

**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 Infrastructure and Security

---

BILL: SB 1654

INTRODUCER: Senator Braynon

SUBJECT: Specialty License Plates

DATE: April 1, 2019

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Proctor	Miller	IS	<b>Pre-meeting</b>
2.			ATD	
3.			AP	

---

**I. Summary:**

SB 1654 creates the Omega Psi Phi Fraternity, Delta Sigma Theta Sorority, Sigma Gamma Rho Sorority, Kappa Alpha Psi Fraternity, Alpha Kappa Alpha Sorority, Alpha Phi Alpha Fraternity, Zeta Phi Beta Sorority, Phi Beta Sigma Fraternity, and Iota Phi Theta Fraternity specialty license plates and provides for their design and the use of the annual use fees associated with the specialty license plates.

The bill also provides for an annual use fee of \$25 for each specialty license plate.

According to the Department of Highway Safety and Motor Vehicles (DHSMV), the bill will have a negative, but insignificant fiscal impact associated with programming costs. These costs can be absorbed within existing resources.

The bill has an effective date of October 1, 2019.

**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

---

<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 February 4, 2019).

fees.<sup>2</sup> The annual use fees are distributed to an organization or organizations in support of a particular cause or charity signified on the plate's design and designated in statute.<sup>3</sup>

In order to establish a specialty license plate and after the plate is approved by law, s. 320.08053, F.S., requires the following actions within certain timelines:

- 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 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 of the plate may begin.

If the minimum sales requirement has not been met by the end of the 24-month pre-sale period, then the DHSMV will discontinue the plate and issuance of pre-sale vouchers. 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 is authorized to retain a sufficient portion of annual use fees collected from the sale of 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 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 license plate registrations is below 1,000 plates. Collegiate plates for Florida universities are exempt from the minimum specialty license plate requirement.<sup>8</sup> In addition, the 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.<sup>9</sup>

---

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

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

<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.

### **Omega Psi Phi Fraternity**

Omega Psi Phi is the first international fraternal organization founded on the campus of a historically black college. On the evening of November 17, 1911, Omega Psi Phi was founded inside the Science Building (later renamed Thirkield Hall) at Howard University.<sup>10</sup>

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

State of Florida Omega Friendship Foundation, Inc., is an active not for profit corporation within the Department of State's (DOS) Division of Corporations incorporated in 2008.<sup>11</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>12</sup>

### **Delta Sigma Theta Sorority**

Delta Sigma Theta Sorority, Inc. was founded on January 13, 1913 by 22 collegiate women at Howard University to promote academic excellence and provide assistance to those in need. Their purpose is to provide assistance and support through established programs in local communities throughout the world. Since its founding more than 200,000 women have joined the organization, which is a sisterhood of predominantly Black, college educated women. The sorority currently has 1,000 collegiate and alumnae chapters located in the United States, Japan (Tokyo and Okinawa), Germany, the Virgin Islands, Bermuda, the Bahamas, Jamaica and the Republic of Korea.<sup>13</sup>

### ***Delta Research and Educational Foundation, Inc.***

Delta Sigma Theta Sorority, Inc. established the Delta Research and Educational Foundation as a public charity supporting scholastic achievement, public service programs, and research initiatives focused upon African American women.<sup>14</sup>

### **Sigma Gamma Rho Sorority**

Sigma Gamma Rho Sorority, Inc. was organized on November 12, 1922, in Indianapolis, Indiana. The group became an incorporated national collegiate sorority on December 30, 1929, when a charter was granted to Alpha chapter at Butler University.<sup>15</sup>

---

<sup>10</sup> Omega Psi Phi, *History of Omega*, <https://www.oppf.org/about-omega/> (last visited March 29, 2019).

<sup>11</sup> Florida Department of State, Division of Corporations, Sunbiz, State of Florida Omega Friendship Foundation, Incorporated, <http://search.sunbiz.org/Inquiry/CorporationSearch/ByName> (last visited March 29, 2019).

