

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 7079 PCB HWSS 15-04 Specialty License Plates

SPONSOR(S): Highway & Waterway Safety Subcommittee, Perry

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

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|--|---------------------|-----------|--|
| Orig. Comm.: Highway & Waterway Safety Subcommittee | 13 Y, 0 N | Whittaker | Smith |
| 1) Economic Affairs Committee | 15 Y, 0 N, As CS | Whittaker | Creamer |

SUMMARY ANALYSIS

The bill removes requirements for an application, application fee, and marketing strategy to be submitted to the Department of Highway Safety and Motor Vehicles (DHSMV) for establishing a specialty license plate. This application process was replaced by the pre-sale methodology in 2010 and is no longer enforced.

The bill raises the minimum pre-sale requirement for a specialty plate to 4,000 before manufacturing of that specialty plate can begin.

The bill further provides that, beginning July 1, 2017, the department must discontinue the issuance of a specialty plate if the number of valid specialty plate registrations falls below 4,000 for at least 12 consecutive months. An exemption from this requirement is provided for Marine Corps, Military Services, Special Olympics, Autism, and Florida Professional Sports Team license plates.

The bill directs DHSMV to develop certain specialty plates with an established annual use fee for each plate, and provides for the distribution of the annual use fees.

Other conforming cross-references are provided.

There is a negative but indeterminate cost to DHSMV for the programming of new specialty license plates. These costs will be absorbed within existing resources.

The bill, except as otherwise expressly provided, becomes effective July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Background

In 2011, the U.S. Middle District Court in Orlando declared the specialty plate application process as it existed in 2009 to be unconstitutional. That process included an application process, an application fee, and a marketing strategy outlining short and long term marketing plans for the specialty plate.

The pre-sale methodology, created in 2010, replaced the application process. However, the application process, application fee, and marketing strategy language still exist in statute.

The recognized process to establish a specialty plate requires the plate to first be approved by law. After a new specialty plate becomes law the following requirements must be met:

- Within 60 days, the organization must submit an art design, in a medium prescribed by DHSMV.
- Within 120 days, DHSMV must establish a method to issue a specialty license plate voucher to allow for the pre-sale of the specialty plate.
- Within 24 months after the voucher is established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin. If this requirement is not met, the plate is deauthorized and DHSMV must discontinue development of the plate and issuance of the vouchers.

DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid specialty plate registrations falls below 1,000 plates for at least 12 consecutive months. A warning letter is mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations falls below 1,000 plates (does not apply to collegiate license plates).¹

Organizations must also adhere to certain accountability requirements found in statute. These requirements include an annual attestation document affirming, under penalty of perjury, that funds received have been spent in accordance with applicable statutes.²

There are currently over 120 specialty plates available.³

A moratorium on the issuance of specialty license plates was imposed by lawmakers in 2008, originally set to expire in 2011; it has been extended to July 1, 2016.

Proposed Changes

The bill amends s. 320.08053, F.S., removing requirements for establishing a specialty license plate that were declared unconstitutional in 2011 by the U.S. Middle District Court in Orlando. Also increases the minimum voucher sales to 4,000 before manufacturing of a specialty plate may begin.

The bill further provides that beginning July 1, 2017; the department must discontinue the issuance of a specialty plate if the number of valid specialty plate registrations falls below 4,000 for at least 12 consecutive months. An exemption from this requirement is provided for Marine Corps, Military Services, Special Olympics, Autism, and Florida Professional Sports Team license plates.

The bill directs DHSMV to develop certain specialty plates with an established annual use fee for each plate, and provides for the distribution of the annual use fees. These newly created plates are the:

¹ s. 320.08056 (8)(a), F.S.

² s. 320.08062, F. S.

³ Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates Index*, <http://www.flhsmv.gov/dmv/specialtytags/> (last viewed 2/16/15).

Bonefish and Tarpon Trust license plate, \$25.

Distributed to the Bonefish and Tarpon Trust to conserve and enhance Florida bonefish and tarpon fisheries and their respective environments.

Rotary's Camp Florida license plate, \$25.

Distributed to Rotary's Camp Florida to provide grants and direct support to the programs and services provided to children who attend the camp.

Support Down Syndrome license plate, \$25.

Distributed to Olivia's Angels Foundation, Inc., to fund its activities, programs, and projects within the state.

Safe and Free Florida license plate, \$25.

Distributed to Selah Freedom Inc., which will assist sexually abused, exploited, or trafficked victims for certain purposes.

Support Our Constitution license plate, \$25.

Distributed to The Constitution Foundation, Inc., to fund activities, programs, and projects of The Constitution Foundation, Inc.

Sun Sea Smiles license plate, \$25.

Distributed to the Florida Caribbean Charitable Foundation, Inc., for various purposes including scholarship programs and distribution to various other organizations.

Take Stock in Children license plate, \$25.

Distributed to Take Stock in Children, Inc., to fund its activities, scholarships and mentoring programs, and projects.

Paddle Florida license plate, \$25.

Distributed to Paddle Florida, Inc., to be used by the Florida Forever grant program to support activities that further outdoor recreation and natural resource protection.

Orlando City Soccer Club license plate, \$25.

Distributed to the Department of Economic Opportunity to attract and support major sports events in the state.

