

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 91 Digital License Plates

SPONSOR(S): Tourism, Infrastructure & Energy Subcommittee, Duran and others

TIED BILLS: **IDEN./SIM. BILLS:** SB 1178

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee	16 Y, 0 N, As CS	Walsh	Keating
2) Commerce Committee			

SUMMARY ANALYSIS

Current law requires motor vehicle license plates to be made out of metal retroreflective material and meet certain statutory requirements regarding size and number of characters allowed on the plate. License plates must be securely fastened to a vehicle and be free of defacement, mutilation, grease, and other obscuring matter, so that the plate is always plainly visible and legible. The Department of Highway Safety and Motor Vehicles (DHSMV) may conduct a pilot program on government vehicles to evaluate alternative license plates.

Digital license plates are dynamic screens, which may be used to replace the current metal license plate. They are able to display information such as a license plate number and annual validation of the current license plate. A digital license plate may also be used for applications such as electronic tolling and broadcasting emergency alerts.

The bill eliminates DHSMV's authority to evaluate alternative license plates through a pilot program. The bill defines digital license plate as an electronic display that is designed to display the information required by law to be included on a physical license plate, designed to be placed on a motor vehicle in lieu of a physical license plate, and has been determined by the Department of Transportation to have a display that is readable by current automated license plate readers. The bill requires DHSMV to allow a registered motor vehicle to be equipped with a digital license plate in lieu of a physical license plate by October 1, 2023, pursuant to a contract between DHSMV and a digital license plate provider. DHSMV is authorized to adopt implementing rules.

The bill provides that except as otherwise specified in the bill or a DHSMV rule, a digital license plate is subject to Florida's laws applicable to a physical license plate; however, digital license plates are exempt from the statutory design requirements. The bill requires that, before purchasing a digital license plate, the vehicle owner must purchase a metal license plate from DHSMV and pay all applicable motor vehicle fees.

The bill authorizes DHSMV to contract with digital license plate providers. DHSMV may authorize the display of a plate number and validation sticker on a digital license plate. DHSMV may authorize the use of digital license plates for toll collection, if approved by the Department of Transportation or other appropriate tolling authority, and parking permits. DHSMV may establish procedures for displaying emergency alerts, static logo displays, and other displays on the license plate. The bill also provides requirements for the digital license plate and requires providers to maintain an inventory of digital license plates, make available digital versions of each specialty license plate, and update the vehicle's registration in real time.

The bill does not appear to impact state or local government revenues or local government expenditures. The bill appears to have an indeterminate impact on state government expenditures, depending on whether DHSMV is expected to program connectivity.

The bill is effective upon becoming a law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Florida law requires motor vehicle registration license plates to be made of metal specially treated with a retroreflection material. The license plate must be designed to increase nighttime visibility and legibility and must be at least 6 inches tall and not less than 12 inches wide, unless a plate with reduced dimensions is deemed necessary by the Department of Highway Safety and Motor Vehicles (DHSMV) to accommodate motorcycles, mopeds, or similar smaller vehicles. Annual validation stickers must also be treated with a retroreflection material and must adhere to the license plate.¹

The license plate must be imprinted with a combination of bold letters and numerals, not to exceed seven digits, so as to identify the license plate number. The license plate must be imprinted with the word "Florida" at the top and the name of the county in which it is sold, the state motto, or the words "Sunshine State" at the bottom. Any county may, upon majority vote of the county commission, elect to have the county name removed from the license plates sold in that county. If the county votes as such, the state motto or the words "Sunshine State" must be printed in lieu of the county name.²

Current law requires that every vehicle display a license plate securely fastened to the vehicle's rear³ in a manner to prevent the plate from swinging. All letters, numerals, printing, writing, the registration decal, and the alphanumeric designation of the registration license plate must be clear, distinct, and free from defacement, mutilation, grease, and other obscuring matter, so that the plate is always plainly visible and legible from 100 feet away.⁴

Florida law provides for the expiration of a motor vehicle registration and the required renewal. Law provides penalties for operating a motor vehicle without a registration license plate or validation sticker. The penalties are as follows:

