

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 Transportation, Tourism, and Economic Development

BILL: CS/SB 1086

INTRODUCER: Infrastructure and Security Committee and Senator Diaz

SUBJECT: Vehicle and Vessel Registration Data and Functionality

DATE: February 24, 2020 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|-----------------------------|-----------------------------|------------|-----------------------------|
| 1. | <u>Proctor</u> | <u>Miller</u> | <u>IS</u> | <u>Fav/CS</u> |
| 2. | <u>Wells</u> | <u>Hrdlicka</u> | <u>ATD</u> | <u>Pre-meeting</u> |
| 3. | <u> </u> | <u> </u> | <u>AP</u> | <u> </u> |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1086 requires the Department of Highway Safety and Motor Vehicles (DHSMV) to provide tax collectors and their approved agents and vendors with real-time access to data and functionality that other third parties receive from the DHSMV related to the registration of motor vehicles, mobile homes, and vessels. Such data includes, but is not limited to, the most current address information and electronic mail addresses of applicants.

The bill has an effective date of July 1, 2020.

II. Present Situation:

Florida Real Time Vehicle Information System (FRVIS)

The DHSMV maintains the Florida Real Time Vehicle Information System (FRVIS) that facilitates the collection of taxes and fees for tags, titles, and registrations associated with motor vehicles and vessels.¹ The system provides real-time access to information related to the tags, titles, and registrations.

¹ Florida Auditor General, Department of Highway Safety and Motor Vehicles, *Florida Real Time Vehicle Information System (FRVIS): Information Technology Operational Audit*, at 1, Report No. 2014-183 (April 2014), available at https://flauditor.gov/pages/pdf_files/2014-183.pdf (last visited February 16, 2020).

The FRVIS is composed of two processing environments. The first is a distributed environment that consists of the servers at local tax collector and tag agent offices that process tag, title, and registration transactions throughout the state. The second environment is the host portion that consists of the back-end processing that is conducted centrally at the DHSMV's primary data center.²

According to the DHSMV, the FRVIS processed approximately 413.1 million transactions for the collection of approximately \$3.091 billion in revenue from taxes and fees associated with tags, titles, and registrations for motor vehicles and vessels during Fiscal Year 2018-2019, including amounts retained by local tax collector and tag agent offices.³ These funds, together with all other sources of the DHSMV's revenue, are distributed through the FRVIS to various state agencies, including the DHSMV, and non-state entities in accordance with governing Florida Statutes.

In addition to residential street addresses, the DHSMV is authorized to collect and store (in the FRVIS) e-mail addresses. E-mail addresses may be used, in lieu of the United States Postal Service, to provide certain renewal notices, including registration renewal notices, driver license renewal notices, and vessel registration renewal notices.⁴ Currently, s. 119.0712(2)(c), F.S., provides public records exemptions for email addresses collected by the DHSMV related to driver licenses, motor vehicle titles, motor vehicle registrations, and identification cards.⁵

Registration Duties of Tax Collectors

Motor Vehicles

Tax collectors are authorized agents of the DHSMV that issue registration certificates, registration license plates, validation stickers, and mobile home stickers to applicants.⁶ The DHSMV may require each tax collector to give a bond, payable to the DHSMV, conditioned that the tax collector faithfully and truly perform the duties imposed upon him or her according to the requirements of law and the rules and regulations of the DHSMV.⁷ Each tax collector must keep a full and complete record and account of all validation stickers, mobile home stickers, or other property received from the DHSMV.⁸

Vessels

Tax collectors must issue registration certificates and vessel numbers and decals to applicants, subject to the requirements of law and in accordance with the rules of the DHSMV.⁹ Each tax collector must keep a full and complete record and account of all vessel decals or other property

² *Id.* at 1-2.

³ Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles to staff of the Senate Infrastructure and Security Committee, *RE: FRVIS* (January 16, 2020) (on file with the Senate Infrastructure and Security Committee).

⁴ Sections 319.40, 320.95, 322.08(10), 328.30, and 328.80, F.S.

⁵ *See* ss. 319.40, 320.95(2), and 322.08(9), F.S.

⁶ Section 320.03(1), F.S.

⁷ Section 320.03(2), F.S.

⁸ Section 320.03(3), F.S.

⁹ Section 328.73(1), F.S.

received from the DHSMV and must make prompt remittance of moneys collected at the times and in the manner prescribed by law.¹⁰

Access to FRVIS and Protection of Personal Information

Local tax collector and tag agent offices throughout the state process tag, title, and registration transactions through the FRVIS.¹¹ The FRVIS is required to be installed in every tax collector's and license tag agent's office in accordance with a schedule established by the DHSMV in consultation with the tax collectors and contingent upon funds being made available for the system by the state.¹²

Typically only agents of the DHSMV have access to the FRVIS. However, many tax collectors hire vendors or other third-parties to assist with providing online services, mailing information, processing payments, deploying kiosks, and performing other duties. The DHSMV states that when requested it provides access to data, both in real-time and through batch processes, to a tax collector's vendors for the purpose of providing support to the tax collector. The DHSMV provides tax collectors and the tax collectors' third-party agents with access to most, but not all, customer data available through the FRVIS through memorandums of understanding (MOU).¹³ The MOU specifies how the data will be used and protected and ensures compliance with state and federal laws that protect personal identifying information.¹⁴

The DHSMV "practices data minimization, which is the practice of providing personal information to agents and vendors only when it is directly relevant and necessary to accomplish a specified purpose. Once the specified purpose has been completed, the data is securely destroyed or otherwise rendered unreadable. Data minimization decreases risks of data loss and breaches."¹⁵

However, some tax collectors state that their ability to analyze data from the DHSMV is limited because they are unable to run searches on real-time bulk data in the FRVIS because they are only authorized to look up customer vehicle or vessel data individually in real-time data. Tax collectors must therefore run any bulk data searches on batched bulk data from the previous business day.¹⁶

¹⁰ Section 328.73(2), F.S.

