September 1 of any rate changes to take effect the following January 1
 - First revenues received in March

Statutory Timeline for Newly Incorporated City to Receive Shared Revenues (continued)

- **Municipal Revenue Sharing** (Section 218.23, Florida Statutes)
 - New city must have reported its finances for its most recently completed fiscal year to the Department of Financial Services.
 - New city must have levied a 3 mill equivalent in either ad valorem, occupation license tax (Local Business Tax) or utility tax. This levy must be included in the most recent financial report.
 - New city cannot receive Municipal Revenue Sharing until after the end of their first fiscal year and may not be able receive Municipal Revenue Sharing until after the completion of their first full fiscal year.

Statutory Timeline for Newly Incorporated City to Receive Shared Revenues (continued)

- Local Government Half-cent Revenue Sharing Program
 - In order to receive Half-cent funds, the newly incorporated city must be eligible to receive Municipal Revenue Sharing
 - Once qualified, the city will begin to receive Half-cent funds two months after receiving Municipal Revenue Sharing
 - Half-cent is based on sales that take place within a county

Adjustments to Statutory Timeline in Recent Special Acts

- Allow municipality to receive Municipal Revenue Sharing prior to submission of financial report
- Suspend requirement to levy 3 mills in advance of receiving Municipal Revenue Sharing
- Expand the list of revenue sources that can be used to meet the 3 mill equivalent requirement
- Provide for sharing of the Local Communication Services Tax for the period prior to when the new city can impose its own levy
- Provide for earlier sharing of the Local Option Gas Taxes

Things to Consider When Reviewing Proposed Incorporation Feasibility Plans

- Are there specific dates in the plan?
- Are the required actions in the proper order?
- Does the plan modify the statutory time frame and if so, how?
- Does the plan expand the revenue sources that can be used to meet the 3 mill equivalent requirement?
- Will the Governing Body be elected and hold the first meeting prior to the date specified for shared revenues to be received?
- Does the plan appropriately assume when shared revenues will be received?
- What is the source of estimates for shared revenues and how were these estimates calculated?

Questions?

Bob McKee
Chief Economist
Florida Department of Revenue
(850) 717-6159
Bob.McKee@Floridarevenue.com



**STATUTORY REQUIREMENTS FOR
MUNICIPAL INCORPORATION FEASIBILITY STUDY**

Item	Statute	Required Content
1	165.041(1)(b)1.	The location of territory subject to boundary change and a map of the area which identifies the proposed change.
2	165.041(1)(b)2.	The major reasons for proposing the boundary change.
3	165.041(1)(b)3.a.	A list of the current land use designations applied to the subject area in the county comprehensive plan.
4	165.041(1)(b)3.b.	A list of the current county zoning designations applied to the subject area.
5	165.041(1)(b)3.c.	A general statement of present land use characteristics of the area.
6	165.041(1)(b)3.d.	A description of development being proposed for the territory, if any, and a statement of when actual development is expected to begin, if known.
7	165.041(1)(b)4.	A list of all public agencies, such as local governments, school districts, and special districts, whose current boundary falls within the boundary of the territory proposed for the change or reorganization.
8	165.041(1)(b)5.	A list of current services being provided within the proposed incorporation area, including, but not limited to, water, sewer, solid waste, transportation, public works, law enforcement, fire and rescue, zoning, street lighting, parks and recreation, and library and cultural facilities, and the estimated costs for each current service.
9	165.041(1)(b)6.	A list of proposed services to be provided within the proposed incorporation area, and the estimated cost of such proposed services.
10	165.041(1)(b)7	The names and addresses of three officers or persons submitting the proposal.
11	165.041(1)(b)8.a.	Evidence of fiscal capacity and an organizational plan as it relates to the area seeking incorporation: -Existing tax bases, including ad valorem taxable value, utility taxes, sales and use taxes, franchise taxes, license and permit fees, charges for services, fines and forfeitures, and other revenue sources, as appropriate.
12	165.041(1)(b)8.b.	Evidence of fiscal capacity and an organizational plan as it relates to the area seeking incorporation: -A five-year operational plan that, at a minimum, includes proposed staffing, building acquisition and construction, debt issuance, and budgets.
13	165.041(1)(b)9	Data and analysis to support the conclusions that incorporation is necessary and financially feasible, including population projections and population density calculations, and an explanation concerning methodologies used for such analysis.
14	165.041(1)(b)10.	Evaluation of the alternatives available to the area to address its policy concerns.
15	165.041(1)(b)11./ 165.061(1)(a)	Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061: -New municipality is compact and contiguous and amenable to separate municipal government.
16	165.041(1)(b)11./	Evidence that the proposed municipality meets the requirements for incorporation

	165.061(1)(b)	<p>pursuant to s. 165.061:</p> <p>-New municipality has a total population, as determined in the latest official state census, special census, or estimate of population, in the area proposed to be incorporated of at least 1,500 persons in counties with a population of 75,000 or less, and of at least 5,000 population in counties with a population of more than 75,000.</p>
17	165.041(1)(b)11./ 165.061(1)(c)	<p>Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061:</p> <p>-New municipality has an average population density of at least 1.5 persons per acre or has extraordinary conditions requiring the establishment of a municipal corporation with less existing density.</p>
18	165.041(1)(b)11./ 165.061(1)(d)	<p>Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061:</p> <p>-New municipality has a minimum distance of any part of the area proposed for incorporation from the boundaries of an existing municipality within the county of at least two miles or have an extraordinary natural boundary which requires separate municipal government.</p>
19	165.041(1)(b)11./ 165.061(1)(e)1.	<p>Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061:</p> <p>-Proposed charter prescribes the form of government and clearly defines the responsibility for legislative and executive functions.</p>
20	165.041(1)(b)11./ 165.061(1)(e)2.	<p>Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061:</p> <p>-Proposed charter does NOT prohibit the legislative body of the municipality from exercising its powers to levy any tax authorized by the Constitution or general law.</p>
21	165.041(1)(b)11./ 165.061(1)(f)	<p>Per s. 10, Art. I, Fla. Const., plan honors existing solid-waste contracts in the affected geographic area subject to incorporation. (May provide for existing contracts for solid-waste-collection services to be honored only for five years or the remainder of the contract term, whichever is less, and may require that a copy of the pertinent portion of the contract or other written evidence of the duration of the contract, excluding any automatic renewals or evergreen provisions, be provided to the municipality within a reasonable time after a written request to do so.)</p>
22	165.041(1)(c)	<p>Incorporates information on county's municipal overlay adopted per s. 163.3217, F.S.</p>