<sup>12</sup> *Id.*

<sup>13</sup> Delta Sigma Theta Sorority, Inc., *Mission & Purpose*, <https://www.deltasigmatheta.org/mission-purpose.html> (last visited March 29, 2019).

<sup>14</sup> Delta Research and Educational Foundation, *About Us*, <http://www.deltafoundation.net/about-us> (last visited March 29, 2019).

<sup>15</sup> Sigma Gamma Rho Sorority, Inc., *About Sigma*, [https://www.sgrho1922.org/SGRho/About\\_Us/SGRho/SGRho\\_About/About.aspx?hkey=205007b1-ea63-4a8e-9187-6d046505ee95](https://www.sgrho1922.org/SGRho/About_Us/SGRho/SGRho_About/About.aspx?hkey=205007b1-ea63-4a8e-9187-6d046505ee95) (last visited March 29, 2019).

### ***Mary McLeod Bethune Scholarship Program***

Section 1009.73, F.S., establishes the Mary McLeod Bethune Scholarship Program, to be administered by the Department of Education according to statute, and rules of the State Board of Education. The program provides matching grants for private sources that raise money for scholarships to be awarded to students who attend Florida Agricultural and Mechanical University, Bethune-Cookman University, Edward Waters College, or Florida Memorial University.

In order to be eligible to receive a Mary McLeod Bethune Scholarship, an applicant must:

- Meet the general eligibility requirements set forth in s. 1009.40, F.S., for state financial aid awards and tuition assistance grants;
- Be accepted at Florida Agricultural and Mechanical University, Bethune-Cookman University, Edward Waters College, or Florida Memorial University;
- Enroll as a full-time undergraduate student; and
- Earn a 3.0 grade point average on a 4.0 scale, or the equivalent, for high school subjects creditable toward a diploma.<sup>16</sup>

In order to renew a scholarship awarded, a student must earn a minimum cumulative grade point average of 3.0 on a 4.0 scale and complete 12 credits each term for which the student received the scholarship. The amount of the scholarship to each recipient is \$3,000 annually, with priority in awarding the scholarships given to students having financial need.<sup>17</sup>

### **Kappa Alpha Psi Fraternity**

Kappa Alpha Psi Fraternity is a college fraternity chartered and incorporated originally under the laws of the State of Indiana as Kappa Alpha Nu on May 15, 1911. Its name changed to Kappa Alpha Psi effective April 15, 1915.<sup>18</sup>

### ***Southern Province of Kappa Alpha Psi Foundation, Inc.***

The Southern Province of Kappa Alpha Psi Foundation, Inc., is an active corporation with the Department of State's Division of Corporations<sup>19</sup>, with the objectives 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>20</sup>

<sup>16</sup> Section 1009.73(5), F.S.

<sup>17</sup> Section 1009.73(6), F.S.

<sup>18</sup> Kappa Alpha Psi, *A Brief History*, <https://kappaalphapsi.org/a-brief-history/> (last visited March 29, 2019)

<sup>19</sup> Florida Department of State, Division of Corporations, Sunbiz, Southern Province of Kappa Alpha Psi Foundation, Inc., <http://search.sunbiz.org/Inquiry/CorporationSearch/ByName> (last visited March 29, 2019).

<sup>20</sup> Southern Province of Kappa Alpha Psi Foundation, Inc., *Objectives*, <http://southernprovince.org/fraternity/objectives/> (last visited March 29, 2019).

### **Alpha Kappa Alpha Sorority**

Alpha Kappa Alpha Sorority, Incorporated (AKA) is an international service organization that was founded on the campus of Howard University in Washington, D.C. in 1908.<sup>21</sup> It is the oldest Greek-letter organization established by African-American college-educated women. Alpha Kappa Alpha is comprised of nearly 300,000 members in approximately 1,018 graduate and undergraduate chapters in the United States, the U.S. Virgin Islands, Liberia, the Bahamas, Bermuda, Canada, Dubai, Germany, Japan, Liberia, and South Korea.<sup>22</sup> Alpha Kappa Alpha's mission is to cultivate and encourage high scholastic and ethical standards, to promote unity and friendship among college women, to study and help alleviate problems concerning girls and women in order to improve their social stature, to maintain a progressive interest in college life, and to be of "Service to All Mankind".<sup>23</sup>

