

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: SB 746

INTRODUCER: Senators Negron and Sachs

SUBJECT: Vessel Registrations

DATE: January 12, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Jones</u>	<u>Eichin</u>	<u>TR</u>	<u>Favorable</u>
2.	<u>Gusky</u>	<u>Miller</u>	<u>ATD</u>	<u>Recommended: Favorable</u>
3.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 746 reduces state vessel registration fees for recreational vessels equipped with an Emergency Position Indicating Radio Beacon or whose owner owns a Personal Locator Beacon. The beacon must be registered with the National Oceanic and Atmospheric Administration in order for the owner to qualify for the reduced registration fee. Annual base vessel registration fees are reduced by a minimum of \$2.55 and a maximum of \$48.60, depending on the length of the vessel.

The bill appropriates \$5 million in recurring funds from the General Revenue Fund to the Department of Highway Safety and Motor Vehicles for the 2016-2017 fiscal year to offset the reduction in the base vessel registration fees.

The bill has an effective date of July 1, 2016.

II. Present Situation:

Vessel Registration

The term “vessel” is synonymous with boat and includes every description of watercraft, barge, or airboat, other than a seaplane on the water, used or capable of being used as a means of transportation on water.¹ Vessels operated, used, or stored on the waters of this state must be registered with the Department of Highway Safety and Motor Vehicles (DHSMV) as a commercial or recreational² vessel, unless:

- The vessel is operated, used, and stored exclusively on private lakes and ponds;
- The vessel is owned by the U.S. Government;

¹ Section 327.02(43), F.S.

² Section 327.02(37), F.S. defines a “recreational vessel” as a vessel manufactured and used primarily for noncommercial purposes, or a vessel leased, rented, or chartered to a person for his or her noncommercial use.

- The vessel is used exclusively as a ship's lifeboat; or
- The vessel is non-motor-powered and less than 16 feet in length or a non-motor-powered canoe, kayak, racing shell, or rowing scull, regardless of length.³

Section 328.72(12), F.S., provides that vessel registration periods are for 12 or 24 months. An individual who owns a vessel is eligible to register the vessel for a 12 or 24 month period that begins the first day of the birth month of the owner and ends the last day of the month preceding the owner's birth month. The registration period for vessels owned by companies, corporations, governmental entities, and registrations issued to dealers and manufacturers is July 1 to June 30.⁴

The base registration fee for vessels is determined by the length of the vessel. The vessel registration fee for a 12-month period is as follows:

- *Class A-1*: Less than 12 feet in length and all canoes to which propulsion motors have been attached, regardless of length: \$5.50;
- *Class A-2*: 12 feet or more and less than 16 feet in length: \$16.25;
- *Class 1*: 16 feet or more and less than 26 feet in length: \$28.75;
- *Class 2*: 26 feet or more and less than 40 feet in length: \$78.25;
- *Class 3*: 40 feet or more and less than 65 feet in length: \$127.75;
- *Class 4*: 65 feet or more and less than 110 feet in length: \$152.75;
- *Class 5*: 110 feet or more in length: \$189.75; and
- *Dealer Registration Certificate*: \$25.50.

Additionally, any county may impose an annual registration fee on vessels registered, operated, used, or stored on waters within its jurisdiction. This fee is 50 percent of the applicable state registration fee, and the first \$1 of every registration must be remitted to the state for deposit into the Save the Manatee Trust Fund.⁵ The Optional County Fee is retained by the county where the vessel is registered and is to be used for patrol, regulation, and maintenance of the lakes, rivers, and waters and for other boating-related activities within the county.⁶ According to the DHSMV, the counties of Broward, Charlotte, Collier, Dade, Hillsborough, Lee, Manatee, Martin, Monroe, Palm Beach, Pinellas, Polk, Sarasota, and Volusia charge the Optional County Fee.⁷

NOAA Search and Rescue Satellite Aided Tracking

The National Oceanic and Atmospheric Administration (NOAA) operates the nation's Search and Rescue Satellite Aided Tracking (SARSAT) system to detect mariners, aviators, and others all over the globe by using satellites in low-earth and geostationary orbits to detect and locate beacon-users in distress.⁸

³ Section 328.48(2), F.S.

⁴ Section 328.72(12)(c)2., F.S.

⁵ Section 328.66, F.S.

⁶ *Id.*

⁷ See Department of Highway Safety and Motor Vehicles, *Vessel Registration Chart*, available at: <http://www3.flhsmv.gov/dmv/proc/fees/fees-04.pdf> (last visited Nov. 24, 2015).

⁸ See the NOAA SARSAT website: <http://www.sarsat.noaa.gov/index.html>. (last visited Dec. 14, 2015).

The United States and the governments of Canada, France, and Russia have an agreement to provide for long-term operation of the COSPAS-SARSAT⁹ (C-S) Program, which also provides space-based relay of distress signals or alerts from emergency beacons. The program provides alerts to search and rescue authorities internationally.

