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Progress Report



June 2002

Report No. 02-35

Legislature Ends Vehicle License Plate Seizure Pilot Program Due to Error Rate, Driver Inconvenience

at a glance

To help address the problem of uninsured motorists, the 1995 Legislature directed the Department of Highway Safety and Motor Vehicles (DHSMV) to conduct a pilot program in three counties. This pilot program authorized licensed recovery agents to remove the license plates from vehicles whose owners had not maintained required insurance. The 1999 Legislature amended the law to allow the program to be expanded if certain conditions were met. One of those conditions was that OPPAGA verify that the error rate for valid license plates seized by recovery agents was 2% or less.

In our December 2000 review, we reported that the error rate for seized license plates was 34.8%. Consequently, the criteria for expanding the pilot program had not been met.

Our prior review recommended that the Legislature abolish the pilot program because of the consistently high error rate, the department's belief that it will be unable to reduce the error rate to the level required by law, and the inconvenience to drivers whose plates are seized in error. Consistent with our recommendations, the Legislature did not pass legislation to authorize the pilot program's continuation. As a result, the law authorizing the pilot project will be repealed on July 1, 2002.

Purpose

In accordance with state law, this progress report informs the Legislature of actions taken by the Department of Highway Safety and Motor Vehicles in response to a prior OPPAGA report on a pilot program that allowed licensed recovery agents to remove the license plates from vehicles whose owners had not maintained required insurance.^{1,2} This report assesses the extent to which our earlier findings and recommendations have been addressed.

Background

Noncompliance with state driver insurance requirements is a long-standing problem in Florida. The percentage of uninsured motorists on Florida highways is uncertain, but department estimates noted in a prior OPPAGA report ranged from 15% to 27%.

To help address the problem of uninsured motorists in Florida, the 1995 Legislature directed the Department of Highway Safety and Motor Vehicles to conduct a pilot program in Broward, Dade, and Hillsborough counties. This pilot program authorized licensed

¹ Section 11.51(6), *F.S.*

² *License Plate Seizure Program's Error Rate Still High; Program Should Be Abolished*, [Report No. 00-25](#), December 2000.

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recovery agents to remove the license plates from vehicles owned by or registered to persons whose driver licenses were suspended for not maintaining required insurance.

The department issued a report on the pilot program in October 1996 that indicated the information it was providing recovery agents on vehicles whose license plates were subject to being seized often was inaccurate. Due to database accuracy problems, a large percentage (52%) of vehicles whose license plates were reported as subject to seizure were actually insured. The prevalence of inaccurate information was attributed to several factors, such as delays in insurance companies notifying the department of insurance policy information. A second department study conducted in 1998 determined that during the period from January 1996 through October 1998, the error rate in seized license plates was 53%.

To address the problem of database inaccuracy, the 1999 Legislature amended the law to make the pilot program's expansion contingent upon the department implementing an improved vehicle registration database and OPPAGA's verification that the error rate in valid license plates seized by recovery agents was 2% or less. The database referenced in this legislation became operational in September 1999. The legislation also repealed the pilot program on July 1, 2002, unless action was taken by the Legislature.

Prior Findings _____

In October 2000, department staff conducted a new study to estimate the error rate in license plates seized by recovery agents during the 13-month period following the improved database becoming operational in September 1999. For this study, department staff reviewed data for a random sample of 427 of the 6,713 tags seized during the period. With this sample size, department staff would have

95% confidence that its results were accurate to within $\pm 2\%$.

The department's study determined that 34.8% of the license plates seized by recovery agents were from vehicles whose owners actually met insurance requirements at the time the license plates were seized. This represented an improvement over the 53% error rate found in the department's 1998 study. However, the 34.8% error rate still greatly exceeded the rate (2% or less) established by the Legislature as a threshold for consideration of expanding the pilot program to other Florida counties. Based on this error rate, an estimated 2,336 of the 6,713 license plates that were seized during the period from September 1999 to October 2000 were taken in error.

To verify the results of the department's study, we reviewed the methodology used by department staff to determine the study's sample sizes and tested the data used in determining the error rate in seized license plates. We concluded that department staff used an appropriate methodology and that the study's results were reasonable.

Department staff attributed the continued high error rate in seized license plates to several factors.

- Insurance companies often delay reporting insurance policy information to the department. As a result, the department does not have current, valid information as to whether vehicle owners are actually insured at the time their vehicle license plates are seized.
- Drivers contacted by the department as suspected of being uninsured often fail to respond to a department notice to show proof of insurance prior to their license plates being seized.

Department staff indicated that such factors are largely outside the department's control. As a result, they believed it would not be possible for the department to achieve an error

rate of 2% or less for license plates seized by recovery agents.

The consistently high error rate was a major problem because vehicle owners whose license plates are seized in error had to go through a time-consuming, inconvenient process to replace their plates. They had to first go to the nearest department driver license office and show proof of insurance. If they could prove they had valid insurance at the time their license plates were seized, the department authorized them to be issued replacement plates. The drivers then had to obtain the replacement plates from a tax collector's office. Drivers may have had to take time off from work to complete this process despite the fact that they were in full compliance with the law.

We recommended that the Legislature abolish the pilot program because of the consistently high error rate in seized license plates, the department's belief that it will be unable to reduce the error rate to the level required by law, and the inconvenience to vehicle owners whose plates are seized in error.

Current Status ---

Consistent with our recommendation, the 2002 Legislature did not take any action to authorize the continuation of the license plate seizure pilot program. Consequently, the pilot program will end on July 1, 2002.

The Florida Legislature

Office of Program Policy Analysis and Government Accountability



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