

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 435 CS

Motor Vehicle, Mobile Home, and Vessel Registration

**SPONSOR(S):** Davis

**TIED BILLS:**

**IDEN./SIM. BILLS:** SB 1150

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Transportation Committee</u>	<u>15 Y, 0 N, w/CS</u>	<u>Thompson</u>	<u>Miller</u>
2) <u>Finance &amp; Tax Committee</u>	<u>9 Y, 0 N</u>	<u>Levin</u>	<u>Diez-Arguelles</u>
3) <u>Transportation &amp; Economic Development Appropriations Committee</u>	<u></u>	<u></u>	<u></u>
4) <u>State Infrastructure Council</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

HB 435 w/CS contains a number of changes in the law related to motor vehicle, mobile home, and vessel registration. The provisions of the bill are as listed:

- Authorizes an optional, biennial renewal of motor vehicle, mobile home and vessel registrations upon payment of double the annual amount of license tax and add-on charges;
- Redefines the term "registration" period to include a 24 month period and defines "extended registration periods" as a period of 24 months during which a motor vehicle or mobile home registration is valid;
- Establishes extended registration and renewal periods for motor vehicles and mobile homes;
- Extends the time period from 5 to 6 years and increases the fee from \$10 to \$12 for replacement of registration license plates;
- Extends the period of validity for license plates and validation stickers to provide for the 24 month extended registration period;
- Clarifies that advance registration renewals on extended registrations may occur up to three months prior to the date of expiration of the registration;
- Clarifies that the registration period for motor vehicle or mobile home may not exceed 27 months; and
- Conforms cross references;

The fiscal impact of HB 435 w/CS is indeterminate for the first year but is expected to be revenue neutral in its long range effects.

The act will take effect January 1, 2006.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government—The bill gives registrants the option of an extended registration period for motor vehicles, mobile homes, and vessels. The bill would also allow payment for such registrations every two years.

#### B. EFFECT OF PROPOSED CHANGES:

##### Extended Registration Period

Currently the valid registration period for motor vehicles and mobile homes is 12 months. HB 435 w/CS defines an “extended registration period” as a period of 24 months during which a motor vehicle or motor home registration is valid. The bill also adds this 24 month period to the definition of “registration period.”

##### Biennial Registration and Renewals

Currently the law provides for a twelve-month annual registration of vehicles and mobile homes. The registration period is tied to either the owner’s birth month, the calendar year, or in some cases, to a 12 month period set by DHSMV.

HB 435 w/CS amends the registration and renewal periods to provide that the registration of motorcycles, mopeds, automobiles for private use, trucks with a net weight of less than 5,000 pounds, heavy trucks with a gross vehicle weight of 5,001 pounds or more, but less than 8,000 pounds, motor vehicles for hire, trailers for private use, trailers for hire, park trailers, travel trailers, fifth-wheel trailers; 35 to 40 feet, and mobile homes are eligible for the extended 24 month registration period and may be renewed biennially. The bill requires payment of the cumulative sum of license taxes, service charges, surcharges, and additional fees on registrations that would normally be paid for two 12-month registrations.

##### License Plates and Validation Stickers

Under current law, registration license plates are to be issued for a five-year period, and replaced, upon renewal of the registration at the end of this five-year period. The registration is issued for 12 months with expiration based on the applicant’s appropriate registration period with a validation decal to be attached to the plate to be valid for not more than 12 months, showing the year of expiration and to be issue upon payment of the proper license tax and fees.

HB 435 w/CS provides a six-year license plate issuance period, with the current \$2 per year fee paid each year to be credited towards the next \$12 replacement fee. Expirations occur based on the applicant’s appropriate registration period. The bill also provides that registration license plates equipped with validation stickers are subject to the extended 24 month registration period. Also, the bill provides that for each extended registration period until the license plate is replaced, a validation sticker showing the year of expiration is to be issued upon payment of the proper license tax amount and fees and shall be valid for not more than 24 months.

##### Advanced Registration

Current law provides for advance registration renewals at any time during the three months preceding the date of expiration of the registration period, thereby indicating that a registration period may not

exceed 15 months. HB 435 w/CS provides that an advance registration renewal period may not exceed 27 months.

