

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 901 Household Moving Services

SPONSOR(S): Horner and others

TIED BILLS: **IDEN./SIM. BILLS:** SB 296

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	14 Y, 0 N	Morton	Creamer
2) Agriculture & Natural Resources Appropriations Subcommittee	13 Y, 0 N	Lolley	Massengale
3) Economic Affairs Committee		Morton	Tinker

SUMMARY ANALYSIS

HB 901 reduces the regulatory requirements for intrastate movers, by:

- Extending the renewal cycle of intrastate mover registration from annual to biennial.
- Removing requirements for movers and moving brokers to obtain local licensing and preempting any applicable local regulation not enacted before January 1, 2011. Pre-existing local registration fees must be reasonable and may not exceed the cost of administering the regulation.
- Allowing a mover to exclude liability for goods packed by the shipper, if the exclusion is disclosed and the shipper declines to allow the mover to open and inspect the packed goods.
- Allowing a mover to refuse to transport or ship any goods, if it refuses to do so before transporting or shipping the goods and the shipper is notified and acknowledges the refusal in writing.

The bill has no negative impact on state trust funds as a result of a staggered expiration date for the renewal period. To the extent that current local fees under local regulation enacted before January 1, 2011, are unreasonable or exceed the cost of administering the regulation, local governments could see a decrease in revenues caused by lowering those fees to be reasonable and in line with the cost of regulation.

The bill provides an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Chapter 507, F.S., establishes registration, insurance and contractual requirements for intrastate movers. “Mover” is defined as “a person who, for compensation, loads, transports or ships, or unloads household goods as part of a household move.” “Moving Broker” is defined as “a person who, for compensation, arranges for another person to load, transport or ship, or unload household goods as part of a household move or who, for compensation, refers a shipper to a mover.”

Intrastate movers and moving brokers must register with the Department of Agriculture and Consumer Affairs (DACS) and pay an annual fee of \$300. Annual registration requires disclosure of contact information and copies of contracts offered to the public. Movers and moving brokers must maintain liability insurance or post a \$25,000 security. Movers must also maintain motor vehicle insurance, including combined bodily injury and property damage liability coverage in varying amounts.

The DACS has the authority to enforce the chapter by seeking civil or administrative remedies. Violations of the chapter are also deemed unfair or deceptive trade practices, triggering enforcement by the state attorney or Department of Legal Affairs. Certain prohibited acts also subject movers to criminal penalties.¹

A mover that lawfully fails to relinquish a shipper’s household goods may place the goods in storage until payment is tendered. ‘Storage’ is defined as “the warehousing of a shipper’s goods while under the care, custody, and control of the mover.” A mover may not limit its liability for the loss or damage of household goods to a valuation rate that is less than 60 cents per pound per article. It must disclose any limitation and may offer valuation coverage to compensate the shipper in the event of loss or damage. If a mover offers valuation coverage, the coverage must indemnify the shipper for at least the minimum valuation rate.

Local regulation

Section 507.13, F.S., allows for local regulation and cooperative agreements between the DACS and local governments for enforcement. Currently, Miami-Dade, Broward, Palm Beach, and Pinellas Counties have relevant local ordinances.²

Proposed Changes

The bill extends the renewal cycle of intrastate mover registration from annually to biennially. The registration fee would still be calculated as \$300 per year.

The bill removes requirements for movers and moving brokers to obtain local licensing and pre-empts any applicable local regulation not enacted before January 1, 2011. Local governments may still levy local business taxes. Pre-existing local registration fees must be reasonable and may not exceed the cost of administering the regulation. Pre-existing local registration or bonding requirements may only be applied to movers and moving brokers whose principal place of business is within that county’s jurisdiction.

The bill allows a mover to exclude liability for household goods packed by the shipper, if the exclusion is disclosed and the shipper declines, in writing, to allow the mover to open and inspect the goods packed by the shipper.

¹ s. 507.11, F.S.

² Miami-Dade County, Sec. 8A-325; Palm Beach County Ordinance, No. 2005-007; Pinellas County, Sec. 42-357; Broward County Moving Ordinance, Sec. 20-176.90, et seq.

The bill allows a mover to refuse to transport or ship any goods, if it refuses to do so before transporting or shipping the goods and the shipper is notified and acknowledges the refusal in writing.

The bill limits the definition of 'storage' to include only temporary warehousing.

The bill provides an effective date of July 1, 2011.

B. SECTION DIRECTORY:

Section 1: Amends s. 507.01, F.S., to redefine the term 'storage.'

Section 2: Amends s. 507.03, F.S., to provide for the biennial renewal of mover and moving broker registrations.

Section 3: Amends s. 507.04, F.S., to authorize a mover to exclude liability for household goods packed by the shipper under certain circumstances.

Section 4: Amends s. 507.06, F.S., to authorize a mover to refuse to transport or ship household goods under certain circumstances.

Section 5: Amends s. 507.07, F.S., conforms changes to the renewal cycle.

Section 6: Amends s. 507.13, F.S., to preempt new local ordinances and regulations.

Section 7: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Since the biennial fee is calculated based on the previous annual fee of \$300, revenues remain the same. Fiscal Year 2011-12 revenues represent half of the registrants paying the registration fee based on the biennial calculation (\$600) and half paying the fee based on the annual calculation (\$300). Revenues based on the biennial calculation for FY 2012-13 and thereafter would be derived from those registrants paying the annual fee (\$600).

	(FY 11-12)	(FY 12-13)	(FY 13-14)
(984 Registrants estimated)			
<u>1st Year</u>			
492 Registrants @ \$600 biennial	\$442,800		
492 Registrants @ \$300 annual			
<u>Subsequent Years</u>			
492 Registrants @ \$600 biennial		\$295,200	\$295,200

2. Expenditures:

Recurring	\$266,829	\$266,829	\$266,829
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B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

To the extent that current local fees under local regulation enacted before January 1, 2011, are unreasonable or exceed the cost of administering the regulation, local governments could see a decrease in revenues caused by lowering those fees to be reasonable and in line with the cost of regulation.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Intrastate movers will be able to register biennially, rather than annually. Applicable fees would not change. Movers may see a reduction in the cost of local regulation. Under certain circumstances, movers may be able to avoid liability for damage to goods packed by shippers.

D. FISCAL COMMENTS:

The bill has no negative impact on state trust funds as a result of a staggered expiration date for the renewal period.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill reduces the local governments' authority to raise revenues through registration fees on intrastate movers, by requiring such fees be reasonable and not beyond the cost of administering the regulation; however, an exemption may apply as such limitation is anticipated to have an insignificant fiscal impact.³

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

³ Longstanding policy of the legislature has deemed "insignificant fiscal impact" to be an amount equal to 10 cents per capita – for a fiscal impact of less than \$1.9 million statewide.