

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 323 Specialty License Plates  
**SPONSOR(S):** Roth and others  
**TIED BILLS:** IDEN./SIM. **BILLS:** SB 284

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	15 Y, 0 N	Johnson	Vickers
2) Transportation & Tourism Appropriations Subcommittee	11 Y, 0 N	Cobb	Davis
3) Government Accountability Committee			

### SUMMARY ANALYSIS

The bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to create a new specialty license plate designated as the "President Ronald Reagan" license plate, with an annual use fee of \$25 to be distributed to Florida Ronald Reagan Centennial, Inc., and used as follows:

- 15 percent of the proceeds for administrative costs of the organization.
- 10 percent of the proceeds for promotion and marketing of the plate.
- 10 percent of the proceeds must be distributed to the Florida National Guard Foundation.
- 15 percent of the proceeds must be used to fund activities, programs, and projects that educate Florida's children and residents about the contributions of the nation's 40<sup>th</sup> President to the state and the United States.
- 50 percent of the proceeds must be used to support ongoing research of Alzheimer's disease for the benefit of Florida citizens and their families who suffer from the disease.

The new plate will display the word "Florida" at the top of the plate and the words "President Ronald Reagan" at the bottom of the plate.

According to DHSMV, the bill will have a negative, but insignificant fiscal impact to state expenditures.

The bill has an effective date of October 1, 2017.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

###### Specialty License Plates in General

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and ten Florida collegiate plates. Today, there are over 120 specialty license plates available to any owner or lessee of a motor vehicle who is willing to pay the additional use fee for the privilege, typically \$25 annually.<sup>1</sup> The collected fees are distributed by the Department of Highway Safety and Motor Vehicles (DHSMV) to statutorily designated organizations in support of a particular cause or charity. Vehicles registered under the International Registration Plan, a commercial truck required to display two license plates, or truck tractors are not eligible for specialty license plates.<sup>2</sup>

Only the Legislature may create new specialty license plates. If a specialty license plate is created by law, the following requirements must then be met:

- Within 60 days, the organization must submit an art design, in a medium prescribed by DHSMV.<sup>3</sup>
- 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.<sup>4</sup>
- 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.<sup>5</sup>

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).<sup>6</sup>

Organizations in receipt of specialty license plate revenue must 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.<sup>7</sup>

##### Proposed Changes

###### President Ronald Reagan License Plate

The bill directs DHSMV to create a new specialty license plate designated as the “President Ronald Reagan” license plate, with an annual use fee of \$25 to be distributed to Florida Ronald Reagan Centennial, Inc. and used as follows:

- 15 percent of the proceeds for administrative costs of the organization.
- 10 percent of the proceeds for promotion and marketing of the plate.
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<sup>1</sup> Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates Index*, <http://www.flhsmv.gov/dmv/specialtytags/> (last visited January 15, 2016).

<sup>2</sup> s. 320.08056(2), F.S.

<sup>3</sup> s. 320.08053(1), F.S.

<sup>4</sup> s. 320.08053(2)(a), F.S.

<sup>5</sup> s. 320.08053(2)(b), F.S.

<sup>6</sup> s. 320.08056 (8)(a), F.S.

<sup>7</sup> s. 320.08062, F. S.

- 15 percent of the proceeds must be used to fund activities, programs, and projects that educate Florida's children and residents about the contributions of the nation's 40<sup>th</sup> President to the state and the United States.
- 50 percent of the proceeds must be used to support ongoing research of Alzheimer's disease for the benefit of Florida citizens and their families who suffer from the disease.

The new plate will display the word "Florida" at the top of the plate, and the words "President Ronald Reagan" at the bottom of the plate.

Florida Ronald Reagan Centennial, Inc.

The Florida Ronald Reagan Centennial, Inc. is registered as a not-for-profit corporation with the Department of State's Division of Corporations.<sup>8</sup>

**B. SECTION DIRECTORY:**

Section 1 amends s. 320.08056, F.S., relating to specialty license plates.

Section 2 amends s. 320.08058, F.S., relating to specialty license plates.

Section 3 provides an effective date of October 1, 2017.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

DHSMV estimates that 207 hours, or the equivalent of \$7,245 in FTE and contracted resources will be required in order to implement the bill. This cost can be absorbed within existing resources.<sup>9</sup>

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Revenue generate from the Ronald Reagan specialty license plates will be distributed to Florida Ronald Reagan Centennial, Inc., to be distributed as provided in the bill.

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<http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=FLORIDARONALDREAGANCENTENNIAL%20N160000003980&aggregateId=domnp-n16000000398-46b6a47c-bee3-4721-a9a5-1a4267fc9840&searchTerm=Florida%20Ronald%20Reagan&listNameOrder=FLORIDARONALDREAGANCENTENNIAL%20N160000003980> (Last visited February 2, 2017).

<sup>9</sup> DHSMV Bill Analysis of HB 369. Page 4.

D. FISCAL COMMENTS:

None.

**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 expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

According to DHSMV, it has not seen the image of the license plate. If the license plate contains Ronald Reagan's image, DHSMV will need to ensure the proper approval/agreement to use the image with the organization and with the proper representatives of Ronald Reagan.<sup>10</sup>

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

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<sup>10</sup> DHSMV Bill Analysis of HB 323. Page 5.  
**STORAGE NAME:** h0323c.TTA  
**DATE:** 3/9/2017