

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Transportation

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BILL: SB 994

INTRODUCER: Senator Rouson

SUBJECT: Specialty License Plates

DATE: March 13, 2017

REVISED: \_\_\_\_\_

|    | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION             |
|----|---------|----------------|-----------|--------------------|
| 1. | Jones   | Miller         | TR        | <b>Pre-meeting</b> |
| 2. |         |                | ATD       |                    |
| 3. |         |                | AP        |                    |

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**I. Summary:**

SB 994 directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop eight National Pan-Hellenic Council Sorority or Fraternity specialty license plates. The bill establishes a \$25 annual use fee for each plate, and it provides the distribution and use of fees collected from the sale of each plate.

The DHSMV estimates programming and implementation will cost \$53,190. The DHSMV is authorized to retain revenues from the first proceeds of sales to defray departmental costs.

**II. Present Situation:**

**Specialty License Plates**

Presently, there are over 120 specialty license plates available for purchase in Florida.<sup>1</sup> Specialty license plates are available to an owner or lessee of a motor vehicle who is willing to pay an annual use fee, ranging from \$15 to \$25, paid in addition to required license taxes and service fees.<sup>2</sup> The annual use fees are distributed to an organization or organizations in support of a particular cause or charity signified in the plate's design and designated in statute.<sup>3</sup>

In order to establish a specialty license plate, s. 320.08053, F.S., requires the plate must first be adopted into statute. Upon becoming law:

- Within 60 days, the organization must submit an art design for the plate, in a medium prescribed by the DHSMV;

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<sup>1</sup> A list of Florida's specialty license plates is available on the DHSMV website at <http://www.flhsmv.gov/dmv/specialtytags/> (last visited Feb. 14, 2017).

<sup>2</sup> Section 320.08056, F.S.

<sup>3</sup> Section 320.08058, F.S.

- Within 120 days, the DHSMV must establish a method to issue pre-sale vouchers for the approved specialty license plate; and
- Within 24 months after the pre-sale vouchers are established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin.

If, at the end of the 24-month pre-sale period, the minimum sales requirement has not been met, the DHSMV will discontinue the plate and issuance of the pre-sale voucher. Upon discontinuation, a purchaser of a presale voucher may use the annual use fee as a credit towards any other specialty license plate or apply for a refund with the DHSMV.<sup>4</sup>

The annual use fees collected by an organization and any interest earned from the fees may be expended only for use in this state unless the annual use fee is derived from the sale of specified United States Armed Forces and veterans-related specialty plates.<sup>5</sup> Additionally, organizations must adhere to certain accountability requirements, including an annual audit or attestation document affirming that funds received have been spent in accordance with applicable statutes.<sup>6</sup>

### ***DHSMV Costs Defrayed***

The DHSMV retains sufficient annual use fees, from the sale of the specialty plates, to defray its costs for inventory, distribution, and other direct costs associated with the specialty license plate program. The remainder of the proceeds collected are distributed as provided by law.<sup>7</sup>

### ***Discontinuance of Specialty Plates***

The 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 is below 1,000 plates. Collegiate plates are exempt from the minimum plate requirement.<sup>8</sup> The specialty license plate must also be discontinued if the organization no longer exists, stops providing services that are authorized to be funded from the annual use fee proceeds, or pursuant to an organizational recipient's request.<sup>9</sup>

### **National Pan-Hellenic Council<sup>10</sup>**

The National Pan-Hellenic Council was formed in 1930, and is composed of nine International Greek letter Sororities and Fraternities. The council “promotes interaction through forums, meetings and other mediums for the exchange of information and engages in cooperative programming and initiatives through various activities and functions.”

<sup>4</sup> Section 320.08053(2)(b), F.S.

<sup>5</sup> Section 320.08056(10)(a), F.S.

<sup>6</sup> Section 320.08062, F.S.

<sup>7</sup> Section 320.08056(7), F.S.

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

<sup>9</sup> Section 320.08056(8)(b), F.S.

<sup>10</sup> National Pan-Hellenic Council website, *Our History*, available at <http://www.nphcq.org/quantum/our-history/> (last visited Feb. 24, 2017).

### **United Negro College Fund (UNCF)<sup>11</sup>**

In 1944, UNCF was founded to help more African American students attend and graduate from college. The UNCF accomplishes this goal by awarding scholarships, providing financial support to 37 historically black colleges and universities, and by advocating for the importance of minority education and community engagement.

Other organizations receiving money from the sale of the proposed sorority or fraternity specialty plate are described in s. III “Effect of Proposed Changes” under their corresponding plate.

### **III. Effect of Proposed Changes:**

The bill directs the DHSMV to create a National Pan-Hellenic Council Sorority or Fraternity plate for each of the following organizations:

- Alpha Phi Alpha Fraternity, Inc.;
- Omega Psi Phi Fraternity, Inc.;
- Kappa Alpha Psi Fraternity, Inc.;
- Phi Beta Sigma Fraternity, Inc.;
- Zeta Phi Beta Sorority, Inc.;
- Delta Sigma Theta Sorority, Inc.;
- Alpha Kappa Alpha, Inc.; and
- Sigma Gamma Rho Sorority, Inc.

