

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 711 Vessel Registrations
SPONSOR(S): Transportation & Infrastructure Subcommittee; Magar
TIED BILLS: IDEN./SIM. **BILLS:** CS/SB 718

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	14 Y, 0 N, As CS	Johnson	Vickers
2) Agriculture & Natural Resources Appropriations Subcommittee	13 Y, 0 N	White	Pigott
3) Government Accountability Committee	23 Y, 0 N	Johnson	Williamson

SUMMARY ANALYSIS

In 2016, the Legislature created s. 328.72(18), F.S., which provides for reduced vessel registration fees for certain recreational vessels equipped with an emergency position-indicating radio beacon or for certain recreational vessels where the owner of which owns a personal locator beacon. The reduced rates expire July 1, 2017.

The bill reduces state vessel registration fees for recreational vessels equipped with an emergency position-indicating radio beacon, or for recreational vessels where the owner owns a personal locator beacon. A person who owns a personal locator beacon and more than one recreational vessel qualifies to pay the reduced fee for only one of the vessels. The bill also removes the July 1, 2017, repeal date.

The bill is expected to have an insignificant negative fiscal impact to the General Revenue Fund.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Vessel Registration

Vessels operated, used, or stored on the waters of this state must be registered with the Department of Highway Safety and Motor Vehicles (DHSMV) as a commercial or recreational¹ vessel, unless:

- The vessel is operated, used, and stored exclusively on private lakes and ponds;
- The vessel is owned by the United States Government;
- The vessel is used exclusively as a ship's lifeboat; or
- The vessel is non-motor-powered and less than 16 feet in length or a non-motor-powered canoe, kayak, racing shell, or rowing scull, regardless of length.²

Vessels are classified by their length which determines the base registration fee. The vessel registration fee for a 12-month period is as follows:

- *Class A-1*: Less than 12 feet in length, and all canoes to which propulsion motors have been attached, regardless of length: \$5.50;
- *Class A-2*: 12 feet or more and less than 16 feet in length: \$16.25, with \$2.85 going to the county;
- *Class 1*: 16 feet or more and less than 26 feet in length: \$28.75, with \$8.85 going to the county;
- *Class 2*: 26 feet or more and less than 40 feet in length: \$78.25, with \$32.85 going to the county;
- *Class 3*: 40 feet or more and less than 65 feet in length: \$127.75, with 56.85 going to the county;
- *Class 4*: 65 feet or more and less than 110 feet in length: \$152.75, with \$68.85 going to the county;
- *Class 5*: 110 feet or more in length: \$189.75, with \$86.85 going to the county; and
- *Dealer registration certificate*: \$25.50.³

Section 328.76(1), F.S., provides for the appropriation and distribution of vessel registration funds. All funds collected from the registration of vessels through DHSMV except for those funds designated as the county portion are deposited in the Marine Resources Conservation Trust Fund for recreational channel marking; public launching facilities; law enforcement and quality control programs; aquatic weed control; manatee protection, recovery, rescue, rehabilitation, and release; and marine mammal protection and recovery. The funds collected pursuant to s. 328.72(1), F.S., are transferred as follows:

- An amount equal to \$1.50 for each commercial and recreational vessel registered is transferred to the Save the Manatee Trust Fund.
- An amount equal to \$2 from each recreational vessel registration fee, except that for class A-1 vessels, is transferred to the Invasive Plant Control Trust Fund for aquatic weed research and control.
- An amount equal to 40 percent of the registration fees from commercial vessels is transferred to the Invasive Plant Control Trust Fund for aquatic plant research and control.
- An amount equal to 40 percent of the registration fees from commercial vessels is transferred to the Department of Agriculture and Consumer Services' (DACs) General Inspection Trust Fund for shellfish and aquaculture development and quality control programs.

¹ Section 327.02(37), F.S., defines a "recreational vessel" as a vessel manufactured and used primarily for noncommercial purposes, or a vessel leased, rented, or chartered to a person for his or her noncommercial use.

² Section 328.48(2), F.S.

³ Section 328.72(1), F.S.

