

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 807 License or Permit to Operate Vehicle for Hire

**SPONSOR(S):** Regulatory Reform & Economic Development Subcommittee, Borrero

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Regulatory Reform & Economic Development Subcommittee	12 Y, 1 N, As CS	Larkin	Anstead
2) Local Administration, Federal Affairs & Special Districts Subcommittee	12 Y, 4 N	Burgess	Darden
3) Commerce Committee			

### SUMMARY ANALYSIS

Motor vehicles used for transporting persons or goods for compensation are called “vehicles for-hire” or “transportation for-hire.” The transport of goods and other personal property in a motor vehicle by a corporation or association for its stockholders, shareholders, and members, cooperative or otherwise, is also considered transportation “for hire.”

Some counties and municipalities require persons to obtain a permit or license to operate a vehicle for-hire within its jurisdiction. Counties are authorized by general law to license and regulate taxis, jitneys, limousines, rental cars, and other passenger vehicles for-hire that operate in the unincorporated areas of the county. Some municipalities currently license and regulate vehicles for-hire under their broad general powers because they are not currently prohibited from doing so in general law. Similarly, county airports and airport authorities are not restricted from licensing and regulating vehicles for-hire.

The bill:

- Prohibits a county or municipality from requiring a person to obtain an additional license from such county or municipality when that person holds a valid, active license or permit to operate a vehicle for-hire in any other county or municipality if the person:
  - Holds a valid, active license or permit to operate a vehicle for-hire in the county or municipality in which the person permanently resides.
  - Has not had a license or permit to operate a vehicle for hire suspended or revoked within the preceding 5 years.
- Prohibits an airport from requiring a person to obtain an additional license from such airport when a person holds a valid, active license or permit issued by another airport to operate a vehicle for-hire.
- Defines airport in this section as a commercial service airport.

The bill provides an effective date of July 1, 2023.

The bill may have an insignificant fiscal impact on local governments.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### License or Permit to Operate a Vehicle for-Hire- Current Situation

##### *Background*

With certain exceptions<sup>1</sup>, offering for lease or rent any motor vehicle or offering passengers transportation in exchange for compensation in the State of Florida qualifies the vehicle as a “for-hire vehicle.” A “for-hire vehicle” is a motor vehicle used for transporting persons or goods for compensation. When goods or passengers are transported for compensation in a motor vehicle outside a municipal corporation of this state, or when goods are transported for compensation in a motor vehicle not owned by the person owning the goods, such transportation is considered “for hire.” In addition, the carriage of goods and other personal property in a motor vehicle by a corporation or association for its stockholders, shareholders, and members, cooperative or otherwise, is transportation “for hire.”<sup>2</sup>

Florida law establishes specific financial responsibility requirements applicable to for-hire vehicles. For-hire vehicles, such as taxis and limousines, must maintain a motor vehicle liability policy with minimum limits of \$125,000 per person for bodily injury, \$250,000 per incident for bodily injury, and \$50,000 for property damage.<sup>3</sup> The owner or operator of a for-hire vehicle may also prove financial responsibility by providing satisfactory evidence of holding a motor vehicle liability policy issued by an insurance carrier, which is a member of the Florida Insurance Guaranty Association, or by providing a certificate of self-insurance.<sup>4</sup>

Vehicles for-hire are not the same as transportation network companies or TNC’s, like Uber or Lyft. **The regulation and licensing of TNC’s are expressly preempted to the state** and are regulated by the Department of Financial Services.<sup>5</sup>

The State imposes an annual license taxes on certain types of motor vehicles for-hire upon registration or renewal, including locally operated motor vehicles for-hire. These taxes range from: \$17 flat plus \$1.50 per cwt to \$3.50 flat plus \$1.50 per cwt.<sup>6</sup> However, the state does not require special licenses for drivers for vehicles for-hire.

##### *Counties*

Counties are specifically authorized by general law to license and regulate taxis, jitneys, limousines, rental cars, and other passenger vehicles for-hire that operate in the unincorporated areas of the county.<sup>7</sup> The county may impose licensing fees in order to license these vehicles for-hire.

##### *Municipalities*

Municipalities have broad home rule powers authorizing them to enact legislation concerning any subject matter upon which the Legislature may act, except:

- The subjects of annexation, merger, and exercise of extraterritorial power, which require general or special law pursuant to s. 2(c), Art. VIII of the State Constitution;
- Any subject expressly prohibited by the constitution;

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<sup>1</sup> S. 320.01(15)(b), F.S.

