

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1630
 SPONSOR: Senators Silver and Miller
 SUBJECT: Specialty License Plates
 DATE: April 20, 2001 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Meyer</u>	<u>TR</u>	<u>Fav/1 amendment</u>
2.	<u>Birholz</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable</u>
3.	_____	_____	<u>FT</u>	_____
4.	_____	_____	<u>AGG</u>	_____
5.	_____	_____	<u>AP</u>	_____
6.	_____	_____	_____	_____

I. Summary:

This bill directs the Department of Highway Safety and Motor Vehicles to issue a Florida Golf license plate. In addition to applicable motor vehicle registration taxes and fees, a \$25 annual use fee will be charged for this new specialty license plate.

Proceeds from the annual use fees for the license plate are to be distributed to the Tee Off For Opportunity Trust Fund of the Dade Amateur Golf Association. The proceeds must be used to fund qualified amateur and junior golf programs currently operated by amateur golf associations at public golf courses in communities across the state.

This bill substantially amends sections 320.08056 and 320.08058, Florida Statutes.

II. Present Situation:

Golf in Florida¹

Golf in the state is a \$6 billion per year industry. Residents and tourists alike enjoy 1,153 different golf courses year-round. Both amateur and professional golfers are highly visible in the state, annually playing more than 55 million rounds of golf and generating billions of public and private dollars for the state's economy. Decision-making in professional golf resides in Florida as the Professional Golf Association (PGA) is headquartered in West Palm Beach; the Ladies

¹ Florida Sports Foundation, "Florida -- The Sports Capital of the World," <http://www.flasports.com/ff.htm>, and a letter from Jim Gilliard, Executive Director, Tee Off For Opportunity, Dade Amateur Golf Association, to Stan Kirkland, Assistant Chief, Bureau of Titles and Registrations, Department of Highway Safety and Motor Vehicles, November 15, 2000.

Professional Golf Association (LPGA) is headquartered in Daytona Beach; and the PGA Tour is headquartered in Ponte Vedra Beach.

Tee Off For Opportunity Project²

Tee Off For Opportunity is a project of the Dade Amateur Golf Association (DAGA). The project's mission is to provide access to the sport of golf to the state's youth regardless of gender, socioeconomic status, or race by providing grants to sustain and enhance existing junior amateur golf associations across the state. DAGA intends to fund these grants with profits from the sale of Florida Golf license plates and through partnerships with the golf industry.

Florida Specialty License Plate Program

The Florida Specialty License Plate Program began in 1986 with legislation authorizing the Department of Highway Safety and Motor Vehicles (department) to issue a specialty license plate commemorating the Challenger space shuttle and for each university within the State University System.³ Florida motorists spent more than \$20.1 million in 2000 buying specialty license plates that support a variety of programs, from college scholarships to environmental research.⁴ A total of \$175.3 million has been raised in the 14 years since the program began. Florida's 51 specialty plates cost from \$15 to \$25 more than a standard license plate.

Current Law Regarding Specialty License Plates

Section 320.08053, F.S., provides certain requirements for establishing specialty license plates. An organization seeking authorization to establish a new specialty license plate must submit to the department:

- a request for and a general description of the plate;
- the results of an independent, scientific sample survey of Florida motor vehicle owners that indicates at least 15,000 motor vehicle owners intend to purchase the proposed plate;
- an application fee, not to exceed \$60,000, to defray the department's cost for reviewing the application and developing the plate, if authorized; and
- a marketing strategy outlining both the short- and long-term marketing plans for the plate and a financial analysis outlining the anticipated revenues and the planned expenditures related to the plate.

The documentation and fees must be submitted at least 90 days before the convening of the next regular session of the Legislature. If the plate is not approved by the Legislature, then the application fee is refunded to the requested organization.

² Letter from Jim Gilliard, Executive Director, Tee Off For Opportunity, Dade Amateur Golf Association, to Stan Kirkland, Assistant Chief, Bureau of Titles and Registrations, Department of Highway Safety and Motor Vehicles, November 15, 2000.

³ Auditor General, *Operational Audit Of The Florida Specialty License Plate Program*, Report No. 01-061, November 2000, p. 2.

⁴ Department of Highway Safety and Motor Vehicles, "Specialty Plate Revenue Sets a Record," <http://www.hsmv.state.fl.us/news/2000tags.html>, February 9, 2001.

Section 320.08056, F.S., provides that the department must begin production and distribution of each new plate within one year after approval of the plate by the Legislature. The department is annually required to retain, from the first annual use fee proceeds, an amount sufficient to defray each plate's pro rata share of the department's costs directly related to issuing the plate. The balance of the annual use fees collected for that plate shall be distributed as provided by law. An annual use fee collected and distributed under ch. 320, F.S., or any interest earned from those fees, may not be used for commercial or for-profit activities nor for general or administrative expenses, except as authorized by s. 320.08058, F.S., or to pay the cost of the audit or report required by s. 320.08062(1), F.S.