After all administrative costs are funded and the above distributions have been made, up to \$400,000 is transferred to DACS' General Inspection Trust Fund to fund activities relating to the protection, restoration, and research of the natural oyster reefs and beds of the state. Additionally, up to \$300,000 may be used by the Fish and Wildlife Conservation Commission for boating safety education. These two provisions expire July 1, 2017.

Additionally, any county may impose an annual registration fee on vessels registered, operated, used, or stored on the waters of this state within its jurisdiction. This fee is 50 percent of the applicable state registration fee; however, the first \$1 of every registration is remitted to the state for deposit in the Save the Manatee Trust Fund.⁴ This optional county fee is retained by the county where the vessel is registered and is used for patrol, regulation, and maintenance of the lakes, rivers, and waters and for other boating-related activities within the municipality or county.⁵

NOAA Search and Rescue Satellite Aided Tracking

The National Oceanic and Atmospheric Administration (NOAA) operates the nation's Search and Rescue Satellite Aided Tracking (SARSAT) system to detect mariners, aviators, and others throughout the world using satellites in low-earth and geostationary orbits to detect and locate beacon-users in distress.⁶

The United States and the governments of Canada, France, and Russia have an agreement to provide for the long-term operation of the COSPAS⁷-SARSAT⁸ Program, which also provides space-based relay of distress signals or alerts from emergency beacons. The program provides alerts to search and rescue authorities internationally.

Ground stations, called Local User Terminals (LUTs), are satellite receiving units. LUTs are fully automated and unmanned. When a LUT receives a distress signal detected by satellite, it is transmitted to the mission control center (MCC) that operates that particular LUT. The MCC collects, stores, and sorts alerts from LUTs and other MCCs and distributes the alerts to search and rescue authorities and other MCCs.⁹

Locator Beacons

The emergency beacons used to detect those in distress operate only in the 406.0 to 406.1 megahertz (MHz) frequency band to transmit digital messages to satellites for transmission to the appropriate LUT. The frequency is restricted to low power satellite emergency position-indicating beacons in the mobile satellite service. According to NOAA, two types of 406 MHz emergency beacons are emergency position-indicating radio beacons and personal locator beacons.

Emergency Position-Indicating Radio Beacons, or "EPIRBs"

An EPIRB is an emergency position-indicating radio beacon used in maritime watercraft that can be automatically or manually activated to transmit a distress signal to a satellite. EPIRBs that activate automatically typically have a hydro-static release mechanism that when immersed allows the beacon to release from its bracket, float to the surface, and start transmitting. The beacon, along with the bracket, has to sink to approximately three meters before it will activate automatically, which should be taken into account when mounting an automatic EPIRB.

⁴ Section 328.66, F.S.

⁵ *Id.*

⁶ NOAA, *Welcome to SARSAT*, <http://www.sarsat.noaa.gov/index.html>. (last visited March 30, 2017).

⁷ COSPAS is a Russian acronym for "Space System for Search of Vessels in Distress."

⁸ See the SARSAT FAQ website: <http://www.sarsat.noaa.gov/faq%202.html>. (last visited March 30, 2017).

⁹ *Id.*

Personal Locator Beacons, or “PLBs”

A PLB is a personal locator beacon designed to be carried by an individual that can only be activated manually. PLBs can be used by people operating in remote areas.¹⁰

The price of these devices varies from \$230 to \$470 or higher depending on the size purchased.

Registration of Beacons with NOAA

Registration of a 406 MHz emergency beacon, and subsequent updating if the information changes, is free and required by Title 47 of the Code of Federal Regulations, part 80 for EPIRBs and part 95 for PLBs. Information provided in the registration of such a device, along with the distress signal from the device, is used by search and rescue authorities solely to help locate and rescue those in distress. NOAA provides an online system for initial and updated beacon registrations, and registration must be renewed every two years.¹¹

2016 Legislation

In 2016, the Legislature created s. 328.72(18), F.S., providing for reduced vessel registration fees. The section provides for reduced registration certificate fees for recreational vessels equipped with an emergency position-indicating radio beacon, or for a recreational vessel the owner of which owns a personal locator beacon, to the following amounts for each 12-month period registered:

Class A-1:	\$ 4.24
Class A-2:	\$ 13.77
Class 1:	\$ 24.83
Class 2:	\$ 68.56
Class 3:	\$112.31
Class 4:	\$134.41
Class 5:	\$167.11 ¹²

A person who owns a personal locator beacon and who owns more than one recreational vessel qualifies to pay the reduced fees for only one such vessel.

