

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 571 Vehicle and Vessel Registration Data and Functionality

SPONSOR(S): Transportation & Infrastructure Subcommittee, Fernandez-Barquin

TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 1086

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	15 Y, 0 N, As CS	Roth	Vickers
2) Transportation & Tourism Appropriations Subcommittee	12 Y, 0 N	Hicks	Davis
3) State Affairs Committee			

SUMMARY ANALYSIS

Tax collectors are authorized agents of the Department of Highway Safety and Motor Vehicles (DHSMV) who issue motor vehicle and vessel registration certificates, motor vehicle registration license plates and validation stickers, vessel numbers and decals to applicants. Each tax collector must keep a full and complete record and account of all validation stickers, mobile home stickers, vessel decals, or other properties received by him or her from DHSMV. Both DHSMV and the tax collectors use third-party agents who provide information technology support, including online and mobile applications.

The Florida Real Time Vehicle Information System (FRVIS) is the database application maintained by DHSMV to issue and account for tags, titles, and registrations for motor vehicles and vessels. FRVIS must be installed in every tax collector's and license tag agent's office in accordance with a schedule established by DHSMV in consultation with the tax collectors and contingent upon funds being made available for the system by the state.

The bill provides, for the purpose of enhancing customer services provided by tax collectors on behalf of DHSMV, the department must provide tax collectors and their agents with the real-time access to the same data and functionality that DHSMV provides to all other third-parties. The bill specifies that this includes data related to motor vehicle and mobile home registration certificates, registration license plates, and validation stickers as well as vessel registration certificates and vessel numbers and decals including, but not limited to, each owner's current residential and electronic mail address.

According to DHSMV, the bill will have an indeterminate, negative fiscal impact on state expenditures associated with programming and implementation costs. These costs can be absorbed within existing resources. See Fiscal Analysis for details.

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

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Registration Requirements

The motor vehicle registration process is set out in s. 320.02, F.S. Upon the receipt of an initial application for registration and payment of the appropriate license tax and other fees required by law, the Department of Highway Safety and Motor Vehicles (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.¹ 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.²

DHSMV is responsible for issuing vessel registrations.³ Applications for titles and registrations must be filed at a county tax collector's office.⁴ 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.⁵

The certificate of registration must be pocket-sized and be available for inspection on the vessel for which it is issued whenever such vessel is in operation.⁶ Additionally, a decal signifying the year or years during which the certificate is valid must be furnished by DHSMV with each certificate of registration issued and affixed to the front of the vessel.⁷

Florida Real Time Vehicle Information System

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.⁸ Local tax collector and tag agent offices throughout the state process tag, title, and registration transactions through FRVIS.⁹ According to DHSMV, FRVIS processed approximately 413.1 million transactions for the collection of approximately \$3.22 billion in revenue from taxes and fees associated with tags, titles, and registrations for motor vehicles and vessels during Fiscal Year 2018-2019, including amounts retained by local tax collector and tag agent offices.¹⁰ These funds, together with all other sources of DHSMV's revenue, are distributed through FRVIS to various state agencies, including DHSMV, and non-state entities in accordance with Florida Statutes.¹¹

¹ Section 320.06(1)(a), F.S.

² Section 320.06(1)(c), F.S.

³ Section 328.48(3), F.S.

⁴ Section 328.48(1)(a), F.S.

⁵ Section 328.48(2), F.S.

⁶ Section 328.48(4), F.S.

⁷ Section 328.48(5), F.S.

⁸ 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 March 21, 2019).

⁹ *Id.* at 1-2.

¹⁰ E-mail from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: HB 571, (December 19, 2019).

¹¹ DHSMV, *supra* at 2, FN 8.

