

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Infrastructure and Security

BILL: SB 1086

INTRODUCER: Senator Diaz

SUBJECT: Vehicle and Vessel Registration Data and Functionality

DATE: January 17, 2020

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Proctor	Miller	IS	Pre-meeting
2.			ATD	
3.			AP	

I. Summary:

SB 1086 requires the Department of Highway Safety and Motor Vehicles (DHSMV) to provide tax collectors and their approved agents¹ and vendors² with real-time access to data that other third parties receive from the DHSMV related to registration of vehicles, mobile homes, and vessels

The bill provides that the DHSMV may require a tax collector’s approved agent or vendor that requests real-time access to data or functionality to enter into a memorandum of understanding, which may not be more restrictive than any memorandum of understanding between the DHSMV and any other third-party vendor.

The bill has an effective date of July 1, 2020.

II. Present Situation:

Vehicle and Vessel Registration Data

Registration Requirements

Motor Vehicles

The motor vehicle registration process is set out in s. 320.02, F.S. Applicants must provide the street address of the owner’s permanent residence and a valid driver license, identification card, or passport.³ Any vehicle registered outside the state must be accompanied by a sworn affidavit from the seller and purchaser verifying the vehicle identification number (VIN), or a copy of the

¹ Highway Safety and Motor Vehicles, *Senate Bill 1086 Bill Analysis* (January 13, 2020) (on file with the Senate Committee on Infrastructure and Security). “Agents are License Plate Agents who contract (MOU) with county Tax Collector offices to conduct driver and vehicle transactions.”

² *Id.* “The department interprets vendors and 3rd Party providers to be interchangeable terms (external contracted entities).”

³ Section 320.02(2)(a), F.S.

outside state's departmental form indicating that the vehicle has been physically inspected and the VIN verified.⁴ The owner of any motor vehicle registered in the state must notify the DHSMV in writing of any change of address within 30 days of such change.⁵ Additionally, the owner of the vehicle must provide proof that personal injury protection benefits, property damage liability coverage, bodily injury or death coverage, and combined bodily liability insurance and property damage liability insurance have been purchased.⁶

Upon the receipt of an initial application for registration and payment of the appropriate license tax and other fees required by law, the DHSMV must assign to the motor vehicle a registration license number consisting of letters and numbers and issue to the owner a certificate of registration and a registration license plate.⁷

License plates equipped with validation stickers subject to the registration period are valid for not more than 12 months and expire at midnight on the last day of the registration period. A registration license plate equipped with a validation sticker subject to the extended registration period is valid for not more than 24 months and expires at midnight on the last day of the extended registration period. For each registration period after the one in which the metal license plate is issued, and until the license plate is required to be replaced, a validation sticker showing the month and year of expiration shall be issued upon payment of the proper license tax amount and fees and is valid for not more than 12 or 24 months accordingly.⁸

Vessels

A purchaser of a new or used vessel has 30 days to title and register the vessel.⁹ During the 30-day period before registration, the owner must have proof of the date of purchase aboard the vessel.¹⁰ Section 328.48, F.S., establishes the steps for applying for vessel registration in Florida. The DHSMV is responsible for issuing vessel registrations.¹¹ Applications for titles and registrations must be filed at a county tax collector office.¹² Every vessel operated, used, or stored on the waters of Florida must be registered unless it is:

- A vessel operated, used, and stored exclusively on private lakes and ponds;
- A vessel owned by the United States Government;
- A vessel used exclusively as a ship's lifeboat; or
- A non-motor-powered vessel less than 16 feet in length or a non-motor-powered canoe, kayak, racing shell, or rowing scull, regardless of length.¹³

Vessels that are required to be registered are classified for registration purposes according to a schedule set out in s. 328.72(1)(a), F.S. The certificate of registration must be pocket-sized and

⁴ Section 320.02(3), F.S.

⁵ Section 320.02(4), F.S.

⁶ Section 320.02(5)(a), F.S.

⁷ Section 320.06(1)(a), F.S.

⁸ Section 320.06(1)(c), F.S.

⁹ Section 328.46(1), F.S.

¹⁰ *Id.*

¹¹ Section 328.48(3), F.S.