¹¹ *Id.* at 1-2.

¹² Section 320.03(4)(b), F.S.

¹³ Department of Highway Safety and Motor Vehicles, *2020 Agency Legislative Bill Analysis SB 1086* (January 13, 2020) (on file with the Senate Committee on Infrastructure and Security).

¹⁴ Personal information is protected by Florida law and the federal Driver's Privacy Protection Act (18 U.S.C. s. 2725). The federal law restricts public access to social security numbers, driver license or identification card numbers, names, addresses, telephone numbers, and medical or disability information contained in motor vehicle and driver license records. Department of Highway Safety and Motor Vehicles, *Privacy Statement – Driver Privacy Protection Act*, available at <https://www.flhsmv.gov/privacy-statement/driver-privacy-protection-act/> (last visited February 18, 2020).

¹⁵ Department of Highway Safety and Motor Vehicles, *2020 Agency Legislative Bill Analysis SB 1086* (January 13, 2020) (on file with the Senate Committee on Infrastructure and Security).

¹⁶ Information on file with staff of the Senate Infrastructure and Security Committee.

III. Effect of Proposed Changes:

The bill amends ss. 320.03 and 328.73, F.S., requiring the DHSMV, for the purpose of enhancing customer services provided by tax collectors on behalf of the DHSMV, to provide tax collectors acting on behalf of the DHSMV and tax collector-approved agents¹⁷ and vendors¹⁸ with real-time access to the same data and functionality that other third parties receive from the DHSMV. Access is limited to data related to motor vehicle and mobile home registration certificates, registration license plates, and validation stickers and to vessel registration certificates and vessel numbers and decals. Accessible information includes, but is not limited to, the most current address information and email addresses of applicants.

The bill has an effective date of July 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

¹⁷ Department of Highway Safety and Motor Vehicles, *2020 Agency Legislative Bill Analysis SB 1086* (January 13, 2020) (on file with the Senate Infrastructure and Security Committee). “Agents are [l]icense [p]late [a]gents who contract (MOU) with county Tax Collector offices to conduct driver and vehicle transactions.”

¹⁸ *Id.* “The department interprets vendors and 3rd [p]arty providers to be interchangeable terms (external contracted entities).”

C. Government Sector Impact:

Tax collectors, and tax collector-approved agents and vendors, may see a positive indeterminate fiscal impact as a result of having real-time access to data and functionality and this may result in provision of more efficient service to customers.

The DHSMV may incur indeterminate programming costs to implement real-time data access for tax collectors and tax collector-approved agents and vendors.¹⁹

VI. Technical Deficiencies:

None.

VII. Related Issues:

The DHSMV provided the following comments regarding the bill as originally filed:²⁰

The DHSMV does not need any further statutory authority to provide data or functionality to tax collector agents or vendors.²¹

The...bill is written broadly and requires the [DHSMV] to provide tax collectors, tax collector agents, and tax collector vendors with access to the same data and functionality that all other third parties receive from the [DHSMV] related to motor vehicle and vessel registration. The bill also requires the [DHSMV] to provide customers' residential and email addresses to tax collectors and their approved agents and vendors, which is not something the [DHSMV] currently does. Based on the broad language of the bill, the [DHSMV] requests clarification of the following:

- 1) Would the personal identifying information ("PII") provided to the agents and vendors of a specific tax collector be limited to data relating to customers residing in that tax collector's county? For example, if an agent or vendor does business on behalf of the Leon County Tax Collector, would the [DHSMV] be required to provide the agent or vendor with the PII of citizens in other counties if requested?
- 2) Could the [DHSMV] continue the practice of data minimization with respect to providing PII to agents and vendors? In other words, could the [DHSMV] refuse to provide PII to a tax collector's agent or vendor unless it is directly relevant and necessary to accomplish a specified purpose related to carrying out the statutorily mandated functions of the tax collector?
- 3) As a follow-up to question two above, could the [DHSMV] also limit the agent or vendor's use of the data and functionality to services provided on behalf of the tax collector, or would the vendor be free to use the data or functionality for any lawful commercial purpose?
- 4) Could the [DHSMV] limit the data released based on a business use case provided by the tax collector?

¹⁹ *Id.*

²⁰ *Id.*

²¹ Section 320.03(4), F.S.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 320.03 and 328.73

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

CS by Infrastructure and Security on January 21, 2020:

- Removes the ability of the DHSMV to require a tax collector's approved agent or vendor that requests real-time access to the DHSMV data to enter into a memorandum of understanding, which may not be more restrictive than any memorandum of understanding between the department and any other third-party vendor; and
- Requires the DHSMV to provide tax collectors acting on behalf of the DHSMV, and tax collector-approved agents and vendors, real-time access to both the same data and functionality that all other third parties receive from the department related to motor vehicle and mobile home registration certificates, registration license plates, validation stickers, and vessel registration certificates and vessel numbers and decals, including, but not limited to, the most current address information and electronic mail addresses of applicants.

B. Amendments:

None.