

FLORIDA HOUSE OF REPRESENTATIVES

FINAL BILL ANALYSIS

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BILL #: [CS/CS/HB 937](#)

TITLE: Transportation

SPONSOR(S): Yarkosky and Bankson

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

LINKED BILLS: [HB 939](#) Yarkosky

RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 108 Y's 1 N's

GOVERNOR'S ACTION: Pending

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 related to proof of address.
- Authorizes the Department of Highway Safety and Motor Vehicles to send its customers certain notices through electronic means.
- Clarifies what constitutes an unlawful alteration or obstruction of a license plate and revises the term "license plate obscuring device."
- Makes changes to license plates for disabled veterans.
- Clarifies tax collectors' authority to issue the International Wheelchair User Symbol license plate.
- Provides certain prohibitions for certain motor vehicle manufacturers and distributors.
- Addresses use of rights-of-way by communications services providers.
- Revises the definition of "tank vehicle."

Fiscal or Economic Impact:

The Revenue Estimating Conference estimated that the bill will have a negative indeterminate fiscal impact on state and local government revenues. The bill may have a positive economic impact on the private sector.

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ANALYSIS

EFFECT OF THE BILL:

CS/CS/HB 937 passed as [SB 488](#).

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 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)
- Providing 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)

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- 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)

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 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 requires an applicant for a motor vehicle registration 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 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 requires such passport to 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)

Visibility of License Plate Features

The bill clarifies that an existing second-degree misdemeanor related to knowingly obscuring, altering, or interfering with the legibility, angular visibility, or detectability of a license plate only applies if the action interferes with the license plate number or validation sticker. The bill specifies that it is permissible for a person to attach a frame or decorative border around a license plate provided that it does not obscure the:

- Alphanumeric designation or license plate number.
- Registration decal or validation sticker located in the upper right corner of the license plate. (Section 9)

Similarly, the bill revises the term "[license plate obscuring device](#)" by clarifying that such device:

- Covers, obscures, or otherwise interferes with the license plate number or validation sticker.
- Interferes with the ability to record the license plate number or validation sticker. (Section 12)

The bill clarifies that the use of a license plate frame or decorative border is permissible and not considered a license plate obscuring device as long as the device does not obscure the visibility of the:

- Alphanumeric designation or license plate number.
- Registration decal or validation sticker located in the upper right corner of the license plate. (Section 12)

Disabled Veterans and License Plates

The bill:

- Authorizes a disabled veteran who has been issued a permanent [disabled veteran \(DV\) motor vehicle license plate](#) to retain the unique alphanumeric designation assigned to the plate upon reissuance, renewal, or transfer of the plate to another vehicle owned by the veteran.
- Allows disabled veterans to have “DV” stamped on their license plate, instead of the international wheelchair user symbol. (Sections 10 and 11)

Tax Collectors and Disabled Parking Permits and License Plates

The bill clarifies:

- The authority of tax collectors to issue the [International Wheelchair User Symbol license plate](#).
- That the application for International Wheelchair User Symbol license plates may be submitted to tax collectors and such plates may be issued immediately on demand by the tax collector. (Section 11)

Motor Vehicle Manufacturers, Importers, and Distributors, and Franchised Motor Vehicle Dealers

The bill prohibits a licensed motor vehicle manufacturer, distributor, importer, or factory branch (licensee) that sells 1,000 or more vehicles of a particular line-make to motor vehicle dealers within the state during any 12-month period from selling more than 33.33 percent of such vehicles to any single dealer or group of dealers with common ownership or control. The prohibition does not apply to any licensee that had a franchised dealer in the state as of January 1, 2026, (or, if the licensee is not otherwise prohibited from owning or operating a dealership). (Section 13)

The bill provides that a group of dealers is commonly owned or controlled when:

- One dealer owns or controls more than 30 percent of another dealer; or
- The same person or entity owns or controls more than 30 percent of each dealer. (Section 13)

The bill expands the grounds on which a licensee may prevent or reject the succession, transfer, assignment, or sale of a motor vehicle dealership franchise to include when such action would result in the licensee selling more than 33.33 percent of its wholesale volume in the state to any single dealer or group of dealers with common ownership or control. (Sections 13 and 14)

