

**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.)

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Prepared By: The Professional Staff of the Committee on Transportation

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BILL: SB 718

INTRODUCER: Senator Powell

SUBJECT: Vessel Registrations

DATE: March 13, 2017

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jones	Miller	TR	<b>Pre-meeting</b>
2.			AFT	
3.			AP	

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**I. Summary:**

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 removes a provision from law that indicates a reduced vessel registration fee applies only to applicable vessels registered beginning July 1, 2016, and ending June 30, 2017. The bill also removes language that provides that the reduced vessel registration fee provisions expire July 1, 2017. These changes make the registration fee reductions permanent for qualifying vessel owners.

The bill appropriates \$500,000 in recurring funds from the General Revenue Fund to the Fish and Wildlife Conservation Commission for deposit in the Marine Resources Conservation Trust Fund for Fiscal Year 2017-2018, to be used solely to offset the reduction in the base vessel registration fees. However, the bill is estimated to have an insignificant fiscal impact to vessel registration revenue.

The bill takes effect July 1, 2017.

**II. Present Situation:**

**Vessel Registration**

The term “vessel” is 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.<sup>1</sup> Vessels operated, used, or stored on the waters of this state must be registered with the Department of Highway Safety and Motor Vehicles (DHSMV) as a commercial or recreational<sup>2</sup> 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.<sup>3</sup>

Section 328.72(12), F.S., provides that vessel registration periods are for 12 or 24 months. An individual who owns a vessel is eligible to 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.<sup>4</sup>

The base registration fee for vessels is determined by the length of the vessel. The vessel registration fee for a 12-month period is as follows:

- *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.

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<sup>5</sup>, and the first \$1 of every registration must be remitted to the state for deposit into the Save the Manatee Trust Fund.<sup>6</sup> The Optional County 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.<sup>7</sup> According to the DHSMV, the counties of Broward, Charlotte, Collier, Dade, Hillsborough, Lee, Manatee, Monroe, Palm Beach, Pinellas, Polk, Sarasota, and Volusia charge the Optional County Fee.<sup>8</sup>

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<sup>1</sup> Section 327.02(43), F.S.

<sup>2</sup> 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.

<sup>3</sup> Section 328.48(2), F.S.

<sup>4</sup> Section 328.72(12)(c)2., F.S.

<sup>5</sup> As listed in s. 328.72(1), F.S.

<sup>6</sup> Section 328.66, F.S.

<sup>7</sup> *Id.*

<sup>8</sup> 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. 6, 2017).

### ***Reduced Vessel Registration Fees***

In 2016, the Florida Legislature passed a law to reduce state vessel registration fees for recreational vessels equipped with an emergency position-indicating radio beacon<sup>9</sup>, or for a recreational vessel owner who owns a personal locator beacon<sup>10</sup> for vessels registered beginning July 1, 2016, and ending June 30, 2017.<sup>11</sup> This reduction in fees 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 administration;
- 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 qualifying reduced vessel registration, an amount equal to the difference between the discounted and full registration is transferred from the General Revenue Fund to the DHSMV, and is distributed as provided by law.<sup>12</sup>

For the time period July 2016 through January 2017, 407 vessels were registered at the reduced vessel registration rate.<sup>13</sup> As of January 9, 2017, there were 833,561 vessels registered with the DHSMV.<sup>14</sup>

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<sup>9</sup> 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.

<sup>10</sup> 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.

<sup>11</sup> 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.

<sup>12</sup> See s. 328.76, F.S.

<sup>13</sup> 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](http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2017/_pdf/page177-178.pdf) (last visited Mar. 7, 2017).

<sup>14</sup> DHSMV website, *Current Vehicles Registered* (Jan. 9, 2017), [http://www.flhsmv.gov/pdf/vehicle-vesselreports/cvr\\_01\\_2017.pdf](http://www.flhsmv.gov/pdf/vehicle-vesselreports/cvr_01_2017.pdf) (last visited Mar. 9, 2017).

## 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.<sup>15</sup>

The United States and the governments of Canada, France, and Russia have an agreement to provide for long-term operation of the COSPAS-SARSAT<sup>16</sup> 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.<sup>17</sup>

## 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 3 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.<sup>18</sup>

According to NOAA, the average cost of a global positioning system (GPS)-equipped EPIRB is \$800; the average cost of a PLB is \$300.<sup>19</sup>

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<sup>15</sup> See the NOAA SARSAT website, <http://www.sarsat.noaa.gov/index.html> (last visited Mar. 7, 2017).

<sup>16</sup> COSPAS is a Russian acronym for "Space System for Search of Vessels in Distress." See the SARSAT FAQ website, <http://www.sarsat.noaa.gov/faq%202.html> (last visited Mar. 7, 2017).

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> NOAA website, *What's New at SARSAT*, <http://www.sarsat.noaa.gov/new.html> (last visited Mar. 7, 2017).

**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.<sup>20</sup>

**III. Effect of Proposed Changes:**

**Section 1** of the bill 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 the NOAA to receive the reduced vessel registration fee.

The bill removes a provision from law that indicates a reduced vessel registration fee applies only to applicable vessels registered beginning July 1, 2016, and ending June 30, 2017, and removes language that provides that the reduced vessel registration fee provisions expire July 1, 2017. These changes would make the registration fee reductions provided in this bill permanent for qualifying vessel owners.

This reduction in fees may increase the amount of vessels or owners of vessels equipped with locator beacons. The registration fees are reduced as follows:

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

**Section 2** appropriates \$500,000 in recurring funds from the General Revenue Fund to the Fish and Wildlife Conservation Commission (FWCC) for deposit in the Marine Resources Conservation Trust Fund for Fiscal Year 2017-2018, to be used solely to offset the reduction in base vessel registration fees.

**Section 3** provides that the bill takes effect July 1, 2017.

<sup>20</sup> See *supra* note 14; NOAA prefers owners register beacons online at [www.beaconregistration.noaa.gov](http://www.beaconregistration.noaa.gov), however individuals may also mail or fax signed registration forms.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

The bill reduces recreational vessel registration fees for vehicles equipped with or whose owners own certain registered locator beacons. The Revenue Estimating Conference (REC) reviewed the bill on February 24, 2017, and estimated the bill will reduce the total sum of recreational vessel registration fees collected by the DHSMV by about \$12,600 in Fiscal Year 2017-2018, with the reduction increasing incrementally to nearly \$14,000 by Fiscal Year 2021-2022.<sup>21</sup>

The actual reduction in fees collected will depend on the number of vessel owners and the size of their vessels that qualify for the reduced fee.

## 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:

The bill appropriates \$500,000 in recurring funds from the General Revenue Fund to the Fish and Wildlife Conservation Commission (FWCC) for deposit in the Marine Resources Conservation Trust Fund for Fiscal Year 2017-2018, to be used solely to offset the reduction in base vessel registration fees.

**VI. Technical Deficiencies:**

None.

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<sup>21</sup> 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).

**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 Changes:**

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

None.

**B. Amendments:**

None.

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

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