

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Transportation

BILL: SB 576

INTRODUCER: Senator Gibson

SUBJECT: Fees/Registration Certificate Cards

DATE: November 30, 2021

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Proctor	Vickers	TR	Pre-meeting
2.	_____	_____	ATD	_____
3.	_____	_____	AP	_____

I. Summary:

SB 576 authorizes the collection of a mail service charge for delivery of a registration certificate card. The collected mail service charge must be deposited in the Highway Safety Operating Trust Fund.

The bill also provides that a registration certificate card application may be subject to a service charge of \$2.50. This service charge is retained by the Department of Highway Safety and Motors (DHSMV) or the tax collector, depending on entity processing the transaction.

SB 574 (2022), which this bill is linked to, requires the application form for motor vehicle registration and renewal of registration must include language permitting an applicant to request a registration certificate card. The bill also amends several statutes to allow for a registration certificate card to be used in place of a motor vehicle registration certificate.

The bill may have an indeterminate negative fiscal impact to the DHSMV and tax collectors, which may be offset by the collection of a mail service charge and a \$2.50 registration service charge in connection with the issuance of each registration certificate card. Please see Section V Fiscal Impact Statement for additional information.

The bill will take effect on the same date that SB 574 (2022) or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

II. Present Situation:

Motor Vehicle Registration Fees

Initial vehicle registrations require a \$225 initial registration fee, which must be paid when the owner does not have a license plate or record of a license plate registered in their name for a vehicle they previously owned in Florida, to transfer to a newly acquired vehicle. The DHSMV must deposit 85.7 percent of the fee into the State Transportation Trust Fund and 14.3 percent of the fee into the Highway Safety Operating Trust Fund.¹ An initial registration must take place in person at a local service center at the time of titling.

A vehicle owner may renew their vehicle registration for a period of one or two years and may renew up to three months in advance of the registration expiration.² Vehicle registrations expire at midnight on the first owner's birth date unless the owner is a business. Examples of the annual renewal fee include: automobiles up to 2,499 pounds are \$14.50, automobiles 2,500 - 3,499 pounds are \$22.50, automobiles 3,500 or more pounds are \$32.50, and trucks up to 1,999 pounds are \$14.50.³

The DHSMV collects a service charge of \$2.50 for each application that is handled in connection with transfer or duplicate issuance of a registration certificate. The service charge is retained by the DHSMV or by the tax collector, as the case may be, as other fees accruing to those offices.⁴ The tax collector may impose an additional service charge of up to 50 cents on the transfer or duplicate issuance of a registration certificate if the transaction occurs at a tax collector's branch office.⁵ In addition, if a tax collector elects to exercise their authority to contract with a license plate agent, the tax collector may determine additional service charges to be collected by privately owned license plate agents approved by the tax collector. Additional service charges must be fully itemized and disclosed to the person paying the service charges to the license plate agent. The license plate agent must enter into a contract with the tax collector regarding the disclosure of additional service charges.⁶

The service charges collected by the DHSMV on all applications handled directly from its office and any fees returned to it by the tax collector, must be paid into the Highway Safety Operating Trust Fund.⁷

The DHSMV and tax collectors may at the request of the applicant use United States mail service to deliver registration certificates and renewals.⁸ A mail service charge may be collected for each registration certificate and validation sticker mailed by the DHSMV or tax collector. Each registration certificate and validation sticker must be mailed by first-class mail unless otherwise requested by the applicant. The amount of the mail service charge is the actual postage

¹ Section 320.072, F.S.

² Section 320.071(1)(a), F.S.

³ Section 320.08, F.S.

⁴ Section 320.04(1)(a), F.S.

⁵ Section 320.04(1)(c), F.S.

⁶ Section 320.04(3), F.S.

⁷ Section 320.04(2), F.S.

