

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 Appropriations Subcommittee on Finance and Tax

BILL: CS/SB 718

INTRODUCER: Transportation Committee and Senator Powell

SUBJECT: Vessel Registrations

DATE: March 19, 2017 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jones	Miller	TR	Fav/CS
2.	Gross	Diez-Arguelles	AFT	Recommend: Favorable
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 718 reduces state vessel registration fees for recreational vessels equipped with a qualifying emergency position-indicating radio beacon or whose owner owns a qualifying personal locator beacon. The beacon must be registered with the National Oceanic and Atmospheric Administration (NOAA) to receive the reduced vessel registration fee.

The bill also removes the July 1, 2017 expiration date of the reduced vessel registration fees. These changes make the registration fee reductions permanent for qualifying vessel owners.

The Revenue Estimating Conference estimates this bill will have an insignificant fiscal impact to the General Revenue Fund in Fiscal Year 2017-2018 and thereafter.

The bill takes effect July 1, 2017.

II. Present Situation:

Vessel Registration

The term “vessel” is defined to be synonymous with boat and includes every description of watercraft, barge, or airboat, other than a seaplane on the water, used or capable of being used as a means of transportation on water.¹ Vessels operated, used, or stored on the waters of this state

¹ Section 327.02(43), F.S.

must be registered with the Department of Highway Safety and Motor Vehicles (DHSMV) as a commercial or recreational² vessel, unless:

- The vessel is operated, used, and stored exclusively on private lakes and ponds;
- The vessel is owned by the U.S. Government;
- The vessel is used exclusively as a ship's lifeboat; or
- The vessel is non-motor-powered and less than 16 feet in length or a non-motor-powered canoe, kayak, racing shell, or rowing scull, regardless of length.³

Section 328.72(12), F.S., provides that vessel registration periods are for 12 or 24 months. An individual who owns a vessel may register the vessel for a 12 or 24-month period that begins the first day of the birth month of the owner and ends the last day of the month preceding the owner's birth month. The registration period for vessels owned by companies, corporations, governmental entities, and registrations issued to dealers and manufacturers is July 1 to June 30.⁴

The base registration fee for vessels is determined by the length of the vessel. The vessel registration fee for a 12-month period, by an owner who does not own and has not registered with NOAA a personal locator beacon or emergency position indicating radio beacon, is as follows:⁵

- *Class A-1*: Less than 12 feet in length and all canoes to which propulsion motors have been attached, regardless of length: \$5.50;
- *Class A-2*: 12 feet or more and less than 16 feet in length: \$16.25;
- *Class 1*: 16 feet or more and less than 26 feet in length: \$28.75;
- *Class 2*: 26 feet or more and less than 40 feet in length: \$78.25;
- *Class 3*: 40 feet or more and less than 65 feet in length: \$127.75;
- *Class 4*: 65 feet or more and less than 110 feet in length: \$152.75;
- *Class 5*: 110 feet or more in length: \$189.75; and
- *Dealer Registration Certificate*: \$25.50.

A portion of the fees from each class of vessel except Class A-1 and Dealer Registration Certificates are distributed to the counties.⁶

Additionally, any county may impose an annual registration fee on vessels registered, operated, used, or stored on waters within its jurisdiction. This fee is 50 percent of the applicable state registration fee, and the first \$1.00 of every registration must be remitted to the state for deposit into the Save the Manatee Trust Fund.⁷ The optional county annual registration fee is retained by the county where the vessel is registered and is to be used for patrol, regulation, and maintenance of the lakes, rivers, and waters and for other boating-related activities within the county.⁸

According to the DHSMV, the counties of Broward, Charlotte, Collier, Dade, Hillsborough, Lee,

² Section 327.02(37), F.S. defines a "recreational vessel" as a vessel manufactured and used primarily for noncommercial purposes, or a vessel leased, rented, or chartered to a person for his or her noncommercial use.

³ Section 328.48(2), F.S.

⁴ Section 328.72(12)(c)2., F.S.

⁵ Section 328.72(1), F.S.

⁶ *Id.*

⁷ Section 328.66, F.S.

