

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1111 w/CS Parents Make a Difference Specialty License Plate

SPONSOR(S): Johnson

TIED BILLS: **IDEN./SIM. BILLS:** SB 2410

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|---|---------------------|------------------|-----------------------|
| 1) <u>Transportation</u> | <u>20 Y, 0 N</u> | <u>Garner</u> | <u>Miller</u> |
| 2) <u>Finance & Tax</u> | <u>21Y, 2N w/CS</u> | <u>Levin</u> | <u>Diez-Arguelles</u> |
| 3) <u>Transportation & Econ. Dev. Apps. (Sub)</u> | <u></u> | <u>McAuliffe</u> | <u>Hawkins</u> |
| 4) <u>Appropriations</u> | <u></u> | <u></u> | <u></u> |
| 5) <u></u> | <u></u> | <u></u> | <u></u> |

SUMMARY ANALYSIS

The bill creates a "Parents Make a Difference" license plate and establishes a \$25 annual use fee to be paid by purchasers in addition to license taxes and fees. Annual use fees are distributed to the Gathering/USA, Inc., to fund personal counseling for parents, marriage seminars, Dads & Moms That Make a Difference seminars, father/son and mother/daughter retreats, and personal parenting behavioral assessments. The proceeds will be distributed in the following manner:

- Initial proceeds will be retained until startup costs are recovered;
- Up to 5 percent of the proceeds will be spent on administrative costs, and up to 20 percent will be spent on promotion and marketing of the plate;
- All remaining proceeds must be spent furthering the programs described above.

The Gathering/USA, Inc., has completed all statutory requirements for eligibility to seek Legislative approval of its specialty license plate concept.

The bill also creates the "Florida National Guard" license plate and establishes a \$25 annual use fee to be paid by purchasers in addition to license taxes and fees. The proceeds will be distributed as follows:

- The Department of Highway Safety and Motor Vehicles first recovers its costs related to the development and issuance of the license plate;
- The For Giving Foundation is then permitted to recover its documented start up costs, and the remaining proceeds will be distributed by the For Giving Foundation as follows:
 - Up to 5 percent of the proceeds will be spent on administrative costs, and up to 20 percent will be spent on promotion and marketing of the plate;
 - 50 percent of the proceeds will go to the Florida National Guard Foundation;
 - 25 percent shall be given to Florida faith-based s. 501 (c) 3 organizations.

The For Giving Foundation has not completed any of the statutory requirements for eligibility to seek Legislative approval of its specialty license plate concept.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1111d.ap.doc
DATE: March 30, 2004

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

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

Reduce Government?

The bill appears to increase government in that it requires DHSMV to develop and provide for the manufacture of a new license plate, and requires county tax collectors offices to maintain an appropriate inventory and administer the new plate.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

The Florida Legislature created the first specialty license plates in 1986, one commemorating the seven astronauts who died when the space shuttle Challenger exploded after lift-off, and one for each of the nine universities then in the State University System. Since then, the Legislature has authorized seventy-eight more specialty license plates.

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 organizations 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. Under s. 320.08053, F.S., an organization may seek Legislative authorization for a new specialty license plate by meeting a number of requirements.

An organization is first required to submit to the Department of Highway Safety and Motor Vehicles (DHSMV):

- A request for the plate describing it in general terms;
- The results of a professional, independent, and scientific sample survey of Florida residents indicating that 15,000 vehicle owners intend to purchase the plate at the increased cost;
- An application fee of up to \$60,000 defraying DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates; and
- A marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue Legislative action.

If a proposed specialty plate fails to be enacted by the Legislature, DHSMV returns the application fee and other required documents to the organization. If it passes and becomes law, DHSMV notifies the organization, modifies its computer programming to accommodate the new plate, and requests the laminate manufacturer, 3M Company, to produce a prototype. PRIDE at Union Correctional Facility, the contracted manufacturer of license plates, laminates, embosses and roll-coats sample plates that must be submitted to FHP, the Governor, and the Cabinet for approval. Once approval is given, PRIDE begins full production of the plates and distributes them to the Tax Collectors' Offices for sale to the public.

A particular specialty license plate must be discontinued if less than 8,000 plates, including annual renewals, are issued by the end of the fifth year of sales, or during any subsequent five-year period. To date, only three plates have ever been discontinued for lack of sales. These plates are the Girl Scouts plate, the Orlando Predators plate, and the Tampa Bay Storm plate.

