

STORAGE NAME: h0145a.fpr.doc

DATE: January 24, 2002

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
FISCAL POLICY AND RESOURCES
ANALYSIS**

BILL #: HB 145

RELATING TO: Florida Golf Specialty License Plate

SPONSOR(S): Representative(s) Wishner

TIED BILL(S):

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

- (1) TRANSPORTATION YEAS 9 NAYS 1
 - (2) FISCAL POLICY AND RESOURCES YEAS 11 NAYS 1
 - (3) READY INFRASTRUCTURE
 - (4)
 - (5)
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I. SUMMARY:

The bill requires the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a Florida Golf license plate. In addition to the usual specialty license plate fees, a \$25 annual use fee will be charged for this new specialty license plate.

In addition, the bill directs DHSMV to distribute the proceeds from the plate to the Florida Sports Foundation, a direct support organization of the Office of Tourism, Trade, and Economic Development, to be allocated as follows:

- Up to 5 percent may be used for administrative purposes;
- The first \$80,000 to the Dade Amateur Golf Association (DAGA), and thereafter 15 percent for the operation of youth golf programs in Miami-Dade County; and
- The remaining proceeds are to be distributed in the form of grants to non-profit organizations for the operation of youth golf programs.

The bill establishes a seven-member advisory committee to advise the Florida Sports Foundation on distribution of the funds and grant awards. All organizations receiving grants, including DAGA, must provide annual program and financial reports to the Florida Sports Foundation. The reports must also be made available to the public.

The bill also requires the Florida Sports Foundation to establish a Florida Youth Golf Program designed to assist other organizations in encouraging youth participation in golf.

DHSMV estimates that in the first year it will incur expenses of approximately \$59,460 for data processing program costs, personnel costs, and the costs of license plates. These costs are offset by the \$60,000 application fee submitted by the organization seeking production of the specialty plate. Recurring costs are indeterminate because it is impossible to accurately estimate the number of plates DHSMV will be required to purchase to meet demand for the Florida Golf license plate, however, these costs are offset by fees collected with each specialty plate sales transaction. For a more detailed discussion of the fiscal impact, see the fiscal analysis and economic impact statement below.

SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Less Government

The bill does not tend to support the principle of less government in that it creates a new publicly funded program to encourage youth participation in golf.

Lower Taxes

The bill establishes a \$25 user fee for vehicle owners who choose to purchase the Florida Golf license plate. The \$25 user fee is also a new source of funding for the government, and in that respect may be viewed as tending to be in conflict with the principle of lower taxes.

B. PRESENT SITUATION:

The Florida specialty license plate program began in 1986 with legislation authorizing the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a specialty license plate commemorating the Challenger space shuttle and for each university within the State University System. Specialty license plates must be specifically authorized by the Legislature. The State of Florida currently has 52 types of specialty license plates. For calendar year 2000, specialty license plates revenues were approximately \$20 million.

Proceeds from specialty license plate annual use fees have been used to fund an astronaut memorial, space technology research, scholarships, university academic enhancements and numerous other programs and projects. Section 320.08053, F.S., establishes requirements that organizations or agencies must meet in order to create a new specialty license plate. Current law requires that specified information and an application fee be submitted to DHSMV prior to requesting legislative approval for a specialty plate. Information required to be submitted includes:

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

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.

On February 28, 2001, DHSMV indicated the applicant for the Florida Golf license plate had complied with the statutorily prescribed application requirements. During the 2001 regular session, the Legislature authorized the Florida Golf specialty license plate as part of CS/CS/HB 1053, which was a large bill dealing with a number of transportation issues, however, the Governor subsequently vetoed that bill.

C. EFFECT OF PROPOSED CHANGES:

The bill requires the DHSMV to issue a Florida Golf license plate. The Dade Amateur Golf Association (DAGA), in consultation with the PGA TOUR, the Florida Sports Foundation, the LPGA, and the PGA of America will be permitted to participate in the design of the license plate. In addition to the usual specialty license plate fees, a \$25 annual use fee will be charged for this new specialty license plate.

Proceeds from the license plate will be distributed to the Florida Sports Foundation as administrator of the program. The foundation will then direct the distribution of the proceeds, distributing the first \$80,000 to DAGA to operate youth golf programs, and thereafter, fifteen percent to DAGA to operate youth golf programs in Miami-Dade County, five percent to the Florida Sports Foundation for administering the program, and the remaining eighty percent for grants to non-profit organizations to operate youth programs.

In addition, the Florida Sports Foundation is required to establish a Florida Youth Golf Program, and a seven-member advisory committee to advise the Foundation on the distribution of grants funded from the specialty plate's proceeds. One member must be selected from a group serving youth, and another member must be selected from a group serving disabled youth. The remaining members are selected at large. All grant recipients, including DAGA, must provide an annual program and financial report to the Florida Sports Foundation regarding the use of grant funds.

DHSMV reports that the organization proposing this specialty plate has met all requirements for a new specialty plate as set forth in statutes.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Provides that the annual use fee for the Florida Golf license plate shall be \$25.

Section 2. Directs DHSMV to develop a Florida Golf license plate. Directs DHSMV to distribute the proceeds from the plate to the Florida Sports Foundation to be allocated as follows: Up to 5 percent may be used for administrative purposes; the first \$80,000 to the DAGA, and thereafter 15 percent, for the operation of youth golf programs in Miami-Dade County; and the remaining proceeds to be distributed by the Foundation with the advice of a seven-member advisory committee. Directs the Florida Sports Foundation to establish a Florida Youth Golf Program.

Section 3. Provides that the bill shall take effect upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Indeterminate

2. Expenditures:

Indeterminate

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Anyone electing to purchase the Florida Golf specialty plate would pay a \$25 annual use fee.

D. FISCAL COMMENTS:

The Revenue Estimating Conference has not provided an official estimate of the impact of this bill. However, general speaking, the Revenues realized from the increased fees for a specialty license plate offset the costs of providing the plate. However, since the popularity of a given plate cannot be accurately predicted, the amount of these revenues and expenditures is indeterminate.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of any funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the revenue raising authority of any city or county.

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

The bill does not reduce the amount of state tax shared with a county or city.

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None

C. OTHER COMMENTS:

None.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None

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VI. SIGNATURES:

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