

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 415 Motor Vehicle Registration Applications
SPONSOR(S): Transportation & Infrastructure Subcommittee, Aloupis and others
TIED BILLS: **IDEN./SIM. BILLS:** CS/CS/SB 252

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	13 Y, 0 N, As CS	Roth	Vickers
2) Transportation & Tourism Appropriations Subcommittee	11 Y, 0 N	Hicks	Davis
3) State Affairs Committee			

SUMMARY ANALYSIS

An organization that seeks authorization to establish a voluntary contribution on a motor vehicle registration application must submit the following to the Department of Highway Safety and Motor Vehicles (DHSMV):

- A request for the particular voluntary contribution being sought, describing the proposed voluntary contribution in general terms;
- An application fee, not to exceed \$10,000 to defray DHSMV's cost for reviewing the application and developing the voluntary contribution checkoff on the registration form; and
- A marketing strategy outlining short-term and long-term marketing plans for the requested voluntary contribution and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contribution.

The bill requires that the application form for motor vehicle registration and renewal must include language permitting a voluntary contribution of \$1 or more per applicant to the Live Like Bella Childhood Cancer Foundation. The bill provides that all contributions must be distributed by DHSMV to the Live Like Bella Childhood Cancer Foundation.

The bill repeals the requirement that DHSMV include an option on the motor vehicle registration application to make a voluntary contribution of \$1 or more to the Auto Club Group Traffic Safety Foundation, Inc.

DHSMV estimates a negative fiscal impact of \$36,480 due to required programming and implementation costs. However, those costs can be absorbed within existing DHSMV resources.

The bill has an effective date of July 1, 2019.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Motor Vehicle Registration

The motor vehicle registration process is set out in s. 320.02, F.S., and incorporated in form HSMV 82040.¹ Applicants must provide the street address of the owner's permanent residence and a valid driver license, identification card, or passport.² Any vehicle registered outside the state must be accompanied by a sworn affidavit from the seller and purchaser verifying the vehicle identification number (VIN), or a copy of the outside state's departmental form indicating that the vehicle has been physically inspected and the VIN verified.³ The owner of any motor vehicle registered in the state must notify the Department of Highway Safety and Motor Vehicles (DHSMV) in writing of any change of address within 30 days of such change.⁴ Additionally, the owner of the vehicle must provide proof that personal injury protection benefits, property damage liability coverage, bodily injury or death coverage, and combined bodily liability insurance and property damage liability insurance have been purchased.⁵

Establishing a Voluntary Contribution

An organization that seeks authorization to establish a voluntary contribution on a motor vehicle registration application must submit the following to DHSMV:

- A request for the particular voluntary contribution being sought, describing the proposed voluntary contribution in general terms;
- An application fee, not to exceed \$10,000 to defray DHSMV's cost for reviewing the application and developing the voluntary contribution checkoff on the registration form; and
- A marketing strategy outlining short-term and long-term marketing plans for the requested voluntary contribution and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contribution.⁶

The organization must submit the above information to DHSMV at least 90 days before the first day of the next regular session of the Legislature.⁷ If the voluntary contribution is not approved by the Legislature, the application fee must be refunded to the organization.⁸ DHSMV must include any voluntary contributions approved by the Legislature on the motor vehicle application form when the form is reprinted by the DHSMV.⁹

DHSMV must discontinue the voluntary contribution if:

- Less than \$25,000 has been contributed by the end of the 5th year; or
- Less than \$25,000 is contributed during any subsequent 5-year period.¹⁰

DHSMV is authorized to discontinue the voluntary contribution and distribution of proceeds if the organization no longer exists, if the organization has stopped providing services that are authorized to be funded from the voluntary contributions, or pursuant to an organizational recipient's request.¹¹

¹ Florida Department of Highway Safety and Motor Vehicles Form HSMV 82040, available at <https://www.flhsmv.gov/pdf/forms/82040.pdf> (last visited February 8, 2019).

² Section 320.02(2)(a), F.S.

³ Section 320.02(3), F.S.

⁴ Section 320.02(4), F.S.

⁵ Section 320.02(5)(a), F.S.

⁶ Section 320.023(1), F.S.

⁷ Section 320.023(1), F.S.

⁸ Section 320.023(2), F.S.

⁹ Section 320.023(3), F.S.

¹⁰ Section 320.023(4)(a), F.S.

¹¹ Section 320.023(4)(b), F.S.

A voluntary contribution, or any interest earned from those contributions, may not be used for commercial or for-profit activities or for general or administrative expenses.¹² All organizations that receive annual use fee proceeds from DHSMV are responsible for ensuring that proceeds are used in accordance with law.¹³

There are currently 21 charitable organizations included for voluntary contribution on the motor vehicle registration form.¹⁴

Live Like Bella Childhood Cancer Foundation

Live Like Bella Childhood Cancer Foundation (Foundation) is a non-profit organization created in memory of Bella Rodriguez-Torres who inspired people throughout the world during her six-year fight against cancer. Bella was born in Miami, Florida in December 2002 and passed away at the age of 10 in May 2013. The Foundation provides assistance and support to children and families affected by childhood cancer. The Foundation also funds innovative research with the hope that childhood cancer will become a treatable and curable disease. As of 2018, the Foundation has funded 13 research trials and assisted families in 46 states and 12 countries.¹⁵

Auto Club Group Traffic Safety Foundation, Inc.

