

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 576

INTRODUCER: Transportation Committee and Senator Gibson

SUBJECT: Fees/Registration Certificate Cards

DATE: January 25, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Proctor</u>	<u>Vickers</u>	<u>TR</u>	<u>Fav/CS</u>
2.	<u>Wells</u>	<u>Hrdlicka</u>	<u>ATD</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 576 authorizes the collection of service charges for each original or duplicate issuance or transfer of a registration certificate card, similar to other transactions under current law. Specifically, the bill authorizes a mail service charge for delivery of a registration certificate card using U.S. mail service and a \$2.50 registration service charge.

SB 574, which this bill is linked to, requires the application form for motor vehicle registration and renewal of registration to include language permitting an applicant to request a registration certificate card. The bill also amends several statutes to allow for a registration certificate card to be used in place of a motor vehicle registration certificate.

SB 574 may have an indeterminate negative fiscal impact to the DHSMV and tax collectors, which may be offset by the collection of a mail service charge and a \$2.50 registration service charge in connection with the issuance of each registration certificate card. Please see Section V. Fiscal Impact Statement for additional information.

Because this bill authorizes a new state fee, it will require a two-thirds vote of each house in order to pass.

This bill will take effect on the same date that SB 574 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

II. Present Situation:

Motor Vehicle Registration Fees

Initial vehicle registrations require a \$225 initial registration fee, which must be paid when the owner does not have a license plate or record of a license plate registered in their name for a vehicle they previously owned in Florida, to transfer to a newly acquired vehicle. The DHSMV must deposit 85.7 percent of the fee into the State Transportation Trust Fund and 14.3 percent of the fee into the Highway Safety Operating Trust Fund.¹ An initial registration must take place in person at a local service center at the time of titling.

A vehicle owner may renew their vehicle registration for a period of one or two years and may renew up to three months in advance of the registration expiration.² Vehicle registrations expire at midnight on the first owner's birth date unless the owner is a business. Examples of the annual renewal fee include: automobiles up to 2,499 pounds are \$14.50, automobiles 2,500 - 3,499 pounds are \$22.50, automobiles 3,500 or more pounds are \$32.50, and trucks up to 1,999 pounds are \$14.50.³

Registration Service Charge

The DHSMV collects a registration service charge of \$2.50 for each application that is handled in connection with transfer or duplicate issuance of a registration certificate. The service charge is retained by the DHSMV or by the tax collector, as the case may be, as other fees accruing to those offices.⁴ The tax collector may impose an additional service charge of up to 50 cents on the transfer or duplicate issuance of a registration certificate if the transaction occurs at a tax collector's branch office.⁵ In addition, if a tax collector elects to exercise their authority to contract with a license plate agent, the tax collector may determine additional service charges to be collected by privately owned license plate agents approved by the tax collector. Additional service charges must be fully itemized and disclosed to the person paying the service charges to the license plate agent. The license plate agent must enter into a contract with the tax collector regarding the disclosure of additional service charges.⁶

The registration service charges collected by the DHSMV on all applications handled directly from its office and any fees returned to it by the tax collector must be paid into the Highway Safety Operating Trust Fund.⁷

Mail Service Charge

The DHSMV and tax collectors may at the request of the applicant use United States mail service to deliver registration certificates and renewals.⁸ A mail service charge may be collected for each registration certificate and validation sticker mailed by the DHSMV or tax collector.

¹ Section 320.072, F.S.

² Section 320.071(1)(a), F.S.

³ Section 320.08, F.S.

⁴ Section 320.04(1)(a), F.S.

⁵ Section 320.04(1)(c), F.S.

⁶ Section 320.04(3), F.S.

⁷ Section 320.04(2), F.S.

⁸ Section 320.031(1), F.S.

Each registration certificate and validation sticker must be mailed by first-class mail unless otherwise requested by the applicant. The amount of the mail service charge is the actual postage required, rounded to the nearest 5 cents, plus a 25 cent handling charge. The mail service charge is in addition to any other service charge and must be deposited into the Highway Safety Operating Trust Fund.⁹

III. Effect of Proposed Changes:

Section 1 of the bill amends s. 320.031, F.S., as amended by SB 574, to authorize the collection of a mail service charge for delivery of a registration certificate card by U.S. mail service. As provided under current law, the amount of a mail service charge must be the actual postage required, rounded to the nearest 5 cents, plus a 25 cent handling charge.

Section 2 of the bill amends s. 320.04, F.S., to authorize the collection of a service charge of \$2.50 on each original or duplicate issuance or transfer of a registration certificate card. The service charge will be retained by the DHSMV or by the tax collector, as the case may be, similar to other fees accruing to those offices. This service charge of \$2.50 is the same fee currently charged for motor vehicle registration certificates.

Section 3 of the bill provides that the bill will take effect on the same date that SB 574 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law. SB 574 is effective July 1, 2022.

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:

Article VII, s. 19, of the Florida Constitution requires that a new state tax or fee, as well as an increased state tax or fee, must be approved by two-thirds of the membership of each house of the Legislature and must be contained in a separate bill that contains no other subject. Article VII, s. 19(d)(1), of the Florida Constitution defines “fee” to mean “any charge or payment required by law, including any fee for service, fee or cost for licenses, and charge for service.”

⁹ Section 320.031(2), F.S.

The \$2.50 fee for the registration certificate card may be a new state fee subject to the constitutional requirements.

The bill also authorizes the DHSMV and tax collectors to, at the request of the applicant, use U.S. mail service to deliver a registration certificate card. Current law already authorizes the use of U.S. mail service for delivery of documents and to collect a mail service charge.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill provides that registration certificate cards are subject to:

- The existing mail service charge, should an applicant request the registration service card be mailed, of actual postage required, rounded to the nearest 5 cents, plus a 25 cent handling charge; and
- A registration service charge of \$2.50, similar to the fee currently charged for motor vehicle registration certificates.

The Revenue Estimating Conference has not yet met to estimate an impact of this bill.

B. Private Sector Impact:

Applicants who choose to receive a registration certificate card will be required to pay a registration service charge of \$2.50.

Applicants requesting to use U.S. mail service to deliver a registration certificate card must pay the actual postage required, rounded to the nearest 5 cents, plus a 25 cent handling charge.

C. Government Sector Impact:

The bill may have an indeterminate negative fiscal impact to the DHSMV associated with the materials and equipment needed and programming requirements for the Florida Real-Time Vehicle Information System. The DHSMV and tax collectors will experience costs related to the issuance, renewal, or transfer of registration certificate cards and their delivery. However, any negative fiscal impact may be offset by the collection of a mail service charge for delivery and a service charge for the original issuance, duplicate issuance, or transfer of a registration certificate card authorized by the bill. The collection of these charges will have an indeterminate positive fiscal impact to the DHSMV and tax collectors who process a registration certificate card requests.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 320.031 and 320.04.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Transportation on December 1, 2021:

Links the bill to SB 574 and clarifies that a \$2.50 service charge is imposed on each original or duplicate issuance or transfer of a registration certificate card.

- B. **Amendments:**

None.