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

Founded in 1981, the mission of the Alpha Kappa Alpha Educational Advancement Foundation is to promote lifelong learning. This is accomplished by securing charitable contributions, gifts and endowed funds to awards scholarships, fellowships and grants.<sup>24</sup>

In 1989, Alpha Kappa Alpha Sorority, Inc., founded the Alpha Kappa Alpha Educational Advancement Foundation, Inc., to promote lifelong learning. This mission is accomplished by securing charitable contributions, gifts and endowed funds to award scholarships, fellowships, and grants.<sup>25</sup>

### **Alpha Phi Alpha Fraternity**

Alpha Phi Alpha, the first intercollegiate Greek-letter fraternity established for African American Men, was founded at Cornell University in Ithaca, New York on December 4, 1906. The fraternity initially served as a study and support group for minority students who faced racial prejudice, both educationally and socially, at Cornell. The founders and early leaders of the fraternity succeeded in laying a firm foundation for Alpha Phi Alpha's principles of scholarship, fellowship, good character, and the uplifting of humanity. Alpha Phi Alpha chapters were established at other colleges and universities, many of them historically black institutions, soon after the founding at Cornell. The first alumni chapter was established in 1911.<sup>26</sup>

### ***JC Rawls-FFAC Foundation, Inc.***

According to corporate filings with the Department of State, JC Rawls-FFAC Foundation, Inc. was incorporated in Florida in 2013, and is organized as a not-for-profit corporation exclusively for educational and charitable purposes.<sup>27</sup>

---

<sup>21</sup> Alpha Kappa Alpha Sorority, Inc., *About*, <http://www.aka1908.com/about> (last visited March 29, 2019)

<sup>22</sup> Alpha Kappa Alpha Sorority, Inc., *Quick Facts*, <http://aka1908.com/about/quick-facts> (last visited April 1, 2019).

<sup>23</sup> Alpha Kappa Alpha Sorority, Inc., *Mission*, <http://www.aka1908.com/about/mission> (last visited March 29, 2019)

<sup>24</sup> Alpha Kappa Alpha Educational Advancement Foundation, *Mission*, <https://akaeaf.org/> (last visited March 29, 2019).

<sup>25</sup> Alpha Kappa Alpha Educational Advancement Foundation, Inc. <https://akaeaf.org/> (last visited March 29, 2019).

<sup>26</sup> Alpha Phi Alpha Fraternity, Inc., *Our History*, <https://apa1906.net/our-history/> (last visited March 29, 2019).

<sup>27</sup> Florida Department of State, Division of Corporations, Sunbiz, *JC Rawls-FFAC Foundation, Inc.*, <http://search.sunbiz.org/Inquiry/CorporationSearch/ByName> (last visited March 29, 2019).

### **Zeta Phi Beta Sorority**

Zeta Phi Beta Sorority, Inc. was founded January 16, 1920, at Howard University, Washington, D.C.<sup>28</sup> Since its inception, Zeta has continued its steady climb into the national spotlight with programs designed to demonstrate concern for the human condition both nationally and internationally. The organization has chronicled a number of firsts. It was the first National Pan-Hellenic Council organization to centralize its operations in a national headquarters, first to charter a chapter in Africa, first to form auxiliary groups, and first to be constitutionally bound to a fraternity, Phi Beta Sigma Fraternity, Inc. The sorority takes pride in its continued participation in transforming communities through volunteer services from members and its auxiliaries. Zeta Phi Beta has chartered hundreds of chapters worldwide and has a membership of 100,000+.<sup>29</sup>

Zeta's national and local programs include the endowment of its National Educational Foundation community outreach services and support of multiple affiliate organizations. Zeta chapters and auxiliaries have given untold hours of voluntary service to educate the public, assist youth, provide scholarships, support organized charities, and promote legislation for social and civic change.<sup>30</sup>

