

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1287 Temporary Tags for Fleet Vehicles

**SPONSOR(S):** Drake

**TIED BILLS:** IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	10 Y, 0 N	Darden	Miller
2) Transportation & Tourism Appropriations Subcommittee			
3) Government Accountability Committee			

### SUMMARY ANALYSIS

Department of Highway Safety and Motor Vehicles (DHSMV) is authorized to design, issue, and regulate the use of temporary tags. Temporary tags can be used while waiting for a permanent license plate or where a permanent plate may not be issued.

A fleet vehicle is a non-apportioned motor vehicle owned or leased by a company and used for business purposes (other than short-term rental). DHSMV sets minimum size requirements for fleets and fleets are registered as a group.

The bill authorizes DHSMV to partner with county tax collectors to issue temporary tags to fleet companies awaiting permanent registration and title. A fleet company must have a minimum of 3,500 fleet vehicles registered in the state as fleet vehicles and enter into a memorandum of understanding with DHSMV to receive temporary tags. DHSMV may issue up to 50 temporary tags to an eligible fleet company. Each temporary tag is assigned to one vehicle and becomes invalid upon receipt of the vehicle's permanent license plate and registration. DHSMV may terminate the memorandum of understanding upon a finding that a fleet company has misused a temporary tag.

The bill provides an effective date of October 1, 2018.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

##### Temporary Tags

The Department of Highway Safety and Motor Vehicles (DHSMV) is authorized to design, issue, and regulate the use of temporary tags.<sup>1</sup> A temporary tag may be issued where:

- a dealer license plate may not be lawfully used;
- a casual or private sale has occurred;<sup>2</sup>
- a certified common carrier or driveway company transports a motor vehicle, mobile home, or recreational vehicle from one place to another for persons other than themselves;
- a bank, credit union, or other financial institution is not required to license a vehicle, but needs temporary tags for the purpose of demonstrating repossessions for sale;
- a motor vehicle is sold to a resident of another state for registration in that state and the motor vehicle is not required to be registered under s. 320.38, F.S.;
- a motor vehicle must have a vehicle identification number verified or must be weighed or have an emissions test performed prior to registration;<sup>3</sup>
- an out-of-state resident must secure documentation of ownership from his or her home state for a vehicle subject to registration in Florida;
- a motor vehicle is made available for lease by a rental car company, in accordance with rules established by DHSMV;<sup>4</sup>
- a personalized prestige or specialty license plate is being manufactured for use on the motor vehicle;<sup>5</sup>
- a licensed dealer is transporting motor vehicles and recreational vehicles from the dealer's licensed location to an off-premise sales location and return; and
- DHSMV has determined an applicant has demonstrated a need for a temporary tag, but does not otherwise qualify.

The unlawful issuance or use of a temporary tag is a non-criminal infraction punishable as a moving violation under ch. 318, F.S., as well as subject to administrative action by DHSMV.<sup>6</sup> The use of a temporary tag that has been expired for seven days or less is a non-criminal infraction punishable as a non-moving violation under ch. 318, F.S. Knowing and willful use of the temporary tag issuance process to avoid registering a vehicle is a first-degree misdemeanor.<sup>7</sup> If a person knowingly and willfully issues a temporary tag or causes another to issue a temporary tag to a fictitious person or entity to avoid disclosure of the true owner, that person has committed a third-degree felony.<sup>8</sup> If DHSMV has determined a licensed dealer, common carrier, or financial institution has abused the temporary tag issuing process, the department may prohibit the party from purchasing temporary tags.<sup>9</sup>

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<sup>1</sup> Section 320.131(1), F.S.

<sup>2</sup> A "casual or private sale" is any sale other than by a licensed dealer. S. 320.0131(1)(b), F.S.

<sup>3</sup> A temporary tag issued for this purpose is valid for ten days. S. 320.131(1)(f), F.S.

<sup>4</sup> If a motor vehicle receives a temporary tag under this sub-section, the license plate fee shall be calculated from the original issuance date of the temporary tag.

<sup>5</sup> A temporary tag issued for this purpose is valid for 90 days. S. 320.131(1)(j), F.S.

<sup>6</sup> Section 320.131(3), F.S.

<sup>7</sup> Section 320.131(5), F.S.

<sup>8</sup> Section 320.131(6), F.S.

<sup>9</sup> Section 320.131(1), F.S.

DHSMV may also sell temporary tags to their agents where need is demonstrated by a consumer complainant.<sup>10</sup> A \$2 fee is charged, which is divided between the Brain and Spinal Cord Injury Program Trust Fund and the Highway Safety Operating Trust Fund. DHSMV may also levy a service charge per transaction. Purchase requests made by DHSMV or its agents must be made on letterhead stationary and notarized, where applicable. A temporary tag issued under this sub-section is valid for 30 days and no more than two shall be issued to the same person for the same vehicle.

