

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 91 Digital License Plates

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

TIED BILLS: IDEN./SIM. BILLS: CS/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	20 Y, 0 N, As CS	Walsh	Hamon

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 current metal license plates. These plates 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 defines the term “digital license plate” and creates a digital license plate pilot program administered by DHSMV to evaluate the designs, concepts, and technologies of digital license plates for use in Florida.

Effective July 1, 2023, the bill authorizes DHSMV to allow the use of digital license plates, subject to the laws of Florida applicable to a physical license plate, in place of the current physical license plate. However, the purchaser of a digital license plate must first obtain a physical license plate from DHSMV before obtaining a digital license plate directly from a digital license plate provider.

The bill provides that a digital license plate owner is not subject to the penalties for failure to display a validation sticker if the vehicle is operated in compliance with law and any rules adopted by DHSMV governing the placement of digital license plates and registration renewal.

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 provides an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Registration License Plates

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

Under the bill, "digital license plate" is defined as an electronic display that meets all specifications required by DHSMV, which must, at a minimum:

- Be designed to display the information required to be included on a physical license plate;
- Be designed to be placed on a motor vehicle registered under ch. 320, F.S. in lieu of a physical license plate;
- Be designed to display any other information that DHSMV, in consultation with law enforcement agencies, determines may improve public safety; and
- Has been determined by the Department of Transportation (FDOT) to have a display that is readable by current automated license plate recognition systems.

The bill amends current law authorizing DHSMV to conduct a pilot program to evaluate designs, concepts, technologies for digital license plates that modernize license plates in this state and improve public safety, and the long-term cost impact to the consumer.

At a minimum, any digital license plate designs, concepts, and technologies that DHSMV evaluates through a pilot program must include the ability to:

- Display information required to be included on a metal or paper license plate;
- Display safety alerts issued by a governmental entity, such as emergency alerts, Amber Alerts, and Silver Alerts;
- Display static logos, including unique displays for fleet license plates, digital versions of specialty license plates, and special license plates;
- Display the registration status of the motor vehicle to which the plate is affixed;
- Display any other information that DHSMV, in consultation with law enforcement agencies, determines may improve public safety;
- Be readable by current toll collection systems and current law enforcement automated license plate recognition hardware and software, as determined by FDOT;
- Connect to the Internet; and
- Add and transfer data at the direction and discretion of DHSMV.

If DHSMV conducts the pilot program, it must administer the program and allow government-owned motor vehicles to be equipped with a digital license plate in addition to being issued a physical license

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. 19, 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. 24, 2022).

¹⁴ Reviver, <https://reviver.com/shop/> (last visited Feb. 24, 2022).

plate. In conducting the pilot program, DHSMV may contract with digital license plate providers to participate. For each digital license plate provider contracted with, DHSMV must:

- Select at least two geographic regions (one urban and one rural) of this state and use at least 10 digital license plates in each region.
- Conclude the evaluation of the digital license plate designs, concepts, and technologies within 6 months after the execution of a contract.
- Make written recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives regarding the implementation and use of the digital license plate designs, concepts, and technologies.

Effective July 1, 2023, the bill provides that DHSMV may allow a motor vehicle to be equipped with a DHSMV-approved digital license plate. The bill provides that a digital license plate is subject to the laws of Florida applicable to a physical license plate. However, digital license plates will be exempt from s. 320.06(3)(a), F.S., which relates to specific physical characteristics of an aluminum license plate. The purchaser of a digital license plate must first obtain a physical license plate from DHSMV before obtaining a digital license plate. Physical license plates must be renewed in accordance with the requirements of current law relating to all fees due on an annual or semiannual basis.

Additionally, the bill requires a consumer who chooses to purchase a digital license plate to pay, in addition to any fees associated with the purchase of a digital license plate, all applicable motor vehicle fees, including any annual use fees associated with any specialty license plate the consumer wishes to display on the digital license plate.

The bill authorizes DHSMV to contract with digital license plate providers 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 obtained by a digital license plate provider in the performance of its services.

A digital license plate provider may not sell or share personal or motor vehicle registration data and may not store, sell, or share geolocation data from the use of a digital license plate. A digital license plate provider that violates this provision is subject to a civil penalty not to exceed \$5,000 per occurrence.

The bill requires a digital license plate provider that contracts with DHSMV to:

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

The bill requires a digital license plate issued to a consumer to:

- Meet the specifications and requirements adopted in the bill and by DHSMV;
- 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.

The bill requires DHSMV to establish procedures for displaying information on a digital license plate, including the following information at a minimum:

- An emergency alert or other public safety alert issued by a governmental entity, including an alert for a missing child or adult;
- A company name or logo and unit number for fleet license plates;
- Digital versions of specialty license plates, special license plates for military service, and special license plates for the Governor and federal and state legislators; and
- Other displays that DHSMV, in consultation with law enforcement agencies, determines are in the interest of public safety.

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 amends current law, effective July 1, 2023, to provide that a digital license plate owner is not subject to the penalties for failure to display a validation sticker if the vehicle is operated in compliance with law and any rules adopted by DHSMV governing the placement of digital license plates and registration renewal.

DHSMV is also authorized in the bill to allow the use of a digital license plate for electronic toll collection, if such use has been approved by the FDOT or other appropriate tolling authority, or to display a parking permit.

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

B. SECTION DIRECTORY:

Section 1: Amends s. 320.01, F.S., relating to definitions.

Section 2: Amends s. 320.06, F.S., relating to registration certificates, license plates, and validation stickers.

Section 3: Amends s. 320.07, F.S., relating to expiration of registration; renewal required; penalties.

Section 4: Creates s. 320.08069, F.S., relating to digital license plates.

Section 5: Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

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.¹⁵

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 authorizes DHSMV to adopt rules to implement the provisions of the bill.

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.

On February 23, 2022, the Commerce Committee adopted a strike-all amendment to the bill and reported the bill favorably as a committee substitute. The amendment:

- Clarifies the definition of a “digital license plate” to provide that a digital license plate must be designed to display any other information that the department, in consultation with law enforcement, determines may improve public safety.
- Removes the definition for “digital license plate provider.”
- Permits the Department of Highway Safety and Motor Vehicles (DHSMV) to conduct a pilot program for the purpose of evaluating the designs, concepts, and technologies of digital license plates.
- Requires that in any pilot program conducted by DHSMV, the digital license plate designs, concepts, and technologies must be able to:
 - Display the information required for a metal or paper license plate;
 - Display safety alerts issued by a governmental entity;
 - Display static logos, including unique displays for fleet license plates and digital versions of specialty license plates and special license plates;
 - Display the registration status of the motor vehicle;
 - Display any other information that the department, in consultation with law enforcement agencies, determines may improve public safety;
 - Be readable by current toll collection systems and current law enforcement automated license plate recognition hardware and software, as determined by the Department of Transportation;
 - Connect to the Internet; and
 - Add and transfer data at the direction of DHSMV.

- Provides a civil penalty for a digital license plate provider that stores, sells, or shares geolocation data collected from the digital license plate.
- Requires DHSMV to allow a registered motor vehicle to display a digital license plate in lieu of a physical license plate and creates a framework for implementation.
- Changes the effective date of the bill from upon becoming law to July 1, 2022.

This analysis is drafted to the committee substitute as approved by the Commerce Committee.