Use of Rights-of-Way by Communications Services Providers

The bill addresses the [use of rights-of-way by communications services providers](#) to place or relocate communications facilities, and limits the power of local authorities to impose conditions on permits for such use of the right-of-way. (Section 20)

The bill prohibits a county or municipality from requiring a provider to locate or perform a survey of any facilities except its own or any right-of-way boundary as a condition of a permit. If the owner of a facility fails to locate its facilities as required by law, a provider must use reasonable care and detection equipment or other acceptable means to avoid damaging existing underground facilities. The bill also prohibits a county or municipality from enforcing requirements regarding the placement of communications facilities in rights-of-way not owned and controlled by the county or municipality or in public utility easements that are not within an area owned and controlled by such governments, unless a permit delegation agreement exists between the county or municipality and the owner of the right-of-way or easement. (Section 20)

The bill requires that a county or municipality include in its permit application form or process all required permissions required by the county or municipality to grant a permit to place communications facilities, including

right-of-way occupancy, building permits, electrical permits, and historic review. The bill also prohibits a county or municipality from limiting the number of permits issued to a provider, including by project size or by limiting the number of open permits or applications, provided that the permit is closed within 45 days after the provider completes the work. The bill provides that a county or municipality may require the submission or maintenance of a bond or other financial instrument but may not require a cash deposit or other escrow, payment, or exaction as a condition of issuing a permit. (Section 20)

If a county or municipality adopts an ordinance for insurance coverage, indemnification, force majeure, abandonment, local government liability, or warranties, the bill requires the ordinance to apply to all communications services providers, including local government and nonprofit providers, as applicable. The bill also provides that if a county or municipality requires a construction bond to secure postconstruction rights-of-way to preconstruction condition, such bond must be reasonably related to the cost of securing restoration of the rights-of-way, and a county or municipality may not limit the number of permits allowed under this same bond. A county or municipality may not require landscaping, landscaping maintenance, or vegetation management other than that necessary for right-of-way restoration. (Section 20)

The bill also prohibits a county or municipality from requiring a deposit or escrow of cash as a condition of issuing a permit or compelling the applicant to agree to any additional terms or agreements not specifically authorized by law nor directly related to the work specified in the application. The bill also clarifies that a county or municipality may require indemnification for liabilities caused by the provider's agents or employees, but not for liabilities caused by unaffiliated third parties. (Section 20)

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 a 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 16)

Effective Date

Subject to the Governor's veto powers, the effective date of this bill is October 1, 2026. (Section 47)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The Revenue Estimating Conference estimated that the bill will have a negative indeterminate impact on state revenues. Additionally, the bill may have an indeterminate fiscal impact on state government as DHSMV expenditures could decrease as a result of notices and orders being provided via electronic mail and not through the U.S. Postal Service. The Florida Highway Patrol may also incur training costs as it will be required to implement several provisions of the bill. DHSMV may incur costs to make changes to the disabled veterans license plates and the International Wheelchair User Symbol license plates.

LOCAL GOVERNMENT:

The Revenue Estimating Conference estimated that the bill has a negative indeterminate impact on local government revenues. Additionally, 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.

PRIVATE SECTOR:

The bill may have a positive economic impact on franchised dealers in the state as it protects their current business model.

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 traveled 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 are kept in each vehicle, and IFTA decals must be affixed to the outside of each of the vehicles. By having copies of the licenses and the decals affixed to the outside of the vehicles, it qualifies the vehicles 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 the 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 Mar. 12, 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 Mar. 12, 2026).

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

Tax Returns and Payments

Current law provides that the reporting period for the 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, a county, or the 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 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 or a valid passport. A business applicant must provide a federal employer identification number, if applicable, or

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 Mar. 12, 2026).

