

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 2184

SPONSOR: Senator Campbell

SUBJECT: Motor Vehicle and Motor Home Titles

DATE: February 24, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Vickers	Meyer	TR	Favorable
2.	_____	_____	AGG	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill provides that the Department of Highway Safety and Motor Vehicles (DHSMV) is to retain the evidence presented by the applicant and based on which the certificate of title is issued. The bill does not specify the format or time duration for the retention of title documents.

This bill substantially amends section 319.23 of the Florida Statutes.

II. Present Situation:

Florida law provides an individual must apply for a registration and title whenever a new motor vehicle is purchased, a motor vehicle is brought into the state, or at any time the ownership of a motor vehicle changes. In order to title and register a motor vehicle an applicant is required to provide proof of ownership and proof of required insurance coverage written or countersigned by a Florida agent. An applicant is also required to purchase or transfer a license plate, record a lien if the vehicle is financed, and complete and sign the appropriate title application document. During 2000-2001, DHSMV processed approximately 5.4 million vehicle and vessel title transactions.

Currently, ss. 319.23(11), F.S., provides that DHSMV is not required to retain evidence of title presented by an applicant. Nevertheless, DHSMV does maintain an electronic record of title transactions and retains the title documents in storage for a period of 12 months, after which they are destroyed.

Prior to February, 1999, all title documents were microfilmed by DHSMV staff. From February, 1999, to September, 2001, DHSMV contracted with a private entity for the imaging of title documents. However, due to budgetary constraints, the imaging of title documents was

eliminated in 2001. According to DHSMV, annual costs associated with the imaging of title documents totaled approximately \$1.4 million.

III. Effect of Proposed Changes:

This bill amends subsection (5) of s. 319.23, F.S., to provide that DHSMV is to retain the evidence presented by the applicant and based on which the certificate of title is issued. The bill does not specify the format or time duration for the retention of title documents.

The bill would require DHSMV to retain title documents. This would benefit law enforcement agencies and others who utilize these documents. However, DHSMV discontinued its title document imaging program in September, 2001, due to budgetary constraints. Depending on the document retention format and period of time the documents are retained, this requirement could result in a fiscal impact.

The bill deletes subsection (11) of s. 319.23, F.S. This subsection provides that DHSMV is not required to maintain evidence presented by the applicant and based on which the certificate of title is issued.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Depending on the document retention format and period of time the documents are retained, the bill could result in a fiscal impact to DHSMV. As previously noted, DHSMV has administratively determined to retain title documents for a 12-month period in a leased warehouse. The costs associated with this retention schedule are minimal

(less than \$50,000). However, DHSMV estimates that if it were required to retain title documents for a ten year period in leased warehouse space the costs could be substantial. For example, DHSMV estimates that over a ten-year period it would cost approximately \$1.9 million to physically retain title documents. Similarly, if DHSMV were to resume imaging of title documents the costs associated with retaining title documents would increase significantly.

VI. Technical Deficiencies:

None.

VII. Related Issues:

According to DHSMV, 90 percent of the requests for title documents occur within 9 months of the title transaction.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
