

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

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BILL #: [HB 937](#)

TITLE: Transportation

SPONSOR(S): Yarkosky

COMPANION BILL: [SB 488](#) (Massullo)

LINKED BILLS: [HB 939](#) Yarkosky

RELATED BILLS: None

Committee References

[Government Operations](#)

16 Y, 0 N

[Ways & Means](#)

[Transportation & Economic Development Budget](#)

[State Affairs](#)

SUMMARY

Effect of the Bill:

The bill updates current law to reflect changes in Federal regulations pertaining to the International Fuel Tax Agreement; increases the damage threshold for crash reports; revises motor vehicle registration requirements to ensure that proof of address are unexpired and comply with the REAL ID standards; authorizes the Department of Highway Safety and Motor Vehicles to send their customers certain notices through electronic means; and revises the term “tank vehicle” by clarifying individual and aggregate capacity limits.

Fiscal or Economic Impact:

The bill will likely have an indeterminate fiscal impact on local and state government.

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ANALYSIS

EFFECT OF THE BILL:

International Fuel Tax Agreement

The bill renames the [Florida Diesel Fuel and Motor Fuel Use Tax Act of 1981](#) as the “Florida Motor Fuel Use Tax Act” and revises the law to bring it into conformance with the [International Fuel Tax Agreement](#) (IFTA) by:

- Requiring the Department of Highway Safety and Motor Vehicles (DHSMV) or its authorized agent to issue fuel tax decals and temporary fuel-use permits for each qualified motor vehicle who is licensed under IFTA. (Section [3](#))
- Requiring that fuel tax decal renewal orders be submitted electronically through a system set up by DHSMV, beginning October 1, 2026. (Section [3](#))
- Providing that a person discontinuing the usage of fuel tax decals must destroy the decals and notify DHSMV of their destruction. (Section [6](#))
- Removing DHSMV’s authority to issue [driveaway permits](#) to align with IFTA. (Section [3](#))
- Requiring that the reporting period for motor fuel use tax is 12 months beginning January 1, instead of July 1, and ending December 31, instead of June 30 and changing the motor fuel tax filing due dates to:
 - January 31 for annual filings.
 - January 31 and July 31 for semiannual filings.
 - January 31, April 30, July 31, and October 31, for quarterly filings. (Section [4](#))
- Providing that the interest charged for [delinquent motor fuel use taxes](#) will be determined in accordance with IFTA. (Section [5](#))
- Providing that anyone who counterfeits, alters, manufactures, or sells fuel tax licenses, fuel tax decals, or temporary fuel-use permits without DHSMV permission commits a third-degree felony. (Section [5](#))
- Revising existing definitions to align with IFTA. (Section [2](#))

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Crash Reporting Damage Thresholds

The bill increases the amount of apparent property damage that requires a driver of a vehicle involved in a crash to notify law enforcement from \$500 to \$2,000. (Section [7](#))

Motor Vehicle Registration

The bill specifies that that a motor vehicle owner's permanent business or residence street address on a motor vehicle registration application must be in Florida. The bill repeals exceptions to the address requirement, except for those relating to active-duty members of the U.S. Armed Forces who are Florida residents. (Section [8](#))

The bill provides that an applicant for a motor vehicle registration is required to provide proof of address satisfactory to DHSMV, and requires heightened identification requirements for motor vehicle registrations. Specifically, the bill requires an applicant for a motor vehicle registration to present:

- A REAL ID compliant driver's license or identification card issued by Florida or another state, instead of any driver license or identification card issued by Florida or another state.
- An unexpired U.S. passport, instead of any passport, expired or not.
- An unexpired passport from another country, instead of any passport, expired or not, and such passport must be accompanied by an unexpired Form I-94 issued by the U.S. Bureau of Customs and Border Protection. (Section [8](#))

The bill aligns the definition of "REAL ID driver's license or identification card," with federal standards. (Section [8](#))

DHSMV Notifications to Customers

The bill authorizes DHSMV to send its customers notices by electronic means. Such notices include notices related to driver licenses, identification cards, motor vehicle registrations, motor vehicle insurance, and vessel registrations. (Multiple Sections)

Tank Vehicles

The bill revises the definition of "[tank vehicle](#)," aligning it with federal regulations, and clarifying individual and aggregate capacity limits. Specifically, a tank vehicle is designed to transport any liquid or gaseous material within one or more tanks that each have an individual rated capacity exceeding 119 gallons or an aggregate rated capacity exceeding 1,000 gallons and that are either permanently or temporarily attached to the vehicle or chassis. This does not include commercial motor vehicle transporting an empty storage container tank that is not designed for transportation, but that is temporarily attached to a flatbed trailer. (Section [10](#))

Effective Date

The bill provides an effective date of October 1, 2026. (Section [40](#))

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have an indeterminate positive fiscal impact on state government as the Department of Highway Safety and Motor Vehicles (DHSMV) expenditures could decrease as a result of notices and orders being provided via electronic mail and not through the U.S. Postal Service.

