



# Private Rebuilt Vehicle Inspection Program

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July 1, 2021

## **Background**

In 2013, the Florida Legislature approved [section 319.141](#), Florida Statutes, directing the Florida Department of Highway Safety and Motor Vehicles (department) to implement and evaluate a pilot program allowing rebuilt vehicle inspection services to be offered by the private sector. The Private Rebuilt Vehicle Inspection Program (PRVIP) was implemented in Miami-Dade County from October 1, 2013 through June 30, 2015 and was subsequently extended through June 30, 2018. The program expired on July 1, 2018, as no legislation was enacted to continue it. Consequently, all rebuilt inspections reverted to the department, resulting in an increase in rebuilt vehicle inspection services provided by the department for fiscal year (FY) 2018-2019.

## **New Private Rebuilt Vehicle Inspection Program**

During the 2019 Florida Legislative session, House Bill 385 was passed, revising [section 319.141](#), Florida Statutes, and implementing PRVIP in Miami-Dade County once again, effective October 1, 2019. The PRVIP participants are required to sign a Memorandum of Understanding (MOU) with the department that allows them to conduct rebuilt motor vehicle inspections and specifies the requirements for oversight, bonding and insurance, procedures and forms, and requires the electronic transmission of documents. The annual authorization period for PRVIP participation runs from October 1st through September 30th each year and requires participants to submit renewal applications and required supporting documents before the end of the authorization period. Currently there are 14 authorized facilities operating under this section of law.

## **FLHSMV Offices vs PRVIP Facilities FY 2019-2020**

With the implementation of the new PRVIP on October 1, 2019, rebuilt vehicles inspections were conducted through both the department's Regional Offices and authorized PRVIP facilities for only part of FY 2019-2020. Table 1 below shows a comparison of the numbers of inspections conducted at the department's Regional Offices and the PRVIP facilities by month during FY 2019-2020 and reflects an increase of 1,281 total inspections over FY 2018-2019.

*Note: Due to COVID-19, there were department office closures that impacted inspection numbers for the months of April and May 2019.*

**Table 1 - Inspections Conducted by FLHSMV and PRVIP for Fiscal Year 2019-2020 by Month**

<b>Month</b>	<b>FLHSMV</b>	<b>PRVIP</b>	<b>Totals</b>
July 2019	6,035	0	6,035
August 2019	6,039	0	6,039
September 2019	5,285	0	5,285
October 2019	5,513	0	5,513
November 2019	3,179	419	3,598
December 2019	2,442	2,707	5,149
January 2020	2,623	3,067	5,690
February 2020	2,766	3,385	6,151
March 2020	1,682	4,266	5,948
April 2020	0	3,995	3,995
May 2020	10	5,084	5,094
June 2020	2,792	5,684	8,476
<b>Grand Totals</b>	<b>38,366</b>	<b>28,607</b>	<b>66,973</b>

## **FLHSMV Offices vs PRVIP Facilities FY 2020-2021**

Through the 3<sup>rd</sup> Quarter of FY 2020-2021, there have been 61,705 rebuilt inspections conducted statewide. Of those, the PRVIP Facilities have conducted 49,238 (80%) while the FLHSMV Regional Offices have conducted 12,467 (20%). See Table 2 below.

**Table 2 – Inspections Conducted by FLHSMV and PRVIP for Fiscal Year 2020-2021 by Month**

<b>Month</b>	<b>FLHSMV</b>	<b>PRVIP</b>	<b>Totals</b>
July 2020	1,716	5,354	7,070
August 2020	1,402	5,175	6,577
September 2020	1,421	5,414	6,835
October 2020	1,452	5,818	7,270
November 2020	1,133	5,012	6,145
December 2020	1,355	5,349	6,704
January 2021	1,239	5,215	6,454
February 2021	1,271	5,246	6,517
March 2021	1,478	6,655	8,133
April 2021	0	0	0
May 2021	0	0	0
June 2021	0	0	0
<b>Grand Totals</b>	<b>12,467</b>	<b>49,238</b>	<b>61,705</b>

## **Oversight**

[Section 319.141](#), Florida Statutes, requires the department to conduct onsite facility inspections of PRVIPs at least quarterly. The department's Regional Office in Opa Locka has provided onsite support and oversight to the PRVIP participants and conducts inspections every 75 days. The inspections include a review of facility operations, including a review of the use of the Florida Registration and Vehicle Information System (FRVIS), a verification of the qualifications and professional appearance of the PRVIP Inspectors, a review of camera video of actual rebuilt inspections, an audit of rebuilt decal inventory, and a review of completed rebuilt inspection records and documentation.