- Any person whose motor vehicle or mobile home registration has been expired for a period of six months or less commits a noncriminal traffic infraction, punishable as a nonmoving violation.
- Any person whose motor vehicle or mobile home registration has been expired for more than six months, upon a first offense, is subject to the penalty provided in s. 318.14, F.S.⁵
- Any person whose motor vehicle or mobile home registration has been expired for more than six months, upon a second or subsequent offense, commits a misdemeanor of the second degree.⁶

Current law provides that DHSMV may conduct a pilot program to evaluate the designs, concepts, and technologies for alternative license plates. For purposes of the pilot program, DHSMV must investigate the feasibility and use of alternative license plate technologies and the long-term cost impact to the consumer. A pilot program is limited to license plates that are used on government-owned motor vehicles. Such license plates are exempt from statutory design and material requirements for license plates.⁷ DHSMV has had this authority since 2012, and currently has six digital license plates installed on vehicles.⁸

¹ S. 320.06(3)(a), F.S.

² *Id.*

³ An additional front facing plate is required by law for some vehicles, and such plates must meet the same requirements as rear facing plates. See s. 316.605(1), F.S.

⁴ S. 316.605(1), F.S.

⁵ Section 318.14, F.S., provides certain exceptions to noncriminal traffic infractions and provides for court appearances, payment plans, and authorizes proof of compliance with motor vehicle registration requirements.

⁶ S. 320.07(3), F.S.

⁷ S. 320.06(5), F.S.

⁸ Florida Department of Highway Safety and Motor Vehicles, Agency Analysis of 2022 House Bill 91, p. 3 (Dec. 1, 2021).

Under current law, PRIDE, Inc.,⁹ may manufacture license plates and validation stickers for DHSMV. DHSMV is not required to obtain competitive bids in order to contract with the corporation.¹⁰

Digital License Plates

Digital license plates are dynamic screens that may replace current physical license plate. The digital license plates can display information such as a license plate number and validation of the current license plate. Digital license plates also have the capability to work with a vehicle's computer system and communicate with outside sources that may access it remotely.¹¹ The license plate may be used for applications such as electronic tolling and broadcasting emergency alerts.¹²

Digital license plates are currently available in California and Arizona.¹³ One digital license plate provider, Reviver, prices their digital license plates starting at \$899.¹⁴

Effect of the Bill

The bill repeals DHSMV's authority to conduct a pilot program to evaluate the designs, concepts, and technologies of alternative license plates.

Under the bill, "digital license plate" is defined as an electronic display that:

- Is designed to display the information required to be included on a physical license plate;
- Is designed to be placed on a motor vehicle registered under ch. 320, F.S. in lieu of a physical license plate; and
- Has been determined by the Department of Transportation to have a display that is readable by current automated license plate recognition systems.

The bill requires DHSMV to allow a registered motor vehicle to be equipped with a digital license plate in lieu of a physical license plate by October 1, 2023, pursuant to a contract entered into by the department and a digital license plate provider. Before obtaining a digital license plate, the purchaser must first obtain a physical license plate from DHSMV.

Under the bill, DHSMV is authorized to adopt rules for digital license plates as outlined in the bill.

The bill also provides that the owner of a digital license plate is not subject to the penalties in s. 320.07, F.S., for failure to display a validation sticker if the vehicle was operated in compliance with ch. 320, F.S., and any DHSMV rules governing the placement of digital license plates and registration renewal.

Under the bill, DHSMV may authorize the display of the motor vehicle's validation on each digital license plate in lieu of the validation sticker. The validation must display the owner's birth month, the license plate number, and the year of expiration or appropriate renewal period if the owner is not a natural person. The validation must be displayed in the upper right corner of the digital license plate.

The bill provides that except as otherwise specified in the bill or a DHSMV rule, a digital license plate is subject to Florida's laws applicable to a physical license plate; however, digital license plates are exempt from the statutory design requirements.

The bill also allows DHSMV to authorize the use of a digital license plate for electronic toll collection, if such use has been approved by the Department of Transportation or other appropriate tolling authority or to display a parking permit.