¹⁹ [S. 320.02\(1\), F.S.](#)

²⁰ *Id.*

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 U.S. Armed Forces 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

Visibility of License Plate Features

Current law requires license plates be displayed in such a way that certain identifying information is plainly visible and legible.²⁶ Current law prohibits—punishable as a second degree misdemeanor—a person from knowingly applying or attaching a substance, reflective matter, illuminated device, spray, coating, covering, or other material onto or around any license plate that interferes with the legibility, angular visibility, or detectability of any feature or detail on the license plate or interferes with the ability to record any feature or detail on the license plate.²⁷

Additionally, current law provides that it is a:

- Second degree misdemeanor to purchase or possess a license plate obscuring device.
- First degree misdemeanor to manufactures, sell, offer to sell, or otherwise distribute a license plate obscuring device.
- Felony of the third degree to use a license plate obscuring device to assist in committing a crime or in escaping from or avoiding detection or arrest in connection with committing such crime.²⁸

A [license plate obscuring device](#) is defined as a device designed or adapted to be installed on a motor vehicle for the purpose of:

- Switching between two or more license plates to permit a motor vehicle operator to change the license plate displayed on the motor vehicle;
- Hiding a license plate from view by flipping the license plate so that the license plate number is not visible;
- Covering, obscuring, or otherwise interfering with the legibility, angular visibility, or detectability of the primary features or details, including the license plate number or validation sticker, on the license plate; or
- Interfering with the ability to record the primary features or details, including the license plate number or validation sticker, on the license plate.²⁹

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. 316.605\(1\), F.S.](#)

²⁷ [S. 320.061, F.S.](#)

²⁸ [S. 320.262, F.S.](#)

²⁹ [S. 320.262\(1\), F.S.](#)

Disabled Veterans and License Plates

Upon application, and accompanied by specified proof of disability, current law authorizes DHSMV to issue one free [disabled veteran \(DV\) motor vehicle license plate](#) for use on any motor vehicle owned or leased by any disabled veteran who has been a Florida resident continuously for the preceding five years or has established a domicile in Florida, and who has been honorably discharged from the United States Armed Forces.³⁰ When a disabled veteran applies for a reissuance of his or her plate, DHSMV issues the disabled veteran a new permanent DV license plate that is red, white, and blue. Such permanent DV license plate may be transferred to another vehicle owned by the disabled veteran. Upon request of the disabled veteran, DHSMV is authorized to issue a designation plate containing only the letters “DV,” to be displayed on the front of the vehicle.³¹ A DV license plate has the same parking privileges as a disabled parking permit.³²

Disabled Parking Permits and License Plates

DHSMV or its authorized agents (tax collectors) must, upon application and receipt of the required fee, issue a:

- Disabled parking permit³³ for a period of up to four years to any person who has long-term mobility impairment.³⁴
- Temporary disabled parking permit for up to six months to any person who has a temporary mobility impairment.³⁵

DHSMV must, upon application³⁶ and receipt of the required fee, issue an [International Wheelchair User Symbol license plate](#) to any owner or lessee of a motor vehicle who resides in Florida and qualifies for a disabled parking permit. Such plate, in lieu of the serial number, must be stamped with the international wheelchair user symbol after the serial number of the license plate. The license plate has the same parking privileges afforded by a disabled parking permit.³⁷

Current law does not explicitly authorize tax collectors to issue the International Wheelchair User Symbol license plate.³⁸ However, as agents of DHSMV, tax collectors issue license plates, including the International Wheelchair User Symbol license plate.³⁹

Motor Vehicle Manufacturers, Importers, and Distributors and Franchised Motor Vehicle Dealers

Florida Automobile Dealership Act

The Florida Automobile Dealership Act (Act)⁴⁰ governs the licensure of, and contractual relationship between motor vehicle manufacturers,⁴¹ distributors,⁴² and importers,⁴³ and provides protections for motor vehicle dealers.

³⁰ [S. 320.084\(1\), F.S.](#)

³¹ [S. 320.084\(3\), F.S.](#)

³² [S. 320.0848\(2\)\(b\), F.S.](#)

³³ [Section 320.0848\(2\)\(a\), F.S.](#), provides that a disabled parking permit is a placard that can be placed in a motor vehicle so as to be visible from the front and rear of the vehicle that allows a qualified person to park in handicap parking spaces.

³⁴ [S. 320.0848\(1\)\(a\), F.S.](#)

³⁵ *Id.*

³⁶ [Section 320.0843\(2\), F.S.](#), provides that all applications for disabled parking license plates be made to DHSMV.

³⁷ [Ss. 320.0843\(1\) and 320.0848\(2\)\(e\), F.S.](#)

³⁸ [S. 320.0843, F.S.](#)

³⁹ DHSMV, [Application for International Wheelchair Symbol License Plate and Other Plates](#) (last visited Mar. 12, 2026). The form states that it should be submitted to a person’s local tax collector office or license plate agency.

⁴⁰ Ch. 70-424, Laws of Fla., codified in ch. 320, F.S.

⁴¹ “Manufacturer” means any person, whether a resident or nonresident of this state, who manufactures or assembles motor vehicles or who manufactures or installs on previously assembled truck chassis special bodies or equipment which, when installed, form an integral part of the motor vehicle and which constitute a major manufacturing alteration. The term includes a central or principal sales corporation or other entity through which, by contractual agreement or otherwise, it distributes its products. [S. 320.60\(11\), F.S.](#)

⁴² “Distributor” means a person, resident or nonresident, who, in whole or in part, sells or distributes motor vehicles to motor vehicle dealers or who maintains distributor representatives. [S. 320.60\(5\), F.S.](#)

The Division of Motor Vehicles (Division) within DHSMV administers and enforces the Act, which generally specifies:⁴⁴

- Motor vehicle manufacturers, distributors, and importers (applicants or licensees) must be licensed under the Act to engage in business in Florida, and the conditions under which DHSMV may deny, suspend, or revoke such licenses.
- The requirements for licensees wishing to discontinue, cancel, modify, or otherwise replace a franchise agreement with a dealer, and the conditions under which DHSMV may deny such a request.
- The procedures licensees must follow to add a franchised dealership in an area already served by a franchised dealer, the protest process, and DHSMV's role in such circumstances.
- The damages assessable against a licensee who violates the Act.
- DHSMV's authority to adopt rules to implement the Act.

Motor Vehicle Dealers

Under the Act, motor vehicle dealers⁴⁵ are classified as either franchised dealers or independent dealers. A franchised motor vehicle dealer is any person or business who engages in the business of repairing, servicing, buying, selling, or dealing in motor vehicles pursuant to a franchise agreement.⁴⁶ An independent motor vehicle dealer is any person or business (other than a franchised or wholesale motor vehicle dealer)⁴⁷ who engages in the business of buying, selling, or dealing in motor vehicles, and who may service and repair motor vehicles.⁴⁸

Currently, a person or entity may not engage in business as a motor vehicle dealer without obtaining a motor vehicle dealer license. Generally, only dealers may advertise vehicles belonging to others, unless the sale arises from a bona fide legal proceeding, court order, estate settlement, or operation of law. However, a vehicle owner may advertise and sell vehicles titled in his or her own name without a license.⁴⁹

Restrictions on Owning or Operating Dealerships

The Act prohibits licensees, manufacturers, distributors, agents of a manufacturer or distributor, or any parent, subsidiary, common entity,⁵⁰ officer, or representative of a licensee from owning or operating a dealership in

⁴³ "Importer" means any person who imports vehicles from a foreign country into the United States or into this state for the purpose of sale or lease. [S. 320.60\(7\), F.S.](#)

⁴⁴ [S. 320.011, F.S.](#); ss. 320.60-320.70, F.S.

⁴⁵ "Motor vehicle dealer" means any person, firm, company, corporation, or other entity, who holds a license pursuant to [s. 320.27, F.S.](#), as a "franchised motor vehicle dealer" and, for commission, money, or other things of value, repairs or services motor vehicles or used motor vehicles pursuant to a franchise agreement; sells, exchanges, buys, leases or rents, or offers, or attempts to negotiate a sale or exchange of any interest in, motor vehicles; or is engaged wholly or in part in the business of selling motor vehicles, whether or not such motor vehicles are owned by such person, firm, company, or corporation. Further, any person who repairs or services three or more motor vehicles or used motor vehicles; buys, sells, or deals in three or more motor vehicles in any 12-month period; or offers or displays for sale three or more motor vehicles in any 12-month period is presumed to be a motor vehicle dealer, with exceptions. [S. 320.60\(13\), F.S.](#)

