

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.)

Prepared By: Transportation and Economic Development Appropriations Committee

BILL: CS/CS/SB 2238

INTRODUCER: Transportation and Economic Development Appropriations Committee, Transportation Committee and Senator Aronberg

SUBJECT: Homeownership for All License Plate

DATE: March 23, 2006

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|--------------|----------------|-----------|---------------|
| 1. | <u>Woods</u> | <u>Meyer</u> | <u>TR</u> | <u>Fav/CS</u> |
| 2. | <u>Noble</u> | <u>Martin</u> | <u>TA</u> | <u>Fav/CS</u> |
| 3. | _____ | _____ | _____ | _____ |
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I. Summary:

Committee substitute for Senate Bill (CS/CS/SB) 2238 amends s. 320.08058 (58), F.S., to create the "Homeownership For All" license plate, to establish the \$25 annual usage fee and to direct the proceeds from the annual fee to Homeownership For All, Inc. The bill provides that up to 10 percent of the proceeds of the usage fee may be used to promote and market the plate. The remaining proceeds shall be used to help fund programs promoting or supporting affordable housing. The bill allows 10 percent of the Keep Kids Drug Free license plate annual usage fee to be used for marketing and certain administrative costs.

The bill also provides for the name change on the specialty license plate for the Florida Memorial College to Florida Memorial University to reflect a name change approved in December, 2004.

The bill has an effective date of July 1, 2006.

The bill substantially amends sections 320.08056 and 320.08058 of the Florida Statutes.

II. Present Situation:

Specialty License Plates

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.

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 specific terms, including a sample plate conforming to the specifications set by DHSMV.
- The results of a scientific sample survey of Florida motor vehicle owners that indicates at least 30,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs. The Auditor General is required to validate the methodology, results, and any evaluation by DHSMV of the scientific sample survey prior to the submission of the specialty license plate for approval by the Legislature.
- 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 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 is refunded to the requesting organization. The word "Florida" must appear in the same location on each specialty license plate in such a size and location that is clearly identifiable on the license plate.

Section 320.08056, F.S., provides 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 DHSMV 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 DHSMV must discontinue the issuance of an approved specialty plate if the number of valid specialty license plates falls below 1,000 plates (including annual renewals) for at least 12

consecutive months. The DHSMV 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. 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.

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., lists the approved specialty license plates and specifies funding requirements.

Section 320.08062, F.S., requires all organizations receiving annual use fee proceeds from the DHSMV to be responsible for ensuring proceeds are used in accordance with ss. 320.08056 and 320.08058, F.S. Each organization is either subject to an audit or is required to annually attest, under penalties of perjury, that such proceeds were used correctly.

The Legislature has authorized 106 specialty license plates to date. Sales of specialty license plates generated more than \$26 million in annual use fee revenues in 2004, and more than \$29 million in 2005. Since the program's inception in 1986, the DHSMV has collected annual use fees totaling more than \$280 million.

Homeownership For All, Inc.

According to the Department of State, Division of Corporations records, Homeownership For All, Inc., is a not for profit organization located in Orlando, Florida. The organization's specific purpose is to fund programs that promote, provide, or otherwise support affordable housing in Florida. Homeownership For All, Inc., has met all the requirements specified by statute.

III. Effect of Proposed Changes:

Section 1. Amends s. 320.08056, F. S. establishing a \$25 annual usage fee for the "Homeownership For All" license plate. Provides for the name change on the "Florida Memorial College" license plate to "Florida Memorial University" to reflect a name change approved in December, 2004.

Section 2. Amends s. 320.08058, F. S. to create the "Homeownership For All" license plate. Proceeds from the sale of the plate are directed to Homeownership For All, Inc., allowing for up to 10 percent of the proceeds to be used for marketing and promotion of the plate. The remaining proceeds are to be used to fund unspecified programs that support and promote affordable housing in the state. Also, provides that up to 10 percent of the proceeds from the annual use fee for the "Keep Kids Drug Free License" plate may be used for marketing and for administrative costs related to management and distribution of the proceeds.

Section 3. Provides an effective date of July 1, 2006.

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:

None.

B. Private Sector Impact:

Persons who purchase a “Homeownership For All” license plate would pay a \$25 annual usage fee. All proceeds from the plate are to be distributed to Homeownership For All, Inc.

C. Government Sector Impact:

The total expenditures for making the “Homeownership For All” license plate would be \$60,000. This cost would be offset by the application fee.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

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