

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 545 Motor Vehicles  
**SPONSOR(S):** Patterson and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 124

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Infrastructure</u>	<u>8 Y, 0 N</u>	<u>Owen</u>	<u>Miller</u>
2) <u>Economic Expansion &amp; Infrastructure Council</u>	<u></u>	<u></u>	<u></u>
3) <u>Policy &amp; Budget Council</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

HB 545 addresses the registration and equipment requirements of custom vehicles and street rods. Current statute defines the term "street rod" and specifies that the vehicle may only be used for certain occasions, the owner of the vehicle may apply for a specialty plate, and the vehicle must meet state motor vehicle safety requirements.

HB 545 expands the law to:

- Include a definition of "custom vehicle".
- Direct the Department of Highway Safety and Motor Vehicles (Department) to include certain items on the vehicle's title, to collect a tax and fee from the vehicle owner at registration, and to collect written statements from the vehicle owner.
- Create a specialty license plate for custom vehicles, in addition to the one currently available for street rods.
- Exempt custom vehicles and street rods from laws relating to emission controls, but does not exempt them from safety inspections, as long as the inspection is limited to equipment required of a vehicle of the model year listed on the certificate of title.
- Allow custom vehicles and street rods to be equipped with blue dot tail lights.

The fiscal impact incurred by the Department would be \$7,560 in programming costs due to the addition of a specialty license plate. Issuance of this plate will not require additional employees or equipment.

HB 545 has an effective date of July 1, 2007.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Present Situation:**

Under s. 320.0863, F.S., a street rod is defined as “a modified motor vehicle manufactured before 1949 which is maintained primarily for use in exhibitions, club activities, parades, and other functions of public interest but not for general transportation. For purposes of this section, the word ‘modified’ means that an engine, a driveline, a suspension, brakes, or other component parts manufactured after 1949 are installed.” There is no definition for a custom vehicle in current state statute.

To complete vehicle registration in the state, a street rod must currently pay a \$7.50 license tax, plus a processing fee of \$3. Since there is no current definition for a custom vehicle, the vehicle falls under “automobiles for private use” and must currently pay a license tax from \$14.50 to \$32.50, depending on the weight of the vehicle.

Specialty license plates are available for street rods, with the Department of Highway Safety and Motor Vehicles (Department) issuing 1,054 plates in FY 2005-06.

##### **Proposed Changes**

HB 545 provides specific registration and titling classes for street rods and custom vehicles, including kit cars and replicas. The bill provides definitions for both, with a street rod being a vehicle either manufactured prior to 1949 or made to resemble a pre-1949 vehicle and a custom vehicle being a vehicle made to resemble a vehicle made between 1949 and 1982. The definition for street rod in the bill is broader than the current statute, allowing vehicles manufactured after 1949 to be considered street rods. Custom vehicles and street rods will be assigned the same model year designation as the production vehicle they most closely resemble and non-original materials will be allowed in production.

In addition, the bill requires the owner of a custom vehicle or street rod to submit a written statement to the Department stating the vehicle will not be used for general daily transportation, but maintained for occasional transportation, exhibitions, club activities, parades, tours, etc. The owner must also submit written proof to the Department that the vehicle meets state equipment and safety requirements, except only those requirements that were in effect in the year listed on the vehicle’s title are required. For instance, a custom vehicle made to resemble a 1969 Camaro would not be required to have airbags installed.

The bill creates a specialty license plate for custom vehicles and allows custom vehicles and street rods to be equipped with blue dot tail lights, which are red lamps containing a blue or purple insert. Also, the bill exempts these vehicles from the use and inspection of emission controls.

Additional states, such as Illinois, Colorado and Montana, have already enacted this model legislation in the Specialty Equipment Market Association’s (SEMA) effort to streamline the regulation of street rods and custom vehicles throughout the country.

#### C. SECTION DIRECTORY:

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Section 1. Substantially rewords s. 320.0863, F.S.; provides definitions; provides for the registration of custom vehicles and street rods; provides registration and equipment requirements for such vehicles; exempts such vehicles from certain equipment and inspection requirements.

Section 2. Provides an effective date of July 1, 2007.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See FISCAL COMMENTS section.

2. Expenditures:

See FISCAL COMMENTS section.

Highway Safety Operating TF:	FY 2007-08	FY 2008-09
Salaries and Benefits:	\$0	\$0
Programming Costs:	\$7,560	\$0
Purchase of License Plates:	<u>\$0</u>	<u>\$0</u>
Total	\$7,560	\$0

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See FISCAL COMMENTS section.

2. Expenditures:

See FISCAL COMMENTS section.

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

Custom vehicle hobbyists will have a new license plate for display and operational purposes. Custom vehicle hobbyists will also pay a lower license tax on their vehicles.

### D. FISCAL COMMENTS:

To complete vehicle registration in the state, a street rod must currently pay a \$7.50 license tax, plus a processing fee of \$3. Since there is no current definition for a custom vehicle, the vehicle falls under "automobiles for private use" and must currently pay a license tax from \$14.50 to \$32.50, depending on the weight of the vehicle. The bill allows custom vehicles to pay the \$7.50 license tax, along with street rods. At a minimum, there will be a loss of \$7 for every custom vehicle currently paying the lower tax for automobiles for private use, as well as a potential increase in the number of registered street rods due to the broader definition found in the bill. The Department has no record of the number of custom vehicles in the state, so the exact amount of revenue loss to the State is indeterminate. For FY 2005-06, the Department issued 1,054 street rod specialty license plates.

The bill will require contracted programming modifications to the motor vehicle software systems at the Department at an estimated cost of \$7,560 for the addition of the custom vehicle license plate. The Department will absorb the cost within existing resources. Issuance of this plate will not require additional employees or equipment.

Tax Collector offices will have an additional license plate type to offer to the general public. Clerks will likewise have to ensure titles are marked with the letter "R" indicating "Reproduction".

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

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

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action 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:

The requirement to include the capital letter "R" following the year on the vehicle's title is a duplication of information already available elsewhere on the title. It may cause confusion as to its intent when a Florida title is transferred to another state. There are currently title brands available for both replica and rebuilt vehicles, according to the Department. In addition, Chapter 319, F.S., addresses vehicle title issues which are not issues found in Chapter 320, F.S., which this bill addresses.

The requirement that individuals provide written proof that the vehicle meets state equipment and safety requirements is not appropriate to place on the Department or Tax Collector offices, since neither entity is trained in historical safety requirements for Florida motor vehicles.

#### D. STATEMENT OF THE SPONSOR

No statement submitted.

### IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On February 8, 2007, this bill was considered by the Committee on Infrastructure. An amendment was adopted which removes the requirement for the Department to include a capital letter "R" following the year on the vehicle's certificate of title. A second amendment was adopted which clarifies that a vehicle owner must submit "a written statement" rather than "written proof" that a vehicle meets state equipment and safety requirements when registering the vehicle. The bill was reported favorably with two amendments.