

STORAGE NAME: h1979.brc

DATE: April 7, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
BUSINESS REGULATION & CONSUMER AFFAIRS
ANALYSIS**

BILL #: HB 1979

RELATING TO: Task Force on Motor Vehicle Industry

SPONSOR(S): Representative Spratt

TIED BILL(S): None.

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

- (1) TRANSPORTATION YEAS 11 NAYS 0
 - (2) BUSINESS REGULATION & CONSUMER AFFAIRS (W/D)
 - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (4)
 - (5)
-

I. SUMMARY:

This bill creates the "Task Force on the Motor Vehicle Industry" within the Department of Highway Safety and Motor Vehicles. The task force would study and determine how the motor vehicle industry can best address:

- Motor vehicle licensing requirements;
- Unlicensed persons engaging in the business as motor vehicle dealers; and
- Enforcement of current laws regulating motor vehicle dealers.

The task force is to be composed of 12 members representing various state agencies and independent associations. The members are to be appointed by the Governor, President of the Senate, and the Speaker of the House of Representatives.

The task force would be required to submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives its interim finding by January 31, 2001, and its final report March 1, 2001.

This bill would become effective upon becoming law.

The Department of Highway Safety and Motor Vehicles is required to provide administrative support to the task force group and, therefore, will experience some costs associated with this administrative support.

Note: Please see part VI. Amendment or Committee Substitute Changes for the effect of amendments adopted by the Committee on Transportation which are traveling with the bill. Also see part V for technical comments regarding amendment three which is traveling with the bill.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1. Less Government Yes No N/A

This bill would require the task force to report to the Governor, Senate President, and the Speaker of the House of Representatives.

2. Lower Taxes Yes No N/A

3. Individual Freedom Yes No N/A

4. Personal Responsibility Yes No N/A

5. Family Empowerment Yes No N/A

B. PRESENT SITUATION:

Currently, there is not a task force in place to study all the aspects of the motor vehicle industry in this state.

C. EFFECT OF PROPOSED CHANGES:

This bill creates the "Task Force on the Motor Vehicle Industry" within the Department of Highway Safety and Motor Vehicles. The task force would study and determine how the motor vehicle industry can best address the problems associated with:

- Motor vehicle licensing requirements;
- Unlicensed persons engaging in the business as motor vehicle dealers; and
- Enforcement of current laws regulating motor vehicle dealers.

The task force composition is 12 members appointed by the Governor, the President of the Senate, and the Speaker of the House of Representatives. The members consist of one representative from each of the following:

- Division of Motor Vehicles of the Department of Highway Safety and Motor Vehicles;
- Independent motor vehicle dealer industry;
- Motor vehicle franchise dealer industry;
- Motor Vehicle auction industry;
- Department of Revenue;
- Florida Tax Collectors' Association;
- Better Business Bureau;
- Department of Agriculture and Consumer Services; and
- Insurance industry.

The task force is required to submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives its interim finding by January 31, 2001. The final report would be due by March 1, 2001, at which time the task force would cease to exist.

D. SECTION-BY-SECTION ANALYSIS:

See C. Effect of Proposed Changes, above.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

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

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

As noted below in part VI., amendment 3 is traveling with the bill and provides for two additional members, therefore, the task force is to be composed of 14 members rather than 12 members. It appears the bill needs to be further amended on page 2, line 13 to correct the reference to 12 members by inserting 14 members. It also may be desirable to increase the quorum requirement on page 4, line 28 from seven to eight members.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Transportation considered this bill on April 3, 2000 and adopted three amendments as follows:

Amendment 1: This amendment provides that the representative for the task force is to be chosen from an auto auction chain rather than an auto auction industry affiliated with an independent motor vehicle auction concern.

Amendment 2: This amendment stipulates that an in-depth review provided in this bill will not include the relationship between a motor vehicle dealer and its respective line-make licensee.

Amendment 3: This amendment provides for two additional members to the task force. Therefore, there would be 14 rather than 12 members in total. Of the two additional members, one is to be a representative of the South Florida Auto Dealers Association to be appointed by the Speaker of the House of Representatives, and one representative of the Tampa Bay Dealers Association to be appointed by the President of the Senate.

The bill was reported favorably.

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

Prepared by:

Jennifer L. Sexton-Bartelme

Staff Director:

John R. Johnston

STORAGE NAME: h1979.brc

DATE: April 7, 2000

PAGE 5

AS REVISED BY THE COMMITTEE ON BUSINESS REGULATION & CONSUMER
AFFAIRS:

Prepared by:

Staff Director:

Alan W. Livingston

Rebecca R. Everhart