### **Phi Beta Sigma Fraternity**

Phi Beta Sigma Fraternity was founded at Howard University in Washington, D.C., January 9, 1914.<sup>31</sup> The Founders deeply wished to create an organization that viewed itself as “a part of” the general community rather than “apart from” the general community. They believed that each potential member should be judged by his own merits, rather than his family background or affluence, without regard to race, nationality, skin tone or texture of hair. They desired for their fraternity to exist as part of an even greater brotherhood which would be devoted to the “inclusive we” rather than the “exclusive we”.<sup>32</sup>

From its inception, the Founders also conceived Phi Beta Sigma as a mechanism to deliver services to the general community. Rather than gaining skills to be utilized exclusively for themselves and their immediate families, they held a deep conviction that they should return their newly acquired skills to the communities from which they had come. This deep conviction was mirrored in the Fraternity's motto, “Culture For Service and Service For Humanity”.<sup>33</sup>

Today, Phi Beta Sigma is an international organization of leaders. No longer a single entity, members of the Fraternity have been instrumental in the establishment of the Phi Beta Sigma National Foundation, the Phi Beta Sigma Federal Credit Union and The Sigma Beta Club Foundation. Zeta Phi Beta Sorority, founded in 1920 with the assistance of Phi Beta Sigma, is the sister organization of the Fraternity.<sup>34</sup>

---

<sup>28</sup> Zeta Phi Beta Sorority, Inc., *Our History*, <http://zphib1920.org/our-history/> (last visited March 29, 2019).

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> Phi Beta Sigma Fraternity, Inc., *History & Mission*, <http://phibetasigma1914.org/index.php/about/history/> (last visited March 29, 2019).

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

### **Iota Phi Theta Fraternity**

On September 19, 1963, at Morgan State College (now Morgan State University), 12 students founded what is now the nation's fifth largest, predominately African-American social service fraternity: The Iota Phi Theta Fraternity, Incorporated.<sup>35</sup>

The Fraternity functioned as a local entity until the first interest groups were established in 1967 at Hampton Institute (Beta Chapter) and Delaware State College (Gamma Chapter). Further expansion took place in 1968 with chapters being formed at Norfolk State College (Delta Chapter) and Jersey City State College (Epsilon Chapter). The Fraternity was officially and legally incorporated on November 1, 1968 as a National Fraternity under the laws of the State of Maryland. Today, Iota Phi Theta consists of 249 chapters located in 40 States as well Japan, Korea and the Bahamas.<sup>36</sup>

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

The bill amends s. 320.08058, F.S., creating the Omega Psi Phi Fraternity, Delta Sigma Theta Sorority, Sigma Gamma Rho Sorority, Kappa Alpha Psi Fraternity, Alpha Kappa Alpha Sorority, Alpha Phi Alpha Fraternity, Zeta Phi Beta Sorority, Phi Beta Sigma Fraternity, and Iota Phi Theta Fraternity specialty license plates and provides for their design and the use of the annual use fees associated with the license plates.

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.

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

The annual use fees from the sale of the plate shall be distributed to the State of Florida Omega Friendship Foundation, Inc., to be used as follows:

- Five percent shall be used solely for marketing of the Omega Psi Phi Fraternity license plate.
- Ninety-five percent shall be used for college scholarships for Florida residents attending historically black colleges and universities in this state.

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

The annual use fees from the sale of the plate shall be distributed to the Delta Research and Educational Foundation, Inc., to be used as follows:

- Five percent shall be used solely for marketing of the Delta Sigma Theta Sorority license plate.
- Ninety-five percent shall be used for college scholarships for Florida residents attending historically black colleges and universities in this state.

---

<sup>35</sup> Iota Phi Theta Fraternity Incorporated, *Historical Overview*, <https://www.iotaphitheta.org/about/historical-overview> (last visited March 29, 2019).