In order to qualify for reduced registration fees, a vessel owner must, at the time of registration, demonstrate that the vessel is equipped with an emergency position-indicating radio beacon or that the vessel owner owns a personal locator beacon. DHSMV may adopt rules specifying what constitutes sufficient proof to qualify for the reduced registration fee, but such proof must contain, at a minimum, the following:

- The name of the beacon owner.
- The expiration date of the beacon's registration.
- The unique identification number of the beacon.
- For vessels equipped with an emergency position-indicating radio beacon, identification of the vessel equipped with the beacon.

For each vessel registration qualifying for reduced registration fees, an amount equal to the difference between the full registration fee amount and the actual amount of registration fee paid for such vessel is transferred from the General Revenue Fund to DHSMV and is distributed pursuant to s. 328.76, F.S.¹³

¹⁰ *Id.*

¹¹ *Id.* NOAA prefers owners to register their beacons online at www.beaconregistration.noaa.gov; however, individuals may mail or fax signed registration forms.

¹² The percentage discounts range between 12 and 23 percent, depending upon the size of the vessel.

¹³ Section 328.76, F.S., relates to the Marine Resources Conservation Trust Fund; vessel registration funds; appropriations and distribution.

The reduced registration certificate fee amounts are only applicable for vessels registered during the period beginning July 1, 2016, and ending June 30, 2017.

Section 328.72(18), F.S., expires on July 1, 2017.

Proposed Changes

The bill amends s. 328.72, F.S., reducing the vessel registration fees for recreational vessels equipped with locator beacons or the vessel owner owns a personal locator beacon. The discounts range between 25 and 46 percent, depending on the size of the vessel. The fees are reduced to the following:

Class A-1:	\$ 2.95
Class A-2:	\$ 11.00
Class 1:	\$ 20.40
Class 2:	\$ 57.50
Class 3:	\$ 94.94
Class 4:	\$113.50
Class 5:	\$141.15

The bill removes the provision making the fee reduction only applicable for vessels registered between July 1, 2016, and June 30, 2017, and removes the scheduled repeal of the vessel registration discounts for vessels equipped with locator beacons on July 1, 2017.

B. SECTION DIRECTORY:

Section 1 amends s. 328.72, F.S., relating to the classification, registration, fees, and charges of vessels.

Section 2 provides an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

On March 24, 2017, the Revenue Estimating Conference analyzed this bill. It determined that on an annualized basis in Fiscal Year 2016-2017, 768 vessels with registered emergency position indication beacons would be registered in Florida.¹⁴ The REC determined an insignificant negative recurring fiscal impact to the General Revenue Fund.¹⁵

2. Expenditures:

DHSMV estimates that \$25,328 in FTE and contracted resources will be required with the change in vessel registration fees provided for in the bill. These costs can be absorbed within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

¹⁴ For reference purposes, there are approximately 900,000 vessels registered in Florida.

¹⁵ http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2017/_pdf/Impact0324.pdf, at Page 177.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons who purchase the emergency rescue devices provided for in the bill will see a reduction in their vessel registration fees.

D. FISCAL COMMENTS:

For each vessel registration qualifying for reduced registration fees, s. 328.72(18)(e), F.S., provides a transfer from the General Revenue Fund to DHSMV to make up the difference between the full registration fee amount and the actual amount of registration fee paid.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 14, 2017, the Transportation & Infrastructure Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment removed a \$500,000 appropriation from General Revenue to the Marine Resources Conservation Trust Fund.

This analysis is drafted to the committee substitute as reported favorably by the Transportation & Infrastructure Subcommittee.