⁹ PRIDE, Inc., is the corporation organized under ch. 947, F.S., relating to inmate work programs.

¹⁰ S. 320.06(4), F.S.

¹¹ Florida Department of Highway Safety and Motor Vehicles, Agency Analysis of 2022 House Bill 91, p. 2 (Dec. 1, 2021).

¹² Reviver, <https://reviver.com/shop/> (last visited Feb. 3, 2022).

¹³ Jacob Ogles, *Digital License Plates Could Come to Florida Roads*, Florida Politics (Mar. 3, 2021), <https://floridapolitics.com/archives/409080-digital-license-plates-could-come-to-florida-roads/> (last visited Feb. 3, 2022).

¹⁴ Reviver, <https://reviver.com/shop/> (last visited Feb. 3, 2022).

Further, DHSMV may establish procedures for displaying the following information on a digital license plate:

- An emergency alert, including an alert regarding a missing child or missing adult;
- Other displays that DHSMV, in consultation with law enforcement agencies, determines are in the interest of public safety; and
- Static logo displays, including:
 - Displays for fleet license plates,
 - Digital versions of specialty license plates, pursuant to procedures adopted by DHSMV,
 - Special license plates for military service, and
 - Special license plates for the Governor and federal and state legislators.

The bill states that a digital license plate must:

- Meet the requirements and specifications previously described;
- Include the same information required to be included on a physical license plate and legibly display that information at all times and in all light conditions; and
- Have wireless connectivity capability.

Under the bill, DHSMV may contract with digital license plate providers¹⁵ for the issuance of digital license plates, including any services related to the issuance of digital license plates. The contract must include provisions governing the protection of personal and motor vehicle registration data, including geolocation data, obtained by a digital license plate provider in the performance of its services.

A digital license plate provider with whom DHSMV contracts must:

- Maintain an inventory of digital license plates in this state;
- Make available a digital version of each specialty license plate authorized by DHSMV; and
- If a digital license plate displays a validation to reflect the current registration period for the motor vehicle, and upon DHSMV request, suspend the display of the validation or indicate in the digital license plate that the motor vehicle's registration has expired.

The bill provides that a consumer who chooses to purchase a digital license plate must purchase it directly from the digital license plate provider. In addition to any fees associated with the purchase of the digital license plate, the consumer is also responsible for paying to DHSMV all applicable motor vehicle fees, including the annual use fee associated with any specialty license plate the consumer wishes to display on the digital license plate.

The bill is effective upon becoming a law.

B. SECTION DIRECTORY:

Section 1: Amends s. 320.06, F.S., relating to registration certificates, license plates, and validation stickers.

Section 2: Amends s. 320.07, F.S., relating to expiration of registration, renewal required.

Section 3: Creates s. 320.08069, F.S., relating to digital license plates.

Section 4: Provides that the bill is effective upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

¹⁵ The bill defines "digital license plate provider" as a person or an entity engaged in the business of providing digital license plate hardware and services to motor vehicle owners.

None. Since purchasers of digital license plates are also required to pay the statutorily required motor vehicle fees, the bill does not appear to impact state government revenues.

2. Expenditures:

Indeterminate. Assuming that most of the connectivity programming is between the digital license plate provider and the consumer, the bill will have an insignificant impact on DHSMV expenditures. If DHSMV is expected to provide connectivity, DHSMV asserts that this will require a significant amount of programming to multiple major DHSMV computer systems.¹⁶

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Digital license plate providers may see additional revenues associated with the program.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to impact county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill eliminates DHSMV's current authority to conduct a license plate pilot program and authorizes DHSMV to adopt rules to implement digital license plates.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 3, 2022, the Tourism, Infrastructure & Energy Subcommittee adopted an amendment to the bill and reported the bill favorably as a committee substitute. The amendment clarifies that:

- A digital license plate must be determined by the Department of Transportation to have a display that is readable by current automated license plate readers,
- DHSMV must allow digital license plates issued pursuant to a contract between the digital license plate provider and the department,
- Geolocation data must be protected as personal data under any contract entered into by the department with a digital license plate provider, and

- Specialty license plates offered by digital license plate providers must comply with department procedures.

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