<sup>2</sup> S. 320.01(15)(a), F.S.

<sup>3</sup> S. 324.032(1), F.S.

<sup>4</sup> S. 324.031, F.S.

<sup>5</sup> S. 627.748(17)(a), F.S.

<sup>6</sup> S. 320.08(6) and (14), F.S.

<sup>7</sup> S. 125.01(1)(n), F.S.; an incorporated area of the county means that the area is not located within the boundaries of an incorporated municipality.

- Any subject expressly preempted to state or county government by the constitution or by general law; or
- Any subject preempted to a county pursuant to a county charter adopted under the authority of ss. 1(g), 3, and 6(e), Art. VIII of the State Constitution.<sup>8</sup>

A municipality is allowed to impose reasonable regulatory fees, proportionate with the cost of the regulatory activity.<sup>9</sup>

Currently, counties and municipalities differ on whether they require vehicles for-hire to be licensed and regulated. Some counties require licensure and some do not. Some cities require licensure for vehicles for-hire within the city and also at the airport, while others only require the license for the city but not the airport and vis-a-versa. Here are some examples of local requirements:<sup>10</sup>

- Miami-Dade County's Passenger Transportation Regulatory Division regulates for-hire chauffeurs and vehicles such as taxicabs, limousines, passenger motor carriers, including jitneys and tour vans. The county charges \$70 for an initial inspection fee, quarterly, semi-annual and annual inspection fees of \$38, depending on the type of service; \$35 for re-inspection; and \$20 for a replacement decal. The For-Hire application fees are non-refundable, and are separate from the annual license fee, inspection fees and Local Business Tax Receipt.<sup>11</sup>
- Hillsborough County requires any person engaged in the business of operating vehicles for-hire in the County to obtain a "public vehicle driver's license" (PVDL) from the Hillsborough County Tax Collector, in addition to a valid certificate for the operator and a valid permit for the vehicle after passing a safety and mechanical inspection. Vehicles 10 years of age or older must have additional inspections.<sup>12</sup> A PVDL initial application and renewal fee is \$65 and requires fingerprinting.
- The City of Orlando's police department has a vehicle for-hire unit that requires applicants to show proof of payment of the business tax, to pass a vehicle inspection, to pass a national background check, and to obtain a vehicle permit and a driver permit. The application fee for the Vehicle For-hire permit is \$250 and each permit is \$200.<sup>13</sup>

Some cities and counties have made the decision to end their practice of specifically licensing vehicles for-hire.

- For example, Sarasota, Naples and Collier County made the decision in 2015 to stop licensing vehicles for-hire. "The decision will deregulate the industry once the county's ordinance is officially taken off the books in the coming weeks. Taxi companies will no longer have to buy commercial insurance and their drivers won't have to pass criminal background checks. Collier County will no longer issue licenses to taxi or limo companies. Essentially, anyone with a driver's license will be able to operate a car-for-hire in Collier County."<sup>14</sup>

<sup>8</sup> S. 166.021(3), F.S.

<sup>9</sup> S. 166.221, F.S.; see also s. 205.042, F.S. (municipalities may, by appropriate resolution or ordinance, business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction).

<sup>10</sup> Examples of other cities with vehicle for-hire requirements include: the City of Fort Lauderdale, and Town of Palm Beach. See *Vehicle For Hire*, City of Fort Lauderdale, <https://www.fortlauderdale.gov/government/departments-i-z/transportation-and-mobility/vehicle-for-hire> (last visited March 2, 2023); see also, The Town of Palm Beach requires taxicabs and limousines to obtain a vehicle for hire permit. *Vehicle for Hire Permits*, Town of Palm Beach, <https://www.townofpalmbeach.com/610/Taxi-Permits> (last visited March 2, 2023); see also, Palm Beach Ordinance Code 130-32 ("It is a requirement that all vehicles for hire are permitted in the Town of Palm Beach").

<sup>11</sup> Miami-Dade County, Transportation and Public Work, *For-Hire Transportation*, [https://www.miamidade.gov/global/service.page?Mduid\\_service=ser1498077559199786](https://www.miamidade.gov/global/service.page?Mduid_service=ser1498077559199786) (last visited March 4, 2023.)

<sup>12</sup> Hillsborough County Tax Collectors Office, <https://www.hillstax.org/other-services/vehicle-for-hire/ordinance-information/> (Last visited March 4, 2023).