The plates must bear the colors and design approved by the DHSMV, with the “Florida” at the top of the plate, and the name of the respective sorority or fraternity at the bottom of the plate.

Each plate will have a \$25 annual use fee. Annual use fees from the sale of each specialty license plate are distributed as follows:

- 5 percent for the United Negro College Fund (UNCF) to be used for scholarships for Florida residents attending historically black colleges and universities;
- 10 percent to the plate’s corresponding organization to market the plate; and
- 85 percent to the plate’s corresponding organization to promote community awareness and action through educational, economic, and cultural service activities.

### **Alpha Phi Alpha Fraternity License Plate**

Ninety-five percent of the annual use fees from the sale of the plate are distributed to the Florida Federation of Alpha Chapters.

### ***Florida Federation of Alpha Chapters<sup>12</sup>***

Alpha Phi Alpha “develops leaders, promotes brotherhood and academic excellence, while providing service and advocacy for our communities.” The Fraternity’s programs and projects include community outreach mentoring initiatives.

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<sup>11</sup> See United Negro College Fund website, <https://www.uncf.org/> (last visited Feb. 24, 2017).

<sup>12</sup> See Florida Federation of Alpha Chapters website, <http://flfederation.org/about-us/> (last visited Feb. 24, 2017).

According to corporate filings with the Department of State, The Florida Federation of Alpha Chapters, Inc. voluntarily dissolved its Florida corporation in 2012.<sup>13</sup>

### **Omega Psi Phi Fraternity License Plate**

Ninety-five percent of the annual use fees from the sale of the plate are distributed to the State of Florida Omega Friendship Foundation, Inc.

#### ***State of Florida Omega Friendship Foundation, Inc.***

Omega Psi Phi Fraternity, Inc. was the first international fraternal organization to be founded on the campus of a historically black college. Founded in 1911, at Howard University, “Manhood, Scholarship, Perseverance and Uplift” were adopted as cardinal principles of the organization.<sup>14</sup>

According to corporate filings with the Department of State, the corporation was organized to work and uplift humanity, mentor youth, sponsor blood drives, raise money for scholarships and charitable causes, and encourage members to make a difference in the lives of Black people.<sup>15</sup>

### **Kappa Alpha Psi Fraternity License Plate**

Ninety-five percent of the annual use fees from the sale of the plate are distributed to the Southern Province of Kappa Alpha Psi Fraternity, Inc.

#### ***Southern Province of Kappa Alpha Psi Fraternity, Inc.***<sup>16</sup>

Kappa Alpha Psi was founded in 1911, on the campus of Indiana University at Bloomington, Indiana. The objectives of this fraternity are to:

- Unite men of culture, patriotism, and honor in a bond of fraternity;
- Encourage honorable achievement in every field of human endeavor;
- Promote the spiritual, social, intellectual, and moral welfare of members;
- Assist the aims and purposes of colleges and universities; and
- Inspire service in the public interest.

<sup>13</sup> See Department of State – Division of Corporations, *The Florida Federation of Alpha Chapters, Inc.* <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=FLORIDAFEDERATIONALPHACHAPTERS%207667210&aggregateId=domnp-766721-dab6eb78-11a9-47b0-b1ec-Ieeea3ac1b98&searchTerm=florida%20federation%20of%20alpha%20chapters&listNameOrder=FLORIDAFEDERATIONALPHACHAPTERS%207667210> (last visited Mar. 7, 2017).

<sup>14</sup> See Omega Friendship Foundation, Inc. website, [http://oppf.org/about\\_omega.asp](http://oppf.org/about_omega.asp) (last visited Jan. 29, 2016).

<sup>15</sup> See Department of State – Division of Corporations, *The State of Florida Omega Friendship Foundation, Inc.* (Dec. 2008) <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2008%5C1212%5C38662819.Tif&documentNumber=N08000011146> (last visited Feb. 24, 2017).

<sup>16</sup> See Southern Province Kappa Alpha Psi Fraternity, Inc. website, <http://southernprovince.org/> (last visited Feb. 27, 2017).

According to corporate filings with the Department of State, the Southern Province of Kappa Alpha Psi Foundation, Inc. was organized to support the charitable and educational activities of the Kappa Alpha Psi fraternal organization.<sup>17</sup>

### **Phi Beta Sigma Fraternity License Plate**

Ninety-five percent of the annual use fees from the sale of the plate are distributed to the TMB Charitable Foundation, Inc..

#### ***TMB Charitable Foundation, Inc.***<sup>18</sup>

According to corporate filings with the Department of State, the Foundation's principal address is in Tallahassee, Florida. The Foundation is a not-for-profit corporation "operated exclusively for charitable purposes, including, without limitation, acting as an instrument to which youth are encouraged and inspired to achieve academic success through mentoring."

### **Zeta Phi Beta Sorority License Plate**

Ninety-five percent of the annual use fees from the sale of the plate are distributed to The Florida Pearls, Inc.