Since October 2019, 68 onsite facility inspections have been conducted. Inspection results revealed 73% were compliant while 27% were non-compliant. The non-compliant issues were related to incomplete paperwork. No evidence of fraudulent activities was observed. The PRVIP participants have all taken the required corrective action, resolving the issues presented immediately, resulting in 100% compliance during the follow up inspections.

In addition to onsite facility inspections performed by the Opa Locka Field Office, the Bureau of Motorist Services Support (MSS) Quality Assurance Team (QA Team) was asked to conduct a more in-depth quality assurance audit review of completed PRVIP transactions. In September 2020, the QA Team provided a report of 750 rebuilt transactions that were processed from February through April 2020. Of the 750 transactions, 82 rebuilt title transactions were recommended for further review related to missing information such as name, signature, address, date of sale, VIN verification, vehicle brand, etc. These transactions were further reviewed by staff of the Bureau of Dealer Services (BDS).

Based on these findings, and additional review by BDS, a Plan of Action was implemented that included:

- Communications with all PRVIP participants, presenting the non-compliant rebuilt transactions.
- Communications with PRVIP Authorized Trainers to alert them of minor discrepancies and required modifications to training curriculum.
- Development of a guide providing additional training for BDS Compliance Examiners (CE) who are conducting the inspections in the field.
- An increase of the frequency of onsite inspections to every 60 days.

### **MOU Compliance**

Since the Program began October 1, 2019, eight complaints have been filed against six PRVIP Facilities. Of these, four complaints were filed for possible conflict of interest. After further investigation, three of these complaints were dismissed with no violations found. One complaint resulted in termination of an authorized PRVIP participant for a conflict of interest. The participant was found to be listed as a corporate officer of a motor vehicle dealer resulting in violation of the MOU and eligibility requirements as stated in [section 319.141\(4\)\(b\)](#), Florida Statutes. The other complaints filed related to various allegations of possible violations of the MOU. BDS found minor violations to policy and/or procedure that were immediately corrected.

### **Recommendation**

[Section 319.141](#), Florida Statutes, requires the department, on or before July 1, 2021, to submit a report to the President of the Senate and the Speaker of the House evaluating the effectiveness of the PRVIP Program and whether to expand the program to other counties.

This report is an assessment of the effectiveness of the PRVIP Program. Although the program was only authorized to be implemented in Miami-Dade County, customers from other counties also utilize the PRVIPs. Therefore, to meet customer demand, it is recommended that additional locations in other counties be authorized in statute. In addition to Miami-Dade County, BDS has state offices in Escambia, Bay, Leon, Marion, Duval, Orange, Hillsborough, Volusia, Palm Beach, Broward and Manatee Counties and could provide required oversight to prospective PRVIPs in those counties.

Thus, it is recommended that s. 319.141(2), F.S., be modified as follows: By January October 1, 20192023, the department shall implement a program in Miami-Dade ~~County~~, Broward, Palm Beach, Manatee, Hillsborough, Orange, Volusia, Marion, Duval, Leon, Bay and Escambia Counties for rebuilt inspection services offered by private sector participants.

The expansion of this program will require a minimal increase of dedicated staffing and resources at Regional Offices where the PRVIP program is implemented. Staffing and resource needs would be determined based on the number of authorized PRVIP Facilities by Region. This oversight could be accomplished using existing resources.

Additionally, the department is developing enhancements to the PRVIP application process for automated processing with programming to follow. If the PRVIP program is expanded further, with the recommended programming enhancements, FRVIS will provide a means to process applications, maintain data, and provide statistical reports with pertinent information increasing efficiencies and effectiveness for oversight of the PRVIP program.