

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: CS/SB 568

SPONSOR: Finance and Taxation Committee and Senator Sebesta

SUBJECT: Motor Vehicle License Plates

DATE: February 21, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable</u>
2.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable/CS</u>
3.	_____	_____	<u>AGG</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill provides for the issuance of a Pearl Harbor Survivor or Purple Heart license plate to certain disabled veterans without payment of the required license tax. The bill also increases the license tax distribution to the Grants and Donations Trust Fund of the Department of Veterans Affairs from \$50,000 to \$100,000 beginning in fiscal year 2002-03

This bill substantially amends section 320.089 of the Florida Statutes.

II. Present Situation:

Currently, s. 320.089(1)(a), F.S., provides that Florida residents who are active duty or retired National Guard members, active duty U.S. Armed Forces Reservists, former Prisoners of War (POW), or Pearl Harbor Survivors and Purple Heart recipients, may purchase license plates having their military affiliation stamped on the license plate in the following manner: “National Guard”, “Pearl Harbor Survivor”, “Combat-Wounded Veteran”, “U.S. Reserve”, and “Purple Heart”. The cost to these purchasers includes the fees as established in ss. 320.06 and 320.08, F.S. Paragraph (b) provides that beginning in fiscal year 2000-01 and annually thereafter, the first \$50,000 of revenue generated from the sale of such license plates shall be deposited into the Grants and Donations Trust Fund of the Department of Veterans Affairs, to be used pursuant to s. 296.38(2), F.S., for the common benefit of the residents of the Veterans Nursing Home of Florida.

Section 320.084, F.S., allows for one free motor vehicle license plate to be issued to disabled veterans who have been a resident of the state for the last 5 years and who were honorably discharged from the United States Armed Forces. At the time of application, the applicant must

present proof that his or her vehicle was acquired through financial assistance by the Department of Veterans Affairs and they have a 100 percent service connected disability rating.

III. Effect of Proposed Changes:

This bill amends s. 320.089, F.S., to provide for the issuance of a Pearl Harbor Survivor or Purple Heart motor vehicle license plate, without payment of the license tax imposed by s. 320.08, F.S, to a person who also qualifies for a disabled veteran's license plate under s. 320.084, F.S. There shall be a \$2.50 service charge retained by the Tax Collector in accordance with the provisions of s. 320.04, F.S, for each initial application or renewal of registration and a fifty cent retro reflective materials fee for the license plate as provided in s. 320.06(3)(b), F.S. Registration under this section shall be renewed annually during the applicable renewal period on forms prescribed by the Department of Highway Safety and Motor Vehicles.

The bill also amends paragraph (b) of s. 320.089, F.S., increasing the license tax distribution to the Grants and Donations Trust Fund of the Department of Veterans Affairs from \$50,000 to \$100,000 beginning in fiscal year 2002-03.

The bill shall take effect July 1, 2002.

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:

The bill provides for the issuance of a Pearl Harbor Survivor or Purple Heart motor vehicle license plate, without payment of the license tax imposed by s. 320.08, F.S, to a person who also qualifies for a disabled veteran's license plate under s. 320.084, F.S. In addition, the bill increases the license tax distribution to the Grants and Donations Trust Fund of the Department of Veterans Affairs from \$50,000 to \$100,000 beginning in fiscal year 2002-03.

According to the Department of Highway Safety and Motor Vehicles, there are approximately 12,000 disabled veteran license plates in circulation. The chart below shows the number of Pearl Harbor, Purple Heart, National Guard and U.S. Reserve

license plates issued annually from October 1, 1999 through fiscal year 2000-01. If all of the 12,000 disabled veteran license plates qualified for a free Pearl Harbor or Purple Heart license plate, the maximum annual loss to the State Transportation Trust Fund would be an estimated \$324,000 based on fiscal year 2000-01 data. Based on total collections of \$483,511 for fiscal year 2000-01, the Grants and Donations Trust Fund of the Department of Veterans' Affairs would not lose any revenue since the trust fund would receive the first \$100,000 of revenue collected from such license plates. It is very unlikely that all of the 12,000 disabled veteran license plate recipients would qualify for either a Pearl Harbor or Purple Heart license plate.

License Plate	10/1/99 – 6/30/00		1999 – 2000		2000 - 2001	
	# Tags	Revenue	# Tags	Revenue	# Tags	Revenue
Pearl Harbor	565	\$ 15,234	753	\$ 20,312	724	\$ 19,273
Purple Heart	10,392	282,158	13,856	376,211	13,942	376,538
Nat'l Guard	767	20,115	1,023	26,821	1,312	33,933
US Reserve	1,405	36,523	1,873	48,697	2,101	53,767
Total	13,129	\$ 354,031	17,505	\$ 427,041	18,079	\$ 483,511

Current Distribution: Grants & Donations Trust Fund \$ 50,000
 State Transportation Trust Fund \$ 433,511

B. Private Sector Impact:

Pearl Harbor Survivor or Purple Heart license plate recipients who qualify for a disabled veteran's license plate would not pay an annual license tax fee as provided for in s. 320.08, F.S. The average savings to each Pearl Harbor or Purple Heart license plate recipient would be \$27.00.

C. Government Sector Impact:

The distribution to the Department of Veterans Affairs from the sale of "National Guard", "Pearl Harbor Survivor", "Combat-Wounded Veteran", "U.S. Reserve", and "Purple Heart" license plates will increase by \$50,000. The money is used for the common benefit of the residents of the Veterans Nursing Home of Florida.

The Department estimates the bill will require \$7,560 for contracted programming modifications to the Motor Vehicles Software System.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

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