

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 148

SPONSOR: Transportation Committee and Senator Wise

SUBJECT: License Plates

DATE: February 5, 2003 REVISED: 3/20/03 _____

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

I. Summary:

The CS directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop and issue reduced dimension specialty license plates for motorcycles. In addition to applicable motor vehicle registration taxes and fees, a \$15 annual use fee and \$2 processing fee will be charged for this new specialty license plate.

The annual use fees shall be distributed to The Able Trust as custodial agent who will distribute the funds as follows: (a) Fifty percent to Florida Centers for Independent Living in the form of matching grants from private nongovernmental sources; (b) Twenty-five percent to Prevent Blindness Florida; and (c) Twenty-five percent to the Brain and Spinal Cord Injury Program Trust Fund. A maximum of 10 percent of the proceeds from the sale of the license plate may be used for administrative costs.

This CS creates s. 320.08068 of the Florida Statutes.

II. Present Situation:

Section 320.08053, F.S., provides an organization seeking authorization to establish a specialty license plate must submit the following:

- A request for the particular license plate with a description of the proposed plate in general terms.
- The results of a scientific sample survey of Florida motor vehicle owners indicating at least 15,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs.

- An application fee, not to exceed \$60,000, to defray DHSMV's cost for reviewing the application and developing the specialty license plate, if authorized.
- A marketing strategy outlining both the short and long term marketing plans and a financial analysis outlining the anticipated revenue and the planned expenditures of the requested specialty license plate.

The required documentation and fees must be submitted at least 90 days before the convening of the next regular session of the Florida Legislature. If a specialty license plate is approved by law, the organization must submit a proposed art design for the specialty plate to DHSMV no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, then the application fee shall be refunded to the requested organization.

Section 320.08056, F.S., provides that the DHSMV is responsible for developing the specialty license plates authorized under s. 320.08053, F.S., and must begin production and distribution within one year after approval of the specialty license plate by the Legislature. Specialty license plates must bear the design required by law for the appropriate specialty plate, and the designs and colors must be approved by the DHSMV. In addition, the specialty license plate must bear the imprint of numerals from 1 to 999, inclusive, capital letters "A" through "Z", or a combination thereof. The word "Florida" must appear at either the top or the bottom of the plate, depending upon the design and may bear an appropriate slogan.

The Department is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plates pro rata share of the DHSMV's costs directly related to issuing the specialty license plate.

The Department must discontinue the issuance of an approved specialty plate if less than eight thousands plates (including annual renewals) are issued by the end of the fifth year or during any subsequent 5-year period. The Department is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists or if the organization has stopped providing services that are authorized to be funded.

Annual use fees or any interest earned from those fees may not be used for commercial or for-profit activities, or for general administrative expenses (except as specifically authorized or to pay the cost of the audit or report required to ensure the proceeds are used as authorized).

Chapter 95-282, Laws of Florida, created both s. 320.08053, F.S., and s. 320.08056, F.S., which were enacted in response to the dramatic increase in specialty license plates. The House Transportation Committee's interim report on specialty license plates reviewed the process used to authorize specialty license plates and made several recommendations for strengthening the state's management of specialty license plates. The provisions of ss. 320.08053 and 320.08056, F.S., incorporated the Committee's recommendations.

III. Effect of Proposed Changes:

The CS creates s. 320.08068, F. S., directing the DHSMV to develop and issue reduced dimension specialty license plates for motorcycles. In addition to applicable motor vehicle registration taxes and fees required under s. 320.08, F.S., a \$15 annual use fee and \$2 processing fee will be charged for this new specialty license plate.

The annual use fee shall be distributed to The Able Trust as custodial agent who will distribute the funds as follows: (a) Fifty percent to Florida Centers for Independent Living in the form of matching grants from private nongovernmental sources (must be used for programs and activities serving disabled Floridians); (b) Twenty-five percent to Prevent Blindness Florida; and (c) Twenty-five percent to the Brain and Spinal Cord Injury Program Trust Fund. A maximum of ten percent of the proceeds from the sale of the plate may be used for administrative costs.

The provisions of ss. 320.08053 and 320.08056, F.S., do not apply to the motorcycle specialty license plate. As a result, the CS does not authorize the DHSMV to discontinue the issuance or the distribution of the specialty license plate under any circumstances, does not prohibit the expenditure of annual use fees for commercial or for-profit activities as required for other specialty license plates, and does not require either an audit or attestation ensuring proceeds are being properly expended as required for other specialty license plates.

The bill shall take effect July 1, 2003.

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:**

There were 303,887 motorcycles registered during fiscal year 2001-2002. The number of persons who would apply for a motorcycle specialty plate is indeterminate. Persons electing to purchase the motorcycle specialty plate would pay, in addition to the taxes and fees required under s. 320.08, F.S., a \$15 annual use fee which shall be distributed to The Able Trust and a \$2 processing fee, which is deposited into the State Transportation Trust Fund of the Department of Transportation.

B. Private Sector Impact:

The \$15 annual use fee shall be distributed to The Able Trust as custodial agent who shall distribute the funds as follows: (a) Fifty percent to Florida Centers for Independent Living in the form of matching grants from private nongovernmental sources (must be used for programs and activities serving disabled Floridians); (b) Twenty-five percent to Prevent Blindness Florida; and (c) Twenty-five percent to the Brain and Spinal Cord Injury Program Trust Fund. A maximum of ten percent of the proceeds from the sale of the plate may be used for administrative costs.

C. Government Sector Impact:

According to the DHSMV, this CS will have an insignificant fiscal impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

According to the DHSMV, no organization has submitted the documentation set forth in s. 320.08053, F.S.

CS/HB 287 is similar to CS/SB 148.

VIII. Amendments:

#1 by Finance and Taxation:

Changes the percentage distribution of the motorcycle specialty license use fee to the following:

- 25 percent to the Brain and Spinal Cord Injury Trust Fund
- 25 percent to Prevent Blindness Florida
- 25 percent to the Foundation for Vocational Rehabilitation
- 25 percent to the Florida Association of Centers for Independent Living

#2 by Finance and Taxation:

Changes the effective date from July 1, 2003 to October 1, 2003.