Temporary tags must be displayed in the rear license plate bracket.<sup>11</sup> If a vehicle also requires the front display of a license plate, the temporary tag must be displayed on the front of the vehicle in the location where a metal license plate would normally be displayed. The tag must be made of materials, designated by DMSHV, that are either non-permeable or subject to weatherproofing.<sup>12</sup>

The issuers of temporary tags must keep records as required by ch. 320, F.S., as well as DHSMV rules.<sup>13</sup> These records must be open to inspection by DHSMV or its agents during reasonable business hours. Knowingly and willfully failing to comply with record-keeping requirements is a second-degree misdemeanor.

DHSMV maintains an electronic system for licensed motor vehicle dealers to issue temporary tags.<sup>14</sup> DHSMV may deny, suspend, or revoke the license of a dealer who fails to comply with departmental requirements for issuing temporary tags. The system allows DHSMV to issue a temporary tag number in response to a request from the issuer using a secure transmission and then enable the issuer to print the tag containing all required information.<sup>15</sup> If a system outage occurs, the issuer may use a backup manual issuance method which requires recordkeeping of information by DHSMV and timely electronic reporting of information to the department.<sup>16</sup> DHSMV may adopt rules to administer the system, including exemptions as feasibly required to administer the program and for issuers who do not require a dealer license due to the type or size of vehicle being sold.<sup>17</sup>

### Fleet Vehicles

A fleet vehicle is a non-apportioned motor vehicle owned or leased by a company and used for business purposes.<sup>18</sup> DHSMV is authorized to determine the minimum number of vehicles which constitute a fleet. Short-term rental vehicles are excluded from the definition of fleet vehicles.

The owner or lessee of a fleet vehicle may receive permanent fleet license plates by filing an application with DHSMV and paying a license tax.<sup>19</sup> The owner or lessee of a fleet vehicle must also pay an annual fleet management fee of \$2 and a one-time license plate manufacturing fee.<sup>20</sup> An issuance fee of \$10 per vehicle is charged when the size of a fleet is increased. The license plate manufacturing fee is included in the issuance fee. If a recipient of fleet vehicle plates fails to renew or initially register vehicles in the fleet with 30 days, DHSMV may impose a penalty equal to the greater of \$50 or 10 percent of the delinquent taxes due.<sup>21</sup> If the delinquent taxes are more than 30 days past due, DHSMV may levy an additional penalty of the greater of \$50 or 10 percent of the delinquent taxes due up to the total amount of taxes due.

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<sup>10</sup> Section 320.131(2), F.S.

<sup>11</sup> Section 320.131(4)(a), F.S.

<sup>12</sup> Section 320.131(4)(b), F.S.

<sup>13</sup> Section 320.131(7), F.S.

<sup>14</sup> Section 320.131(8), F.S.

<sup>15</sup> Section 320.131(9)(a), F.S.

<sup>16</sup> Section 320.131(9)(b), F.S.

<sup>17</sup> Section 320.131(9)(c), F.S.

<sup>18</sup> Section 320.0657(1), F.S.

<sup>19</sup> Section 320.0657(2)(a), F.S.

<sup>20</sup> Section 320.0657(2)(c), F.S. The license plate manufacturing fee is the greater of \$1.50 or the actual cost of producing the plate.

<sup>21</sup> Section 320.0657(3), F.S.

Fleet license plates must have a distinctive color and have the word "Fleet" printed at the bottom.<sup>22</sup> The operators of fleet vehicles are not required to maintain a copy of the certificate of registration in the vehicle and fleet vehicle plates do not require an annual validation sticker.<sup>23</sup> Recipients of fleet license plates must provide an annual reconciliation with DHSMV and must surrender all unassigned plates.<sup>24</sup>

### **Effect of Proposed Changes**

The bill authorizes DHSMV to partner with county tax collectors to issue temporary tags to fleet companies awaiting permanent registration and title. A fleet company must have a minimum of 3,500 fleet vehicles registered in the state as fleet vehicles and enter into a memorandum of understanding with DHSMV to receive temporary tags. DHSMV may issue up to 50 temporary tags to an eligible fleet company. Each temporary tag is assigned to one vehicle and becomes invalid upon receipt of the vehicle's permanent license plate and registration. DHSMV may terminate the memorandum of understanding upon a finding that a fleet company has misused a temporary tag.

#### **B. SECTION DIRECTORY:**

Section 1: Amends s. 320.131, F.S. authorizing the DHSMV to issue temporary tags for fleet vehicles.

Section 2: Provides that the bill shall take effect October 1, 2018.

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

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

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

DHSMV will collect fees associated with the issuance of temporary tags.

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

DHSMV will incur costs associated with the issuance of temporary tags.

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

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

None.

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

None.

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

None.

#### **D. FISCAL COMMENTS:**

None.

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<sup>22</sup> Section 320.0657(2)(b), F.S.

<sup>23</sup> Section 320.0657(2)(c), F.S.

<sup>24</sup> Section 320.0657(4), F.S.

### **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 expenditure 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:**

The bill does not provide rulemaking authority or require executive branch rulemaking.

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**