

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 445 Save Our Seas and Aquaculture Specialty License Plates
SPONSOR(S): Harrell
TIED BILLS: **IDEN./SIM. BILLS:** SB 2020

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Highway Safety (Sub)	9 Y, 0 N	Garner	Miller
2) Transportation			
3) Finance & Tax			
4) Appropriations			
5)			

SUMMARY ANALYSIS

HB 445 creates the Save Our Seas specialty license plate and the Aquaculture specialty license plate, and establishes an annual use fee of \$25 for each to be paid by purchasers of the plate in addition to license taxes and fees. However, the bill also provides that the annual use fee for each plate is reduced to \$10 if the plate is purchased for vehicles in a commercial fleet of 10 vehicles or more. Annual use fees generated by these plates are distributed to the Harbor Branch Oceanographic Institution, Inc., (Harbor Branch) to benefit the programs supported by the new specialty plates.

Proceeds from the sale of the Save Our Seas license plate will be used to fund various marine research and education programs, while proceeds from the sale of the Aquaculture license plate will be used to conduct scientific research and education on environmentally responsible and sustainable methods of farming freshwater and saltwater organisms such as fish, shellfish, and crustaceans for food, biomedical species for pharmaceutical and nutraceutical compounds, and marine ornamentals for the aquarium trade.

Harbor Branch has satisfied all of the application requirements set forth in s. 320.08053, F.S., and has received authorization from the Department of Highway Safety and Motor Vehicles to seek Legislative approval of these specialty license plates.

On March 3, 2004, the Highway Safety Subcommittee recommended one amendment and then reported the bill favorably. For more details, see the AMENDMENTS/COMMITTEE SUBSTITUTES section of the analysis.

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

STORAGE NAME: h0445a.tr.doc
DATE: March 3, 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 two new license plates, and requires county tax collectors offices to maintain an appropriate inventory and administer the new plates.

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.

Effect of Proposed Changes

HB 445 creates the Save Our Seas specialty license plate and the Aquaculture specialty license plate, and establishes an annual use fee of \$25 for each to be paid by purchasers of the plate in addition to license taxes and fees. However, the bill also provides that the annual use fee for each plate is reduced to \$10 if the plate is purchased for vehicles in a commercial fleet of 10 vehicles or more. Annual use fees generated by these plates are distributed to the Harbor Branch Oceanographic Institution, Inc., (Harbor Branch) to benefit the programs supported by the new specialty plates.

Save Our Seas

After Harbor Branch is reimbursed for its documented costs expended in establishing the license plate, the first annual use fee proceeds shall be used as follows:

- Up to 15 percent may be used for administrative costs directly associated with Harbor Branch marine science and education programs and the Save Our Seas license plate;
- Up to 10 percent may be used for continuing promotion and marketing of the Save Our Seas license plate; and
- 10 percent will be distributed to the Guy Harvey Research Foundation to conduct fisheries and shark research in Florida.

The remaining annual use fee proceeds shall be used to:

- Conduct scientific research and education on marine plants and animals and coastal oceanography in Florida marine waters;
- Collect and analyze long-term data sets on the state's critical marine habitats;
- Determine changes in populations and communities of marine organisms and their impacts on the use of Florida's marine resources;
- Maintain reference collections of scientific specimens and photographic archives of the state's marine plates and animals; and
- Conduct scientific conferences of relevance to Florida's marine resources and their management, utilization, and conservation.

Aquaculture

After Harbor Branch is reimbursed for its documented costs expended in establishing the license plate, the first annual use fee proceeds shall be used as follows:

- Up to 15 percent may be used for administrative costs directly associated with Harbor Branch aquaculture programs and the Aquaculture license plate;
- Up to 10 percent may be used for continuing promotion and marketing of the Aquaculture license plate; and
- 10 percent will be distributed to the Guy Harvey Research Foundation to conduct outreach and education regarding aquaculture in Florida.

The remaining annual use fee proceeds shall be used to conduct scientific research and education on environmentally responsible and sustainable methods of farming:

- Freshwater and saltwater organisms such as fish, shellfish, and crustaceans for food;
- Biomedical species for pharmaceutical and nutraceutical compounds; and
- Marine ornamentals for the aquarium trade.

These remaining annual use fee proceeds will also be used to expand Harbor Branch's educational programs, including secondary school field trips, college degree programs, and other intensive courses, with the objective of increasing aquaculture's contribution to Florida's economy.

Harbor Branch has met all of the application requirements set forth in s. 320.08053, F.S., and has been authorized by DHSMV to seek Legislative approval of these specialty license plates.

C. SECTION DIRECTORY:

Section 1. Amends s. 320.08056, F.S., providing for an annual use fee of \$25, or \$10 for commercial vehicle fleets of more than 10 vehicles, to be collected for the Save Our Seas and Aquaculture license plates.

Section 2. Amends s. 320.08058, F.S., creating a Save Our Seas license plate and an Aquaculture license plate and providing for the distribution of annual use fees.

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):	\$ <u>120,000</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
2. Expenditures:			
GR (Data Proc.):	\$ <u>15,120</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
HS Op. TF (Salaries/Bene.):	\$ <u>30,000</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

(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 Save Our Seas or Aquaculture license plate would be required to pay a \$25 annual use fee in addition to the license taxes and fees that are due annually, except those persons or entities who are purchasing the license plate for a commercial vehicle belonging to a fleet of 10 vehicles or more. In that case, the purchaser would be required to pay only \$10 in addition to the annual license taxes and fees.

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:

The bill provides for a reduced annual use fee for the Save Our Seas and Aquaculture license plates which are purchased for commercial vehicle fleets of more than 10 vehicles. This provision appears to be intended to allow a single owner of more than 10 vehicles, such as a business, to purchase the Save Our Seas or Aquaculture specialty license plates at a reduced price. However, use of the terms "commercial vehicle" and "fleet" may create some confusion since neither commercial vehicles nor vehicles that are part of the fleet vehicle registration program are eligible to bear a specialty license plate. The sponsor of the bill has indicated that she will offer an amendment to clarify this provision.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On March 3, 2004, the Highway Safety Subcommittee recommended one amendment that revised provisions in the bill that reduce the specialty license plate annual use fee for businesses that have a fleet of vehicles that will bear the license plate. The original language in the bill used terms of art concerning commercial motor vehicles and fleet vehicles. The amendment provides that any single owner purchasing more than 10 of the specialty plates created by the bill for vehicles registered to that owner shall pay an annual use fee on only \$10 per plate.