

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1526

SPONSOR: Senator Sebesta

SUBJECT: License Plates

DATE: March 10, 1999

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Caridi</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

## I. Summary:

This bill directs the Department of Highway Safety and Motor Vehicles to develop a Choose Life specialty license plate for the support of nongovernmental, not-for-profit agencies which provide services limited to counseling and meeting the needs of pregnant women who are committed to placing their children for adoption, or the needs of an infant awaiting placement. Such plates would be available upon payment of appropriate license taxes, a \$2 processing fee and an annual use fee of \$20. The \$20 annual use fee shall be forwarded to each county in accordance with the ratio of collection each county bears to the state total. Each county will be responsible for the revenue distribution to the agencies which meet the guidelines set out in the bill, within the county. Each agency will submit an annual audit to the county. The Office of Policy Analysis and Governmental Accountability will review the funds expenditure every 3 years.

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

## II. Present Situation:

Choose Life specialty license plates are not authorized by current law.

Section 320.08053, F.S., establishes requirements that organizations or agencies must meet in order to create a new specialty license plate. This section was amended by the 1998 Legislature to require the following information be submitted to DHSMV prior to requesting legislative approval for a specialty plate:

- 1) A \$60,000 application fee.
- 2) The results of a scientific sample survey indicating that at least 15,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased cost.

- 3) A marketing plan and financial analysis of anticipated revenues and expenditures.

This section also contains a grandfather provision to allow organizations that were in the process of preparing an application prior to new requirements becoming effective on July 1, 1998, to meet the requirements that were in effect prior to the change. Applicants meeting the grandfather requirements have submitted the following information to DHSMV:

- 1) 10,000 signatures from prospective buyers.
- 2) A marketing plan and financial analysis of anticipated revenues and expenditures.
- 3) An application fee not to exceed \$30,000 to defray DHSMV's costs for reviewing the application and developing the specialty license plate.

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

Choose Life specialty license plates would be made available upon payment of appropriate license taxes, a \$2 processing fee, and an annual use fee of \$20.

The \$20 annual use fee would be distributed to each county in the ratio of that county's collection to the state total. Each county would be responsible for the revenue distribution to nongovernmental agencies within the county that provide services limited to counseling and meeting the physical needs of pregnant women who are committed to placing their children for adoption or the needs of an infant awaiting placement.

Agencies receiving the funds must use 70 percent to provide for the material needs of the pregnant women assisted by the agency and the infants awaiting placement with adoptive parents. Material needs include such items as clothing, housing, food, medical care, utilities and transportation. The remaining 30 percent may be used for adoption, counseling, training or advertising. Funds may not be used for administrative expenses, legal expenses, or capital expenditures.

Each agency receiving funds must submit an annual audit, prepared by a certified public accountant, to the county from which the funds are distributed. If over 10 percent of the funds distributed to an agency are unused in the fiscal year they were received, they are to be returned to the county for distribution to other qualified agencies. The county may conduct a consolidated audit in lieu of the annual audit. The expenditure of funds will be reviewed every 3 years by the Office of Policy Analysis and Governmental Accountability.

A qualified agency may not be involved or associated with abortion activities such as counseling for abortions, referrals to abortion clinics, advertisements for abortion or provisions for medical abortion-related procedures. No funds may be distributed to any agency that charges women for its services.

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

None.

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

None.

**C. Trust Funds Restrictions:**

Article III, section 19(f)(1), of the Florida Constitution provides that no trust fund of the state or other public body may be created by law without three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

The department would receive the proceeds of the annual \$2 processing fee imposed on the issuance of the Choose Life specialty plate under s. 320.08056 F.S. The amount of such proceeds cannot be determined because the number of specialty license plates that will be sold is unknown.

**B. Private Sector Impact:**

Persons who apply for the Choose Life specialty plate would have to pay \$20 for the annual use fee.

Qualifying nongovernmental, not-for-profit agencies would receive the revenue of the \$20 fees, allocated by county percentage. The revenue would be used for the material, counseling and training needs of pregnant woman and of infants awaiting adoption.

**C. Government Sector Impact:**

In the first year, the department would receive the \$30,000 application fee to defray the administrative costs of reviewing and developing the license plate. The cost of the initial minimum purchase of plates is \$22,500 (10,000 plates at \$2.25 each). This cost would be incurred each year except the first year in which the department would also incur the \$7000 programing cost for a total expenditure of \$29,500.

The department would annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray the department's costs directly related to the Choose Life specialty license plate.

Each county would receive a ratio of the total state collected revenue from the Choose Life plate equal to the amount that the county collected. That portion of the revenue will be distributed by each county to qualifying agencies within the county.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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