

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 613 Tax Collector and License Plate Agency Operations

SPONSOR(S): Tourism, Infrastructure & Energy Subcommittee, Aloupis

TIED BILLS: **IDEN./SIM. BILLS:** SB 884

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee	13 Y, 2 N, As CS	Johnson	Keating
2) Infrastructure & Tourism Appropriations Subcommittee			
3) Commerce Committee			

SUMMARY ANALYSIS

County tax collectors are the Department of Highway Safety and Motor Vehicles' (DHSMV) authorized agents to title and register motor vehicles, motor homes, and vessels, and to provide driver license services. However, appointed tax collectors in some charter counties are not authorized to provide driver license services. Some county tax collectors have contracted with privately-owned license plate agents (LPAs) to provide title and registration services. LPAs currently do not provide driver license services in Florida. Additionally, terms describing LPAs are not consistent across statute, nor are any of these terms defined.

The bill defines the term "license plate agency" and conforms various statutory provisions to use that term.

The bill provides that operational requirements established by DHSMV policies and procedures must be the same for both governmentally and privately managed license plate agencies.

The bill provides that, effective October 1, 2021, any tax collector may contract with one or more LPAs to provide the following driver license services:

- Processing applications for the renewal of any driver license as a convenience service.
- Processing a reinstatement of a suspended driver license when the only condition of such reinstatement is payment of fees.
- Processing a licensee's or cardholder's change of address and application for replacement if the licensee or cardholder is not required to renew in person.

The bill requires DHSMV, upon application of a tax collector, to enter into an interagency agreement allowing the tax collector to provide driver license services. The bill clarifies that a LPA is not authorized to issue driver licenses or identification cards. The bill provides that the funds collected by license plate agencies must be deposited into the state treasury within the same time period as required for tax collectors.

The bill will have a negative fiscal impact on state government expenditures. See Fiscal Analysis section for details.

The bill has an effective date of July 1, 2021.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Under chs. 320 and 328, F.S. county tax collectors are the Department of Highway Safety and Motor Vehicles' (DHSMVs) authorized agents to title and register motor vehicles, motor homes, and vessels.¹ When processing these transactions, tax collectors charge and collect fees specified in state law,² which are remitted to the state. However, chs. 319, 320, and 328, F.S., also require tax collectors to retain certain statutorily prescribed service fees and charges.³

Currently, 65 counties have elected tax collectors who are constitutional officers, while Broward and Miami-Dade Counties have appointed tax collectors under each county's charter government. However, pursuant to s. 1(d), Art. VIII of the State Constitution, these counties will have elected tax collectors effective January 7, 2025.⁴

Sixteen counties have, or until recently had, contracts with privately owned license plate agents (LPAs) to operate 57 offices to perform title and registration services for motor vehicles, mobile homes, and vessels. In counties with elected tax collectors, LPAs only charge the fees for those services as expressly authorized in statute. In these counties, the LPAs may retain all or a portion of the statutorily authorized service fee that tax collectors are allowed to collect for motor vehicle, mobile home, and vessel title and registration services, as provided in the contracts between the LPA and the tax collector.⁵ The LPAs in Broward and Miami-Dade Counties charge fees⁶ for motor vehicle, mobile home, and vessel title and registration fees *in addition* to the statutory fees authorized in chs. 319, 320, and 328, F.S. The additional fees levied in Broward and Miami-Dade Counties are levied pursuant to county ordinance and are retained by the LPAs.⁷

Terms such as "license tag agent" and "tag agency" appear throughout Florida Statutes, relating to private tag agencies authorized to perform certain motor vehicle-related transactions. However, these terms are not defined, nor are they used consistently across the statutes.

DHSMV has transitioned its driver license services from DSHMV-owned facilities to elected county tax collectors. Florida law required DHSMV to completely transition all driver license issuance services to tax collectors who are constitutional officers under s. 1(d), Art. VIII of the State Constitution with this transition to be completed by June 30, 2015. The transition of services to appointed charter county tax collectors may occur on a limited basis as directed by DSHMV.⁸

Currently, LPAs do not provide driver license services anywhere in Florida.

Driver License Issuance Systems

DHSMV's Florida Driver License Information System (FDLIS) is the legacy driver license issuance system that will be completely replaced by May 2021 with the newly launched Online Registration and Identity Operating Network (ORION). ORION is the replacement database application which will be used to conduct all driver license and identification card issuances. ORION provides real-time access

¹ County tax collectors are expressly made agents of the state with respect to motor vehicle registration in s. 320.03(1), F.S., and with respect to vessel registration in s. 328.73(1), F.S.

