

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1415 w/CS Motor Vehicles  
**SPONSOR(S):** Hogan  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1168

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Highway Safety (Sub)	10 Y, 0 N	Garner	Miller
2) Transportation	18 Y, 1 N w/CS	Garner	Miller
3) Finance & Tax		Levin	Diez-Arguelles
4) Appropriations			
5)			

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### SUMMARY ANALYSIS

HB 1415 w/CS makes a number of changes in the law as it relates to motor vehicles and driver's licensing. The bill primarily:

- Clarifies license plate use by wreckers and other trucks;
- Amends Off-Highway Vehicle titling laws so that they are more similar to motor vehicle titling laws;
- Requires motor vehicle dealers to file a notice of sale when taking a vehicle in trade, maintain certain records for 5 years, and issue electronic temporary tags through a new system created by the amendment;
- Amends the identity documentation requirements for driver's licenses and ID cards;
- Requires a full-face image on a driver's license, notwithstanding the Religious Freedom Restoration Act;
- Increases a number of driver licensing and ID card fees and eliminates the change of address fee;
- Clarifies that a \$3 surcharge currently collected with each civil traffic penalty pursuant to the Dori Slosberg Driver Education Safety Act must be used to enhance funding for driver education programs in schools, and requires that programs receiving funding provide behind-the-wheel training; and
- Provides new pre-authorization procedures and retention requirements for specialty license plates.

Fee increases proposed in this bill are expected by the Department of Highway Safety and Motor Vehicles to generate approximately \$7.8 million on an annualized basis, while fee reductions are expected to reduce General Revenue by approximately \$750,000 on an annualized basis.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** h1415c.ft.doc  
**DATE:** April 11, 2003

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |   |  |   |
|--------------------------------------|---|--|---|
| 1. Reduce government?                | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. Lower taxes?                      | Yes <input checked="" type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/>            | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/>            | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/>            | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

#### Reduce Government?

The amendment may increase the responsibility of DHSMV with respect to Off-Highway Vehicle titling and related enforcement matters.

#### Lower Taxes?

The amendment increases a number of driver's license related fees and eliminates the fee for change of address on a replacement license. The amendment will substantially increase the amount of revenue collected in the Highway Safety Operating Trust Fund. For a detailed description of the fee increases, see the fiscal analysis portion of this bill analysis.

#### B. EFFECT OF PROPOSED CHANGES:

#### Motorized Scooters

##### **Current Situation**

A "motorized scooter" is defined as "any vehicle not having a seat or saddle for the use of the rider, designed to travel on not more than three wheels, and not capable of propelling the vehicle at a speed greater than 30 miles per hour on level ground." Motorized scooters are specifically exempted from the definition of a "motor vehicle" for the purposes of the Uniform Traffic Control Law, and are therefore not subject to many of the prohibitions and regulations that relate to motor vehicles in ch. 316, F.S.

Certain low speed motorized vehicles designed for assisting the mobility of elderly or disabled persons are not included within this definition because they are equipped with a seat for the use of the rider. Consequently, these vehicles may, in certain circumstances, be subject to provisions of the Uniform Traffic Control Law intended to regulate motor vehicles.

##### **Effect of Proposed Changes**

HB 1415 w/CS amends the definition of "motorized scooter" to read, "any vehicle designed to travel on not more than three wheels, and not capable of propelling the vehicle at a speed greater than 30 miles per hour on level ground."

#### Toll Payment Enforcement

##### **Current Situation**

Failure to pay prescribed toll is a civil traffic infraction punishable as a moving violation. A governmental entity that owns or operates a toll facility may designate a toll enforcement officer, and

authorize that officer to issue a uniform traffic citation for failure to pay a toll. A citation issued by such an officer may be issued, within 14 days, by certified mail, return receipt requested, to the address of the registered owner of the vehicle. If the vehicle is jointly owned, the citation must be mailed to the first person named on the registration.

In addition to the citation, notification must be sent to the owner describing a payment option that results in a withheld adjudication and prevents points from being assessed against the owner's driver's license. To elect this option, the owner must pay \$30 to the clerk of the court. Upon payment, the clerk retains \$5 for administrative purposes, and the balance is forwarded to the governmental entity that issued the citation to be used for any lawful purpose related to the operation or maintenance of a toll facility.

The owner is responsible for paying the citation unless he or she can establish that the vehicle was in the control of another person at the time of the violation.

A governmental entity may supply DHSMV with data listing persons who have three or more such violations, and those persons will be entered upon a roll maintained by DHSMV of persons who may not be issued a license plate or revalidation sticker for any motor vehicle.

The original and one copy of the citation, or in the case of an automated citation issuance system an electronic facsimile, must be deposited with the court having jurisdiction over the alleged infraction, or with its traffic violations bureau, within 5 days of issuance to the violator.

### **Effect of Proposed Changes**

HB 1415 w/CS authorizes governmental entities issuing toll enforcement citations to mail those citations by first class mail, in addition to certified mail, and provides that the mailing of the citation constitutes the required notification to the owner specifying the remedies that are available.

