

# 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.)

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Prepared by: Commerce Committee

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BILL: CS for SB 1788

INTRODUCER: Commerce Committee and Senator Saunders

SUBJECT: Household Moving Services

DATE: March 29, 2007

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hinely/Earlywine	Cooper	CM	<b>Fav/CS</b>
2.	_____	_____	CA	_____
3.	_____	_____	GA	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

This committee substitute revises the definition of “storage” in ch. 507, F.S., which relates to Household Moving Services. The committee substitute also expressly defines the legislative intent to allow a mover to refuse to transport certain items and exclude liability for certain situations. The committee substitute changes the registration requirement from an annual requirement to a biennial requirement. Further, this committee substitute preempts county and municipal regulation of intrastate household moving services to the state.

This committee substitute substantially amends the following sections of the Florida Statutes: 507.01, 507.02, 507.03, 507.04, and 507.13.

## II. Present Situation:

Current law requires any mover wishing to do business in the state to register annually with the Department of Agriculture and Consumer Services (department).<sup>1</sup> To obtain a registration certificate, the mover must file an application, pay a registration fee in the amount of \$300, and meet statutory qualifications.<sup>2</sup> A mover is required 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.<sup>3</sup> Minimum limits of motor vehicle coverage are also specified in the amounts of \$50,000, \$100,000, and \$300,000 per occurrence, based on gross weight categories.<sup>4</sup>

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<sup>1</sup> Section 507.03, F.S.

<sup>2</sup> *Id.*

<sup>3</sup> Section 507.04, F.S.

<sup>4</sup> *Id.*

If the department finds a mover in violation of any provisions of the law, rules or orders, the department may do one or more of the following:

- Issue a notice of noncompliance under s. 120.695, F.S.;
- Impose an administrative fine not to exceed \$5,000 for each act or omission;
- Direct the person to cease and desist specified activities;
- Refuse to register, revoke, or suspend a registration; or
- Place the registrant on probation for a period of time, subject to such conditions as the department may specify.<sup>5</sup>

The department may also institute a civil action to recover any penalties or damages authorized in ch. 507, F.S., and for injunctive relief to enforce compliance with ch. 507, F.S.<sup>6</sup> The department may seek a civil penalty of up to \$5,000 for each violation.<sup>7</sup> Further, the department may seek restitution for, and on behalf of, any shipper aggrieved or injured by a violation.<sup>8</sup>

Currently, ch. 507, F.S., does not preempt local ordinances or regulations of a county or municipality which regulate transactions relating to movers of household goods or moving brokers.<sup>9</sup> Furthermore, s. 507.03(4), F.S., requires any mover whose principal place of business is located in a county or municipality that requires local licensing or registration to obtain such registration in addition to registering with the state. In addition, s. 507.13(1), F.S., provides that ch. 507, F.S., does not preempt local regulation of movers or moving brokers and allows for local taxes, fees, and bonding related to movers and moving brokers.

Chapter 205, F.S., authorizes a local government to levy a business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. Local business taxes were previously known as local occupational license taxes.

### III. Effect of Proposed Changes:

**Section 1** amends s. 507.01, F.S., to revise the existing definition of the term “storage” by narrowing it to mean the temporary warehousing of a shipper’s goods while under the care, custody, and control of a mover.

**Section 2** amends s. 507.02, F.S., to provide that ch. 507, F.S., does not supersede the mover’s rights to refuse to transport certain items if the terms are included in the estimate and the contract.<sup>10</sup>

**Section 3** amends s. 507.03, F.S., to remove the requirement that movers and brokers obtain a local license or registration. This section also changes the registration requirement from an

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<sup>5</sup> Section 507.09(1), F.S.

<sup>6</sup> Section 507.10(1), F.S.

<sup>7</sup> Section 507.10(2), F.S.

<sup>8</sup> Section 507.10(3), F.S.

<sup>9</sup> Section 507.13(1), F.S.

<sup>10</sup> Communication with the moving industry indicated that this provision relates to industry concerns regarding the liability for extremely valuable items such as antiques, fine art, or jewelry and the safety issues related to moving dangerous items such as firearms, fuels, or chemicals.

annual requirement to a biennial requirement. Also, this section grants the Department of Agriculture and Consumer Services rulemaking authority to stagger the registration process.

**Section 4** amends s. 507.04, F.S., to allow a mover to exclude liability for items packed by the shipper which the shipper declined, in writing, to allow the mover to inspect if the exclusion for such liability is expressed in the estimate and in the contract.

**Section 5** amends s. 507.13, F.S., to provide that ch. 507, F.S., preempts local ordinances and regulations that regulate household good movers and brokers. However, the section also explicitly states that the preemption does not extend to local business taxes established in ch. 205, F.S.

**Section 5** provides an effective date of July 1, 2007.

#### **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:

Due to the preemption of local ordinances and regulation, the household moving industry may see an increase in revenue by removing the potential for local government fees or taxes.

C. Government Sector Impact:

Due to the preemption of local ordinances and regulation, there is likely to be a reduction in responsibilities for those counties and municipalities that regulate or levy the local business tax against household movers and moving brokers.

#### **VI. Technical Deficiencies:**

None.

**VII. Related Issues**

None.

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

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## **VIII. Summary of Amendments:**

None.

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