² See s. 319.32, F.S., for motor vehicle title fees, s. 320.03, for motor vehicle registration fees, s. 320.04, F.S., as to motor vehicle service charges, and s. 328.72, F.S., as to vessel registration fees.

³ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 SB 342, p 2. (January 14, 2021).

⁴ *Id.*

⁵ *Id.*

⁶ Formerly the LPAs in Volusia County charged fees. An elected county tax collector took office on January 5, 2021, and the LPA offices closed by February 4, 2021. *Id.*

⁷ *Id.*

⁸ Section 322.02(1), F.S.

to extensive information on every driver, including driving history, vehicle insurance information, and personal identity information and documents.

FDLIS/ORION is installed in 195 tax collector offices in 63 counties in Florida and in the 15 driver license offices DSHMV operates in Broward and Miami-Dade counties.

Only DSHMV and elected tax collectors have access to FDLIS/ORION. Access to these systems is governed by individual memoranda of understanding (MOUs) between DSHMV and each tax collector.

Section 322.135(1)(c) F.S., requires county tax collectors to charge a \$6.25 service fee for providing driver license services.⁹

Federal REAL ID Act

The federal REAL ID Act of 2005 provides minimum security requirements for the issuance and production of state and territory driver licenses and identification cards in order for federal agencies to accept these documents for official purposes,¹⁰ which include entering federal facilities and boarding commercial aircraft.

Real ID Act compliant state-issued driver licenses and identification cards must include the following information:

- The person's full legal name, date of birth, and gender;
- The person's driver's license or identification card number;
- A digital photograph of the person¹¹ (all in-office transactions require the taking of the customer's photograph, even if the customer is only taking a test);
- The person's address of principal residence;
- The person's signature;
- Physical security features designed to prevent tampering, counterfeiting, or duplication of the driver licenses and identification cards for fraudulent purposes; and
- A common machine-readable technology, with defined minimum elements.

Additionally, the REAL ID Act mandates minimum standards that states must adopt when issuing driver license and ID cards. Each state or territory must:

- Require, at a minimum, presentation and verification of certain documents verifying a person's identity or address
- Require valid documentary evidence of the applicant's lawful presence in the United States.
- Establish procedures verifying each document required to be presented by the applicant.
- Enter into a MOU with the Department of Homeland Security to access its system to verify the lawful status of an applicant, other than a U.S. citizen.
- Confirm with the Social Security Administration that the social security number presented by an applicant is registered to that person.
- Ensure the physical security of facilities where driver licenses and identification cards are produced; and the security of document materials and papers from which driver licenses and identification cards are produced.
- Require that all persons authorized to manufacture or produce driver licenses and identification cards must satisfy appropriate security clearance requirements.
- Incorporate physical security features on the driver licenses and identification cards which are designed to prevent tampering, counterfeiting, and duplication of the documents for a fraudulent purpose.

DHSMV has fully complied with and has been certified as compliant with the Real ID Act. As of January 2021, almost 95 percent of all Florida credentials are REAL ID compliant. Certification as compliant with the REAL ID Act means that Florida achieved and met the mandatory minimum requirements noted above. The consequences for a state or territory that fails to be certified as REAL ID compliant is

⁹ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 House Bill 613, p. 5-6. (March 5, 2021).

¹⁰ 49 U.S.C. 30301 note; 6 U.S.C. 111, 112.

¹¹ Section 202(b) of the Real ID Act.

that its driver license and identification card holders will not be permitted to use their state-issued driver license or identification card for federal purposes, including as the identification required to board a commercial airplane.¹²

Due to the federal REAL ID Act, driver license offices must have specific types of equipment to issue driver licenses and identification cards over the counter. When a tax collector opens a driver license office, the tax collector pays the initial cost for all the equipment, a security safe, and security cameras; DHSMV provides and pays for the blank driver license and identification card stock. Approximately every five years, this equipment becomes obsolete and must be replaced. The cost to replace the outdated driver license equipment is paid for by DSHMV, pursuant to an appropriation.¹³

Motor Voter Law

The Federal Voter Registration Act of 1993, also known as the motor voter law, requires a voter registration form to be included with each driver license application, including renewal applications, and there are federal requirements regarding the transmission of this data to the state election's office.¹⁴

Section 97.057(1), F.S., requires DSHMV to provide the opportunity to apply to register to vote or to update a voter registration record to each individual who comes to an office to:

- Apply for or renew a driver license;
- Apply for or renew an identification card; or
- Change an address on an existing driver license or identification card.¹⁵

Effect of the Bill

The bill defines the term “license plate agency” as an office appointed by the tax collector which is equipped with DHSMV’s Florida Real Time Vehicle Information System (FRVIS) and managed by a governmental or private entity to process transactions related to motorist services on behalf of DHSMV. The bill amends various sections of statute referring to license tag agencies and tag agencies to change these references to the newly defined term “license plate agency.”