Dogs Making a Difference license plate, \$25.

Distributed to Southeastern Guide Dogs for the training of dogs for use by veterans and citizens who are blind.

Ducks Unlimited Inc., license plate, \$25.

Distributed to Ducks Unlimited, Inc. for marketing and administrative expense and to support Ducks Unlimited's mission and conservation, restoration and management efforts of Florida's wetlands and associated habitats for the benefit of waterfowl, other wildlife and people.

Dan Marino Foundation license plate, \$25.

Distributed to the Dan Marino Foundation to assist Floridians with developmental and intellectual disabilities by funding scholarships, job placement, and promoting education, independence and awareness.

Pan-Hellenic License Plates

Alpha Phi Alpha Fraternity, Inc. license plate, \$25.

Distributed to the Florida Federation of Alpha Phi Alpha Fraternity Foundation, Inc. to promote community awareness and action through educational, economic, and cultural service activities. Also, distributed to the United Negro College Fund to be used for college scholarships for Florida residents attending Historically Black Colleges and Universities.

Omega Psi Phi Fraternity, Inc. license plate, \$25.

Distributed to Omega Friendship Foundation, Inc. to promote community awareness and action through educational, economic, and cultural service activities. Also, distributed to the United Negro College Fund to be used for college scholarships for Florida residents attending Historically Black Colleges and Universities.

Kappa Alpha Psi Fraternity, Inc. license plate, \$25.

Distributed to Southern Province Kappa Alpha Psi Fraternity, Inc. to promote community awareness and action through educational, economic, and cultural service activities. Also, distributed to the United Negro College Fund to be used for college scholarships for Florida residents attending Historically Black Colleges and Universities.

Phi Beta Sigma Fraternity, Inc. license plate, \$25.

Distributed to TMB Charitable Foundation, Inc. to promote community awareness and action through educational, economic, and cultural service activities. Also, distributed to the United Negro College Fund to be used for college scholarships for Florida residents attending Historically Black Colleges and Universities.

Zeta Phi Beta Sorority, Inc. license plate, \$25.

Distributed to Florida Pearls, Inc. to promote community awareness and action through educational, economic, and cultural service activities. Also, distributed to the United Negro College Fund to be used for college scholarships for Florida residents attending Historically Black Colleges and Universities.

Delta Sigma Theta Sorority. license plate, \$25.

Distributed to Delta Research and Educational Foundation to promote community awareness and action through educational, economic, and cultural service activities. Also, distributed to the United Negro College Fund to be used for college scholarships for Florida residents attending Historically Black Colleges and Universities.

Alpha Kappa Alpha Sorority, Inc. license plate, \$25.

Distributed to Alpha Kappa Alpha Sorority Foundation, Inc. to promote community awareness and action through educational, economic, and cultural service activities. Also, distributed to the United Negro College Fund to be used for college scholarships for Florida residents attending Historically Black Colleges and Universities.

Sigma Gamma Rho Sorority, Inc. license plate, \$25.

Distributed to National Education Fund, Inc. to promote community awareness and action through educational, economic, and cultural service activities. Also, distributed to the United Negro College Fund to be used for college scholarships for Florida residents attending Historically Black Colleges and Universities.

Conforming cross-references are also provided in the bill.

The bill has an effective date of July 1, 2015, except where expressly provided.

B. SECTION DIRECTORY:

Section 1 Amends s. 320.08053, F.S., relating to requirements for requests to establish a specialty plate; deleting application requirements; revising presale requirements.

Section 2 Amends s. 320.08056, F.S., revising the minimum requirements to continue issuance of certain specialty plates.

- Section 3 Amends s. 320.08058, F.S., conforming cross-references.
- Section 4 Amends s. 320.08056, F.S., establishing an annual use fee for new specialty plates.
- Section 5 Amends s. 320.08058, F.S., directing the Department of Highway Safety and Motor Vehicles to develop certain specialty plates; providing for distribution and use of fees collected from the sale of the plates.
- Section 6 Except as otherwise expressly provided the bill will become effective July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

There is a negative but indeterminate cost to DHSMV for the programming of new specialty license plates. These costs will be absorbed within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Revenues generated from the sale of specialty plates are distributed to various organizations.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 11, 2015, The Highway & Waterway Safety Subcommittee adopted two amendments to PCB HWSS 15-04 and reported the proposed committee bill favorably. The amendments:

- Direct DHSMV to develop a Ducks Unlimited, Inc., specialty plate with an established annual use fee of \$25 and provides for distribution of the annual use fees.
- Provide that the annual use fees for the Safe and Free Florida license plate will be distributed to the Statewide Council on Human Trafficking.

On March 26, 2015, The Economic Affairs Committee adopted three amendments to **HB 7079** and reported the bill favorably as a committee substitute. The amendments:

- Provide that the annual use fees from the sale of the Safe and Free Florida license plates shall be distributed to Selah Freedom, Inc.
- Direct DHSMV to create the Dan Marino Foundation license plate and provides for the distribution of the annual use fees.
- Direct DHSMV to create eight Pan-Hellenic Sorority and Fraternity license plates.

This analysis is drafted to the committee substitute as reported favorably by the Economic Affairs Committee.