Florida Highway Patrol may incur training costs as it will be required to implement several provisions of the bill.

LOCAL GOVERNMENT:

The bill may have an indeterminate, but likely insignificant, negative fiscal impact on local government as tax collectors may incur training costs to implement several provisions of the bill.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Florida Diesel Fuel and Motor Fuel Use Tax Act of 1981

In 1981, the Florida Legislature passed the “Florida Diesel and Fuel Motor Use Tax Act of 1981,” which levied taxes for operating a commercial motor vehicle upon the public highways of this state. In 1987, responsibility was moved from the Department of Revenue to the Department of Highway Safety and Motor Vehicles (DHSMV) and authority to enter into a cooperative reciprocal agreement with other states was enacted.¹

In 1996, Congress required all states, except Alaska and Hawaii, to join the International Fuel Tax Agreement (IFTA). The legislation provided authority to each state to establish, maintain, or enforce a law or regulation requirement, including any tax reporting form, only if the requirement conforms with IFTA.² It also detailed how payment, collection, and proportional sharing of fuel use taxes would work among member states. Current law contains language that no longer conforms with the Federal IFTA Articles of Agreement.³

International Fuel Tax Agreement

Current law authorizes DHSMV to enter into a cooperative reciprocal agreement (including agreements like the international fuel-tax agreement) with another state or group of states for the administration of the motor fuel tax.⁴ IFTA simplifies fuel tax reporting for interstate carriers, such as commercial motor vehicles. Commercial motor vehicles qualify for IFTA if they are used, designed, or maintained for the interstate transportation of persons or property and:

- Have two axles and a gross vehicle weight (GVW) or registered GVW exceeding 26,000 pounds;
- Have three or more axles, regardless of weight; or
- Are used in combination with a trailer, for a combined GVW or registered GVW in excess of 26,000 pounds.⁵

IFTA is a reciprocal agreement, meaning that an IFTA license issued by the jurisdiction where the motor carrier is based, is valid in all the other IFTA member jurisdictions. Additionally, the licensee reports and pays all motor fuel taxes to the base jurisdiction, which handles distribution to all the other member jurisdictions in which the licensee travelled and incurred motor fuel use tax liability. IFTA member jurisdictions are the lower 48 states and the 10 Canadian provinces.⁶

IFTA Credentials

Each calendar year, Florida issues an IFTA license and a set of two IFTA decals per each qualified vehicle. The original IFTA license is kept with the carrier’s records, and copies of the original must be kept in each vehicle, and IFTA decals must be affixed to the outside of each of those vehicles. By having copies of the licenses, and the decals affixed to the outside of the vehicles, it qualifies them to be operational in all other IFTA jurisdictions without the need for obtaining additional licenses from those jurisdictions.⁷ IFTA licenses and decals are valid for one calendar year (January 1 – December 31), and reporting for motor fuel taxes is divided into four reporting periods. There is no annual fee associated with IFTA license, and IFTA decals are \$4.00 per set.⁸

¹ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2025 Senate Bill 1290, p. 2 (Feb. 26, 2025).

² IFTA Association, [History and Nature of IFTA](#) (last visited Jan. 28, 2026).

³ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2025 Senate Bill 1290, p. 2 (Feb. 26, 2025) (on file with the Government Operations Subcommittee).

⁴ [S. 207.0281\(1\), F.S.](#)

⁵ Department of Highway Safety and Motor Vehicles, [International Fuel Tax Agreement](#) (last visited Jan. 28, 2026).

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

Tax Returns and Payments

Current law provides that the reporting period for motor fuel use tax is 12 months beginning July 1 and ending June 30.⁹ Additionally, current law provides the following motor fuel tax filing return due dates:

- Annual filing: July 1
- Semiannual filing: January 1 and July 1
- Quarterly filing: January 1, April 1, July 1, and October 1¹⁰

Delinquent Motor Fuel Use Taxes

Current law provides that any delinquent tax must bear interest at the rate of one percent per month, or fraction thereof, calculated from the date the tax was due. If DHSMV enters into a cooperative reciprocal agreement,¹¹ DHSMV must collect and distribute all interest due to other jurisdictions at the same rate as if such interest were due to the state.¹²

Driveaway Permits

Current law authorizes DHSMV, upon a motor carrier paying \$4.00, to issue driveaway permits to a registered motor carrier engaged in driveaway transportation, in which the cargo is the vehicle itself and is in transit to stock inventory and the ownership of the vehicle is not vested in the motor carrier.¹³ DHSMV has provided that IFTA allows temporary fuel-use permits, but does not regulate driveaway permits.¹⁴

Crash Reporting Damage Thresholds

A driver of a vehicle involved in a crash that results in injury or death of any person, or results in damage to any vehicle or other property in an apparent amount of at least \$500,¹⁵ must give immediate notification to local law enforcement whether a municipality, county, or Florida Highway Patrol.¹⁶ A violation of this provision is a noncriminal traffic infraction, punishable as a nonmoving violation.¹⁷ The statutory base fine is \$30, but with additional fees and court costs, the total fine may be up to \$108.¹⁸

Motor Vehicle Registration Application

Every owner or person in charge of a motor vehicle that is driven on the roads must register the vehicle in this state (with limited exceptions).¹⁹ The owner or person in charge must apply to DHSMV or to its authorized agent for registration of each vehicle on a form prescribed by DHSMV. A registration is not required for any motor vehicle that is not operated on the roads of this state during the registration period.²⁰

The application for registration must include the street address of the owner's permanent residence or the address of his or her permanent place of business and be accompanied by personal or business identification information. An individual applicant must provide a valid driver license or identification card issued by Florida or another state

⁹ [S. 207.005\(1\), F.S.](#)

¹⁰ *Id.*

¹¹ [S. 207.0281\(1\), F.S.](#), provides that DHSMV may enter into a cooperative reciprocal agreement, including, IFTA, with another state or group of states for the administration of the motor fuel tax. An agreement arrangement, declaration, or amendment is not effective until stated in writing and filed with DHSMV.

¹² [S. 207.007\(2\), F.S.](#)

¹³ [S. 207.004\(5\)\(c\), F.S.](#)

¹⁴ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2026 Senate Bill 488, p. 6 (Jan. 12, 2026).

¹⁵ In 1989, the amount of property damage necessary to require notification to law enforcement was increased from \$100 to \$500. *See* [Ch. 89-271, L.O.F.](#)

¹⁶ [S. 316.065\(1\), F.S.](#)

¹⁷ *Id.*

¹⁸ Florida Court Clerks & Comptrollers, [Distribution Schedule of Court-Related Filing Fees, Service Charges, Costs and Fines, Including a Fee Schedule for Recording, P. 43 \(Effective July 1, 2025\)](#) (last visited Jan. 28, 2025).

https://cdn.ymaws.com/www.flclerks.com/resource/resmgr/publicationsanddocuments/2023_Distribution_Schedule_e.pdf (last visited March 14, 2025).

¹⁹ [S. 320.02\(1\), F.S.](#)

²⁰ *Id.*

or a valid passport. A business applicant must provide a federal employer identification number, if applicable, or verification that the business is authorized to conduct business in the state, or a Florida municipal or county business license or number.²¹

If the owner does not have a permanent residence or permanent place of business, or if the owner's permanent residence or permanent place of business cannot be identified by a street address, the application must include:

- If the vehicle is registered to a business, the name and street address of the permanent residence of an owner of the business, an officer of the corporation, or an employee who is in a supervisory position.
- If the vehicle is registered to an individual, the name and street address of the permanent residence of a close relative or friend who is a resident of this state.²²

If the vehicle is registered to an active duty member of the Armed Forces of the U.S. who is a Florida resident, the active duty member is exempt from the requirement to provide the street address of a permanent residence.²³

DHSMV Notifications to Customers

Notices related to the cancellation, suspension, revocation, or disqualification of driver licenses, identification cards, motor vehicle registrations, motor vehicle insurance, and vessel registrations²⁴ must be sent by first class mail, postage prepaid, through the U.S. Postal Service and addressed to the customer's last known mailing address. Currently, DHSMV is authorized to collect and utilize email addresses for the limited purpose of providing certain renewal notices.²⁵

Tank Vehicles

Current law defines "tank vehicle" as a vehicle that is designed to transport any liquid or any liquid gaseous material within a tank either permanently or temporarily attached to the vehicle, if such tank has a designed capacity of 1,000 gallons or more.²⁶

According to DHSMV, this definition is not currently aligned with the Federal Motor Carrier Safety Administration (FMSCA) definition. The FMSCA has the power to withhold federal funding from the state should they find that DHSMV is not in compliance with the applicable federal legal requirements.²⁷

²¹ S. [320.02\(2\)\(a\), F.S.](#)

²² *Id.*

²³ *Id.*

²⁴ Chapters 318, 320, 322, 324, and ss. 627.732–627.734, F.S.

²⁵ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2026 Senate Bill 488, p. 5 (Jan. 12, 2026) (on file with the Government Operations Subcommittee).

²⁶ [S. 322.01\(44\), F.S.](#)

²⁷ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2026 Senate Bill 488, p. 4 (Jan. 12, 2026) (on file with the Government Operations Subcommittee).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<u>Government Operations Subcommittee</u>	16 Y, 0 N	2/5/2026	Toliver	Walker
<u>Ways & Means Committee</u>				
<u>Transportation & Economic Development Budget Subcommittee</u>				
<u>State Affairs Committee</u>				