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 DHSMV's primary data center.¹²

In addition to residential street addresses, 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 Service, to provide certain renewal notices, including registration renewal notices, driver license renewal notices, and vessel registration renewal notices.^{13,14,15,16,17}

Registration Duties of Tax Collectors

Tax collectors are authorized agents of DHSMV that issue motor vehicle and vessel registration certificates, motor vehicle registration license plates and validation stickers, mobile home stickers, and vessel numbers and decals to applicants.¹⁸ Each tax collector must keep a full and complete record and account of all validation stickers, mobile home stickers, vessel decals, or other properties received by him or her from DHSMV.¹⁹ FRVIS must be installed in every tax collector's and license tag agent's office in accordance with a schedule established by DHSMV in consultation with the tax collectors and contingent upon funds being made available for the system by the state.²⁰

Memorandums of Understanding

Access to DHSMV's systems and data is governed by various Memorandums of Understanding (MOU) between DHSMV, tax collectors, and other third-party entities. The MOUs document how the data will be used and protected, and ensure compliance with various state and federal laws, including the federal Driver's Privacy Protection Act.²¹ Both DHSMV and the tax collector's offices utilize private vendors who assists with various services and are governed by MOUs.

Proposed Changes

The bill amends s. 320.03, F.S., requiring DHSMV to provide tax collectors and their approved agents and vendors with the same real-time access to data and functionality that DHSMV provides to other third-parties. The accessible real-time data received from DHSMV must be related to motor vehicle and mobile home registration certificates, registration license plates, and validation stickers, including but not limited to, each owner's current residential and electronic mail address.

The bill amends s. 328.73, F.S., requiring DHSMV to provide tax collectors and their approved agents and vendors with the same real-time access to data and functionality that DHSMV provides to other third-parties. The accessible real-time data received from DHSMV must be related to vessel registration certificates and vessel numbers and decals, including but not limited to, each owner's current residential and electronic mail address.

B. SECTION DIRECTORY:

Section 1: Amends s. 320.03, F.S., relating to registration; duties of tax collectors; International Registration Plan.

¹² *Id.*

¹³ Section 319.40, F.S.

¹⁴ Section 320.95, F.S.

¹⁵ Section 322.08(10), F.S.

¹⁶ Section 328.30, F.S.

¹⁷ Section 328.80, F.S.

¹⁸ Sections 320.03(1) and 328.73(1), F.S.

¹⁹ Sections 320.03(3) and 328.73(2), F.S.

²⁰ Section 320.03(4)(b), F.S.

²¹ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2020 House Bill 571, p. 2 (December 20, 2019).

Section 2: Amends s. 328.73, F.S., relating to registration; duties of tax collectors.

Section 3: Provides an effective date of July 1, 2020.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill will likely have no impact on state government revenues.

2. Expenditures:

According to DHSMV, programming the department's systems, including FRVIS, will be required to provide real-time access to the same data and functionality that is provided to all other third-parties. Depending on the number of use cases (or specific situations) identified and approved, the amount of programming to implement the change will likely increase as the number of use cases increase. One use case requires approximately 500 hours of programming, at a rate of \$85 per hour.²² The number of use cases are not known at this time. Therefore, the negative fiscal impact associated with the department's programming efforts is indeterminate; however, they expect these costs can be absorbed within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Tax collectors may see a positive indeterminate fiscal impact as a result of having real time access to data that could allow them to process additional transactions that they currently do not have the ability to process.

2. Expenditures:

The bill will likely have no impact on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

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.

²² E-mail from Suzie Carey, Chief Financial Officer, Department of Highway Safety and Motor Vehicles, RE: HB 571, (January 22, 2020).

B. RULE-MAKING AUTHORITY:

The bill does not provide a grant of rulemaking authority, nor does it require rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Comments:

DHSMV has indicated that the bill is written broadly and may warrant clarification with regards to the definition of “functionality”. Additionally, DHSMV is concerned that the bill requires access to functions and data, but does not authorize or require an MOU. Currently, an MOU enables DHSMV to determine if a requested use is permissible and allows DHSMV to hold the parties accountable to the standards outlined in the agreement. Without an MOU, it is unclear how DHSMV can properly oversee third-party agents and vendors’ use of the functions and data and deny access if the data is misused.²³

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 21, 2020, the Transportation & Infrastructure Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment:

- Removed language authorizing DHSMV to require MOUs between DHSMV and the tax collector’s approved agents or vendors when an agent or vendor requests real-time access to data or functionality related to motor vehicles, mobile homes, and vessels.

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

²³ E-mail from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: 571, (January 21, 2019).