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

Status of the Florida Golf License Plate

On February 22, 2001, the department notified DAGA that it had been approved to pursue legislation to establish the Florida Golf license plate.⁵ DAGA met all statutory application requirements, including the submission of a letter of request, a survey of 15,000 or more registered owners or registrants, a \$60,000 application fee, a marketing strategy, and a financial analysis.⁶ DAGA has established the Tee Off For Opportunity Trust Fund to administer the funds associated with the Tee Off For Opportunity project.⁷

Florida Sports Foundation

Section 288.1229, F.S., authorizes the creation of a direct-support organization to assist the Governor's Office of Tourism, Trade, and Economic Development (OTTED) in three main areas:

- the promotion and development of the sports industry and related industries for the purpose of improving the economic presence of these industries in Florida;
- the promotion of amateur athletic participation for the citizens of Florida; and
- the promotion of Florida as a host for national and international amateur athletic competitions for the purpose of encouraging and increasing the direct and ancillary economic benefits of amateur athletic events and competitions.

OTTED's direct-support organization for these purposes is the Florida Sports Foundation (foundation). The foundation board members consist of 15 members appointed by the Governor

⁵ Letter from W.T. Joyce, Director, Division of Motor Vehicles, Department of Highway Safety and Motor Vehicles, to Mr. Jim Gilliard, Executive Director, Tee Off For Opportunity, Dade Amateur Golf Association, February 22, 2001.

⁶ Letter from Fred O. Dickinson, Executive Director, Department of Highway Safety and Motor Vehicles, to Reynold David Meyer, Staff Director, Senate Committee on Transportation, February 28, 2001.

⁷ Letter from Jim Gilliard, Executive Director, Tee Off For Opportunity, Dade Amateur Golf Association, to Stan Kirkland, Assistant Chief, Bureau of Titles and Registrations, Department of Highway Safety and Motor Vehicles, November 15, 2000.

and up to 15 members appointed by the existing foundation board of directors. Funding for foundation activities is provided primarily from the private sector and from the professional sports license tag program under s. 320.08058(9), F.S. The license tag program provides approximately \$1.1 million annually which channels matching grant funds through the foundation to regional sports organizations and professional sports franchise host committees in local communities.

The foundation markets Florida as the world's leading golf destination.⁸ The state's new marketing program, PLAY FLA GOLF, reaches out to thousands of golf enthusiasts across the United States and Canada. The program features a full-color golf directory and vacation guide aimed at helping people become better acquainted with Florida's \$6 billion per year golf industry. With golf information being the number one request of Florida visitors, the foundation and VISIT FLORIDA, the state's official tourism promotion corporation, distribute these golf guides in response to an ongoing stream of golf-specific inquiries.^{9, 10}

III. Effect of Proposed Changes:

This bill directs the Department of Highway Safety and Motor Vehicles (department) to develop a Florida Golf license plate. [s. 320.08056(4)(ff), F.S., as created] This bill also creates s. 320.08058(32), F.S., to provide the following:

- The word "Florida" must appear at the bottom of the plate and the words "Golf Capital of the World" must appear at the top of the plate. In addition to applicable motor vehicle registration taxes and fees, a \$25 annual use fee will be charged for this new specialty license plate.
- Proceeds from the annual use fees for the Florida Golf license plate are to be distributed to the Tee Off For Opportunity Trust Fund of the Dade Amateur Golf Association (DAGA). The proceeds must be used to fund qualified amateur and junior golf programs currently operated by amateur golf associations at public golf courses in communities across the state. Requests for proposals will be distributed statewide. A proposed program will be evaluated based on its ability to provide sustained access to golf for a large number of youth.
- The annual use fee proceeds generated by plate sales must be allocated as follows:
 - 10 percent will be disbursed to DAGA to administer the Tee Off For Opportunity project statewide, including administrative costs;
 - 15 percent will be disbursed to DAGA to market the Florida Golf license plate;

⁸ See <http://www.flasports.com/fspdfg.htm>.

⁹ *Id.*

¹⁰ The Florida Commission on Tourism (commission) is responsible for making policy decisions on promoting and developing tourism throughout the state. (s. 288.1223, F.S.) The commission contracts with the Florida Tourism Industry Marketing Corporation (VISIT FLORIDA) to carry out the programs and activities identified in the commission's four-year marketing plan. (s. 288.1226, F.S.) See "Profile No. 6078," *Florida Government Accountability Report*, Florida Legislature's Office of Program Policy Analysis and Government Accountability, <http://www.oppaga.state.fl.us/profiles/6078/>, January 23, 2001.