### Vessel Registration Renewal

Current law provides that a vessel's annual registration renewal period is a period of 30 days from the first day of the birth month of the owner and ends the last day of the month immediately preceding the owner's birth month in the succeeding year. HB 435 w/CS provides that any vessel owner subject to registration under s. 328.72(12), F.S., is eligible for an extended registration period of 24 months.

### Conforms Cross References

HB 435 w/CS also conforms a number of cross references relating to vehicle licensing, noncriminal traffic infractions, civil penalties, and reexamination of drivers.

#### C. SECTION DIRECTORY:

Section 1. amends s. 316.605 F.S., concerning the licensing of vehicles to correct the cross reference to s. 320.07 (4) F.S. on delinquent fees;

Section 2. amends s. 318.14 F.S., on non-criminal traffic infractions to correct cross references to s. 320.07(4)(a) and 320.07 (4) (c) F.S. on delinquent fees;

Section 3. amends s. 318.18 F.S., on civil penalties to correct the cross reference to 320.07 (5) F.S., which provides relief from delinquency penalties for service members;

Section 4. amends s. 320.01 F.S., to define extended registration period and redefine registration period;

Section 5. amends s. 320.055 F.S., to establish extended registration and renewal periods for motor vehicles and mobile homes;

Section 6. amends s. 320.06 F.S., to extend the time period and increase the fee for replacement of registration license plates; and to extend the period of validity for license plates and validation stickers to provide for extended registration;

Section 7. amends s. 320.07 F.S., to authorize the biennial renewal of motor vehicle and mobile home registrations and to require payment of double the amount of license tax, service charge and surcharge on annual registrations;

Section 8. amends s. 320.071 F.S., to clarify that the registration period for a motor vehicle or mobile home may not exceed 27 months;

Section 9. amends s. 322.121 F.S., on drivers license examinations to correct a cross reference to 320.07 (4) F.S. on delinquent fees;

Section 10. amends 328.72, F.S., to provide an extended registration period for vessel owners; and

Section 11. Provides that the act shall take effect January 1, 2006

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

Because the number of persons choosing a two year registration period is unknown, the bill's impact to state revenue is indeterminate. Assuming that 50 percent of all vehicle, mobile home and vessel registrants elect to use a biennial registration, the positive revenue impact for year one would be \$188,303,524 to the General Revenue Fund and State Trust Funds. There would be a corresponding decrease in revenues the second year. This 50 percent assumption is not based on empirical data but is used to show the potential impacts of the bill. Revenue projections above take into account the effective date of this bill being January 2006.

#### 2. Expenditures:

Contracted data processing programming costs are estimated to be \$74,000, based on 400 hours at an hourly rate of \$185.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

Tax Collector offices would likewise experience an acceleration of revenue in the first year of implementation of approximately \$13.4 million and a second year corresponding decrease in revenue. Again, this impact is based on an assumed fifty-percent reduction in transactions.

#### 2. Expenditures:

None

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons opting to use an extended registration period would have to pay double the current license tax, service charges and add-on fees for an annual registration. Also, registrants conducting an initial registration transaction would pay \$12 instead of \$10 for a license plate that is replaced every 6 years rather than the current 5 year replacement cycle.

### D. FISCAL COMMENTS:

#### Department of Highway Safety and Motor Vehicle (DHSMV) Comments

In Fiscal Year 2003-04, there were 17.8 million transactions processed generating \$806 million in revenues for the initial and renewal registration of motor vehicles, mobile homes, and vessels. The majority of these revenues were distributed to the State Transportation Trust Fund, General Revenue Fund and other state trust funds.

This bill does not address whether or not a refund of license taxes paid per section 320.08, F.S., can be obtained. The DHSMV recommends no refund be allowed. Rather, credit for the unused remaining portion of the license tax is extended as is current law. Upon expiration of the registration, credit is depleted.

### 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:

None

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

None

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On **March 8, 2005** the Committee on Transportation adopted 1 amendment to HB 435.

**Amendment # 1**—Clarified the types of vehicles that may renew their vehicle registration biennially to include most vehicles, vessels and mobile homes, except trucks over 8,000 pounds, and semitrailers and other commercial motor vehicles. The amendment also clarified that payment of the cumulative sum of license taxes, service charges, surcharges and additional fees that would be paid for two 12-month registrations must be made.

The bill was reported favorably as a committee substitute.