The bill provides an additional remedy. The person cited may elect to pay a fine of up to \$25 directly to the governmental entity that issued the citation, within 30 days after issuance of the citation. If the person cited instead elects to pay the court under the existing remedy, he or she has 45 days from the date of issuance. The bill provides for deposit of the citation with the court within 45 days after issuance.

In the case of a jointly owned vehicle, if the first name appearing on a registration is a business organization, the citation may be sent to the second person named on the registration.

### **Unlawful Speed**

#### **Current Situation**

Florida's unlawful speed statutes are contained in four separate statutory sections. Section 316.183, F.S., addresses maximum speeds on roadways that do not have specific speed limits posted. Section 316.187, F.S., prohibits exceeding posted speed limits on state maintained highways. Section 316.189, F.S., prohibits exceeding posted speed limits on highways maintained by counties and municipalities. Section 316.1895, F.S., prohibits exceeding any speed limit posted in a school zone. Sections 316.187, 316.189 and 316.1895, F.S., also authorize the establishment of speed limits by the appropriate government authority.

Proponents of this issue argue that confusion among certain law enforcement officers about these unlawful speed statutes results in improperly written Uniform Traffic Citations, which in turn results in a high rate of technical dismissals in some jurisdictions within Florida.

### **Effect of Proposed Changes**

HB 1415 w/CS amends the various unlawful speed sections so that a law enforcement officer is required to reference only one statute in Uniform Traffic Citations issued for unlawful speed violations. However, the authority of the various levels of government to establish speed limits remain intact in s. 316.187 s. 316.189, and s. 316.1895 F.S.

## **Off-Highway Vehicles/Motor Vehicle Titles**

### **Current Situation**

Florida statutes define off-highway vehicles (OHVs) as any all-terrain vehicle or off-highway motorcycle used off-road in this state for recreational purposes and that is not licensed as a motor vehicle for use on the roads. This definition does not expressly include two-rider ATV's.

Although, OHVs are not titled or registered as motor vehicles to be operated on the roads in Florida, during the 2002 Session, the Legislature created ch. 317, F.S., which provides for titling of OHV's in a manner differing significantly from the method of titling motor vehicles, vessels and mobile homes. The new chapter is mostly silent with respect to the handling of liens, transfers of ownership, and penalties for fraud.

In addition, although a motor vehicle dealer is required by current law to apply for title on behalf of the purchaser of a vehicle, that dealer is not required to file a notice of sale when taking in a vehicle on trade.

### **Effect of Proposed Changes**

HB 1415 w/CS changes the definition of OHV to expressly include two-rider ATVs. A two rider ATV is defined in the amendment as any ATV that is specifically designed by the manufacturer for a single rider and one passenger. The changes make current statutory provisions relating to ATVs effective with respect to two-rider ATV's.

In addition, the bill changes ch. 317, F.S., to mirror current titling provisions for vehicles, vessels, and mobile homes, and give guidance to DHSMV for the handling of liens, transfers of ownership, and enforcement of fraud offenses. The bill creates sections governing the issuance of titles in duplicate, delivery of title, and liens and encumbrances. All current statutory provisions dealing with encumbrances of co-owned vehicles, removal of liens from DHSMV records, cancellation of title certificates, notice and recording of liens, transfer of ownership by operation of law, and electronic or telephonic transactions for motor vehicles and mobile homes are made to apply to OHVs. In addition, the bill provides a process for obtaining expedited title for OHVs.

As is currently the case with motor vehicles, the bill prohibits fraudulent and larcenous offenses involving OHV vehicle identification numbers, applications for title, certificates of title, and other papers. These offenses are punishable as third-degree felonies. The bill also imposes a fine of up to \$500 for failure to deliver title with a transfer of OHV ownership.

In addition, all motor vehicle dealers are required to file with DHSMV a notice of sale signed by the seller of any vehicle purchased by the dealer or taken in on trade.

## **Licensing and Registration of Motor Vehicles**

### **Current Situation**

Chapters 316 (Uniform Traffic Control) and 320 (Motor Vehicle Licenses) are ambiguous as to the correct placement of wrecker license plates and the number of plates that a wrecker is required to display. In addition, according to DHSMV, some law enforcement agencies have expressed concern

that mechanical lifting devices on some motor vehicles can obscure or damage license plates placed on the rear of the vehicle making the plate difficult or impossible to read.

Licensed motor vehicles must be registered, and the registration must be renewed annually. Currently, in the case of vehicles subject to a long-term lease, registration may be made in the name of the owner of the vehicle or in the name of the lessee.

Registration certificates must always be in possession of the operator of a vehicle while it is operated on the roads of the state, and ready for exhibit on demand of any authorized law enforcement officer or any agent of DHSMV. This requirement also applies to vehicles that display a fleet license plate. Under current law, fleet vehicles may be registered en masse. Only one registration receipt or certificate is issued for all of the vehicles in the fleet.