The bill provides that operational requirements for license plate agencies, as established by DHSMV policies and procedures, including, but not limited to, purchases of equipment, license plates, and validation stickers and other costs incurred by DHSMV, must be the same for both governmentally and privately managed license plate agencies.

The bill provides that, effective October 1, 2021, any tax collector may contract with one or more license plate agencies to provide the following driver license services:

- Processing a licensee’s application for renewal of any driver license eligible for renewal as a convenience service.
- Processing a licensee’s application for a suspended driver license and collecting the required fees, if the only condition for reinstatement is the payment of such fees.
- Processing a licensee’s or cardholder’s request to change his or her address and application for a replacement driver license or identification card, and collecting the required fees, if the licensee or cardholder is not required to renew in person.

The bill provides that if a tax collector elects to contract with an LPA for the provision of driver license services and has not entered into an interagency agreement with DHSMV, DHSMV must, upon application, authorize the tax collector by interagency agreement, to provide these services as DHSMV’s agent through one or more license plate agencies.

¹² Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 House Bill 613. pp. 7-8. (March 5, 2021)

¹³ *Id.* at 5.

¹⁴ United States Department of Justice, *The National Voter Registration Act of 1993*, <https://www.justice.gov/crt/national-voter-registration-act-1993-nvra> (last visited March 4, 2021).

¹⁵ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 House Bill 613. p. 8. (March 5, 2021)

The bill provides that a tax collector's election to contract with an LPA does not require the tax collector to provide all authorized driver license services. The bill does not authorize an LPA to issue driver licenses or identification cards or possess any blank driver license or identification cards. If the LPA collects funds to be deposited into the state treasury, these funds must be paid into the state treasury with in the same time frame as required for county tax collectors.¹⁶

The bill has an effective date of July 1, 2021.

B. SECTION DIRECTORY:

Section 1 Amends s. 320.01, F.S., defining the term "license plate agency."

Section 2 Amends s. 320.03, F.S., relating to the registration duties of tax collectors.

Sections 3-5 Amends ss. 320.04, 320.06, and 320.0894, F.S., to conform.

Section 6 Amends s. 322.135, F.S., relating to driver license agents.

Sections 7-9 Amends ss. 212.1832, 681.117, and 1002.40, F.S., to conform.

Section 10 Provides an effective date of July 1, 2021.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill has a negative fiscal impact on state government expenditures since DHSMV will incur programming costs associated with allowing license plate agencies to provide certain driver license services.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill may have a negative fiscal impact on local government revenues, as county tax collectors may see a reduction in revenues associated with additional services being provided by private license plate agencies. Any revenue losses may be offset to some extent by a reduction in expenditures.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

License plate agencies may see additional revenues associated with providing additional services.

D. FISCAL COMMENTS:

None.

¹⁶ Section 322.135(6), F.S., requires tax collectors to pay all sums due to the State Treasury no later than five working days after the close of the business day in which the funds were received.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide a grant of rulemaking, nor does it require rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Drafting Issue

The bill makes conforming changes to the Hope Scholarship Program to replace the term “tag agency” with “license plate agency.” According to the Department of Revenue, where the word “agency” is replaced in this context, the term refers to both a “designated agent” and a “private tag agent” and the word “agent” should be put back in the bill in both locations.¹⁷

Other Comments

The bill authorizes license plate agencies to conduct limited driver license services, but it is not clear if the license plate agency is required to comply with applicable federal regulations associated with providing driver license services, including the REAL ID Act and the Motor Voter Law.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 9, 2021, the Tourism, Infrastructure & Energy Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The committee substitute:

- Relocates provisions of the bill that authorize license plate agencies to provide driver license services.
- Authorizes all tax collectors, effective October 1, 2021, to contract with one or more license plate agencies for specified driver license services.
- Requires a tax collector to enter into an interagency agreement with DHSMV to provide driver license services.
- Provides that license plate agents are not authorized to issue driver licenses or identification cards or to possess blank driver licenses and identification cards.
- Requires funds collected from license plate agencies to be deposited into the state treasury in the same time frame as required for county tax collectors.

This analysis is drafted to the committee substitute as approved by the Tourism, Infrastructure & Energy Subcommittee.

¹⁷ Florida Department of Revenue, Agency Analysis of 2021 House Bill 613, pp. 4-5. (February 26, 2021)