

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Budget Committee

BILL: SB 388

INTRODUCER: Senator Latvala

SUBJECT: Recreational Vehicle Dealers

DATE: January 28, 2012 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Davis	Buford	TR	Favorable
2.	Carey/Smith	Meyer, R.	BTA	Favorable
3.	Carey/Smith	Rhodes	BC	Pre-meeting
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill amends s. 320.771, F.S., to specify circumstances under which a recreational vehicle (RV) dealer may apply for a certificate of title to an RV using a manufacturer’s statement of origin. The bill provides that RV dealers may apply for a certificate of title on RVs within a given line-make only if:

- The dealer is authorized by a manufacturer/dealer agreement, as defined in s. 320.3202, F.S., on file with the Department of Highway Safety and Motor Vehicles (DHSMV or department), to buy, sell, or deal in that line-make, and
- The dealer is authorized by such agreement to perform delivery and preparation obligations and warranty defect adjustments on that line-make.

This bill substantially amends s. 320.771, F.S.

II. Present Situation:

Section 320.771, F.S., requires recreational vehicle dealers to be licensed by DHSMV, and provides a number of regulations for RV dealers relating to dealer licensing and RV titling. Currently, s. 320.771, F.S., provides no specific guidance to DHSMV regarding the authorization of an RV dealer to apply for a title for certain RVs by providing a manufacturer’s statement of origin to the department.

According to DHSMV, as of September 30, 2011, the department has issued licenses to 117 RV manufacturers, distributors or importers, and 84 RV dealers. These manufacturers, distributors or importers are licensed for particular line-make(s) and most of them have more than one model

under each line-make. The department authorizes the sale of models under each line-make by an agreement signed by both the dealer and manufacturer.

III. Effect of Proposed Changes:

The bill amends s. 320.771, F.S., to specify circumstances under which a RV dealer may apply for a certificate of title to an RV using a manufacturer's statement of origin. The bill provides that RV dealers may apply for a certificate of title on RVs within a given line-make only if:

- The dealer is authorized by a manufacturer/dealer agreement, as defined in s. 320.3202, F.S., on file with DHSMV, to buy, sell, or deal in that line-make, and
- The dealer is authorized by such agreement to perform delivery and preparation obligations and warranty defect adjustments on that line-make.

Other Potential Implications:

Dealers will be required to have a manufacturer/dealer agreement specifying each model they are authorized to buy, sell, or deal within a specific line-make. Dealers will be able to apply for titles only if the dealer is authorized for a specific model.

Dealers having a manufacturer/dealer agreement will be able to open an establishment within the same geographic area as an existing dealer. The new dealer may only be authorized to buy, sell, or deal in specific models that the existing dealer is not authorized to buy, sell or deal in within a specific line-make. This could place some dealers at a competitive disadvantage, especially if they are in the same geographic area selling the same line-make but different models.¹

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

¹ Department of Highway Safety and Motor Vehicles, *Agency Bill Analysis: SB 388*, (October 12, 2011, on file with the Transportation Committee).

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

A. Private Sector Impact:

According to DHSMV, there is an indeterminate fiscal impact. Dealers having a manufacturer/dealer agreement will be able to open an establishment within the same geographic area as an existing dealer. The new dealer may only be authorized to buy, sell, or deal in specific models that the existing dealer is not authorized to buy, sell or deal in within a specific line-make. This would place some dealers at a competitive disadvantage, especially if he or she is in the same geographic area selling the same line-make but different models.

B. Government Sector Impact:

According to the department, programming will be required to capture all brand or model names under a line-make for each of the manufacturers and their associated recreational vehicle dealers. This would require Information Systems Administration (ISA) to:

- Provide additional fields in the line-make code table in the Florida Real-Time Vehicle Information System (FRVIS) to capture the brands or models under a line-make for a manufacturer, importer, or distributor.
- Provide a drop down box of brands or models under a line-make to select from while licensing new franchise dealers.
- Provide a method to add the brands under a line-make for existing franchise dealers.
- Enhance existing reports on manufacturers and dealers for particular line-makes to also be generated by models.²

Programming costs to implement the provisions of this bill will be absorbed within existing resources.

In addition, capturing the brands under a line-make for a licensed manufacturer and its associated dealers will be great assistance to the department to ensure that the correct brands stated in the single franchise agreement for the dealer are being sold.³

VI. Technical Deficiencies:

None.

² *Id.*

³ *Id.*

VII. Related Issues:

In order to allow sufficient time for implementation of necessary programming modifications, the department recommends the effective date of the bill be changed to October 1, 2012.

VIII. Additional Information:

A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. **Amendments:**

None.

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