Motor vehicle dealers purchase and issue temporary paper tags to buyers and for a variety of other purposes. They are required to maintain records that are open to inspection by DHSMV during reasonable business hours.

Motor vehicle dealers must keep a book or record of all sales transactions, temporary tag issuances, dates of title transfer, and descriptions of motor vehicles together with the personal information of all of the parties to a transaction, and vehicle identification information. Current law does not specify how long dealers are required to retain these records.

When an owner, or in some cases operator, of a motor vehicle or mobile home allows the registration to expire, and fails to renew the registration within six months, that owner or operator commits a nonmoving infraction, and may also be subject to a delinquent fee.

### **Effect of Proposed Changes**

HB 1415 w/CS requires a wrecker to display only one license plate regardless of vehicle weight, and requires that a license plate placed on a wrecker to be displayed at the front of the vehicle only. All other vehicles must display the license plate on the rear of each vehicle. However, the amendment makes an exception in cases where a motor vehicle has a mechanical lifting device that will damage or obscure a plate displayed on the rear, and authorizes display on the front of the vehicle. In addition, the bill authorizes government owned semi-trailer trucks to display government license plates on the front of the trucks.

The bill clarifies that vehicles subject to a long-term lease must be registered in the name of the lessee. In addition, the amendment exempts operators of vehicles registered as fleet vehicles from having to carry the registration certificate and produce it on demand.

The bill establishes an electronic temporary license plate system that requires motor vehicle dealers to notify DHSMV electronically of which temporary license plate number was assigned to a particular customer. In addition, the bill specifies that dealers are required to keep records of transactions, temporary plates, and customer and vehicle identification information for a period of 5 years, and makes violation of the provision grounds for denial, suspension, or revocation of the dealer's license.

In addition, the bill exempts military personnel who are serving on active duty from the penalties imposed for failure to renew a motor vehicle or mobile home registration within six months of expiration.

### **Driver Licensing/Identification**

#### **Current Situation**

Currently, an application for a Florida ID card or Driver's license must include proof of identity containing one of the following documents:

- A Driver's license or ID card record from another U.S. jurisdiction that requires the same primary documentation as Florida;
- A certified copy of a U.S. birth certificate;
- A valid U.S. passport;
- An alien registration receipt card (green card);
- An employment authorization card issued by the U.S. Department of Justice; or
- Proof of nonimmigrant classification.

The fee for a Florida ID card is currently \$3, the renewal fee is also \$3, and the replacement fee is \$2.50.

Currently, the photograph or digital image on a driver's license or ID card must contain a full-face image of the cardholder. Recently, however, DHSMV has been sued on religious or ethnic grounds by persons refusing to pose for a full-face image. Although DHSMV has prevailed in these challenges to date, it is uncertain whether the Religious Freedom Restoration Act of 1998 may impact future challenges.

Some local tax collectors act as driver's licensing agents for DHSMV and collect a number of fees associated with driver's licensing. Although tax collectors already pay certain collections to the State Treasury by electronic funds transfer, and do so within 5 business days of receiving the funds, they are not required to do so for driver's licensing collections.

A person who changes his or her address is required to, within 10 days, report the change to DHSMV and obtain a driver's license reflecting the change. The fee for changing an address on a driver's license is currently \$10.

In addition, driver's license application forms are required to include language permitting voluntary contributions to a number of causes. Currently, the application allows an applicant to make a voluntary contribution of: \$5 to the Election Campaign Financing Trust Fund; \$1 to the Florida Organ Tissue Donor Education and Procurement Trust Fund; \$1 to the Florida Council of the Blind; \$2 to the Hearing Research Institute, Inc.; or \$1 to the Juvenile Diabetes Foundation International.

During the 2002 Regular Session of the Legislature, the Division of Alcoholic Beverages and Tobacco was authorized in two separate bills to investigate certain unlawful acts related to driver's licenses or ID cards. One bill authorized the Division to investigate the sale, manufacture and delivery, or the advertisement, of counterfeit licenses and IDs. The other bill authorized investigation of a variety of other acts contained in the same section of law.

### **Effect of Proposed Changes**

HB 1415 w/CS requires DHSMV to accept as proof of identity for a Florida ID card or driver's license, a U.S. passport, either valid or invalid, and a naturalization certificate issued by the U.S. Department of Justice. The bill also provides that when identity is established by an employment authorization card or proof of nonimmigrant classification, an ID card or driver's license will expire in two years or upon expiration of the documentation, whichever occurs first.

The bill raises the fee:

- for an original ID card from \$3 to \$10;
- for renewal of an ID card from \$3 to \$10;
- for replacement of an ID card from \$2.50 to \$10;
- for driver's license knowledge exam retesting from \$0 to \$5;
- for driver's license skills exam retesting from \$0 to \$10;

- for motorcycle endorsement knowledge exam retesting from \$0 to \$5;
- for motorcycle endorsement skills exam retesting from \$0 to \$10
- for reinstatement of a driver's license following suspension or revocation from \$25 to \$35;
- for reinstatement of a commercial license following disqualification from \$50 to \$60; or
- for return of a driver's license surrendered to or suspended by a court from \$25 to \$35.