Ground stations are called Local User Terminals (LUTs), which are satellite receiving units. LUTs are fully automated and unmanned. When an LUT receives a distress signal detected by satellite, it is transmitted to the mission control center (MCC) that operates that particular LUT. The MCC collects, stores, and sorts alerts from LUTs and other MCCs and distributes the alerts to search and rescue authorities and other MCCs.¹⁰

Locator Beacons

The emergency beacons used to detect those in distress operate only in the 406.0 to 406.1 megahertz (MHz) frequency band to transmit digital messages to satellites for transmission to the appropriate LUT. The frequency is restricted to low power satellite emergency position-indicating beacons in the mobile satellite service. According to NOAA, two types of 406 MHz emergency beacons are:

- *Emergency Position-Indicating Radio Beacons*, or EPIRBs:
 - An EPIRB is an emergency position-indicating radio beacon used in maritime watercraft that can be automatically or manually activated to transmit a distress signal to a satellite. EPIRBs that activate automatically typically have a hydro-static release mechanism that, when immersed, allows the beacon to release from its bracket, float to the surface and start transmitting. The beacon, along with the bracket, has to sink to approximately 3 meters before it will activate automatically. This should be taken into account when mounting an automatic EPIRB; and
- *Personal Locator Beacons*, or PLBs:
 - A PLB is a personal locator beacon designed to be carried by an individual that can only be activated manually. PLBs can be used by people operating in remote areas.¹¹

According to NOAA, the average cost of a global positioning system (GPS)-equipped EPIRB is \$800; the average cost of a PLB is \$300.¹²

Registration of Beacons with NOAA

Registration of a 406 MHz emergency beacon, and subsequent updating if the information changes, is free and required by Title 47 of the Code of Federal Regulations, part 80 for EPIRBs and part 95 for PLBs. Information provided in a registration is used by search and rescue authorities, along with the distress signal from the beacon, solely to help locate and rescue those

⁹ COSPAS is a Russian acronym for “Space System for Search of Vessels in Distress.” See the SARSAT FAQ website: <http://www.sarsat.noaa.gov/faq%202.html>. (last visited Nov. 24, 2015).

¹⁰ *Id.*

¹¹ *Id.*

¹² See *supra*, note 8.

in distress. NOAA provides an online system for initial and updated beacon registrations, and registration must be renewed every two years.¹³

NOAA indicated, as of October 6, 2015, 12,295 EPIRBs were registered indicating the vessel was registered in Florida, and 26,078 PLBs were registered indicating boat usage with a Florida mailing addresses.¹⁴ Based on this data, approximately 10 percent of vessels currently registered in Florida would qualify for the reduced registration fee.

III. Effect of Proposed Changes:

Section 1 of the bill reduces vessel registration fees for recreational vessels that are equipped with an EPIRB registered with NOAA or whose owner owns a PLB registered with NOAA. A person who owns a PLB and more than one recreational vessel may only receive a reduced registration fee for one vessel.

This reduction in fees may increase the amount of vessels or owners of vessels equipped with locator beacons. The registration fees are reduced as follows:

Recreational Vessel Registration Fees for Each 12-Month Period		
<i>Class of Vessel</i>	<i>Current Base Fee</i>	<i>Reduced Base Fee</i>
Class A-1	\$5.50	\$2.95
Class A-2	\$16.25	\$11.00
Class 1	\$28.75	\$20.40
Class 2	\$78.25	\$57.50
Class 3	\$127.75	\$94.65
Class 4	\$152.75	\$113.40
Class 5	\$189.75	\$141.15

Section 2 provides that the County Optional Fee for vessel registrations remains 50 percent of the applicable state registration fee *without* consideration of the reduced fees.

Section 3 appropriates \$5 million in recurring funds from the General Revenue Fund to the DHSMV for the 2016-2017 fiscal year to offset the reduction in base vessel registration fees.

Section 4 provides that the bill takes effect July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

¹³ *Id.*, NOAA prefers owners register beacons online at www.beaconregistration.noaa.gov, however individuals may also mail or fax signed registration forms.

¹⁴ Revenue Estimating Conference, *Analysis of HB 427 - Vessel Registration Location Indicating Services* (Oct. 29, 2015) available at: http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/_pdf/Impact1029.pdf (last visited Nov. 25, 2015).

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The bill reduces recreational vessel registration fees for vessels equipped with or whose owner owns certain registered locator beacons. The Revenue Estimating Conference (REC) reviewed the related bill, HB 427, on October 29, 2015, and estimated the bill will reduce the total sum of recreational vessel registration fees collected by the DHSMV as follows:

Fiscal Year 2016-2017 – (\$500,000)
Fiscal Year 2017-2018 – (\$600,000)
Fiscal Year 2018-2019 – (\$600,000)
Fiscal Year 2019-2020 – (\$700,000)
Fiscal Year 2020-2021 – (\$800,000).¹⁵

The actual reduction in fees collected will depend on the number of vessel owners and the size of their vessels that qualify for the reduced fee.

B. Private Sector Impact:

Individuals who have certain locator beacons registered with NOAA will receive a discount in recreational vessel registration fees.

C. Government Sector Impact:

The bill appropriates \$5 million in recurring funds from the General Revenue Fund to the DHSMV for the purpose of offsetting the reduction in recreational vessel registration fees. According to the DHSMV, reducing the registration fees will solely reduce the funds distributed to the Marine Resources Conservation Trust Fund.¹⁶

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

¹⁵ *Id.*

¹⁶ Department of Highway Safety and Motor Vehicles, *SB 746 Agency Bill Analysis* (December 4, 2015) (on file with the Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development).

VIII. Statutes Affected:

This bill substantially amends sections 328.72 and 328.66 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
