

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 167 CS Household Moving Services  
**SPONSOR(S):** Hays and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 244

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Agriculture Committee</u>	<u>11 Y, 0 N</u>	<u>Reese</u>	<u>Reese</u>
2) <u>Agriculture &amp; Environment Appropriations Committee</u>	<u>11 Y, 0 N, w/CS</u>	<u>Davis</u>	<u>Dixon</u>
3) <u>State Resources Council</u>	<u>8 Y, 0 N</u>	<u>Reese</u>	<u>Hamby</u>
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5) _____	_____	_____	_____

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### SUMMARY ANALYSIS

The bill amends the "Intrastate Moving Law" to change the title to "Household Moving Services" and to expand and clarify certain definitions. Definitions for the terms "household move", "moving broker", and "moving container" are added. The bill requires moving brokers to register with the Department of Agriculture and Consumer Services (department) and post specific financial security. Additionally, the legislation requires movers' vehicle display signage to have a minimum letter height of 1.5 inches, authorizes a mover to offer valuation coverage under certain specified conditions, and provides that the department may suspend registration and seek civil penalties for failure to carry valid liability insurance. The bill also prohibits certain limits of liability for a mover's loss of or damage to a shipper's goods, requires disclosure of liability limitations to the consumer, and provides that a county or municipality may not issue an occupational license unless the mover or broker has a current registration with the department.

In addition, the bill amends the "Self-storage Facility Act" to revise the definition of "self-contained storage unit" to be consistent with the definition of moving container. This change has the effect of limiting application of this act to units not less than 200 cubic feet rather than 600 cubic feet as currently provided by the act.

HB 167 does not appear to require state or local governments to spend funds. Some recurring revenue may accrue to the General Inspection Trust Fund housed within the department from the annual registration fee collected from moving brokers.

The bill takes effect on July 1, 2006.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Provide limited government** – The bill requires moving brokers to register with the Department of Agriculture and Consumer Services and post specific financial security.

**Safeguard individual liberty and promote personal responsibility** – The bill states that a mover's failure to maintain the required liability insurance coverage "constitutes an immediate threat to the public health, safety, and welfare"<sup>1</sup> and provides coverage and disclosure requirements for protections of the consumer.

#### B. EFFECT OF PROPOSED CHANGES:

Present situation: The 2002 Legislature enacted laws regulating the intrastate moving industry in Florida. Any mover wishing to do business in the state must register annually with the Department of Agriculture and Consumer Services (department). To obtain a registration certificate, the mover must file an application, pay a registration fee in the amount of \$300, and meet statutory qualifications.

The law requires a mover to maintain cargo liability insurance coverage in the amount of \$10,000 per shipment and limits the mover's liability to not less than 60 cents per pound of cargo. Minimum limits of motor vehicle coverage are also specified in the amounts of \$50,000, \$100,000, and \$300,000 per occurrence, based on gross weight categories.

If the department finds a mover in violation of any provisions of the law, rules or orders, the department may do one or more of the following:

- Issue a notice of noncompliance under s. 120.695, F.S.
- Impose an administrative fine not to exceed \$5,000 for each act or omission
- Direct the person to cease and desist specified activities
- Refuse to register, revoke, or suspend a registration
- Place the registrant on probation for a period of time, subject to such conditions as the department may specify<sup>2</sup>

Self-storage facilities allow the rental of space where goods and belongings may be stored. Existing law defines a self-contained storage unit as any unit 600 cubic feet in size or greater, including, but not limited to, a trailer, box, or other shipping container, which is leased by a tenant mainly for storage space, whether the unit is located at a facility owned or operated by the owner or at a location designate by the tenant.<sup>3</sup>

Current law grants the owner of a self-contained storage unit certain rights against the property contained within the storage unit. The owner of the storage unit has a lien on all personal property, whether or not owned by the tenant, located at a self-contained storage unit for rent, labor charges or other charges.<sup>4</sup> If the tenant fails to pay rent, the owner may, without notice and after 5 days from the due date of the rent, deny the tenant access to personal property located in the self-contained storage unit.<sup>5</sup>

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<sup>1</sup> Proposed s. 507.04 (1)(a), F.S.

<sup>2</sup> s. 507.09(1)(a)-(e), F.S.

<sup>3</sup> s. 83.802(2), F.S.

<sup>4</sup> s. 83.805, F.S.

<sup>5</sup> s. 83.8055, F.S.

Proposed changes:

The bill amends Chapter 507, Florida Statutes, the intrastate moving law, to:

- Change the title of the chapter from “Intrastate Moving Law” to “Household Moving Services”.
- Expand and clarify certain existing definitions and to add definitions for the terms “household move”, “moving broker”, and “moving container”.
- Require moving brokers to register with the department and post specific financial security. A mover that operates two or fewer vehicles may, and moving brokers must, post a performance bond or certificate of deposit in the amount of \$25,000 in lieu of the cargo legal liability coverage.<sup>6</sup>
- Specify that making certain false statements is a violation, regardless of whether the statements are material.
- Require movers’ vehicle display signage to have a minimum letter height of 1.5 inches.
- Authorize additional insurance valuation coverage requirements for coverage of a consumer’s goods.
- Require the mover to disclose the cost and rate of the coverage in writing at the time the estimate and contract for services is executed.
- Provide that the department may suspend registration and seek civil penalties for failure to carry valid liability insurance.
- Prohibit certain limits of liability for a mover’s loss of or damage to a shipper’s goods.
- Require disclosure of liability limitations to the consumer.
- Provide that any liability may be enforced either by an administrative action or by filing an action in a court of competent jurisdiction; however, the bill limits the use of the bond or certificate of deposit to payment of claims adjudicated by the department.
- Provide that a county or municipality may not issue an occupational license unless the mover or broker has a current registration with the department.
- Amend the definition of “self-contained storage unit” in Chapter 83, Florida Statutes, as any unit not less than 200 cubic feet.