⁴⁶ "Franchise agreement" means a contract, franchise, new motor vehicle franchise, sales and service agreement, or dealer agreement or any other terminology used to describe the contractual relationship between a manufacturer, factory branch, distributor, or importer, and a motor vehicle dealer, pursuant to which the motor vehicle dealer is authorized to transact business pertaining to motor vehicles of a particular line-make. "Line-make vehicles" are those motor vehicles which are offered for sale, lease, or distribution under a common name, trademark, service mark, or brand name of the manufacturer of same. However, motor vehicles sold or leased under multiple brand names or marks shall constitute a single line-make when they are included in a single franchise agreement and every motor vehicle dealer in this state authorized to sell or lease any such vehicles has been offered the right to sell or lease all of the multiple brand names or marks covered by the single franchise agreement. [S. 320.60\(1\) and \(14\), F.S.](#)

⁴⁷ "Wholesale motor vehicle dealer" means any person who engages exclusively in the business of buying, selling, or dealing in motor vehicles at wholesale or with motor vehicle auctions. [S. 320.27\(c\), F.S.](#)

⁴⁸ [S. 320.27\(1\)\(c\)2., F.S.](#)

⁴⁹ [S. 320.27\(2\), F.S.](#)

⁵⁰ "Common entity" means a person or business who is directly or indirectly controlled by, or has more than 30 percent of its equity interest directly or indirectly owned by, a manufacturer, importer, distributor, or licensee, or an affiliate thereof; or who has more than 30 percent of its equity interest directly or indirectly controlled or owned by one or more persons who

Florida for the sale or service of a line-make of motor vehicles that are already offered for sale under a franchise agreement with a dealer in this state.⁵¹ However, if a manufacturer has no franchised dealers in the state for a line-make, they may be allowed to sell directly to consumers.

Other instances in which a manufacturer or distributor may own or operate a dealership include when the licensee:

- Operates a dealership temporarily, not to exceed one year, during the transition between owners.
- Temporarily operates a dealership to broaden diversity within its dealer body or provide opportunities to qualified persons who lack the resources to purchase the dealership outright, in a bona fide relationship with an independent person⁵² who has made a significant investment and is reasonably expected to acquire full ownership.
- Operates a dealership when DHSMV, after a hearing, determines that no independent person is available in the community or territory to own and operate the dealership in a manner consistent with the public interest.

In all such cases, the dealership must be continually offered for sale to independent persons at a fair and reasonable price, and approval of the sale of a proposed dealer may not be unreasonably withheld.⁵³

Manufacturer, Factory Branch, Distributor, and Importer Licenses

Under the Act, motor vehicle manufacturers, factory branches, distributors, and importers must be licensed before engaging in business in the state. No motor vehicle may be sold, leased, or offered for sale or lease in this state unless the manufacturer, importer, or distributor of such motor vehicle is licensed.⁵⁴

Denying, Revoking, or Suspending a License

A motor vehicle manufacturer, distributor, or importer license may be denied, suspended, or revoked, for a specific location or statewide, if there is sufficient evidence of repeated violations, demonstrating a pattern of misconduct.⁵⁵ Current law prohibits licensees from engaging in certain behaviors. Grounds for denying, suspending, or revoking a license generally arise from the licensee's dealings with its franchised motor vehicle dealers.⁵⁶

Succession of a Motor Vehicle Dealership

Current law prohibits a licensee from preventing or refusing to accept the succession of a motor vehicle dealership franchise to a dealer's legal heir or devisee, regardless of the terms of any franchise agreement. A licensee may reject a proposed successor only if:⁵⁷

- The heir or devisee fails to meet the licensee's written, reasonable, and uniformly applied minimum qualifications for dealer applicants; or
- Following notice and an administrative hearing, the succession is shown to be detrimental to the public interest or the licensee's representation.

