

STORAGE NAME: h1563s1a.ft

DATE: April 21, 1997

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
FINANCE AND TAXATION
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 1563

RELATING TO: Florida Companion Animal License Plates

SPONSOR(S): Committee on Transportation and Rep. Sindler

STATUTE(S) AFFECTED: ss. 320.08056 and 320.08058

COMPANION BILL(S): S 1442 (s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) TRANSPORTATION YEAS 8 NAYS 0
- (2) FINANCE AND TAXATION YEAS 13 NAYS 0
- (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
- (4)
- (5)

I. SUMMARY:

The bill requires the Department of Highway Safety and Motor Vehicles (DHS&MV) to issue a "Florida Companion Animal" license plate. In addition to the usual specialty license plate fees, an \$18 annual use fee will be charged for this new specialty license plate.

Annual use fee proceeds from Florida Companion Animal license plates will be distributed to the Florida Animal Health Foundation, Inc., a Florida-registered 501(c)3 nonprofit charitable educational and service organization. Florida Companion Animal license plate annual use fee proceeds are distributed by the Foundation and used for:

- veterinary medical care of animals belonging to needy owners,
- neutering programs,
- animal shelter operations,
- overpopulation education,
- enforcement of animal control ordinances, and
- promotion of the license plate and administrative purposes related to the license plate.

Current law provides for a requesting organization to meet specified application requirements prior to legislative authorization of a specialty license plate. The applicant for the Florida Companion Animal license plate has complied with the application requirements.

Pursuant to s. 320.08053, F.S., the cost to review and develop specialty license plates has been established by the Department at approximately \$43,000. A \$30,000 application fee has been collected by DHS&MV to help defray administrative and license plate design costs.

The bill has an indeterminate revenue impact to the state.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Specialty license plates must be specifically authorized by the Legislature. A "Florida Companion Animal" license plate has not been authorized by the Legislature.

The State of Florida has a total of 155 types of license plates, of which 141 are issued for distinctive purposes. Some of the distinctive plates are available only to specifically identified individuals based on organizational affiliations such as military personnel, veterans, Seminole and Miccosukee Indians, and elected officials, while other specialty plates are available to the general public. Plates available to the general public include the commonly-known specialty plates such as the Challenger, manatee, panther and collegiate plates. Currently, there are 38 specialty license plates.

To date, approximately 1.9 million specialty plates have been issued and associated revenues total approximately \$102 million. Proceeds from specialty license plate annual use fees have been used to fund an astronaut memorial, space technology research, scholarships, and university academic enhancements.

Section 320.08053, F.S., establishes the requirements that organizations or agencies must meet in order to create a new specialty license plate. The law requires that specified information and an application fee be submitted to DHS&MV prior to requesting legislative approval for a specialty plate. Information required to be submitted includes: 1) 10,000 signatures from prospective buyers; 2) a marketing plan and financial analysis of anticipated revenues and expenditures; and 3) an application fee to defray DHS&MV's costs for reviewing the application and developing the specialty license plate.

Once a specialty license plate has been approved by the Legislature, s. 320.08056, F.S., establishes uniform requirements for all specialty license plates, including taxes, fees, and design characteristics.

Section 320.08058, F.S., specifies the individual requirements and distribution of annual use fees for approved specialty plates.

B. EFFECT OF PROPOSED CHANGES:

The bill requires DHS&MV to create a Florida Companion Animal license plate. An \$18 annual use fee will be charged in addition to the usual specialty license plate fees.

Annual use fee proceeds from Florida Companion Animal license plates will be distributed to the Florida Animal Health Foundation, Inc., a Florida-registered 501(c)3 nonprofit charitable educational and service organization. Florida Companion Animal license plate annual use fee proceeds are to be distributed by the Foundation and used for:

- veterinary medical care of animals belonging to needy owners,
- neutering programs,
- animal shelter operations,

- overpopulation education,
- enforcement of animal control ordinances, and
- promotion of the license plate and administrative purposes related to the Florida Companion Animal license plate.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

The bill does not appear to create, increase or reduce, either directly or indirectly any authority to make rules or adjudicate disputes.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

The bill creates an additional specialty license plate. Local tax collectors will be accountable for additional specialty license plate inventories.

(3) any entitlement to a government service or benefit?

Specified organizations will receive revenues from the sale of the specialty license plate.

b. If an agency or program is eliminated or reduced:

This bill does not appear to eliminate or reduce an agency or program.

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

This bill does not appear to directly increase anyone's taxes.

- b. Does the bill require or authorize an increase in any fees?

To the extent that the public chooses to purchase this new specialty plate, fees will increase by \$18 per plate.

- c. Does the bill reduce total taxes, both rates and revenues?

This bill does not appear to reduce total taxes, both rates and revenues.

- d. Does the bill reduce total fees, both rates and revenues?

This bill does not appear to reduce total fees, both rates and revenues.

- e. Does the bill authorize any fee or tax increase by any local government?

This bill does not appear to authorize any fee or tax increase by any local government.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

This bill does not appear reduce or eliminate an entitlement to government services or subsidy.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

A \$30,000 application fee has already been paid to cover start-up costs and current state law requires DHS&MV to deduct the license plate's pro-rata share of recurring costs for the specialty license plate program.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

The bill authorizes vehicle owners to purchase a new type of specialty license plate. Also, organizations that receive specialty license plate revenues will be able to further the purposes of their organizations.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

The bill does not appear to prohibit, or create new government interference with, any presently lawful activity.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

This bill does not appear to purport to provide services to families or children.

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

- (5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

This bill does not appear to directly affect the legal rights and obligations between family members.

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

This bill does not appear to create or change a program providing services to families or children.

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. SECTION-BY-SECTION RESEARCH:

Not applicable.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Revenues:

Current law provides that an application fee, not to exceed \$30,000, be paid to DHS&MV to defray the department's administrative costs of reviewing and developing the new specialty license plate. DHS&MV has collected \$30,000 to defray these costs. Any additional cost of issuing the license plate will be retained from the first proceeds derived from the annual use fees.

Expenditures:

DHS&MV estimates its administrative and design costs to be approximately \$43,000.

2. Recurring Effects:

Revenues:

Indeterminate. The number of plates that will be sold cannot be determined.

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

Indeterminate.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Annual use fee revenues may be used for animal control programs administered by local governments. Because the demand for the Florida Companion Animal license plate cannot be determined, the estimated revenue is indeterminate.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

Because the demand for the Florida Companion Animal license plate cannot be determined, the estimated revenue is indeterminate.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 10, 1997, the House Transportation Committee adopted one amendment to HB 1563. The amendment clarified the distribution of license plate proceeds.

On April 18, 1997, the Committee on Finance and Taxation adopted a "strike-everything" amendment that conforms to CS/SB 1442.

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

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