

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 371 Fees/Motor Vehicle Registration Certificate Cards

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

TIED BILLS: CS/HB 369 **IDEN./SIM. BILLS:** CS/SB 576

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee	18 Y, 0 N, As CS	Johnson	Keating
2) Infrastructure & Tourism Appropriations Subcommittee			
3) Commerce Committee			

SUMMARY ANALYSIS

Except as otherwise provided by law, every owner or person in charge of a motor vehicle that is operated or driven on Florida’s roads must register the vehicle. A registration certificate provides proof that the vehicle is registered. HB 369 (2022), to which this bill is linked, requires the application form for motor vehicle registration and renewal of registration to include language permitting an applicant to request a registration certificate card. That bill also amends various statutory provisions allowing for a registration certificate card to be used in lieu of a motor vehicle registration certificate.

This bill provides that a registration certificate card application is subject to a service charge of \$2.50, which is the same fee currently charged for motor vehicle registration certificates. This service charge is imposed on each original or duplicate issuance or transfer of a registration certificate card. This service charge is retained by the Department of Highway Safety and Motors (DHSMV) or the county tax collector, depending on the entity processing the transaction.

This bill authorizes the collection of a mail service charge, identical to the charge applicable to the delivery of registration certificates, for the delivery of a registration certificate card. The collected mail service charge is deposited in the Highway Safety Operating Trust Fund.

The bill provides that no additional tax, other than a \$4.50 transfer fee, applies to the transfer or exchange of a new license plate and for the issuance, at the request of the owner, of a new registration certificate card.

The bill has an indeterminate positive fiscal impact to DHSMV and tax collectors.

This bill authorizes a new state fee, requiring a two-thirds vote of the membership of the House. See Section III.A.2. of the analysis.

The bill takes effect on the same date that HB 369 (2022) or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Legislation Imposing or Raising State Fees or Taxes

The Florida Constitution provides that no state tax or fee may be imposed, authorized, or raised by the Legislature except through legislation approved by two-thirds of the membership of each house of the Legislature.¹ For purposes of this requirement, a “fee” is any charge or payment required by law, including any fee or charge for services and fees or costs for licenses, and to “raise” a fee or tax means to:²

- Increase or authorize an increase in the rate of a state tax or fee imposed on a percentage or per mill basis;
- Increase or authorize an increase in the amount of a state tax or fee imposed on a flat or fixed amount basis; or
- Decrease or eliminate a state tax or fee exemption or credit.

A bill that imposes, authorizes, or raises any state fee or tax may only contain the fee or tax provision(s) and may not contain any other subject.³

The constitutional provision does not authorize any state tax or fee to be imposed if it is otherwise prohibited by the constitution and does not apply to any tax or fee authorized or imposed by a county, municipality, school board, or special district.⁴

HB 369 (2022)

HB 369 (2022), to which this bill is linked, authorizes the creation and issuance of motor vehicle registration certificate cards and authorizes their use under various circumstances where motor vehicle registration certificates are now utilized.

Motor Vehicle Registration Service Charges

Florida law authorizes the Department of Highway Safety and Motor Vehicles (DHSMV) and county tax collectors to, at the request of the applicant, mail motor vehicle registration certificates and renewals.⁵ DHSMV or the county tax collector may collect a mail service charge for each registration certificate and validation sticker mailed. The mail service charge is the actual postage required, rounded to the nearest five cents, plus a 25-cent handling charge. The mail service charge is in addition to any other service charge and is deposited into the Highway Safety Operating Trust Fund.⁶

Florida law imposes a \$2.50 service charge on each application that is handled in connection with the original issuance, duplicate issuance, or transfer of a license plate, mobile home sticker, or validation sticker or with transfer or duplicate issuance of a registration certificate. This service charge is retained by DHSMV or the county tax collector that handles the transaction.⁷

Under Florida law, for a transfer or exchange other than for the sale, trade or transfer of a motor vehicle, if the replacement vehicle requires the same amount of license tax as the original vehicle being

¹ Art. VII, s. 19(a)-(b), Fla. Const.

² Art. VII, s. 19(d), Fla. Const.

³ Art. VII, s. 19(e), Fla. Const.

⁴ Art. VII, s. 19(c), Fla. Const.

⁵ S. 320.031(1), F.S.

⁶ S. 320.031(2), F.S.

⁷ S. 320.04(1)(a), F.S.

replaced, only a transfer fee of \$4.50 is required to transfer or exchange a registration license plate and issue a new registration certificate.⁸

Effect of the Bill

The bill authorizes application of the current mail service charge for vehicle registrations and renewals to be collected for the mailing of a registration certificate card.

The bill authorizes the current \$2.50 registration service charge for transfer or duplicate issuance of a registration certificate to be imposed on each original or duplicate issuance or transfer of a registration certificate card.

The bill authorizes application of the current \$4.50 transfer fee for the transfer or exchange of a registration license plate and issuance of a new registration card, if the replacement vehicle requires the same amount of license tax as the original vehicle.

The bill is effective on the same date as HB 369 (2022) or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

B. SECTION DIRECTORY:

- Section 1** Amends s. 320.031, F.S., relating to mailing of registration certificates, registration certificate cards, license plates, and tax collectors.
- Section 2** Amends s. 320.04, F.S., relating to registration service charge.
- Section 3** Amends s. 320.0609, F.S., relating to transfer and exchange of registration license plate, transfer fee.
- Section 4** Provides a contingent effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill authorizes the collection of a mail service charge if the registration certificate card is mailed to the customer. This may result in an indeterminate positive fiscal impact to the Highway Safety Operating Trust Fund.

For an original issuance, duplicate issuance, or transfer of a registration certificate card, the bill requires a \$2.50 fee. If the transaction is processed by DHSMV, DHSMV retains the fee. This may result in an indeterminate positive fiscal impact to DHSMV.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

For an original issuance, duplicate issuance, or transfer of a registration certificate card. The bill requires a \$2.50 fee. If the transaction is processed by a county tax collector, the county tax collector retains the fee. This may result in an indeterminate positive fiscal impact to county tax collectors.

⁸ S. 320.0609(5)(a), F.S.
STORAGE NAME: h0371a.TIE
DATE: 1/18/2022

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

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 sales tax shared with counties or municipalities.

2. Other:

Article VII, s. 19 of the Florida Constitution requires the imposition, authorization, or raising of a state tax or fee be contained in a separate bill that contains no other subject and be approved by two-thirds of the membership of each house of the Legislature. As such, the bill appears to implicate Art. VII, s. 19 of the Florida Constitution because the bill authorizes a state fee.

B. RULE-MAKING AUTHORITY:

This bill does not require or authorize rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 18, 2022, the Tourism, Infrastructure & Energy Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment clarified that the \$2.50 service charge is imposed on each original or duplicate issuance or transfer of a registration certificate card.

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