The increased amount of the amended fees is deposited into the Highway Safety Operating Trust Fund.

The bill clarifies that DHSMV shall only issue ID cards and driver's licenses that bear full-face images of the applicant, and that this requirement exists notwithstanding the Religious Freedom Restoration Act of 1998.

The bill requires every county officer authorized to collect funds provided for in the driver's licensing and ID card chapter of Florida Statutes to pay collections by electronic transfer to the State Treasury no later than 5 working days after receiving the funds.

The bill also eliminates the \$10 fee for updating address information on a driver's license, and requires the driver's license application form to contain language that allows an applicant to make a voluntary contribution of \$1 to the Children's Hearing Help Fund for the purpose of providing assistance to children who have been identified as having hearing loss.

In addition, the bill clarifies that the Division of Alcoholic Beverages and Tobacco is authorized to investigate all of the unlawful acts prohibited in s 322.212, F.S., and not merely the acts prohibited in s. 322.212(1)(d), F.S.

## **Dori Slosberg Driver Education Safety Act**

### **Current Situation**

Currently, a board of county commissioners may require by ordinance that the clerk of the court collect a \$3 surcharge on each traffic penalty. The surcharge must be used to fund traffic education programs in public and private schools. Traffic education programs may include programs emphasizing traffic safety matters other than safe driving.

### **Effect of Proposed Changes**

HB 1415 w/CS clarifies that the surcharge must be used to fund driver education programs, and further clarifies that the revenues generated from collection of the surcharge are to be used to enhance existing driver education program funds, and may not be used to replace them. The amendment also requires programs receiving surcharge proceeds to offer a program which requires at least 30 percent of the student's time in the program to be spent in behind-the-wheel training.

## **Major Component Parts**

### **Current Situation**

A salvage motor vehicle dealer is required to catalog and document the receipt of major component parts that the salvage dealer purchases. Major component parts of vehicles other than motorcycles or trucks, are the front-end assembly (fenders, hood, grill, and bumper), cowl assembly, rear body section (both quarter panels, trunk lid, door, decklid, and bumper), floor pan, door assemblies, engine, frame, transmission, and airbag.

Florida's chop shop law provides that it is a third-degree felony to engage in altering, dismantling, reassembling, or in any way concealing or disguising the identity of a stolen motor vehicle or of any

major component part of a stolen motor vehicle. It is a third-degree felony to operate a chop shop. A chop shop is a place where the above named activities occur, or where there are two or more stolen vehicles present, or where there are major component parts from two or more stolen motor vehicles present. A violator is subject not only to the penalty provisions of s. 775.082, s. 775.083, and s. 775.084, F.S., but may also be ordered to make restitution to the rightful owner or the insurer of a stolen motor vehicle or of a stolen major component part. Vehicles and major component parts found at a chop shop may be seized and are subject to forfeiture pursuant to ss. 932.701-932.704, F.S.

As it applies to the chop shop law, the term "major component part" means one of the following subassemblies of a motor vehicle: front-end assembly, including fenders, grills, hood, bumper, and related parts; frame and frame assembly; engine; transmission; T-tops; rear clip assembly, including quarter panels and floor panel assembly; doors; and tires, tire wheels, and continuous treads and other devices. This definition does not expressly include air bags or air bag assemblies.

### **Effect of Proposed Changes**

HB 1415 w/CS includes a chassis connected to a frame among the major component parts defined for salvage cataloging and documentation purposes. In addition, the bill includes air bags and air bag assemblies among the major component parts defined for the purposes of the chop shop law.

### **Specialty License Plates**

#### **Current Situation**

Automobiles, SUV's, and light trucks are all eligible to carry a specialty license plate, and are all taxed by weight. Car owners pay a license tax that ranges from \$14.50 to \$32.50, and passenger truck owners pay a license tax that ranges from \$14.50 to \$65.00. This license tax must be paid by every owner of a motor vehicle regardless of the type of plate attached to the vehicle. In addition to the license tax, a number of surcharges may apply, depending on the type of motor vehicle licensed. In order to obtain a specialty license plate instead of the regular Florida license plate, the motor vehicle owner must pay an annual use fee in addition to the applicable license tax and surcharges.

Typically, once the development and implementation of a newly created specialty plate is paid for, either by an application fee submitted by the sponsoring organization or by retention of annual use fees by DHSMV, all annual use fees are distributed to organizations or government agencies for the purposes supported by the plate, and specified by the Legislature in the plate's enacting language. The annual use fees associated with various specialty license plates range from \$15.00 to \$25.00.

All organizations receiving annual use fee proceeds are responsible for ensuring that the proceeds are used in accordance with legislative direction, and are subject to audit pursuant to the Florida Single Audit Act, which establishes a uniform process to audit non-state entities that receive state money to carry out state projects.