Effective October 1, 2011, Tampa-based AAA Auto Club South and Michigan-based, The Auto Club Group, affiliated and combined operations.¹⁶ The enterprise is known as The AAA - Auto Club Group and provides membership, travel, insurance, and financial services to members in 11 states, including Florida, and two United States territories.¹⁷

The Auto Club Group Traffic Safety Foundation, Inc., was founded in 2010, as a nonprofit corporation under s. 501(c)(3) of the Internal Revenue Code,¹⁸ as a unit of the AAA – The Auto Club Group. In 2013 a \$1 voluntary contribution checkoff for the Auto Club Group Traffic Safety Foundation, Inc., was authorized for the application forms for an original, renewal, or replacement driver's license or identification card and motor vehicle registration. Funds received by the foundation were to be used to improve traffic safety culture in communities through effective outreach, education, and activities in the state designed to save lives, reduce injuries, and prevent crashes.^{19, 20}

The AAA – The Auto Club Group is winding down the operations of the Auto Club Group Traffic Safety Foundation, Inc., and plans to dissolve the entity with an effective date no later than January 1, 2020. The foundation requested DHSMV to remove the voluntary checkoff for the foundation from the forms.²¹

Proposed Changes

The bill amends s. 320.02, F.S., providing that notwithstanding subsections (1) and (2) of s. 320.023, F.S., the application form for motor vehicle registration and renewal must include language permitting a voluntary contribution of \$1 or more per applicant to the Live Like Bella Childhood Cancer Foundation. Contributions must be distributed by DHSMV to the Live Like Bella Childhood Cancer Foundation.

¹² Section 320.023(5), F.S.

¹³ Section 320.023(5)(a), F.S.

¹⁴ Section 320.02(16)(a)-(u), F.S.

¹⁵ Live Like Bella Childhood Cancer Foundation, available at <http://livelikebella.org/> (last visited February 8, 2019).

¹⁶ Travel Weekly, *AAA clubs in Tampa and Detroit area merge*, October 7, 2011, available at <https://www.travelweekly.com/Travel-News/Travel-Agent-Issues/AAA-clubs-in-Tampa-and-Detroit-area-merge> (last visited March 5, 2019).

¹⁷ LinkedIn, The Auto Club Group, *About Us*, available at <https://www.linkedin.com/company/the-auto-club-group> (last visited March 5, 2019).

¹⁸ Florida Department of State, Division of Corporations, Sunbiz, *Auto Club Group Traffic Safety Foundation, Inc.*, Document No. N1000003249, available at <http://search.sunbiz.org/Inquiry/CorporationSearch/ByName> (last visited March 5, 2019).

¹⁹ Chapter 2013-160, ss. 28 and 47, Laws of Fla. Sections 320.02(16)(t) and 322.08(8)(r), F.S.

²⁰ Section 322.08(8)(r), F.S.

²¹ Karen Morgan (AAA-The Auto Club Group), letter to Paula Stanfield (DHSMV Division of Motorist Services), January 10, 2019 (on file with the Transportation & Infrastructure Subcommittee).

The bill exempts the Live Like Bella Childhood Cancer Foundation from the application process and the \$10,000 application fee to establish a voluntary contribution on the motor vehicle registration application.

The bill amends s. 320.02, F.S., to repeal the requirement that DHSMV must include an option to make a voluntary contribution to the Auto Club Group Traffic Safety Foundation, Inc., on the motor vehicle registration application.

B. SECTION DIRECTORY:

Section 1: Amends s. 320.02, F.S., relating to registration required; application for registration; forms.

Section 2: Provides an effective date of July 1, 2019.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill waives the \$10,000 application fee normally required by s. 320.023, F.S.

2. Expenditures:

DHSMV estimates that 660 hours will be required for programming and implementation. These hours are estimated to have a fiscal impact to the department of \$36,480 in FTE and contracted resources.²² However, associated costs can be absorbed within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Donations to the voluntary contribution will go to the Live Like Bella Childhood Cancer Foundation, which provides assistance and support to children and families affected by childhood cancer, and funds innovative research.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

²² Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: voluntary contribution info, (February 12, 2019).

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 6, 2019, the Transportation & Infrastructure Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The strike-all amendment:

- Repealed the requirement that the DHSMV application form for motor vehicle registration and renewal of registration include language permitting a voluntary contribution to the Auto Club Group Traffic Safety Foundation, Inc.
- Modified the notwithstanding language for the voluntary contribution to the Live Like Bella Childhood Cancer Foundation to only include s. 320.023(1) and (2), F.S., which relate to the application process for organizations seeking to establish a voluntary checkoff.
- Changed the effective date from October 1, 2019 to July 1, 2019.

This analysis is written to the committee substitute as reported favorably by the Transportation & Infrastructure Subcommittee.