C. SECTION DIRECTORY:

Section 1. Amends s. 83.803, F.S., revising a definition.

Section 2. Requests the Division of Statutory Revision to redesignate the title of ch. 507, F.S.

Section 3. Amends s. 507.01, F.S.; revising definitions; defining new terms; clarifying licensing requirements for household movers and moving brokers; applying the licensing requirements; clarifying and conforming provisions.

Section 4. Amends s. 507.02, F.S.; clarifying the construction, application and intent of the licensing requirements.

Section 5. Amends s. 507.03, F.S.; requiring moving brokers to register with the Department of Agriculture and Consumer Services; providing registration requirements and fees; providing for certificate of registration; requiring display of certificate; clarifying registration requirements for household movers and moving brokers; requiring brokers to obtain local registration or license under certain circumstances; revising advertising requirements; requiring a mover’s vehicles to display certain signage; providing for denial, refusal to renew, or revocation of registration of mover or moving broker; requiring brokers to provide evidence of certain insurance coverage; revising requirement for mover to provide evidence of certain insurance coverage.

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<sup>6</sup> Proposed s. 507.04(1)(b), F.S.

Section 6. Amends s. 507.04, F.S.; clarifying requirements that a mover maintain certain insurance coverage; requiring a mover to submit evidence of liability insurance before registration; providing requirements for liability insurance coverage; authorizing the Department of Agriculture and Consumer Services to suspend a mover's registration and seek an injunction in circuit court if the mover fails to maintain insurance coverage; providing penalties; authorizing certain movers and requiring moving brokers to maintain a performance bond or certificate of deposit in lieu of certain liability insurance coverage; providing requirements for the performance bond or certificate of deposit; providing for payment of claims pursuant to department order in an administrative proceeding; specifying that insurance coverage must be issued by a licensed insurance company or carrier; prohibiting certain limits of liability for a mover's loss or damage of a shipper's goods; requiring certain disclosures of liability limitations; authorizing a mover to offer valuation coverage under specified conditions; providing that valuation coverage meeting specified conditions satisfies certain liability of a mover; requiring certain disclosures of valuation coverage.

Section 7. Amends s. 507.05, F.S.; revising requirements for content of contracts.

Section 8. Amends s. 507.06, F.S.; revising provisions for delivery and storage of household goods.

Section 9. Amends s. 507.07, F.S.; requiring that moving brokers annually register with the department; revising provisions relating to prohibited acts and violations; specifying that the making of certain false statements is a violation of ch. 507, F.S., regardless of whether the statements are material; clarifying and conforming provisions.

Section 10. Amends s. 507.08, F.S.; clarifying and conforming provisions relating to deceptive and unfair trade practice.

Section 11. Amends s. 507.09, F.S.; conforming language relating to administrative remedies and penalties.

Section 12. Amends s. 507.10, F.S.; conforming language relating to civil penalties and remedies.

Section 13. Amends s. 507.11, F.S.; providing penalties.

Section 14. Amends s. 507.12, F.S.; conforming language regarding deposit of payments into the General Inspection Trust Fund.

Section 15. Amends s. 507.13, F.S.; conforming language relating to local regulations.

Section 16. Creates s. 205.1975, F.S.; prohibiting a county or municipality from issuing or renewing an occupational license to a mover or moving broker under certain circumstances.

Section 17. Provides an effective date.

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

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

#### **1. Revenues:**

Indeterminate. See fiscal comments below.

#### **2. Expenditures:**

The bill appears to have no impact on state government expenditures.

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

1. Revenues:

The bill appears to have no impact on local government revenues.

2. Expenditures:

The bill appears to have no impact on local government expenditures.

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

This bill requires moving brokers to submit a form of security deposit in the amount of \$25,000 and annually register and pay a \$300 registration fee with the Department of Agriculture and Consumer Services. The bill also requires movers to include signage at least 1.5 inches in height on their moving vehicles. In addition, the bill allows movers with less than three trucks to submit security to the department in the amount of \$25,000, in lieu of the required liability insurance coverage.

**D. FISCAL COMMENTS:**

Movers are currently required to pay an annual \$300 registration fee to the Department of Agriculture and Consumer Services, and the bill extends this requirement to moving brokers as well. Some recurring revenue may accrue to the General Inspection Trust Fund housed within the department from the annual registration fee that would be collected from moving brokers. This amount is indeterminate as there are no statistics available on the number of moving brokers in Florida.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenues in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

**B. RULE-MAKING AUTHORITY:**

The bill contains no grant of rule-making authority.

**C. DRAFTING ISSUES OR OTHER COMMENTS: None**

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**

On January 12, 2006, the House Agriculture and Environment Appropriations Committee adopted two amendments before reporting the bill favorably.

- Amendment 1 redefined "self-contained storage unit" as used in ss. 83.801 – 83.809, F.S., to a unit not less than 200 cubic feet.
- Amendment 2 made a similar conforming change to align with this 200 cubic feet definition.