¹² Section 328.48(1)(a), F.S.

¹³ Section 328.48(2), F.S.

must be available for inspection on the vessel for which it is issued whenever such vessel is in operation.¹⁴ Each certificate of registration issued must include (among other items):

- The numbers awarded to the vessel;
- The hull identification number;
- The name and address of the owner; and
- A description of the vessel.¹⁵

Additionally, a decal signifying the year or years during which the certificate is valid must be furnished by the DHSMV with each certificate of registration issued and affixed to the front of the vessel.¹⁶

Florida Real Time Vehicle Information System

The DHSMV maintains the Florida Real Time Vehicle Information System (FRVIS) that facilitates the collection of taxes and fees for tags, titles, and registrations associated with motor vehicles and vessels.¹⁷ Local tax collector and tag agent offices throughout the state process tag, title, and registration transactions through FRVIS.¹⁸ According to the DHSMV, FRVIS processed approximately 413.1 million transactions for the collection of approximately \$3.091 billion in revenue from taxes and fees associated with tags, titles, and registrations for motor vehicles and vessels during fiscal year 2018-19, including amounts retained by local tax collector and tag agent offices.¹⁹ These funds, together with all other sources of the DHSMV's revenue, are distributed through FRVIS to various state agencies, including the DHSMV, and non-state entities in accordance with governing Florida Statutes.²⁰

FRVIS is composed of two processing environments. The first is a distributed environment that consists of the servers at local tax collector and tag agent offices that process tag, title, and registration transactions throughout the state. The second environment is the host portion that consists of the back-end processing that is conducted centrally at the DHSMV's primary data center.²¹

In addition to residential street addresses, the DHSMV is authorized to collect and store (in FRVIS) e-mail addresses. E-mail addresses may be used, in lieu of the United States Postal

¹⁴ Section 328.48(4), F.S.

¹⁵ Section 328.48(4), F.S.

¹⁶ Section 328.48(5), F.S.

¹⁷ Department of Highway Safety and Motor Vehicles, *Florida Real Time Vehicle Information System (FRVIS): Information Technology Operational Audit*, at 1 (April 2014), available at https://flauditor.gov/pages/pdf_files/2014-183.pdf (last visited January 16, 2020).

¹⁸ *Id.* at 1-2.

¹⁹ Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: FRVIS, (January 16, 2020).

²⁰ *Supra*, note 17.

²¹ *Id.*

Service, to provide certain renewal notices, including registration renewal notices, driver license renewal notices, and vessel registration renewal notices.^{22, 23, 24, 25, 26}

Registration Duties of Tax Collectors

Motor Vehicles

Tax collectors are authorized agents of the DHSMV that issue registration certificates, registration license plates, validation stickers, and mobile home stickers to applicants.²⁷ The DHSMV may require each tax collector to give a bond, payable to the DHSMV, conditioned that the tax collector faithfully and truly perform the duties imposed upon him or her according to the requirements of law and the rules and regulations of the DHSMV.²⁸ Each tax collector must keep a full and complete record and account of all validation stickers, mobile home stickers, or other properties received by him or her from the DHSMV.²⁹ FRVIS must be installed in every tax collector's and license tag agent's office in accordance with a schedule established by the DHSMV in consultation with the tax collectors and contingent upon funds being made available for the system by the state.³⁰

Vessels

Tax collectors must issue registration certificates and vessel numbers and decals to applicants, subject to the requirements of law and in accordance with the rules of the DHSMV.³¹ Each tax collector must keep a full and complete record and account of all vessel decals or other properties received by him or her from the DHSMV and must make prompt remittance of moneys collected by them at the times and in the manner prescribed by law.³²

Registration Data Access Concerns

The DHSMV provides tax collectors (and the tax collectors' third-party agents) with most, but not all, access to customer data available through FRVIS. For example, tax collectors are unable to run searches on real-time bulk data in FRVIS because they are only authorized to look up customer vehicle or vessel data individually in real-time data. Tax Collectors must therefore run any bulk data searches on batched bulk data from the previous business day. This limits the tax collectors' ability to analyze the data.