#### ***The Florida Pearls, Inc.***<sup>19</sup>

The Florida Pearls, Inc. is a not-for-profit corporation established to provide Florida communities with scholarships, health initiative programs, cultural and humanities program, youth programs, and feeding the hungry programs.

According to corporate filings with the Department of State, the corporation was organized "to provide Scholarships, Educational, Cultural, Community Workshops, and Training Programs in the State of Florida."<sup>20</sup>

### **Delta Sigma Theta Sorority License Plate**

Ninety-five percent of the annual use fees from the sale of the plate are distributed to the Delta Research and Educational Foundation.

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<sup>17</sup> See Department of State – Division of Corporations, *Southern Province of Kappa Alpha Psi Foundation, Inc.* (July 2002), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2002%5C0723%5C50481755.tif&documentNumber=N02000005456> (last visited Feb. 24, 2017).

<sup>18</sup> See Department of State – Division of Corporations, *TMB Charitable Foundation, Inc.* (April 2014), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2014%5C0411%5C58641349.Tif&documentNumber=N14000003486> (last visited Feb. 27, 2017).

<sup>19</sup> The Florida Pearls, Incorporated, brochure, available at: <http://www.zphibfl.org/Forms/Brochure-%20The%20Florida%20Pearls,%20Inc..pdf> (last visited Feb. 27, 2017).

<sup>20</sup> See Department of State – Division of Corporations, *The Florida Pearls, Incorporated* (Dec. 2009), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2009%5C1229%5C63408512.Tif&documentNumber=N09000012079> (last visited Feb. 27, 2017).

***Delta Research and Educational Foundation***<sup>21</sup>

The Delta Research and Educational Foundation is a charitable, not-for-profit organization under s. 501(c)(3) of the Internal Revenue Code. Delta Sigma Theta Sorority established the Foundation in 1967. The Foundation’s mission is to promote “research which identifies and fashions solutions to issues affecting African American women and their families, nationally and globally through funding and support of programs of the sorority and collaborative organizations.”

**Alpha Kappa Alpha Sorority License Plate**

Ninety-five percent of the annual use fees from the sale of the plate are distributed to the Alpha Kappa Alpha Educational Advancement Foundation, Inc.

***Alpha Kappa Alpha Educational Advancement Foundation, Inc.***

The Alpha Kappa Alpha Educational Advancement Foundation, Inc. is a charitable, not-for-profit organization under s. 501(c)(3) of the Internal Revenue Code. In 1980, the Foundation was created by the Alpha Kappa Alpha Sorority, Inc. The mission of the Foundation “is to promote lifelong learning. This is accomplished by securing charitable contributions, gifts and endowed funds to award scholarships, fellowships and grants.”<sup>22</sup>

**Sigma Gamma Rho Sorority License Plate**

Ninety-five percent of the annual use fees from the sale of the plate are distributed to the Sigma Gamma Rho Sorority Education Fund, Inc.

***Sigma Gamma Rho Sorority National Education Fund, Inc.***<sup>23</sup>

The Sigma Gamma Rho Sorority National Education Fund, Inc. is a charitable, not-for-profit organization under s. 501(c)(3) of the Internal Revenue Code. The Fund was developed by the Sigma Gamma Rho Sorority. Its mission is to provide scholarship aid to needy students and to conduct educational programs, workshops, symposiums, and forums to enhance the quality of life.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

<sup>21</sup> See Delta Sigma Theta Sorority website, *Delta Research and Education Foundation*, [http://www.deltasigmatheta.org/programs\\_delta\\_foundation.html](http://www.deltasigmatheta.org/programs_delta_foundation.html) (last visited Feb. 27, 2017).

<sup>22</sup> Alpha Kappa Alpha Educational Advancement Foundation website, <http://www.akaef.org/> (last visited Feb. 27, 2017).

<sup>23</sup> See Sigma Gamma Rho Sorority, *National Education Fund*, <http://sgrho1922.celect.org/nef> (last visited Feb. 27, 2017).

**C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Individuals who choose to purchase a National Pan-Hellenic Council Sorority or Fraternity specialty license plate will pay a \$25 annual use fee in addition to appropriate license taxes and fees. Organizations will receive revenue from each corresponding specialty license plate purchase.

**C. Government Sector Impact:**

The DHSMV estimates programming and implementation of the plate will cost \$53,190.<sup>24</sup> The DHSMV is authorized to retain revenues from the first proceeds of specialty license plate sales to defray departmental expenditures related to the specialty license plate program.<sup>25</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The bill directs the DHSMV to retain all annual use fees from the sale of the plates until startup costs for developing and issuing the plates have been recovered. This is not necessary due to the presale process required in s. 320.08053, F.S., and the DHSMV's current authority to defray its specialty license plate program costs.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 320.08056 and 320.08058.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

<sup>24</sup> DHSMV, *2017 Agency Legislative Bill Analysis: HB 29* (Jan. 12, 2017) (on file with the Senate Committee on Transportation).

<sup>25</sup> Section 320.08056(7), F.S.

B. Amendments:

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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