Termination, Cancellation, or Lapse of a Franchise Agreement

Current law requires licensees to repurchase certain property from a dealer following the voluntary or involuntary termination, cancellation, or lapse of a franchise agreement. Property subject to repurchase includes new vehicles with limited mileage, new and resalable parts and accessories purchased directly from the licensee, undamaged

also directly or indirectly control or own more than 30 percent of the equity interests of a manufacturer, an importer, a distributor, or a licensee, or an affiliate thereof. [S. 320.60\(2\)\(a\), F.S.](#)

⁵¹ [S. 320.645\(1\), F.S.](#)

⁵² "Independent person" means a person who is not an agent; a parent; a subsidiary; a common entity; an officer; a director; or an employed representative of a licensee, a manufacturer, an importer, or a distributor. [S. 320.60\(8\), F.S.](#)

⁵³ [S. 320.645\(1\), F.S.](#)

⁵⁴ [S. 320.61, F.S.](#)

⁵⁵ [S. 320.64, F.S.](#)

⁵⁶ *Id.*

⁵⁷ [S. 320.64\(16\), F.S.](#)

signs bearing the licensee’s trademark, and special tools, automotive service equipment, and data processing equipment recommended or supplied by the licensee.⁵⁸ Specifically, the licensee must pay the dealer the net cost paid by the dealer for each new car or truck in the dealer’s inventory with mileage of 2,000 miles or less, or a motor cycle with mileage of 100 miles or less, not counting mileage placed on the vehicle before it was delivered to the dealer.⁵⁹

Transfer, Assignment, or Sale of Franchise Agreements

A motor vehicle dealer may sell, assign, transfer, or otherwise dispose of a franchise agreement to another person, including a corporation established to hold the franchise. A licensee may refuse or penalize such a transfer only if:⁶⁰

- The proposed transferee, or the transferee’s controlling executive management, is not of good moral character; or
- The transferee does not meet the licensee’s written, reasonable, and uniformly applied qualifications regarding financial capacity and business experience.

A dealer seeking to transfer a franchise must provide written notice to the licensee, including the transferee’s name, address, financial qualifications, and recent business experience. Subsequently, the licensee has 60 days to object in writing and specify the material reasons for rejecting the transferee. If the licensee does not respond within 60 days, the transfer is considered approved.⁶¹ Further, any transfer is valid only if the transferee agrees in writing to comply with all existing franchise requirements.⁶²

Use of Right-of-Way by Communications Services Providers

Current law grants the Florida Department of Transportation and local governmental entities⁶³ jurisdiction and control of public roads or publicly owned rail corridors to prescribe and enforce reasonable rules or regulations regarding the placement and maintenance of communications facilities within their rights-of-way.⁶⁴

Counties and municipalities are required to treat providers of communications services in a nondiscriminatory and competitively neutral manner when imposing rules or regulations governing the placement or maintenance of communications facilities in the public roads or rights-of-way.⁶⁵

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.⁶⁶

According to DHSMV, this definition does not currently align with the Federal Motor Carrier Safety Administration (FMSCA) definition. The FMSCA has the power to withhold federal funding from the state should it find that DHSMV is not in compliance with the applicable federal legal requirements.⁶⁷

⁵⁸ [S. 320.64\(36\), F.S.](#)

⁵⁹ [S. 320.64\(36\)\(a\)1, F.S.](#)

⁶⁰ [S. 320.643\(1\)\(a\), F.S.](#)

⁶¹ *Id.*

⁶² *Id.*

⁶³ “Local governmental entity” means a unit of government with less than statewide jurisdiction, or any officially designated public agency or authority of such a unit of government, that has the responsibility for planning, construction, operation, or maintenance of, or jurisdiction over, a transportation facility; the term includes, but is not limited to, a county, an incorporated municipality, a metropolitan planning organization, an expressway or transportation authority, a road and bridge district, a special road and bridge district, and a regional governmental unit. [S. 334.03\(13\), F.S.](#)

⁶⁴ [S. 337.401 \(1\)\(a\), F.S.](#)

⁶⁵ [S. 337.401\(3\)\(a\), F.S.](#)

⁶⁶ [S. 322.01\(44\), F.S.](#)

⁶⁷ 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).