- 60 percent will be distributed to the Tee Off For Opportunity Trust Fund to fund amateur and junior golf programs, tournaments, and events statewide; and
- 15 percent will be disbursed to DAGA to operate its own junior golf programs, clinics, summer camps, and tournaments.

This bill provides an effective date of July 1, 2001.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

Current law provides that an application fee, not to exceed \$60,000, be paid to the Department of Highway Safety and Motor Vehicles (department) to defray the administrative costs of reviewing and developing the new specialty license plate. [s. 320.08053(1)(c), F.S.] Any additional costs of issuing the license plate will be retained from the first proceeds derived from the annual use fees as provided in s. 320.08056(7), F.S. The balance of the annual use fees collected for the plate shall be distributed as provided in s. 320.08058, F.S.

The department has indicated that \$60,000 has been collected from the applicant to defray these costs.¹¹ This fee will be refunded if the license plate is not approved by the Legislature. [s. 320.08053(2), F.S.]

B. Private Sector Impact:

Various amateur and junior golf programs in the state should benefit from the revenues generated by sales of the Florida Golf license plate. Individuals purchasing the plate would have to pay a \$25 annual use fee in addition to applicable motor vehicle registration taxes and fees.

¹¹ Letter from Fred O. Dickinson, Executive Director, Department of Highway Safety and Motor Vehicles, to Reynold David Meyer, Staff Director, Senate Committee on Transportation, February 28, 2001.

C. Government Sector Impact:

The department is responsible for developing, producing, distributing, and issuing specialty license plates. (s. 320.08056, F.S.) However, current law provides that an application fee, not to exceed \$60,000, be paid to the department to defray the administrative costs of reviewing and developing a new specialty license plate. [s. 320.08053(1)(c), F.S.] Any additional costs of issuing the license plate will be retained from the first proceeds derived from the annual use fees as provided in s. 320.08056(7), F.S. Additionally, the department must review the annual audits or reports submitted by organizations receiving annual use fee proceeds from the department. (s. 320.08062, F.S.)

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Transportation:

With regard to the development of the Florida Golf license plate, this amendment provides that the Dade Amateur Golf Association (DAGA), in consultation with the PGA TOUR, the Florida Sports Foundation, the LPGA, and the PGA of America, may submit a sample plate for consideration by the Department of Highway Safety and Motor Vehicles (department). Furthermore, this amendment strikes the annual use fee distribution provisions in the bill and, instead, provides that the department shall distribute the proceeds from the annual use fees to the Florida Sports Foundation (foundation). The proceeds shall be annually allocated as follows:

- DAGA shall receive the first \$80,000 in proceeds from the annual use fees for the operation of youth golf programs in Miami-Dade County. Thereafter, 15 percent of the proceeds shall be provided to DAGA for the operation of youth golf programs in Miami-Dade County.
- Up to 5 percent of the proceeds from the annual use fees may be used by the foundation for the administration of the Florida Youth Golf Program. The foundation is required to establish this program, which will “assist organizations for the benefit of youth, introduce young people to golf, instruct young people in golf, teach the values of golf, and emphasize life skills, fair play, courtesy, and self-discipline.”¹²

¹² According to the Florida Sports Foundation (foundation), this amendment’s fiscal impact on the foundation is currently indeterminate. The foundation reports that it needs to evaluate the total responsibility assigned to it before making a final determination. However, the foundation states that the 5 percent administration fee “appears to be adequate” if proceeds from annual use fees are at least \$750,000 annually. If the amount of proceeds falls below \$750,000, though, the administration fee might be inadequate because the foundation’s workload would remain the same, regardless of sales level. It should be noted that DAGA, in the financial analysis accompanying its specialty license plate application, estimated Year 1 proceeds of \$500,000; Year 2 proceeds of \$1 million; and Year 3 proceeds of \$1.5 million. From an operational standpoint, the foundation asserts that it could readily implement a new grant program given its current grant administration activities.

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- The remaining proceeds from the annual use fees shall be available for grants to nonprofit organizations to operate youth golf programs and for the purpose of marketing the Florida Golf license plates. The foundation must establish a five-member committee to offer advice regarding the distribution of the proceeds for grants to nonprofit organizations. The advisory committee shall consist of one member from a group serving youth, one member from a group serving disabled youth, and three members-at-large.

All grant recipients, including DAGA, must provide the foundation with a publicly accessible annual program and financial report regarding the use of grant funds. (WITH TITLE AMENDMENT)

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