

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 393 Recreational Vehicle Dealers

SPONSOR(S): Broxson

TIED BILLS: **IDEN./SIM. BILLS:** SB 388

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	12 Y, 0 N	Kiner	Kruse
2) Economic Affairs Committee	14 Y, 0 N	Kiner	Tinker

SUMMARY ANALYSIS

The bill specifies circumstances under which recreational vehicle ("RV") dealers may apply for a certificate of title to an RV using a manufacturer's statement of origin. The change requires RV dealers to be authorized by a manufacturer/dealer agreement, on file with the Florida Department of Highway Safety and Motor Vehicles ("DHSMV"), to buy, sell or deal in that particular line-make of RV. The agreement must also authorize the RV dealer to perform delivery and preparation obligations and warranty defect adjustments on that line-make.

The bill has an indeterminate fiscal impact.

The bill has an effective date of July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Section 320.27, F.S., allows motor vehicle dealers to “apply for a certificate of title to a motor vehicle using a manufacturer’s statement of origin . . . if such dealer is authorized by a franchised agreement to buy, sell, or deal in such vehicle and is authorized by such agreement to perform delivery and preparation obligations and warranty defect adjustments on the motor vehicle.” Recreational vehicle (RV) dealers are not included within this provision.

As of September 30, 2011, DHSMV has issued licenses to 117 RV manufacturers, distributors, or importers, and 84 RV dealers. These manufacturers, distributors, or importers are licensed for particular line-makes and most of them have more than one model under each line-make. DHSMV authorizes the sale of models under each line-make by an agreement signed by both the RV dealer and the manufacturer.

Effect of Proposed Changes

The bill amends s. 320.771, F.S., to specify circumstances under which RV dealers may apply for a certificate of title to an RV using a manufacturer’s statement of origin. The change requires RV dealers to be authorized by a manufacturer/dealer agreement, on file with DHSMV, to buy, sell or deal in that particular line-make of recreational vehicle. The agreement must also authorize the RV dealer to perform delivery and preparation obligations and warranty defect adjustments on that line-make. The bill would allow DHSMV to deny a title if it receives a title request outside of the RV dealers agreement. In addition, capturing the brands under a line-make for a licensed manufacturer and its associated dealers will assist the DHSMV with ensuring that the correct brands stated in the single franchise agreement for the dealer are being sold.

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

This provision has an indeterminate fiscal impact.

Effective date

The bill has an effective date of July 1, 2012.

B. SECTION DIRECTORY:

Section 1: provides the circumstances that authorize RV dealers to apply for a certificate of title to a RV using a manufacturer’s statement of origin;

Section 2: provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

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

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

Tax Collector employees will require some training on RV title processing.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

A new RV dealer may only be authorized to buy, sell, or deal in specific models that an existing RV dealer is not authorized to buy, sell or deal in within a specific line-make. The effect of the proposed change may place some RV dealers at a competitive disadvantage, especially if the RV dealer is in the same geographic area selling the same line-make but different models..

D. FISCAL COMMENTS:

None.

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(s) 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 CHANGES

None.