The Legislature has authorized 88 specialty license plates to date. Approximately 100 specialty license plates may be available for sale within the next year. Sales of specialty license plates generated more than \$24 million in annual use fee revenues in 2002, and more than \$24.5 million in 2003. Since the program's inception in 1986, the DHSMV has collected annual use fees totaling more than \$225 million.

Florida National Guard License Plate

Section 320.089, F.S., provides any active or retired member of the Florida National Guard, who is a resident of Florida, is eligible to purchase a license plate stamped with the words "National Guard" upon paying the regular annual license taxes and fees. There is no annual use fee for this plate.

Effect of Proposed Changes

The bill creates a "Parents Make a Difference" license plate and establishes a \$25 annual use fee to be paid by purchasers in addition to license taxes and fees. Annual use fees are distributed to the Gathering/USA, Inc., to fund personal counseling for parents, marriage seminars, Dads & Moms That Make a Difference seminars, father/son and mother/daughter retreats, and personal parenting behavioral assessments. The proceeds will be re-distributed in the following manner:

- Initial proceeds will be retained until startup costs are recovered;
- Up to 5 percent of the proceeds will be spent on administrative costs, and up to 20 percent will be spent on promotion and marketing of the plate;
- All remaining proceeds must be spent furthering the programs described above.

The Gathering/USA, Inc., is a national organization based in Orlando, Florida, that promotes the role of fathers and men in the lives of children. According to the organization's website (www.thegathering.org), it has affiliate programs throughout the United States, and is an umbrella organization for its affiliates. The Gathering/USA has city programs and missions in Louisiana, Illinois, Pennsylvania, Ohio, Texas, Florida, and California. According to its website, the Gathering began as a movement led by Dr. John Tolson in 1978 as a means to reach men spiritually by mobilizing Christian men to invite their friends to outreach events in secular settings. The organization's gatherings recruited and trained men to host Outreach Breakfasts, where nationally known speakers would present a message with an evangelistic thrust. Typically 500 to 2000 men would attend such gatherings, including business, professional and government leaders in the community.

The bill also creates the "Florida National Guard" license plate and establishes a \$25 annual use fee to be paid by purchasers in addition to the license fees and taxes. The purchase of this specialty plate is not restricted to active and retired members of the Florida National Guard. The proceeds will be distributed as follows:

- The Department of Highway Safety and Motor Vehicles first recovers its costs related to the development and issuance of the license plate;
- The For Giving Foundation is then permitted to recover its documented start up costs; and the remaining proceeds will be distributed by the For Giving Foundation as follows:
 - Up to 5 percent of the proceeds will be spent on administrative costs, and up to 20 percent will be spent on promotion and marketing of the plate;
 - 50 percent of the proceeds will go to the Florida National Guard Foundation; 25 percent will be given to Florida faith-based s. 501 (c) 3 organizations.

The For Giving Foundation has not completed any of the statutory requirements for eligibility to seek Legislative approval of its specialty license plate concept.

C. SECTION DIRECTORY:

Section 1. Amends s. 320.08056, F.S., providing an annual use fee of \$25 for the Parents Make a Difference and Florida National Guard specialty license plates.

Section 2. Amends s. 320.08058, F.S., creating a Parents Make a Difference specialty license plate and a Florida National Guard specialty license plate, and providing for the distribution of annual use fees collected from their sale.

Section 3. Provides an effective date of July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

| | <u>FY 2003-04</u> | <u>FY 2004-05</u> | <u>FY 2005-06</u> |
|--------------------------------|-------------------|-------------------|-------------------|
| 1. Revenues: | | | |
| HS Op. TF (App. Fee): | \$ 120,000 | \$ -0- | \$ -0- |
| 2. Expenditures: | | | |
| GR (Data Proc.): | \$ 15,120 | \$ -0- | \$ -0- |
| HS Op. TF (Salaries/Bene.): | \$ 30,000 | \$ -0- | \$ -0- |
| (Purch. Plates): | \$ 73,800 | \$ -0- | \$ -0- |
| TOTAL: | \$ 118,920 | \$ -0- | \$ -0- |

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Those persons electing to purchase a Parents Make a Difference or Florida National Guard license plate would be required to pay a \$25 annual use fee in addition to the license taxes and fees that are due annually.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

No exercise of rulemaking authority is required to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

The Finance and Tax Committee heard the bill on March 23, 2004, and an amendment adding an additional specialty license plate for the Florida National Guard was adopted.