As discussed above, the Legislature set up a statutory pre-qualification procedure for new specialty license plates. Usually, a sponsoring group or organization proposing a new specialty license plate must meet statutory requirements before the Legislature will consider enacting the plate. The group or organization must submit:

- a request for the particular plate being sought describing it in general terms;
- an independent scientific sample survey of Florida motor vehicle owners conducted by a DHSMV-approved surveyor, indicating that at least 15,000 owners intend to purchase the proposed plate at the increased cost;
- an application fee of no more than \$60,000 in non-state funds to defray DHSMV's cost for reviewing the application and manufacturing the first run of plates; and



- a marketing strategy outlining the short and long-term marketing plans for the plate, and a financial analysis outlining the anticipated revenues and the planned expenditures of the plate revenues.

Once these requirements have been met, DHSMV notifies legislative staff, and the organization seeking the plate seeks legislative approval.

On occasion, the Legislature has departed from the statutory requirements and approved proposed specialty plates despite the fact that they have not completed the pre-approval process. Recently, during the 2001 Special Session B, the Legislature created the American Red Cross and the United We Stand specialty plates in this manner. Although the Florida Statutes require organizations to submit to the pre-approval process, it is a long-standing and recognized legal doctrine that no legislative action can tie the hands of future legislatures acting within their constitutional powers. See *Thomas v. Askew*, 270 So.2d 707, 709 (Fla. 1972). Any Legislature may thus enact new specialty plates without first requiring adherence to the pre-approval process.

A number of plates have been created without meeting pre-approval criteria, and without subsequent legislative action, through a time-limited statutory exemption. The exemption applies to collegiate license plates. As discussed above, at the inception of the specialty license plate program, the Legislature provided for specialty license plates for state and independent colleges and universities. Under the original specialty plate provisions, any newly created colleges or universities needed only apply to DHSMV to obtain a specialty plate supporting the particular school. However, in 1997, the Legislature in one of its efforts to slow the proliferation of specialty plates restricted the ability of colleges and universities to obtain a plate. That law exempted from the pre-qualification requirements only those college or university plates already in process as of January 1, 1997. This measure effectively cut off more than a score of organizations from obtaining a plate without meeting the statutory pre-qualification requirements.

However, in 2002, New College in Sarasota ended its affiliation with the University of South Florida and became a separate entity. In accommodating the new school, the Legislature moved the restriction date from January 1, 1997 to October 1, 2002, with the unintended consequence of automatically authorizing the creation of 21 new specialty plates for independent colleges and universities that immediately started the application process upon amendment of the law. With this unintended surge in new plates, coupled with the potential addition of at least 10 others proposed for the coming session, Florida could be offering as many as 87 specialty plates for sale next year, and probably more since at least seven more have been proposed in the Legislature this session that have not met statutory requirements. Currently, Florida sells 54 specialty plates. That change, if it occurs, would represent an unprecedented one-year increase.

Once the Legislature authorizes a new specialty plate, DHSMV initiates new programming at their data center expanding and programming the necessary identifiers on the database to accommodate the new license plate. During programming, the art design is submitted to DHSMV and reviewed for compliance with state license plate specifications. Once this review is completed, the department delivers the art work to the bill sponsors for initial approval.

Once the art work is approved, DHSMV delivers it to the 3M Company where sample plates are prepared. After 3M Company delivers sample plates to DHSMV, they are approved and submitted to PRIDE at Union Correctional Institution for embossing and painting. When the samples are ready, DHSMV sends copies to the sponsoring organization and the primary bill sponsors for final approval. If anyone does not approve, the process starts over.

If DHSMV, the organization, and the bill sponsors give their approval, the plate design must next be approved by the Governor and Cabinet. After final approval, a copy of the plate is submitted to the 3M

Company who manufactures the sheeting for delivery to PRIDE. PRIDE uses the sheeting to manufacture the specialty plates and delivers them directly to the county tag agencies.

Plate production, from beginning to end, can be long and costly. A plate authorized by the Legislature may not be ready for sale for up to six months. During the interim from enactment to sales, considerable agency staff time is spent in the development process. DHSMV estimates that the cost for programming and designing specialty plates is approximately \$22,560 per new specialty plate. It typically costs an additional \$36,900 to purchase the first order of 15,000 plates, though smaller a smaller order of plates may be submitted when DHSMV believes the demand for the plate will be minimal, as is the case with many of the college and university plates.

In an effort to manage the number of specialty plates and to cull those that don't perform well, the Legislature has also provided for the discontinuation of plates that sell fewer than 8,000 plates, including renewals, in the first five years of sales, and in each five-year period thereafter. As discussed above, only three specialty plates have ever been discontinued for lack of sales and renewals. Although many college and university plates are not among the top sellers, these plates are exempt from the minimum sales requirements, and are not subject to discontinuation if sales and renewals fall below 8,000 in the first five years, or during subsequent five-year periods.

With so many specialty license plates administered by DHSMV and the local tax collectors offices, inventory maintenance problems arise. In addition, to the current compliment of 54 specialty license plates available for sale, tax collectors must also maintain inventories of an additional 23 types of special plates, vehicle-specific plates, and the regular license plates displayed on most vehicles. DHSMV must inventory an additional 27 types of plates that include the various agency plates and plates specific to political jurisdictions.