⁸ *Id.*

Manatee, Monroe, Palm Beach, Pinellas, Polk, Sarasota, and Volusia charge the Optional County Fee.⁹

Reduced Vessel Registration Fees

In 2016, the Florida Legislature reduced state vessel registration fees for recreational vessels equipped with an emergency position-indicating radio beacon¹⁰ and for a recreational vessel owner who owns a personal locator beacon.¹¹ The reduction applies to vessels registered between July 1, 2016, and June 30, 2017.¹² This provision expires July 1, 2017.

A person who qualifies for the reduced vessel registration must provide sufficient proof to the Department of Highway Safety and Motor Vehicles (DHSMV) to receive such discounted registration. Sufficient proof must contain:

- The name of the beacon owner;
- The expiration date of the beacon's registration;
- The unique identification number of the beacon; and
- For vessels equipped with an emergency position-indicating radio beacon, identification of the vessel equipped with the beacon.

The reduced registration fees for a 12- month period are as follows:

- *Class A-1*: Less than 12 feet in length and all canoes to which propulsion motors have been attached, regardless of length: \$4.24;
- *Class A-2*: 12 feet or more and less than 16 feet in length: \$13.77;
- *Class 1*: 16 feet or more and less than 26 feet in length: \$24.83;
- *Class 2*: 26 feet or more and less than 40 feet in length: \$68.56;
- *Class 3*: 40 feet or more and less than 65 feet in length: \$112.31;
- *Class 4*: 65 feet or more and less than 110 feet in length: \$134.41; and
- *Class 5*: 110 feet or more in length: \$141.15.

Section 328.72(18)(e), F.S., provides that for each reduced vessel registration fee, an amount equal to the difference between the discounted amount paid and the full registration fee is transferred from the General Revenue Fund to the DHSMV, and is distributed in the same manner as vessel registration fees.¹³

⁹ See Department of Highway Safety and Motor Vehicles, *Vessel Registration Chart* (June 2016), available at <http://www3.flhsmv.gov/dmv/proc/fees/fees-04.pdf> (last visited Mar. 15, 2017).

¹⁰ Section 328.72(18)(a) defines "emergency position-indicating radio beacon" as a device installed on the vessel being registered that transmits distress signals at a frequency between 406.0 and 406.1 MHz, is manufactured by a company approved to manufacture beacons by the International Cospas-Sarsat Programme, and is registered with the NOAA.

¹¹ Section 328.72(18)(a) defines "personal locator beacon" as a device designed to be carried by an individual that transmits distress signals at a frequency between 406.0 and 406.1 MHz, is manufactured by a company approved to manufacture beacons by the International Cospas-Sarsat Programme, and is registered with the NOAA.

¹² Chapter 2016-126, Laws of Fla.; s. 328.72(18)(c), F.S., provides that a person who owns a personal locator beacon and more than one recreational vessel qualifies for the reduced vessel registration fee for only one such vessel.

¹³ See s. 328.76, F.S.

For the time period July 2016 through January 2017, 407 vessels were registered at the reduced vessel registration rate.¹⁴ As of January 9, 2017, there were 833,561 vessels registered with the DHSMV.¹⁵

NOAA Search and Rescue Satellite Aided Tracking

The National Oceanic and Atmospheric Administration (NOAA) operates the nation's Search and Rescue Satellite Aided Tracking (SARSAT) system to detect mariners, aviators, and others all over the globe by using satellites in low-earth and geostationary orbits to detect and locate beacon-users in distress.¹⁶

The United States and the governments of Canada, France, and Russia have an agreement to provide for long-term operation of the COSPAS-SARSAT¹⁷ Program, which also provides space-based relay of distress signals or alerts from emergency beacons. The program provides alerts to search and rescue authorities internationally.

Ground stations are called Local User Terminals (LUTs), which are satellite-receiving units. LUTs are fully automated and unmanned. When an LUT receives a distress signal detected by satellite, it is transmitted to the mission control center (MCC) that operates that particular LUT. The MCC collects, stores, and sorts alerts from LUTs and other MCCs and distributes the alerts to search and rescue authorities and other MCCs.¹⁸

Locator Beacons

The emergency beacons used to detect those in distress operate only in the 406.0 to 406.1 megahertz (MHz) frequency band to transmit digital messages to satellites for transmission to the appropriate LUT. The frequency is restricted to low power satellite emergency position-indicating beacons in the mobile satellite service. According to NOAA, two types of 406 MHz emergency beacons are:

- *Emergency Position-Indicating Radio Beacons*, or EPIRBs:
 - An EPIRB is an emergency position-indicating radio beacon used in maritime watercraft that can be automatically or manually activated to transmit a distress signal to a satellite. EPIRBs that activate automatically typically have a hydrostatic release mechanism that, when immersed, allows the beacon to release from its bracket, float to the surface and start transmitting. The beacon, along with the bracket, has to sink to approximately three meters before it will activate automatically; and
- *Personal Locator Beacons*, or PLBs:
 - A PLB is a personal locator beacon designed to be carried by an individual that can only be activated manually. PLBs can be used by people operating in remote areas.¹⁹

¹⁴ Revenue Estimating Conference, *Analysis of HB 711/SB 718 – Vessel Registrations* (Feb. 24, 2017), available at <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2017/pdf/page177-178.pdf> (last visited Mar. 15, 2017).

¹⁵ DHSMV website, *Current Vehicles Registered* (Jan. 9, 2017), available at http://www.flhsmv.gov/pdf/vehicle-vesselreports/cvr_01_2017.pdf (last visited Mar. 15, 2017).

¹⁶ See the NOAA SARSAT website, available at <http://www.sarsat.noaa.gov/index.html> (last visited Mar. 15, 2017).

¹⁷ COSPAS is a Russian acronym for “Space System for Search of Vessels in Distress.” See the SARSAT FAQ website, available at <http://www.sarsat.noaa.gov/faq%202.html> (last visited Mar. 15, 2017).

¹⁸ *Id.*

¹⁹ *Id.*

According to NOAA, the average cost of a global positioning system (GPS)-equipped EPIRB is \$800; the average cost of a PLB is \$300.²⁰

Registration of Beacons with NOAA

Registration of a 406 MHz emergency beacon, and subsequent updating of the information, is free and required by Title 47 of the Code of Federal Regulations, part 80 for EPIRBs and part 95 for PLBs. Information provided in a registration is used by search and rescue authorities, along with the distress signal from the beacon, solely to help locate and rescue those in distress. NOAA provides an online system for initial and updated beacon registrations, and registrations must be renewed every two years.²¹

III. Effect of Proposed Changes:

The bill permanently reduces state vessel registration fees for recreational vessels equipped with a qualifying EPIRB or whose owner owns a qualifying PLB. The beacon must be registered with NOAA to receive the reduced vessel registration fee.

The bill also removes the July 1, 2017 expiration date of the reduced vessel registration fees. These changes make the registration fee reductions permanent for qualifying vessel owners.

The following table displays, by vessel class, the current base fees, the current reduced base fees, and this bill's proposed reduced base fees:

<i>Class of Vessel</i>	Recreational Vessel Registration Fees for Each 12-Month Period		
	<i>Current Base Fee</i>	<i>Current Reduced Base Fee</i>	<i>Reduced Base Fee</i>
Class A-1	\$5.50	\$4.24	\$2.95
Class A-2	\$16.25	\$13.77	\$11.00
Class 1	\$28.75	\$24.83	\$20.40
Class 2	\$78.25	\$68.56	\$57.50
Class 3	\$127.75	\$112.31	\$94.95
Class 4	\$152.75	\$134.41	\$113.40
Class 5	\$189.75	\$167.11	\$141.15

The bill takes effect July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

²⁰ NOAA website, *What's New at Sarsat*, available at <http://www.sarsat.noaa.gov/new.html> (last visited Mar. 7, 2017).

²¹ See *supra* note 15; NOAA prefers owners register beacons, available at www.beaconregistration.noaa.gov, however individuals may also mail or fax signed registration forms.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference estimates this bill will have an insignificant fiscal impact to the General Revenue Fund in Fiscal Year 2017-2018 and thereafter.²²

B. Private Sector Impact:

Individuals who have certain locator beacons registered with NOAA will receive a discount in recreational vessel registration fees.

C. Government Sector Impact:

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 328.72 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Transportation on March 14, 2017:

The CS removes from the bill a recurring appropriation of \$500,000 from the General Revenue Fund to the Fish and Wildlife Conservation Commission for deposit in the Marine Resources Conservation Trust Fund.

B. Amendments:

None.

²² Revenue Estimating Conference, *Analysis of HB 711/SB 718 – Vessel Registrations* (Feb. 24, 2017), available at http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2017/_pdf/page177-178.pdf (last visited Mar. 7, 2017).

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