⁸ Section 320.031(1), F.S.

required, rounded to the nearest 5 cents, plus a 25 cent handling charge. The mail service charge is in addition to any other service charge and must be deposited into the Highway Safety Operating Trust Fund.⁹

III. Effect of Proposed Changes:

The bill amends s. 320.031, F.S., to authorize the DHSMV to use the U.S. mail service to deliver a registration certificate card and to collect a mail service charge for a mailed registration certificate card. The amount of the mail service charge must be the actual postage required, rounded to the nearest 5 cents, plus a 25 cent handling charge. The collected mail service charge must be deposited in the Highway Safety Operating Trust Fund.

The bill amends s. 320.04, F.S., to provide that an application for a registration certificate card is subject to a service charge of \$2.50. However, SB 574 (2022) only provides for the application form for motor vehicle registration and renewal of registration to include language permitting an applicant to request a registration certificate card, and not a separate application for a registration certificate card. As a result, it is unclear if an additional \$2.50 could be charged for a registration certificate card since a separate application is not being submitted.

If it is determined that the \$2.50 service charge applies, then the bill directs the service charge to be retained by the DHSMV or by the tax collector, as the case may be, as other fees accruing to those offices.

The bill will take effect on the same date that SB 574 (2022) or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Under the 2018 amendment to the Florida Constitution, Article VII, Section 19 requires “a supermajority vote” of two-thirds of the membership of each house to pass legislation which will impose or authorize a new state tax or fee.¹⁰ A “fee” is defined as “any charge

⁹ Section 320.031(2), F.S.

¹⁰ FLA. CONST. art. VII, s. 19(a).

or payment required by law, including any fee for service, fee or cost for licenses, and charge for service.”¹¹ A state tax or fee imposed or authorized must be contained in a separate bill that contains no other subject.

The \$2.50 fee for the registration certificate card may be a new state fee subject to the constitutional requirements.

The bill also provides the DHSMV and tax collectors may at the request of the applicant use United States mail service to deliver registration certificate cards. Current law already authorizes the use of U.S. mail service for delivery of documents and to collect a mail service charge. The amount of the mail service charge must be the actual postage required, rounded to the nearest 5 cents, plus a 25 cent handling charge to be paid by the applicant.¹²

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill provides that new registration certificate cards are subject to the existing mail service charge of actual postage required, rounded to the nearest 5 cents, plus a 25 cent handling charge and registration service charge of \$2.50.

B. Private Sector Impact:

Applicants who choose to receive a registration certificate card may be required to pay a fee of \$2.50.

Applicants requesting to use United States mail service to deliver a registration certificate card must pay the actual postage required, rounded to the nearest 5 cents, plus a 25 cent handling charge.

C. Government Sector Impact:

The bill may have an indeterminate negative fiscal impact to the DHSMV. An accurate estimate may not be available from the DHSMV until SB 574 (2022) clarifies the size and characteristics of the registration certificate card to more fully understand the materials, equipment needed, and programming requirements for the Florida Real-Time Vehicle Information System.

The bill authorizes the collection of a mail service charge for delivery of a registration certificate card of actual postage required, rounded to the nearest 5 cents, plus a 25 cent

¹¹ FLA. CONST. art. VII, s. 19(d)(1).

¹² *Supra* FN 10.

handling charge. The collected mail service charge may have an insignificant positive fiscal impact to the DHSMV and tax collectors.

For an original issuance, duplicate issuance, or transfer of a registration certificate card a \$2.50 fee may be determined to be required, and if so, retained by the DHSMV or by the tax collector, as the case may be, as other fees accruing to those offices. This may result in an indeterminate positive fiscal impact to the DHSMV and tax collectors who process a registration certificate card request.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill amends s. 320.04, F.S., to include a registration certificate card application to be subject to a service charge of \$2.50. However, SB 574 (2022) only provides for the application form for motor vehicle registration and renewal of registration to include language permitting an applicant to request a registration certificate card, and not a separate application for a registration certificate card. This makes it unclear if an additional \$2.50 could be charged for a registration certificate card since a separate application is not being submitted.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 320.031 and 320.04.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.