The continually increasing roster of specialty plates may also be creating problems for organizations that currently sponsor a plate. As more plates are added to the roster, the rate of specialty plate issuance and renewal, expressed as percentage of total plates issued and renewed, continues to decline. According to DHSMV, in FY 1995-96 Florida offered 30 specialty license plates, and their sales and renewals constituted 15.3 percent of all plates issued and renewed. By FY 2000-01 the number of plates had increased to 57 (including the three that are now discontinued), but the percentage they represented among all plate issuances and renewals had fallen to only 8.95 percent.

In addition, the increase in variety of specialty plates available appears to have cut into sales of some of the more popular specialty plates. According to DHSMV, Between FY 1996-96 and FY 2000-01, the U.S. Olympic plate issuances and renewals have declined 51 percent, Challenger plate issuances and renewals have declined 42 percent. Manatee plate issuances and renewals have declined 31 percent, and Panther plate issuances and renewals have declined 23 percent.

## **Effect of Proposed Changes**

### Requirements for Requests to Establish Specialty License Plates

HB 1415 w/CS deletes the current pre-authorization requirements and requires the organization to:

- Submit a request for the particular plate describing it in specific, rather than general, terms, and including a sample plate as it will appear in final form and conforming to DHSMV and statutory specifications;
- Submit a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the sale of the plate; and
- Submit, within 24 months of acknowledgement of the request, 8,000 pre-paid applications collected by the organization. The pre-paid applications must: include the applicants' names, addresses, and current Florida license plate numbers to be replaced by the proposed specialty

plate; be forwarded to DHSMV together in an electronic format determined by DHSMV; and must be accompanied by all prepayments collected by the organization.

Once the organization has submitted all of the required documents and collections, it may seek Legislative authorization. DHSMV must begin issuing the specialty plate within one year following Legislative approval, and it is authorized to retain enough of the pre-paid amounts to defray its costs up to \$60,000. If the proposed plate is not approved by the Legislature, DHSMV must return all applications and pre-payments to the organization for immediate refund.

After it submits a request to establish a new specialty license plate, the requesting organization must submit quarterly reports to DHSMV accounting for all pre-paid applications received. DHSMV has the authority to perform any audits required to verify the accuracy of the reports. All pre-payments collected by the organization must be kept in a separate account, and may not be commingled with other funds of the organization.

#### Specialty License Plate Provisions Relating to Discontinuation

HB 1415 w/CS deletes current provisions governing the discontinuance of specialty license plates and provides that DHSMV must discontinue the issuance of an approved specialty license plate if, after the second year of sales, less than 8,000 plates are outstanding, and the number outstanding does not rise above 8,000 within one year of notice to the organization.

Currently, collegiate specialty plates are exempt from provisions requiring a minimum number of sales and renewals to avoid discontinuance. The bill removes this exemption for all collegiate specialty plates except Bethune-Cookman College, Barry University, and Florida Memorial College, and requires the number of outstanding collegiate license plates to remain above 8,000, as discussed above.

#### C. SECTION DIRECTORY:

**Section 1.** Amends s. 261.03, F.S., providing a definition of "two-rider ATV."

**Section 2.** Amends s. 316.003, F.S., amending the definition of "motorized scooter."

**Section 3.** Amends s. 316.1001, F.S., authorizing certain traffic enforcement entities to mail citations via first class mail, providing that the mailing of the citation constitutes notification of remedies, provides who the citation must be mailed to in the event a vehicle is jointly owned, and providing that an affidavit establishing another person's control of a vehicle must contain the other person's date of birth.

**Section 4.** Amends s. 316.650, F.S., providing for deposit of a traffic citation with a court having jurisdiction, and providing a time within which the citation must be deposited.

**Section 5.** Amends s. 318.14, F.S., providing an alternative remedy a person receiving a citation for a toll violation may choose.

**Section 6.** Amends s. 316.183, F.S., providing that it is unlawful to exceed the posted speed limit on any highway within this state, and that a person may not exceed posted speed limits in school zones.

**Section 7.** Amends s. 316.187, F.S., deleting a provision requiring certain speed limit violations to be cited under this section.

**Section 8.** Amends s. 316.189, F.S., deleting a provision requiring certain speed limit violations to be cited under this section.

**Section 9.** Amends s. 316.1895, F.S., deleting a provision requiring certain speed limit violations to be cited under this section.

**Section 10.** Amends s. 316.2074, F.S., providing that for the purposes of the section ATV includes two-rider ATVs.

**Section 11.** Amends s. 316.605, F.S., providing for license plate display on the front of certain vehicles.

**Section 12.** Amends s. 317.003, F.S., to provide a definition of "two-rider ATV."

**Section 13.** Amends s. 317.008, F.S., deleting a provision relating to expedited title for OHVs.

**Section 14.** Creates s. 317.0014, F.S., to provide for the issuance in duplicate, the delivery, and encumbrances of OHV titles.

