

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input 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:

B. EFFECT OF PROPOSED CHANGES:

The 2002 Legislature enacted laws regulating the intrastate moving industry in Florida. Any mover wishing to do business in Florida must register annually with the Department of Agriculture and Consumer Services (department). To obtain a registration certificate, the mover must file an application, pay a registration fee in the amount of \$300 and meet statutory qualifications.

The law requires a mover to maintain cargo liability insurance coverage in the amount of \$10,000 per shipment and limits the mover's liability to not less than 60 cents per pound of cargo. Minimum limits of motor vehicle coverage are also specified in the amounts of \$50,000, \$100,000, and \$300,000 per occurrence.

Since implementation of the 2002 law, owners of some small moving companies have encountered difficulty obtaining the required liability insurance. It appears that many insurance carriers will not write policies for companies operating less than three trucks.

This bill provides that movers operating fewer than three vehicles have an option of submitting a bond in the amount of \$25,000, letter of credit, or certificate of deposit in lieu of purchasing the cargo legal liability insurance.

The bill also limits the use of the bond, letter of credit, or certificate of deposit for payment of claims adjudicated by the department and provides that the aggregate payout may not exceed the amount of the bond, letter of credit, or certificate of deposit.

C. SECTION DIRECTORY:

Section 1: amends s. 507.03, F.S., to revise mover registration requirements by providing for proof of bond, certificate of deposit, or letter of credit.

Section 2: amends s. 507.04, F.S., to revise the requirement to maintain cargo legal liability coverage; to provide for bond, certificate of deposit, or letter of credit in lieu of insurance coverage for movers operating certain numbers of trucks; to limit use of such instruments to claims adjudicated by the department.

Section 3: provides that the bill takes effect upon becoming law.

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:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See fiscal comments.

D. FISCAL COMMENTS:

According to representatives of the Florida Movers and Warehousemen's Association, bonding may be slightly more expensive than insurance in the long run. However, bonding does offer an option for the small moving companies unable to obtain cargo legal liability coverage.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenues in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

N/A

