

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Transportation and Economic Development Appropriations Committee

BILL: CS/SB 442
 INTRODUCER: Finance and Tax Committee and Senator Bennett
 SUBJECT: Motor Vehicle, Mobile Home, and Vessel Registration
 DATE: April 17, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Davis	Meyer	TR	Fav/2 amendments
2.	Keating	Johansen	FT	Fav/CS
3.	Weaver	Noble	TA	Favorable
4.				
5.				
6.				

I. Summary:

CS/SB 442 provides for an optional extended (biennial) motor vehicle registration period for motorcycles, passenger cars, trucks, mobile homes, and vessels. The bill restructures the five-year license plate replacement cycle to six years, and increases the license plate replacement fee to \$12. The bill:

- 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;
- 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;
- Clarifies that vehicles registered to persons whose driver’s license has been suspended as a result of a DUI, pursuant to ss. 316.193, or 322.26(2), F.S., are not eligible for the extended registration period;
- Extends the time period from five to six years, increases the fee from \$10 to \$12 for replacement of registration license plates, and requires the Department of Highway Safety and Motor Vehicles to stagger the implementation of the 6-year license tag replacement cycle;
- Extends the period of validity for license plates and validation stickers to provide for the 24-month extended registration period;
- Clarifies advance registration renewals on extended registrations may occur up to three months prior to the date of expiration of the registration, and may not exceed 27 months; and

- Provides for disposition of biennial registration revenues.

According to the Revenue Estimating Conference, implementation of this bill in January 2008 will generate approximately \$36.8 million in nonrecurring revenue in fiscal year 2007-08, with a recurring increase of \$9.7 million in subsequent fiscal years.

This bill substantially amends the following sections of the Florida Statutes: 320.01, 320.055, 320.06, 320.07, 320.071, and 328.72 and creates s. 320.203.

II. Present Situation:

Currently, the Florida Statutes provide a 12-month period for the registration and renewal of motor vehicles, mobile homes and vessels.

Section 320.01, F.S., defines “registration period” to mean a period of 12 months during which a motor vehicle or mobile home registration is valid.

Section 320.055, F.S., establishes registration and renewal periods. For motor vehicles required to be registered under s. 320.08, F.S., 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 the Department of Highway Safety and Motor Vehicles (DHSMV).

Motor vehicles registered to persons whose driver’s license has been suspended as a result of a DUI, pursuant to ss. 316.193, or 322.26(2), F.S., must obtain a 6 month registration as a condition of reinstating the license.

Section 320.06, F.S., provides that license plates are issued for a five-year period, and replaced upon renewal of the registration at the end of the five-year period. Upon payment of the proper license tax and fees, the registration is issued for 12 months with the expiration based on the applicant’s appropriate registration period, and a validation decal is attached to the license plate which is valid for not more than 12 months.

Section 320.07, F.S., requires that the registration of a motor vehicle or mobile home must be renewed annually during the applicable renewal period, upon payment of the applicable license tax required by s. 320.08, service charges required by s. 320.04, and any additional fees required by law.

Section 320.071, F.S., provides for advance registration renewals at any time during the three months preceding the date of expiration of the registration period, but a registration period may not exceed 15 months.

Section 328.72, F.S., provides that a vessel’s annual registration renewal period is 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.

III. Effect of Proposed Changes:

Section 1 amends s. 320.01, F.S., to define an “extended registration period” as a period of 24 months during which a motor vehicle or mobile home registration is valid. Also, the definition of “registration period” is redefined to include the option of a 24-month period.

Section 2 amends s. 320.055, F.S., to establish extended registration and renewal periods for motor vehicles and mobile homes and clarifies that the following vehicles are eligible for the extended 24-month registration period and may be renewed biennially:

- Motorcycles
- Mopeds
- Automobiles for private use
- Trucks with a net weight of 5,000 pounds or less
- 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
- Recreational vehicles
- Park trailers
- Travel trailers
- 35 to 40 foot fifth wheel trailers
- Mobile homes

Section 3 amends s. 320.06, F.S., to extend the current five-year replacement cycle for license plates to six-years and increases the current \$10 license replacement fee to \$12. The DHSMV is required to stagger the implementation of the 6-year license plate replacement cycle. More specifically, the bill 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. The expiration of the license plate is based on the applicant’s appropriate registration period. The bill also provides that license plates equipped with validation stickers are subject to the extended 24-month registration period. Further, this bill provides that for each extended registration period, a validation sticker showing the year of expiration shall be issued and is valid for not more than 24 months.

Section 4 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 which equates to the amount that would normally be paid for two 12-month registrations and clarifies semiannual registrations.

Section 5 amends s. 320.071, F.S., to clarify the registration period for a motor vehicle or mobile home may not exceed 27 months.

Section 6 creates s. 320.203, F.S., to provide for the disposition of the biennial registration revenues. After the distributions pursuant to s. 320.20(1),(2), (3), and (4) are fulfilled, an amount equal to 50 percent of the biennial registration revenues shall be retained in the Motor Vehicle License Clearing Trust Fund until July 1. After July 1 of the subsequent fiscal year, an amount equal to 50 percent of revenues collected from biennial registrations shall be retained. This revenue distribution smoothing will ensure that revenue collected for 50 percent of the optional 2-year registration is distributed in the same manner and in the same amounts as revenues currently collected for annual vehicle registrations.

Section 7 amends s. 328.72, F.S., to allow vessel owners the option of an extended registration period of 24 months.

Section 8 provides an effective date of January 1, 2008.

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:

The Revenue Estimating Conference estimated the fiscal impact of CS/SB 442 to be a nonrecurring increase in motor vehicle and vessel registrations of \$36.8 million in fiscal year 2007-08, with a recurring increase of \$9.7 million from the 6-year motor vehicle license tag replacement cycle. The fiscal impact assumes an 8.5% participation rate in the biennial registration program and the 2007-08 estimate is a 6 month number, because the effective date is January 1, 2008.

	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
Highway Safety Operating Trust Fund	9.7	6.7	13.3
Motor Vehicle License Clearing Trust Fund	0.0	30.1	0.0
Total Impact	\$ 9.7 m	\$ 36.8 m	\$ 13.3 m

B. Private Sector Impact:

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 replaced every six years rather than every five years.

The optional registration period would reduce the citizens' burden of renewing registrations annually and reduce vehicle registration renewal workload.

C. Government Sector Impact:

According to the DHSMV, this bill will require contracted programming modifications to the Motor Vehicle License Software System. The cost of these modifications will be absorbed within existing resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