**Section 15.** Creates s. 317.0015, F.S., to provide for application of motor vehicle titling sections to OHVs.

**Section 16.** Creates s. 317.0016, F.S., to provide for expedited OHV titles.

**Section 17.** Creates s. 317.0017, F.S., to provide for offenses involving OHV vehicle identification numbers, applications, certificates, and papers, and to provide penalties.

**Section 18.** Creates s. 317.0018, F.S., to provide regulations governing the transfer of OHVs without delivery of title certificates, the operation or use of OHVs without certificates, and other violations.

**Section 19.** Amends s. 318.1215, F.S., to clarify how surcharges collected pursuant to the Dori Slosberg Education Safety Act must be used.

**Section 20.** Amends s. 319.23, F.S., requiring dealers to file a notice of sale with DHSMV when it takes a vehicle in trade.

**Section 21.** Amends s. 319.30, F.S., to change the definition of "major component parts" to include airbags and airbag assemblies.

**Section 22.** Effective July 1, 2003, amends s. 320.055, F.S., requiring lease vehicles to be registered in the name of the lessee.

**Section 23.** Amends s. 320.0605, F.S., exempting operators of fleet vehicles from the requirement of carrying the registration certificate in the vehicle.

**Section 24.** Amends s. 320.07, F.S., exempting service members on active duty from delinquent registration charges.

**Section 25.** Amends s. 320.0706, F.S., requiring wreckers to display license plates on the front of the vehicle.

**Section 26.** Amends s. 320.08053, F.S., deleting existing requirements regarding the pre-approval process for specialty license plates and providing new requirements.

**Section 27.** Amends s. 320.08056, F.S., deleting existing requirements for the discontinuation of specialty license plates and providing new requirements.

**Section 28.** Amends s. 320.0821, F.S., requiring wreckers to display one license plate regardless of vehicle weight.

**Section 29.** Amends s. 320.131, F.S., providing for electronic temporary tags.

**Section 30.** Amends s. 320.27, F.S., requiring motor vehicle dealers to retain certain records for a period of 5 years.

**Section 31.** Amends s. 322.051, F.S., requiring certain identification documents for identification card applications; providing fee increases.

**Section 32.** Amends s. 322.08, F.S., requiring certain identification documents for driver's licenses and providing for a voluntary contribution on driver's license application forms.

**Section 33.** Amending s. 322.12, F.S., providing fees for driver licensing examination retesting; deleting license reinstatement fees that are moved to another section of statutes.

**Section 34.** Amending s. 322.135, F.S., requiring electronic transfer of funds collected by county officers acting as driver licensing agents.

**Section 35.** Amending s. 322.142, F.S., requiring full face images on driver's licenses.

**Section 36.** Amending s. 322.17, F.S., deleting a fee for change of address on a driver's license.

**Section 37.** Amending s. 322.18, F.S., correcting cross references to reflect changes made elsewhere in this bill.

**Section 38.** Amending s. 322.19, F.S., correcting cross references to reflect changes made elsewhere in this bill.

**Section 39.** Amending s. 322.21, F.S., creating/increasing license reinstatement fees.

**Section 40.** Amending s. 322.212, F.S., clarifying the scope of enforcement authority for the Division of Alcoholic Beverages and Tobacco.

**Section 41.** Amending s. 322.251, F.S., correcting a cross reference to reflect changes made elsewhere in this bill.

**Section 42.** Amending s. 322.29, F.S., increasing the fee for return of a license surrendered to or suspended by a court.

**Section 43.** Amending s. 812.16, F.S., amending the definition of "major component part."

**Section 44.** Providing that, except as otherwise provided, the bill takes effect October 1, 2003.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

FY 2003-04

FY 2004-05

FY 2005-06

**Proposed Fee Changes**

Identification Cards:

Highway Safety Operating TF			
Originals/Renewals (From \$3 to \$10):	\$ 3,650,521	\$ 4,916,033	\$ 4,790,996
Duplicates (From \$2.50 to \$10):	\$ 1,676,260	\$ 2,257,362	\$ 2,236,965
Total Revenue Increase-ID Cards	\$ 5,326,781	\$ 7,173,395	\$ 7,027,961

Replacements-(From \$10 to \$0):

(Address Changes Only)

General Revenue	(\$ 555,855)	(\$ 748,553)	(\$ 756,039)
Highway Safety Operating TF	(\$ 5,002,702)	(\$ 6,736,977)	(\$ 6,804,351)
Total Revenue Loss-Replacements	(\$ 5,558,557)	(\$ 7,485,530)	(\$ 7,560,390)

Written Test Re-examination Fee

(From \$0 to \$5):

Highway Safety Operating TF	\$ 1,679,055	\$ 2,261,130	\$ 2,283,745
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Skill Test Re-examination Fee

(From \$0 to \$10):

Highway Safety Operating TF	\$ 1,972,223	\$ 2,655,930	\$ 2,682,500
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Reinstatement Fees:

Highway Safety Operating TF			
Suspensions (From \$25 to \$35)	\$ 2,002,620	\$ 2,696,860	\$ 2,723,830
Revocations (From \$50 to \$60)	\$ 412,330	\$ 555,270	\$ 560,820
Disqualifications (From \$50 to \$60)	\$ 880	\$ 1,180	\$ 1,200
Total Revenue Increase-Reinstatement Fees	\$ 2,415,830	\$ 3,253,310	\$ 3,285,850

Total Revenue Impact:

General Revenue	(\$ 555,855)	(\$ 748,553)	(\$ 756,039)
Highway Safety Operating TF	\$ 6,391,187	\$ 8,606,788	\$ 8,475,705
<b>Total Revenue Impact</b>	<b>\$ 5,835,332</b>	<b>\$ 7,858,235</b>	<b>\$ 7,719,666</b>

2. Expenditures:

See FISCAL COMMENTS section below.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons engaging in driver's licensing transactions will be required to pay additional fees in some circumstances. For more detail regarding which fees will increase see the proposed fee changes enumerated above.

#### D. FISCAL COMMENTS:

The revenue impacts included above were provided by DHSMV. According to DHSMV, the revenue projection reflects the amendment's proposed fee changes based on the number of projected transactions for FY 2003-04 through FY 2005-06. The revenue loss shown for replacement licenses issued for address changes account for approximately 69% of all replacement licenses issued. Also reflected is a revenue increase for the assessment of a \$5 re-examination fee for the written test and a \$10 re-examination fee for the driver skills test. The re-examination population is based on historical failure rates and assumes for annual basis that 447,748 written tests and 262,963 skills tests are administered. A one percent growth rate in driver tests was assumed for future years. The estimated revenue increase for the reinstatement of a license following a suspension, revocation, or disqualification is based on actual FY 2001-02 transactions. The fiscal impact for FY 03-04 was prorated to reflect an October 1, 2004 implementation. Based on these assumptions, the proposed fee changes will result in a revenue loss of (\$2,060,447) in the General Revenue Fund and a revenue increase of \$23,473,680 in the Highway Safety Operating Trust Fund for FY 2003-04 through FY 2005-06.

In 1995, (DHSMV) contracted for over-the-counter issuance of digitized driver licenses and identification cards. The contract terms provided for a \$.53 fee for each driver license or identification card issued. The fee included all cameras and computer equipment plus prepaid maintenance during the life of the contract. DHSMV's current contract expires September 30, 2003, but will be extended through September 30, 2004 because the DHSMV hasn't received Cabinet approval to execute the new contract. According to DHSMV, the Governor and the Cabinet will not authorize the new contract until after legislative action this session to fund the new driver license system.

Under the new contract, the per-license cost of implementing the proposed driver license system is \$1.57. The per-license cost provides for an integrated system that includes replacement of the digital imaging system, additional card printers, cameras, scanners, replacement of obsolete Florida Driver License information system equipment, software, all consumables, services, and hardware maintenance. The proposed contract includes both field operations as well as central operation sites. The system will provide a layered security approach that is intended to deter fraud and identity theft and provide improved customer service. Fee increases proposed in this PCS are aimed at generating revenue to fund the proposed contract costs.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

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

##### 2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

The amendment does not require the exercise of additional rule-making authority to implement its provisions.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

##### **Highway Safety Subcommittee**

On March 26, 2003, the Highway Safety Subcommittee recommended four amendments to the strike-all amendment, and reported the bill favorably as amended. The amendments to the strike-all amendment:

- Correct an oversight made in drafting the amendment by amending a reference to driver license-related fee.
- Clarify how counties may use the \$3 surcharge collected pursuant to the Dori Slosberg Driver Education Safety Act.
- Change the definition of "major component parts" to include chassis that are connected to a vehicle frame.
- Require language on the driver license application form that allows a voluntary \$1 contribution to the Children's Hearing Help Fund.

These changes are reflected in the body of the analysis as drafted to the strike-all amendment.

##### **Committee on Transportation**

On April 2, 2003, the Committee on Transportation adopted eight amendments to the strike-all amendment, adopted the strike-all amendment as amended, and reported the bill favorably as amended. The amendments to the strike all amendment:

- Include air bags and air bag assemblies in the definition of "major component parts" as used in the section dealing with chop shops;
- Exempt activated service members from penalties imposed for failing to timely renew a vehicle registration;
- Expand the investigative authority of the Division of Alcoholic Beverages and Tobacco with respect to certain counterfeit driver's license crimes;
- Revise unlawful speed provisions of the Uniform Traffic Control Law to consolidate those provisions prohibiting unlawful speed into one section of statutes;
- Amend provisions relating to pre-approval and retention of specialty license plates;
- Amend the definition of "motorized scooters" in the Uniform Traffic Control Law so that certain scooter-like vehicles with seats fall within the definition;
- Authorize persons cited for failure to pay a toll to elect to pay the governmental authority directly rather than the clerk of court; and
- Correct a drafting error that resulted in one occurrence of the phrase "for recreational purposes" not being stricken from the bill.