<sup>13</sup> *Vehicle for Hire Permit Application*, City of Orlando Police Department, <http://beta.orlando.gov/files/sharedassets/public/departments/edv/permitting-services-division/bld/vfren-transferapplication.pdf> (last visited March 2, 2023).

<sup>14</sup> Naples Daily News, Greg Stanley, *Collier tosses out regulations for cabs and ride-sharing, helping Uber and similar businesses*, <https://archive.naplesnews.com/business/local/collier-tosses-out-regulations-for-cabs-and-ride-sharing-helping-uber-and-similar-businesses-2319126-337701871.html#:~:text=Collier%20County%20will%20no%20longer,for%2Dhire%20in%20Collier%20County>. (Last visited March 4, 2023.)

## *Special Districts*

A special district is a unit of local government created for a special purpose, as opposed to a general purpose, which has jurisdiction to operate within a limited geographic boundary and is created by

- general law;
- special act;
- local ordinance; or
- rule of the Governor and Cabinet.<sup>15</sup>

A “dependent special district” is a special district meeting at least one of the following criteria:

- The membership of the district’s governing body is identical to the governing body of a single county or municipality;
- All members of the district’s governing body are appointed by the governing body of a single county or municipality;
- Members of the district’s governing body are removable at will by the governing body of a single county or municipality; or
- The district’s budget is subject to approval by the governing body of a single county or municipality.<sup>16</sup>

An “independent special district” is any district that is not a dependent special district or one that includes more than one county unless the district lies wholly within a single municipality.<sup>17</sup> Special districts do not possess “home rule” powers. The county or municipality who created the special district defines the powers of a special district.<sup>18</sup>

Special districts vary on their ability to issue licenses or permits to operate a vehicle for hire. Due to the fact that the county or municipality which created the special district defines its powers.

## *Preemption<sup>19</sup>*

Generally, local governments are preempted from issuing occupational licenses that are not specifically authorized in general law. Local governments include counties, municipalities, and special districts.

In 2021, the Governor signed HB 735, Preemption of Local Occupational Licensing, which preempts occupational licensing to the state unless the local government has specific authority to license and regulate set out in general law. Because counties have specific authority in general law to license and regulate vehicles for-hire, HB 735 does not appear to affect a counties’ ability to license vehicles for-hire. However, HB 735 may prevent municipalities from licensing and regulating vehicles for-hire after July 1, 2023, because they do not have specific authority to regulate.<sup>20</sup>

## *Commercial Service Airports*

An airport is classified as a commercial service airport when the Secretary of U.S. Transportation determines that it has more than 10,000 passenger boardings each year.<sup>21</sup>

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<sup>15</sup> S. 189.012(6), F.S.

<sup>16</sup> Section 189.012(2), F.S.

<sup>17</sup> Section 189.012(3), F.S. Independent special districts are created by the Legislature, unless another mechanism is authorized by general law. See, e.g. s. 190.005, F.S. (community development districts may be created by a county, municipality, or the Florida Land and Water Adjudicatory Commission, depending on the size and location of the district).

<sup>18</sup> “Administrative agencies, such as the airport authority, are creatures of statute and derive only the power specified therein.” Fla. Att’y Gen. Op. 2012-24 (2012).

<sup>19</sup> S.163.211, F.S.

<sup>20</sup> See s. 163.211, F.S.; This may be preempted on July 1, 2023.

<sup>21</sup> 49 U.S.C.A. § 47102 (2018); see also, s. 332.0075 (1)(a), F.S.

In Florida, the Department of Transportation (DOT) is responsible for planning airport systems and overseeing the public airport system.<sup>22</sup> The owner or lessee of a proposed public airport<sup>23</sup> must receive DOT approval before site acquisition, construction, or establishment of a public airport facility.<sup>24</sup> DOT is also responsible for licensing public airport facilities prior to the operation of aircraft to or from the facility and must inspect such facilities prior to licensing or renewal.<sup>25</sup> Current law authorizes local governments to establish and operate airports.<sup>26</sup> Neither state law nor federal law establish requirements for airport governance or ownership. As such, Florida airports operate under either a government department model (where the airport operates as a department of the local government) or an airport authority model (where the airport authority is created as either an independent or a dependent special district). Because airports are generally governed and subsumed as part of local governments, state law provides for very little oversight and accountability.

