

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1263 Specialty License Plates
SPONSOR(S): Miller, M.
TIED BILLS: **IDEN./SIM. BILLS:** SB 1050

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	11 Y, 0 N	Roth	Vickers
2) Transportation & Tourism Appropriations Subcommittee	9 Y, 1 N	Cobb	Davis
3) Government Accountability Committee			

SUMMARY ANALYSIS

The bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop the Orlando City Soccer Club specialty license plate with an annual use fee of \$25.

The annual use fee is distributed as follows:

- Fifty-five percent to the Professional Sports Development Trust Fund within the Department of Economic Opportunity (DEO), to be used solely to attract and support major sports events in this state.
- The remaining proceeds must be allocated to Enterprise Florida, Inc. and must be deposited into the Professional Sports Development Trust Fund within DEO. These funds must be used by Enterprise Florida, Inc., to promote the economic development of the sports industry, distribute licensing and royalty fees to participating professional sports teams, promote education programs in Florida schools that provide an awareness of the benefits of physical activity and nutrition standards, and for additional authorized uses.

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, 2018.

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.¹ The collected fees are distributed by the Department of Highway Safety and Motor Vehicles to statutorily designated organizations in support of a particular cause or charity. A vehicle registered under the International Registration Plan, a commercial truck required to display two license plates, or a truck tractor are not eligible for specialty license plates.²

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.³
- 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.⁴
- 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.⁵

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 (this provision does not apply to collegiate license plates).⁶

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.⁷ 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.⁸

Professional Sports Team License Plate

Section 320.08058(9), F.S., provides that Florida Professional Sports Team license plates must bear the colors and design approved by the department and must include the official league or team logo, or both, as appropriate for each team. The word "Florida" must appear at the top of the plate.

¹ Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates Index*, <http://www.flhsmv.gov/dmv/specialtytags/> (last visited January 12, 2018).

² Section 320.08056(2), F.S.

³ Section 320.08053(1), F.S.

⁴ Section 320.08053(2)(a), F.S.

⁵ Section 320.08053(2)(b), F.S.

⁶ Section 320.08056 (8)(a), F.S.

⁷ Section 320.08062, F. S.

⁸ Section 320.08056(10)(a), F.S.

The annual use fee is distributed as follows:

- Fifty-five percent to the Professional Sports Development Trust Fund within the Department of Economic Opportunity (DEO), to be used solely to attract and support major sports events in this state.
- The remaining proceeds must be allocated to Enterprise Florida, Inc. and must be deposited into the Professional Sports Development Trust Fund within DEO. These funds must be used by Enterprise Florida, Inc., to:
 - Promote the economic development of the sports industry;
 - Distribute licensing and royalty fees to participating professional sports teams;
 - Promote education programs in Florida schools that provide an awareness of the benefits of physical activity and nutrition standards;
 - Partner with the Department of Education and the Department of Health to develop a program that recognizes schools whose students demonstrate excellent physical fitness or fitness improvement;
 - Institute a grant program for communities bidding on minor sporting events that create an economic impact for the state;
 - Distribute funds to Florida-based charities designated by Enterprise Florida, Inc., and the participating professional sports teams; and
 - Fulfill the sports promotion responsibilities of DEO.

The proceeds from the Professional Sports Development Trust Fund may also be used for operational expenses of Enterprise Florida, Inc., and financial support of the Sunshine State Games.

There are nine Florida Professional Sports Teams specialty license plates available for purchase: Florida Panthers, Miami Heat, Tampa Bay Buccaneers, Jacksonville Jaguars, Miami Marlins, Tampa Bay Lightning, Miami Dolphins, Orlando Magic, and Tampa Bay Rays.⁹

Orlando City Soccer Club

Orlando City Soccer Club was formed in 2010 and was awarded a Major League Soccer franchise in late November of 2013. On May 29, 2015, Orlando City Soccer Club announced they would be privately funding 100 percent of a new downtown stadium that would hold 25,500 people. The downtown stadium opened its doors for the first time to a sellout crowd on March 5, 2017.¹⁰

Proposed Changes

The bill directs DHSMV to develop the Orlando City Soccer Club specialty license plate with an annual use fee of \$25, bearing the colors and design approved by DHSMV. The new license plates will display the word “Florida” at the top of the plate and must include the official league or team logo, or both.

The annual use fee is distributed as follows:

- Fifty-five percent to the Professional Sports Development Trust Fund within DEO, to be used solely to attract and support major sports events in this state.
- The remaining proceeds must be allocated to Enterprise Florida, Inc. and must be deposited into the Professional Sports Development Trust Fund within DEO. These funds must be used by Enterprise Florida, Inc., to:
 - Promote the economic development of the sports industry;
 - Distribute licensing and royalty fees to participating professional sports teams;
 - Promote education programs in Florida schools that provide an awareness of the benefits of physical activity and nutrition standards;

⁹ Department of Highway Safety and Motor Vehicles, *2016 Specialty License Plate Rankings*, available at <http://www.flhsmv.gov/specialtytags/tagsales.pdf> (last visited January 16, 2018).

¹⁰ Orlando City Soccer Club, *History*, available at <https://www.orlandocitysc.com/club/history> (last visited January 12, 2018).

- Partner with the Department of Education and the Department of Health to develop a program that recognizes schools whose students demonstrate excellent physical fitness or fitness improvement;
- Institute a grant program for communities bidding on minor sporting events that create an economic impact for the state;
- Distribute funds to Florida-based charities designated by Enterprise Florida, Inc., and the participating professional sports teams; and
- Fulfill the sports promotion responsibilities of DEO.

The proceeds from the Professional Sports Development Trust Fund may also be used for operational expenses of Enterprise Florida, Inc., and financial support of the Sunshine State Games.

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, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Revenue from the sale of the Orlando City Soccer Club specialty license plate will be deposited into the Professional Sports Development Trust Fund within DEO. To the extent that individuals choose to purchase this specialty license plate, there may be a positive, but indeterminate impact to the Professional Sports Development Trust Fund within DEO.

2. Expenditures:

DHSMV estimates that 216 hours, or approximately \$7,680 in FTE and contracted resources will be required for programming and implementation of the specialty license plate. This cost can be absorbed within existing resources.¹¹

Additionally, because the revenue from this plate will be deposited into the Professional Sports Development Trust Fund within DEO, there may be an indeterminate fiscal impact to state expenditures. Fifty-five percent of the revenue will be used by DEO solely to attract and support major sports events in this state, and the remaining revenue must be expended by Enterprise Florida, Inc., on sports promotional and physical fitness activities.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

¹¹ Florida Department of Highway Safety and Motor Vehicles, *Agency Analysis of 2018 House Bill 1263*, p. 5 (January 12, 2018).

Revenue from the sale of the Orlando City Soccer Club specialty license plate will be used to benefit the residents of the state of Florida by promoting education programs in schools, developing programs that recognize schools whose students demonstrate excellent physical fitness or fitness improvement, and distributing funds to Florida-based charities.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. 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