HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for HB 139 Motor Vehicle and Vessel Registration Data
SPONSOR(S): Tourism, Infrastructure & Energy Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:** SB 754

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Tourism, Infrastructure & Energy Subcommittee		Johnson	Keating

SUMMARY ANALYSIS

County tax collectors, as authorized agents of the Department of Highway Safety and Motor Vehicles (DHSMV), issue motor vehicle and vessel registration certificates, motor vehicle registration license plates and validation stickers, and vessel numbers and decals to applicants.

The bill requires each third party that has contracted with a tax collector and has online computer access to DHSMV's system to enter into a memorandum of understanding with DHSMV.

The bill requires DHSMV to administer funds collected through an existing fee assessed on motor vehicle and vessel registrations in a manner that ensures that all ancillary technology and other tax collection systems used by tax collectors protect customer privacy and data.

The bill authorizes DHSMV, upon a tax collector's request, to provide ancillary technology to integrate other tax collection systems used by tax collectors in order to provide tax collectors with uniform interface functionalities for registration renewal transactions performed at a tax collector's office or online via a tax collector's website and provides certain technological requirements. Such data and functionality may only be used for specified purposes.

The bill may have a negative fiscal impact to state government expenditures. *See* Fiscal Analysis.

The bill has an effective date of July 1, 2021.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Tax Collectors

County tax collectors are authorized agents of the Department of Highway Safety and Motor Vehicles (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.[1] The law specifies the service fees tax collectors are authorized to collect in exchange for providing these registration services.[2] 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.[3]

Currently, 65 counties have elected tax collectors who are constitutional officers. Broward and Miami-Dade Counties have appointed tax collectors under each county's charter government.[4] Sixteen counties have, or have until recently had, contracts with privately operated license plate agents (LPAs) to perform registration services for motor vehicles, mobile homes, trailers, and vessels.[5]

Many tax collectors hire vendors to assist with mailing, cashiering, deploying kiosks, providing online services, and performing other duties. When requested by a tax collector, DSHMV routinely provides access to data, both in real-time and through batch processes, to the tax collector's vendors for the purpose of providing support to the requesting tax collector. Some of the data provided contains personal information[6] which is confidential pursuant to the federal Driver's Privacy Protection Act (DPPA) of 1994.[7] Such information may be released only as authorized by the DPPA.

To ensure compliance with DPPA, DSHMV practices data minimization, so that personal information from driver license records is provided to agents and vendors only when it is directly related to a specified task deemed necessary by DSHMV or Legislature. Once the specified purpose has been completed, this practice requires that shared data be securely destroyed or otherwise rendered unreadable. Data minimization also decreases risks of data loss and breaches.[8]

DHSMV Information Systems

DHSMV's Florida Real Time Vehicle Information System (FRVIS) is the database application used to title and register all motor vehicles, mobile homes, trailers, and vessels in Florida. It provides real-time access to extensive transactional information[9] on every motor vehicle, mobile home, trailer, and vessel and titled or registered in the state to include owner residential and electronic mail addresses.[10]

Florida law[11] requires that FRVIS be installed in every tax collector's and LPA's office according to a schedule established by DHSMV in consultation with the tax collectors and contingent upon funds being made available for the system. DSHMV administers FRVIS in consultation with the Florida Tax Collectors, Inc., to ensure that each county tax collector's office is technologically equipped and functional for the operation of FRVIS. Only DHSMV, tax collectors, and LPAs have access to FRVIS.

[1] Ss. 320.03(1) and 328.73(1), F.S.
[2] *See* s. 320.04.
[3] Ss. 320.03(3) and 328.73(2), F.S.
[4] Pursuant to s. 1(d), Art. VIII of the State Constitution, Broward and Miami Dade counties will have elected tax collectors effective January 7, 2025.
[5] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 House Bill 139, p.3.
[6] See 18 U.S.C. s. 2725
[7] See 18 U.S.C. ss. 2721 et seq.
[8] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 House Bill 139, p.3.
[9] Transactional information refers to information used, accessed, or collected for purpose of a customer transaction.
[10] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 House Bill 139, p.3.
[11] S. 320.03(4)(b), F.S.