With respect to county owned or operated airports, the board of county commissioners has the right, power, and authority to enter into contracts with one or more motor carriers for the transportation of passengers for-hire between airports and points within such county.<sup>27</sup> These contracts define the period of authorization to transport passengers.<sup>28</sup> The county is required to use the competitive bidding process<sup>29</sup> to grant an exclusive right to use certain parking areas at the county owned airport for motor carriers for the transportation of passengers such as a taxicab and limousine stand.<sup>30</sup> A county-owned airport, which is located within the jurisdictional boundaries of a municipality, is under the county's exclusive authority and the municipality does not have authority over such airport.<sup>31</sup>

Some airport authorities require vehicles for-hire to obtain a permit to operate from the local government and the airport. For example, Orlando International Airport requires vehicles for hire to have:<sup>32</sup>

- a valid, current driver's license issued by the City of Orlando,
- a vehicle permit (V-Permit) decal issued by the Orlando International Airport displayed on the vehicle at all times, and
- a vehicle for hire permit decal issued by the City of Orlando displayed on the vehicle at all times.

The Fort Lauderdale-Hollywood International Airport requires persons that operate a vehicle for hire to first register with and obtain a permit from the Environmental and Consumer Protection Division of Broward County. Then, persons with a permit to operate a vehicle for hire must apply for a decal permit from the Broward County Aviation Department.<sup>33</sup> The Jacksonville International Airport has a similar arrangement.<sup>34</sup>

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<sup>22</sup> S. 332.001, F.S.

<sup>23</sup> S. 330.27(6), F.S. For purposes of DOT approval and licensure, the term "public airport" means a publicly or privately-owned airport for public use.

<sup>24</sup> S. 330.30(1), F.S.

<sup>25</sup> S. 330.30(2), F.S.

<sup>26</sup> See ch.332, F.S.

<sup>27</sup> This does not apply to counties who own or operate an airport which is located on land that is separated from the mainland of the state by a body of water or the county has a population between 150,000 and 200,000. S. 331.15(2), F.S.

<sup>28</sup> S. 331.15(2), F.S.

<sup>29</sup> "Competitive bidding is a process of issuing a public bid with the intent that companies will put together their best proposal and compete for a specific project." *Competitive Bidding: What Is Competitive Bidding?*, FindRFP Inc.

<https://www.findrfp.com/Government-Contracting/competitive-bidding.aspx> (last visited Feb. 28, 2023); A county is required to use a competitive bidding procedure to lease county-owned property. See 1988 Op. Att'y Gen. Fla. 110 (1988).

<sup>30</sup> *Randall Indus., Inc. v. Lee Cnty.*, 307 So. 2d 499, 501 (Fla. 2d DCA 1975).

<sup>31</sup> Fla. Att'y Gen. Op. 2009-46 (2009); s. 125.015, F.S.; see also *City of Dania v. Hertz Corp.*, 518 So. 2d 1387, 1388 (Fla. 4th DCA 1988).

<sup>32</sup> Greater Orlando Aviation Authority, Vehicle-For-Hire (VFH): V-Permit Holders and Drivers Handbook p. 5, Orlando International Airport, <https://orlandoairports.net/site/uploads/VFH-Handbook.pdf> (last visited March 1, 2023).

<sup>33</sup> *Operational Guidelines for Ground Transportation at Fort Lauderdale-Hollywood International Airport*, p. 5, Broward County Board of County Commissioners (Aug. 17, 2021), <https://www.broward.org/Airport/Business/about/Documents/Operationalguidelinesforgroundtransportationservices01.pdf> (last visited March 2, 2023).

<sup>34</sup> First a person must obtain a vehicle for hire permit issued from the City of Jacksonville. Then, the person must obtain an annual permit from the Jacksonville Aviation Authority. *Commercial Ground Transportation Policy* p. 7, Jacksonville International Airport, Jacksonville Aviation Authority, (Jan. 28, 2013), <https://flyjacksonville.com/PDFs/AppndxG.pdf> (last visited March 2, 2023).

On the other hand, some airport authorities issue a separate permit for vehicles for-hire for transporting passengers at the airport. For example, the Orlando Sanford International Airport requires a vehicle for hire to obtain a ground transportation prearranged permit which is issued by the airport.<sup>35</sup> This includes a ground transportation agreement which excludes taxicabs.<sup>36</sup>

## License or Permit to Operate a Vehicle for-Hire- Effect of Bill

### *Counties and Municipalities*

The bill provides an exception from certain local licensing requirements to a person who holds a valid, active license or permit issued by a county or municipality to operate a vehicle for-hire. Such person may operate a vehicle-for hire without being subject to additional licensing or permitting requirements and without paying additional fees if the person:

- Holds a valid, active license or permit to operate a vehicle for hire in the county or municipality in which the person is domiciled<sup>37</sup>.
- Has not had a license or permit to operate a vehicle for hire suspended or revoked within the preceding 5 years.

A county may still license and regulate taxis, jitneys, limousines, rental cars, and other passenger vehicles for-hire that operate in the unincorporated areas of the county. However, if the person is already licensed or permitted by the area<sup>38</sup> where they live and have a license or permit in good standing, the county will not be able to enforce additional licensing or permitting requirements or impose additional fees upon that person.

As for municipalities, if a person is licensed or permitted by the area where they live and has a license or permit in good standing, the municipality will not be able to enforce additional licensing or permitting requirements or impose additional fees upon that person.

A person who is an unlicensed or does not fall within the exception may be able to obtain a license or permit to operate a vehicle for hire in another county or municipality despite where he or she currently lives.

Overall, the bill allows persons who possess a license or permit in one jurisdiction to operate a vehicle for-hire in other jurisdictions without being subject to obtaining another license or permit.

### *Commercial Service Airports*

The bill provides that a person who holds a valid, active license or permit issued by an airport to operate a vehicle for-hire may operate a vehicle for hire at any other airport without being subject to additional airport licensing or permitting requirements and without paying additional license or permit fees. Airport includes an airport, airport authority, aviation authority, or other entity that operates a commercial service airport.

The bill limits the airport's ability to issue permits or licenses to operate a for-hire vehicle if another airport has already issued a person a permit or license.

This potentially would affect county owned or operated airports.<sup>39</sup> The board of county commissioners could still enter contracts with motor carriers for the transportation of passengers for hire between such airport or airports and points within such county. However, persons who already obtained a permit or

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<sup>35</sup> The fees to obtain a permit to operate vehicle for hire depend on the weight and length of the vehicle.

<sup>36</sup> *2023 Ground Transportation Pre-Arranged Permit*, Orlando Sanford International Airport, <https://web1.osaa.net/GTX/docs/GT-Permit-2023-for-Website.pdf> (last visited March 1, 2023).

<sup>37</sup> Domicile means someone's permanent residence or principal home. *Domicile Definition and Meaning*, Merriam-Webster (last visited March 1, 2023), <https://www.merriam-webster.com/dictionary/domicile>.

<sup>38</sup> Municipality or county.

<sup>39</sup> This would not apply to counties who own or operate an airport which is located on land that is separated from the mainland of the state by a body of water or the county has a population between 150,000 and 200,000.

license to operate a vehicle for hire would not be required to enter into a contract with the board of county commissioners to operate a vehicle for hire at the county owned or operated airport.

**B. SECTION DIRECTORY:**

Section 1. Creating s. 320.0603, F.S.; providing that a person who holds a license issued by a county, municipality, or airport to operate a vehicle for hire may operate a vehicle for hire in any other county, municipality, or airport without being subject to certain requirements or fees under certain circumstances; defining the term "airport".

Section 2. Provides an effective date of July 1, 2023.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

None.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

The bill may potentially impact the revenues of municipalities who raise revenue from the licenses that they issue if such fees are not in proportion to the regulatory activity. However, municipalities are required to only impose regulatory fees that are proportionate to the cost of regulation in accordance with section 166.221, F.S. Since municipalities will no longer be issuing as many licenses or inspecting as many vehicles for hire, this loss of revenue should be offset by a decrease in expenditures.

As for counties, the impact on revenues is indeterminate.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

There may be a positive economic impact on the vehicles for-hire industry. There would be a positive economic impact for persons who:

- hold a valid, active license or permit to operate a for hire vehicle in the municipality or county where they live and
- maintain their license or permit to operate in good standing for the preceding 5 years.

Such persons will not be subject to additional licensing or permitting requirements or fees in other municipalities, counties, or airports.

**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 expenditures 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:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

On March 9, 2023, the Regulatory Reform & Economic Development Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The committee substitute clarifies that the bill not does grant specific authority to municipalities or special districts to regulate or license vehicles for hire as required by s. 163.211, F.S.

This analysis is drafted to the committee substitute as passed by the Regulatory Reform & Economic Development Subcommittee.