

# 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/CS/SB 2654

SPONSOR: Finance and Taxation Committee, Transportation Committee and Senator Hill

SUBJECT: Firefighter License Plate

DATE: April 22, 2003

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

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

## I. Summary:

This CS directs the DHSMV to issue a Family First specialty 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. The annual fees will be distributed to Family First to fund programs, projects, seminars, events, and family resources that promote principles for building marriages, guiding parents and single parents, and raising children.

This CS substantially amends sections 320.08056 and 320.08058 of the Florida Statutes.

## II. Present Situation:

Specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization or organization in support of a particular cause or charity signified in the plate's design and designated in statute. The Legislature may create a specialty license plate under its own initiative or it can do so at the request of an organization.

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 that indicates 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 the 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 the 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 will be refunded to the requesting organization.

Section 320.08056, F.S., provides the DHSMV is responsible for developing the specialty license plates 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 of Highway Safety and Motor Vehicles 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 of Highway Safety and Motor Vehicles 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 of Highway Safety and Motor Vehicles 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 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).

Section 320.08058, F.S., provides specific requirements for 38 specialty license plates.

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

**Section 1.** Amends s. 320.08056, F.S., creating the Family First license plate and a \$25 use fee.

**Section 2.** Amends s. 320.08058, F.S., directing the DHSMV to issue a Family First specialty license plate. In addition to applicable motor vehicle registration taxes and fees pursuant to s. 320.08, F.S., a \$25 annual use fee and a \$2 processing fee will be charged for this new specialty license plate. The \$25 annual fee will be distributed to Family First to fund programs, projects, seminars, events, and family resources that promote principles for building marriages, guiding parents and single parents, and raising children.

Family First will retain all revenues collected from the sale of the plate until all start-up costs for developing and establishing the plate have been recovered. Up to 5 percent of the funds received by Family First may be expended for administrative costs directly associated with the operations of Family First. Up to 20 percent of the funds received by Family First may be expended for promotion and marketing of the license plate. Family First may expend all remaining funds for programs.

**Section 3.** The bill takes 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:**

Persons who apply for the Family First specialty license plate would have to pay a \$25 annual use fee, in addition to the taxes and fees required under s. 320.08, F.S. and a \$2 processing fee. The revenue from the \$25 annual fee for the Family First specialty license plate shall be distributed to Family First. The \$2 processing fee is deposited into the State Transportation Trust Fund of the Department of Transportation. The fiscal impact is indeterminate.

**B. Private Sector Impact:**

Persons who apply for the Family First license plate would have to pay \$25 for the annual use fee and a \$2 processing fee.

**C. Government Sector Impact:**

Current law provides an application fee, not to exceed \$60,000, be paid to the DHSMV to defray the administrative costs of reviewing and developing the new Family First specialty license plate. The Department of Highway Safety and Motor Vehicles has indicated \$60,000 has been collected from the Family First applicant to defray these costs. This fee will be refunded if the license plate is not approved by the Legislature. Any additional cost 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.

**VI. Technical Deficiencies:**

The CS does not give any information on Florida First. A description of an organization and type of charter is commonly used in s. 320.08058, for organizations receiving specialty license plate revenues.

**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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