This access is governed by individual memoranda of understanding (MOUs) between DSHMV and each tax collector and, if a tax collector has an LPA, by an additional MOU between DHSMV, each such tax collector, and the LPA contracted with the tax collector. Sections 320.03(5) and 328.73(3), F.S., impose a 50 cent fee on each motor vehicle, mobile home, and vessel registration to cover the operation of FRVIS. That fee is deposited into the Highway Safety Operating Trust Fund.[12]

Access to DSHMV systems and data is governed by various MOUs between DHSMV, tax collectors, and other third-party entities. The MOUs document how the data will be used and protected, ensuring compliance with various state and federal laws, including the Driver Privacy Protection Act (DPPA).[13]

Any tax collector or LPA opening a new office or expanding existing offices initially purchases the equipment needed for title and registration services. DHSMV periodically refreshes outdated equipment and pays the cost of the new equipment[14] for both tax collector's and LPA's offices. LPAs reimburse DSHMV for recurring costs, such as internet access, for each location, unless the LPA office is collocated with a tax collector's office and the costs are shared.

Motorist Modernization

Phase II of DHSMV's Motorist Modernization program will redevelop all systems and processes supporting motor vehicle, mobile home, trailer, and vessel titling and registration. Phase II will be implemented in two separate releases. The program will first focus on replacing the legacy FRVIS system with the new "ORION" system for field-office issuances. The program will next focus on replacing FRVIS functions performed by administrative staff and adding additional motor vehicle functionality to MyDMVPortal. Phase II is expected to be completed in late 2023 or early 2024.[15]

Effect of the Bill

The bill requires each third party that has contracted with a tax collector and has online computer access to DHSMV's system to enter into a memorandum of understanding with DHSMV.

The bill requires DHSMV to administer funds collected through an existing fee assessed on motor vehicle and vessel registrations in a manner that ensures that all ancillary technology and other tax collection systems used by tax collectors protect customer privacy and data.

With respect to motor vehicle and vessel registrations, the bill authorizes DHSMV, upon a tax collector's request, to provide ancillary technology to integrate other tax collection systems used by tax collectors in order to provide tax collectors with uniform interface functionalities for registration renewal transactions performed at a tax collector's office or online via a tax collector's website.

The bill also provides that DHSMV must prescribe the best manner of delivering the data access and uniform interface functionalities to tax collectors for the purpose of processing registration renewal transactions and must provide the ability to record and process renewal transactions[16] in the state system in real time and bulk data reporting for vehicle and vessel registrations, including each applicants e-mail address.[17]

Such data and functionality may be used only for purposes of fulfilling the tax collector's statutory duties pursuant to ch. 319, F.S., (motor vehicle titling); ch. 320, F.S., (motor vehicle registrations); ch. 322 (driver licenses); and ch. 328, F.S. (vessel registration and titling) and may not be resold or used for any other purpose. This data access and functionality must be developed no later than July 1, 2023.

[12] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 House Bill 139, p.3.
[13] *Id.* at 4.
[14] This is contingent on appropriated funds.
[15] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 House Bill 139, p.4.
[16] The bill defines the term "registration renewal transactions" as the issuance of motor vehicle, mobile home, and trailer registration certificates, registration license plates, motor vehicle registration validation stickers, vessel registration certificates, vessel numbers and vessel decals.
[17] E-mail addresses are collected pursuant to s. 320.95.

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

B. SECTION DIRECTORY:

Section 1 Amends s. 320.03, F.S., relating to the registration duties of tax collectors.

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

Section 3 Provides an effective date of July 1, 2021.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may facilitate additional contracts between the county tax collectors and vendors providing technology services to tax collectors.

D. FISCAL COMMENTS:

The bill provides that the 50 cent fee on each registration allocated to cover the cost of FRVIS is also to be used to ensure that all ancillary technology and other tax collection systems used by tax collectors protect customer privacy and data. Depending on the cost of this additional requirement, it may take funds away from other FRVIS projects, such as new equipment or updated software.

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 of counties or municipalities to raise revenues in the aggregate; or reduce the percentage sales tax shared with counties or municipalities.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

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

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES