

II. Present Situation:

Florida law provides a variety of legal uses for a temporary tag. The primary reason for the issuance of temporary tags by motor vehicle dealers is to enable car buyers without a permanent license plate to operate their newly purchased vehicle. These temporary tags are valid for 30 days, which allows the dealer or the individual sufficient time to apply for a title and registration. Section 320.131, F.S., authorizes the department to issue temporary tags for a \$2 fee.

Section 320.131(4), F.S., requires temporary tags to be conspicuously displayed in the rear license plate bracket or, attached to the inside of the rear window in an upright position so as to be clearly visible from the rear of the vehicle.

In 2005, the Legislature passed HB 1697, which amended s. 320.131(8), F.S., to authorize the department to administer an electronic system for licensed motor vehicle dealers to use in issuing temporary tags. Dealers must enter into the system the appropriate vehicle and owner information upon the issuance of a temporary tag within the department's specified timeframe. In addition, the department is authorized to adopt the necessary rules to administer these specified provisions. Failure to comply is punishable by denial, suspension, or revocation of the motor vehicle dealer's license. This electronic system assists law enforcement through immediate retrieval of temporary tag information.

Section 320.96, F.S., requires the department to implement a secure print-on-demand electronic temporary license plate registration, record retention, and issue system for use by every department-authorized issuer of temporary license plates by the end of FY 2007-2008. Secure print-on-demand for this purpose means validating state registration data using higher levels of commercially accepted date encryption methods from the point of department connectivity to the license plate printer.

III. Effect of Proposed Changes:

Section 320.131(4)(a), F.S., is amended to remove the option to display a temporary tag on the inside of the rear window of a vehicle. The result is that temporary tags may only be displayed in the rear license plate bracket, or on the front where the metal license plate would normally be, for vehicles requiring front display of license plates.

Section 320.131(4)(b), F.S., is created to require the department to designate specifications for the media upon which the temporary tag is printed. Such media must be either nonpermeable or subject to weatherproofing so that it maintains its structural integrity, including graphic and data adhesion, in all weather conditions after being placed on a vehicle.

Section 320.131(8), F.S., is amended to correct a reference from temporary license plate to temporary tag to be consistent throughout this section. Also, this section is amended to require the department to administer an electronic system for licensed motor vehicle dealers to use for issuing temporary tags. Administering such a system is optional for the department, currently.

Section 320.131(9), F.S., is created to:

- revise the provisions for required implementation of a secure, electronic, print-on-demand, temporary tag issuance and record retention system;
- remove the criteria determining what secure print-on-demand means; and
- authorize licensed motor vehicle dealers to charge a fee.

Specifically, s. 320.131(9), F.S., is created to provide the department is required to implement a secure print-on-demand, electronic temporary tag registration, record retention, and issue system for use by every department-authorized issuer of temporary tags by the end of fiscal year 2007-2008. The system allows the department to issue, on demand, a temporary tag number in response to a request from the issuer via a secure electronic exchange of data and then allow the issuer to print the temporary tag with all required information. In order to ensure the continuation of operations for issuers should a system outage occur, the department is authorized to allow limited use of a backup manual issuance which requires recordkeeping of information as determined by the department and the timely electronic reporting of that information to the department. The department, also, is authorized to adopt the necessary rules to administer this specified program. The rules may include exemptions for issuers who do not require a dealer license, under this section, due to the type or size of vehicle being sold. In addition, motor vehicle dealers licensed under ch. 320, F.S., are authorized to charge a fee to comply with this section.

In addition, this bill repeals s. 320.96, F.S. Most of the requirements from this section are moved to s. 320.131(9), F.S.

The bill takes effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill authorizes a motor vehicle dealer to charge an unspecified fee to comply with the print-on-demand provisions. There is no cap on the fee the dealer may charge a customer.

According to the department, approximately 2 million temporary tags were issued in Fiscal Year 2006-2007 at a cost of \$2.00 per tag.. Dealer charges will be market driven and the fee will vary.

C. Government Sector Impact:

Based on preliminary estimates, DHSMV anticipates a future savings in the amount of \$88,282 annually because printing temporary tags would now be primarily the responsibility of motor vehicle dealers.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Vendors whose products and services meet the requirements relating to issuance of temporary tags sell those products and services directly to vehicle dealers. Those vendors have not been selected pursuant to the competitive solicitation requirements of ch. 287, F.S.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Transportation and Economic Development Appropriations on April 22, 2008:**

- Provides for the continuation of operations for issuers of the temporary tag in the event of a system outage by authorizing the department to allow the limited use of a backup manual issuance method which requires recordkeeping of information as determined by the department and timely electronic reporting of the information.
- Authorizes the department to adopt rules that administer the program as well as provide exemptions for issuers who do not require a dealer license because of the type or size of the vehicle being sold.

CS by Transportation on February 19, 2008:

- Changes from authorizing to requiring the department to administer an electronic system for licensed motor vehicle dealers to use for issuing temporary tags;
- Requires the department to implement a secure print-on-demand electronic temporary tag registration, record retention, and issue system by the end of fiscal year 2007-2008.

- Authorizes motor vehicle dealers licensed under ch. 320 F.S., to charge a fee to comply with the print-on-demand provisions.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