III. Effect of Proposed Changes:

The bill amends ss. 320.03 and 328.73, F.S., requiring the DHSMV, for the purpose of enhancing customer services provided by tax collectors on behalf of the DHSMV, to provide tax collectors acting on behalf of the DHSMV, and tax collector-approved agents and vendors real-time access to data that other third parties receive from the DHSMV related to motor vehicle and

²² Section 319.40, F.S.

²³ Section 320.95, F.S.

²⁴ Section 322.08(10), F.S.

²⁵ Section 328.30, F.S.

²⁶ Section 328.80, F.S.

²⁷ Section 320.03(1), F.S.

²⁸ Section 320.03(2), F.S.

²⁹ Section 320.03(3), F.S.

³⁰ Section 320.03(4)(b), F.S.

³¹ Section 328.73(1), F.S.

³² Section 328.73(2), F.S.

mobile home registration certificates, registration license plates, validation stickers, and vessel registration certificates and vessel numbers and decals, including, but not limited to, the most current address information and electronic mail addresses of applicants.

The bill provides the DHSMV may require a tax collector's approved agent or vendor that requests real-time access to data or functionality to enter into a memorandum of understanding, which may not be more restrictive than any memorandum of understanding between the DHSMV and any other third-party vendor.

The bill has an effective date of July 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Tax collectors, and tax collector-approved agents and vendors, may see a positive indeterminate fiscal impact as a result of having real-time access to data and thus being able to provide more efficient service to customers.

The DHSMV may incur an indeterminate programming cost implementing real-time data access to tax collectors, and tax collector-approved agents and vendors.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The DHSMV provided the following additional comments:

The DHSMV does not need any further statutory authority to provide data or functionality to tax collector agents or vendors.³³

The bill is written broadly and requires the DHSMV to provide tax collectors, tax collector agents, and tax collector vendors with access to the same data and functionality that all other third parties receive from the DHSMV related to motor vehicle and vessel registration. The bill also requires the DHSMV to provide customers' residential and email addresses to tax collectors and their approved agents and vendors, which is not something the DHSMV currently does.

Based on the broad language of the bill, the DHSMV requests clarification of the following:

- 1) Would the personal identifying information ("PII") provided to the agents and vendors of a specific tax collector be limited to data relating to customers residing in that tax collector's county? For example, if an agent or vendor does business on behalf of the Leon County Tax Collector, would the DHSMV be required to provide the agent or vendor with the PII of citizens in other counties if requested?
- 2) Could the DHSMV continue the practice of data minimization with respect to providing PII to agents and vendors? In other words, could the DHSMV refuse to provide PII to a tax collector's agent or vendor unless it is directly relevant and necessary to accomplish a specified purpose related to carrying out the statutorily mandated functions of the tax collector?
- 3) As a follow-up to question two above, could the DHSMV also limit the agent or vendor's use of the data and functionality to services provided on behalf of the tax collector, or would the vendor be free to use the data or functionality for any lawful commercial purpose?
- 4) Could the DHSMV limit the data released based on a business use case provided by the tax collector?

In addition, the DHSMV suggests the following changes:

Line 26: by tax collectors on behalf of the department, as set forth in the Memorandum of Understanding, the department

Line 34: The department shall ~~may~~ require a tax collector's approved agent or vendor that requests data or functionality pursuant to this paragraph to enter into a memorandum of understanding memorandum of understanding, which may not be more restrictive
Line 48: services provided by tax collectors on behalf of the department, as set forth in the Memorandum of Understanding,

³³ Section 320.03(4), F.S.

Line 56: The department shall ~~may~~ require a tax collector's approved agent or vendor that requests data or functionality pursuant to this paragraph to enter into a memorandum of understanding, which may not be more restrictive than any memorandum of understanding

The bill proposes that any MOU may “not be more restrictive” than any other MOU between the DHSMV and a third party. While it appears that this contemplates a MOU that currently exists between the DHSMV and a third party for the same “customer service” contemplated in the bill, the language is not specific, and leaves open the argument that these MOUs cannot be more restrictive than any MOU entered into between the DHSMV and a third party on any matter.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 320.03 and 328.73

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.