

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.)

Prepared By: The Professional Staff of the Committee on Transportation

BILL: SB 468

INTRODUCER: Senator Baxley

SUBJECT: Specialty License Plates/Ronald Reagan License Plate

DATE: December 1, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jones	Miller	TR	Pre-meeting
2.			ATD	
3.			AP	

I. Summary:

SB 468 directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop a Ronald Reagan specialty license plate, establishes a \$25 annual use fee for the plate, and provides the distribution and use of fees collected from the sale of the plate. Florida Ronald Reagan Centennial, Inc. shall use the first \$150,000 in proceeds to pay its startup costs.

The DHSMV estimates programming and implementation will cost \$7,680. The DHSMV is authorized to retain revenues from the first proceeds of sales to defray departmental costs.

The bill takes effect October 1, 2018.

II. Present Situation:

Specialty License Plates

Presently, there are over 120 specialty license plates available for purchase in Florida.¹ 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.² 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.³

¹ A list of Florida's specialty license plates is available on the DHSMV website at <http://www.flhsmv.gov/dmv/specialtytags/> (last visited Nov. 3, 2017).

² Section 320.08056, F.S.

³ Section 320.08058, F.S.

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;
- 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.⁴

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.⁵ 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.⁶

DHSMV Costs Defrayed

The DHSMV is authorized to retain sufficient annual use fees from the sale of specialty plates to defray its costs for inventory, distribution, and other direct costs associated with the program. The remainder of the proceeds collected are distributed as provided by law.⁷

Discontinuance of Specialty Plates

The DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid 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 for Florida universities are exempt from the minimum plate requirement.⁸ In addition, DHSMV is authorized to discontinue any specialty license plate 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.⁹

⁴ Section 320.08053(2)(b), F.S.

⁵ Section 320.08056(10)(a), F.S.

⁶ Section 320.08062, F.S.

⁷ Section 320.08056(7), F.S.

⁸ Section 320.08056(8)(a), F.S.

⁹ Section 320.08056(8)(b), F.S.

Florida Ronald Reagan Centennial, Inc.¹⁰

According to corporate filings with the Department of State, the Florida Ronald Reagan Centennial, Inc., is a not-for-profit organization created to support, promote, and fund activities, programs, and projects educating individuals about the contributions of President Reagan; supporting Alzheimer disease research; supporting the Florida National Guard Foundation; and establishing, operating, maintaining, and funding related programs.

III. Effect of Proposed Changes:

The bill directs the DHSMV to create a Ronald Reagan specialty license plate, with an annual fee of \$25 to be distributed to Florida Ronald Reagan Centennial, Inc. The first \$150,000 in proceeds is distributed to the organization to pay its startup costs¹¹, after which the organization may use proceeds earned from the sale of the plate as follows:

- Up to 15 percent for administrative costs of the organization;
- Up to 10 percent for promotion and marketing of the plate;
- Up to 10 percent to be donated to the Florida National Guard Foundation; and
- The remaining proceeds must be used to fund activities, programs, and projects that educate Florida students and residents about the contributions of President Reagan, and to support Alzheimer's research.

The plate must bear the colors and design approved by the department, with the word "Florida" at the top of the plate, and the words "President Ronald Reagan" at the bottom of the plate.

The bill takes effect October 1, 2018.

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

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹⁰ See Florida Department of State – Division of Corporations, *Florida Ronald Reagan Centennial, Inc.*, (Jan. 14, 2016), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2016%5C0119%5C00011637.Tif&documentNumber=N16000000398> (last visited Nov. 16, 2017).

¹¹ Prior to 2015, Florida law required organizations seeking to establish a specialty license plate to: submit a description, sample, and marketing plans for the proposed plate; submit a financial analysis of planned expenditures and revenues derived from the plate; and pay an application fee to the DHSMV, not to exceed \$60,000, to defray the cost to review the application and develop the plate, if authorized by the Legislature (See 2015-163, Laws of Fla.). Currently, only two specialty plates have statutory language allowing funds in excess of \$60,000 from the first proceeds of sales to be used to reimburse the organization's startup costs not specifically affiliated with the development and issuance of the plate. [See ss 320.08058(41) and (43), F.S., related to the "Stop Child Abuse" and the "Stop Heart Disease" license plates created in 2003.]

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

None.

B. Private Sector Impact:

Individuals who choose to purchase a Ronald Reagan specialty license plate will pay a \$25 annual use fee in addition to appropriate license taxes and fees. Florida Ronald Reagan Centennial, Inc. will receive revenue from each Ronald Reagan plate purchase.

C. Government Sector Impact:

The DHSMV estimates \$7,680 in programming and implementation costs.¹² 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.¹³

VI. Technical Deficiencies:

None.

VII. Related Issues:

If the organization plans for the license plate to bear the image of President Reagan, the DHSMV will need to ensure that the organization has obtained proper approval to use such image.¹⁴

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.

B. Amendments:

None.

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

¹² DHSMV, *2018 Agency Legislative Bill Analysis: SB 468* (Nov. 9, 2017) (on file with the Senate Committee on Transportation).

¹³ Section 320.08056(7), F.S.

¹⁴ DHSMV Analysis, *supra* note 12.