<sup>36</sup> *Id.*

**Sigma Gamma Rho Sorority License Plate**

The annual use fees from the sale of the plate shall be distributed to the Department of Education to be used for the Mary McLeod Bethune Scholarship Program in accordance with s. 1009.73, F.S.

**Kappa Alpha Psi Fraternity License Plate**

The annual use fees from the sale of the plate shall be distributed to the Southern Province of Kappa Alpha Psi Foundation, Inc., to be used as follows:

- Five percent shall be used solely for marketing of the Kappa Alpha Psi Fraternity license plate.
- Ninety-five percent shall be used for college scholarships for Florida residents attending historically black colleges and universities in this state.

**Alpha Kappa Alpha Sorority License Plate**

The annual use fees from the sale of the plate shall be distributed to the Alpha Kappa Alpha Educational Advancement Foundation, Inc., to be used as follows:

- Five percent shall be used solely for marketing of the Alpha Kappa Alpha Sorority license plate.
- Ninety-five percent shall be used for college scholarships for Florida residents attending historically black colleges and universities in this state.

**Alpha Phi Alpha Fraternity License Plate**

The annual use fees from the sale of the plate shall be distributed to the Department of Education to be used for the JC Rawls-FFAC Foundation, Inc.

**Zeta Phi Beta Sorority License Plate**

The annual use fees from the sale of the plate shall be distributed to the Department of Education to be used for the Mary McLeod Bethune Scholarship Program in accordance with s. 1009.73, F.S.

**Phi Beta Sigma Fraternity License Plate**

The annual use fees from the sale of the plate shall be distributed to the Department of Education to be used for the Mary McLeod Bethune Scholarship Program in accordance with s. 1009.73, F.S.

The bill amends s, 320.08056, F.S., to provide for the annual use fee of \$25 for each specialty license plate.

The bill has an effective date of October 1, 2019.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

## D. State Tax or Fee Increases:

Under the 2018 amendment to the Florida Constitution, Article VII, Section 19 requires “a supermajority vote” of 2/3 of the membership of each house to pass legislation which will impose or authorize a new state tax or fee.<sup>37</sup> A “fee” is defined as “any charge or payment required by law, including any fee for service, fee or cost for licenses, and charge for service.”<sup>38</sup>

The \$25 annual use fee for the specialty license plates may be a new state fee for purposes of requiring a supermajority vote and a separate bill containing no other subject.

## E. Other Constitutional Issues:

None.

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

Individuals who choose to purchase a Omega Psi Phi Fraternity, Delta Sigma Theta Sorority, Sigma Gamma Rho Sorority, Kappa Alpha Psi Fraternity, Alpha Kappa Alpha Sorority, Alpha Phi Alpha Fraternity, Zeta Phi Beta Sorority, Phi Beta Sigma Fraternity, or Iota Phi Theta Fraternity specialty license plate will pay an additional use fee of \$25 in addition to required vehicle license taxes and fees.

## B. Private Sector Impact:

The annual use fees from the specialty license plates may increase revenues to the Omega Psi Phi Fraternity, Delta Sigma Theta Sorority, Kappa Alpha Psi Fraternity, Alpha Kappa Alpha Sorority, Mary McLeod Bethune Scholarship Program, and the JC Rawls-FFAC Foundation, Inc.

<sup>37</sup> FLA. CONST. art. VII, s. 19(a).

<sup>38</sup> FLA. CONST. art. VII, s. 19(d)(1).

Florida residents attending historically black colleges and universities in Florida may be eligible to receive a college scholarship through some of the entities receiving revenues from the annual use fees.

**C. Government Sector Impact:**

Depending on the number of distributions tied to the plate, the amount of programming may vary as will the resources needed to complete the changes. The average specialty/special license plate requires approximately 200-250 hours of programming, at a rate of \$35 to \$40 per hour. This results in programming costs of between \$7,000 and \$10,000.<sup>39</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>40</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

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

**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.

---

<sup>39</sup> Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: SLP Price for Tim, (February 5, 2019).

<sup>40</sup> Section 320.08056(7), F.S.