

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1064  
 SPONSOR: Transportation Committee  
 SUBJECT: Motor Vehicles and Driver Licensing  
 DATE: March 9, 2001                      REVISED: 04/23/01 \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Meyer</u>	<u>TR</u>	<u>Fav/2 amendments</u>
2.	_____	_____	<u>FT</u>	_____
3.	_____	_____	<u>AGG</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill provides for an optional two-year motor vehicle registration period. In addition, the bill authorizes the Department of Highway Safety and Motor Vehicles to contract with various entities for the delivery of driver’s license services.

This bill substantially amends the following sections of the Florida Statutes: 320.01, 320.055, 320.06, 320.07, and 322.56.

**II. Present Situation:**

Currently, s. 320.055, F.S., provides for a 12-month period for the registration and renewal of a motor vehicle license. For motorcycles, mopeds, privately-owned motor vehicles and trucks weighing under 5,000 pounds, the registration period begins on the first day of the owner’s birth month and expires on the last day of the month preceding the owner’s birth month in the following year.

Section 322.56, F.S., authorizes the Department to contract with third parties for administration of the written and driving skills tests for all classes and types of driver’s licenses. The Department is currently implementing a pilot project in which seven vendors are providing written and skills testing for non-CDL licenses (Class E and D operator licenses). Participants in this pilot project include commercial driving schools, a non-profit safety council, and an adult education center.

In addition, s. 322.135, F.S., authorizes the Department to contract with the tax collectors for issuance of driver’s licenses and identification cards. Currently, 21 tax collectors are providing driver’s license services at 30 locations. Services available through the tax collectors include

new licenses, renewals, duplicates, learner's permits, and identification cards. In addition, tax collectors are authorized to provide commercial driver's license (CDL) services. A service fee of \$5.25 is charged for driver's license services obtained through a tax collector office. One dollar of this service fee is deposited into the Highway Safety Operating Trust Fund, the remaining \$4.25 is retained by the tax collector.

### **III. Effect of Proposed Changes:**

This bill amends s. 320.01, F.S., to allow certain vehicle owners the option of registering their vehicles for an extended 24-month period. This option would be limited to owners of motorcycles, mopeds, private-use automobiles, and trucks weighing under 5,000 pounds. Validation stickers would be issued for the extended period for display on the license plate.

This bill amends s. 320.07, F.S., to provide for the cumulative assessment of all license taxes, services charges and other fees from persons electing biennial renewal of their motor vehicle registration.

This bill also amends s. 322.56, F.S., to authorize the Department to contract with an individual, a state entity, local government, a firm, a school or a public or private corporation for driver's license and identification card issuance, license reinstatement, organ donor, voter registration, and acceptance of special fund contributions. Other driver's license services currently performed by the department may be authorized if specified in contract. Third party contractors would be permitted to assess a fee for their services. This provision of the bill would effectively allow the department to contract with various public, private, and not-for-profit entities for the delivery of the full range of driver's license services currently provided through the department's field offices.

In fiscal year 1998-99, there were 9.9 million registration transactions processed generating \$397 million in revenues for the initial and renewal registration of passenger cars, light trucks, motorcycles and mopeds. The majority of these revenues were distributed to the State Transportation Trust Fund, General Revenue Fund, and other state trust funds.

If implemented, this bill would not impact license tax and fee revenues over a two-year period. However, annual revenue flows would be accelerated in the year the registration transaction occurs. Based on historical revenue flows and assuming that 50 percent of the population elects this option, revenues would increase by \$198.5 million in the first year and decrease by a corresponding amount (\$198.5 million) during the second year.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

This bill provides for an optional two-year motor vehicle registration period. The bill provides that all current taxes and fees applicable under the current 12-month registration period would continue to apply. License taxes and fees under the current 12-month registration period average \$42. Based on this figure, the cost for a two-year registration period would average \$84.

**B. Private Sector Impact:**

Persons opting for the extended registration period would incur the additional expense associated with this option.

An extended registration period would enhance customer convenience by eliminating the need for annual registration renewal.

**C. Government Sector Impact:**

Based on historical revenue flows and assuming that 50 percent of Florida motorists elect this extended registration option, revenues would increase by \$198.5 million in the first year. During the second year there would be a corresponding decrease (\$198.5 million) in revenue.

This bill would also require contracted computer software programming modification at an estimated cost of \$67,500.

An extended registration period would reduce the frequency of customer visits to tax collector offices and reduce the associated workload.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

One concern relating to extended registration is enforcement. These concerns stem from the problem of stopping persons with invalid motor vehicle registrations from continuing to drive. Under a two-year registration plan if an individual's registration is suspended that person would continue to possess a valid registration decal for the remainder of the registration period. Unless the individual voluntarily surrendered the decal, or a law enforcement officer stopped the vehicle, the individual would be able to continue to operate the vehicle with an invalid registration. The only other deterrent to the continued operation of the vehicle is the license

plate seizure program authorized under s. 324.202, F.S. The overall effectiveness of this pilot program, operational since 1996 in three counties, remains indeterminate.

During the period 1990 to 2000, the demand for driver's license services in Florida increased by 15 percent. During this same 10 year period, staffing within the Division of Driver Licenses decreased by 216 positions (1,706 to 1,490).

#### **VIII. Amendments:**

#1 by Transportation:

The bill provides certain categories of vehicles owned by "natural persons" are eligible for an extended registration period. The amendment deletes the word "natural" from this section of the bill.

#2 by Transportation:

Deletes provisions of the bill relating to outsourcing and the delivery of driver license services.  
(WITH TITLE AMENDMENT)

---

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

---