

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 371 Specialty License Plates

**SPONSOR(S):** Proctor and others

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 734

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Infrastructure</u>	<u>7 Y, 1 N</u>	<u>Suarez</u>	<u>Miller</u>
2) <u>Economic Expansion &amp; Infrastructure Council</u>	<u></u>	<u>Suarez</u>	<u>Tinker</u>
3) <u>Policy &amp; Budget Council</u>	<u></u>	<u></u>	<u></u>
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**SUMMARY ANALYSIS**

HB 371 provides for the creation of a "Visit Our Lights" specialty license plate. The annual use fee of \$25 per tag shall be distributed to the Florida Lighthouse Association, Inc.

Specialty license plates must be specifically authorized by Florida Statute. Section 320.08053, F.S., establishes requirements that organizations must meet to create a new specialty license plate, including a scientific survey performed by an independent sampling firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost, long and short term marketing plans addressing revenues and expenditures, and a \$60,000 application fee, among other requirements. Currently, there are 109 specialty license plates (108 automobile and 1 motorcycle).

The fiscal impact of this bill is approximately \$60,000 to the Department of Highway Safety and Motor Vehicles (DHSMV) for implementation of the new specialty license plate. The fiscal impact will be offset by the application fee of \$60,000 paid to the DHSMV by the sponsoring organization.

The Florida Lighthouse Association, Inc., has met all of the application requirements to pursue legislation for the "Visit Our Lights" specialty license plate. A report from the Auditor General certifying that the organization has met the survey requirements as required in the Florida Statutes is pending.

This act shall take effect July 1, 2008.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Provides Limited Government – The bill appears to increase the size of government in that it requires the Department of Highway Safety and Motor Vehicles (DHSMV) to develop and provide for the manufacture of a new license plate and therefore requires county tax collectors offices to maintain an appropriate inventory and administer the new plate.

#### B. EFFECT OF PROPOSED CHANGES:

##### Present Situation

Currently, 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) the following:

- 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 30,000 vehicle owners intend to purchase the plate at the increased cost;
- an application fee of \$60,000 defraying the 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. Currently, there are 109 specialty license plates (108 automobile and 1 motorcycle).

##### Effect of Proposed Changes

This bill amends ss. 320.08056 and 320.08058, F.S., to authorize the DHSMV to develop and issue a "Visit Our Lights" license plate upon payment of the appropriate license taxes and a \$25 special use fee.

Annual use fees collected from the sale of this license plate shall be distributed to the Florida Lighthouse Association, Inc. They will administer the fees and use the proceeds as follows:

- up to 10 percent of the proceeds for the promotion and marketing of the plate;
- the remaining proceeds shall be used by the association to fund the preservation, restoration, and protection of the 29 historic lighthouses remaining in Florida.

The fiscal impact incurred as a result of this bill is approximately \$60,000. This impact is offset by the \$60,000 application fee Florida Lighthouse Association, Inc., is required to pay. Revenue generated from the sale of this license plate is based on public interest and cannot be predicted.

Florida Lighthouse Association, Inc., has met the application and statutory requirements to pursue legislation for the "Visit Our Lights" specialty license plate. In conformity with s. 320.08053(1)(b), F.S., DHSMV has requested the Auditor General validate that the organization has met all statutory requirements. A report from the Auditor General certifying the same is pending.

C. SECTION DIRECTORY:

**Section 1.** Amends s. 320.08056(4), F.S., providing for a \$25 annual use fee for the "Lighthouse license plate".

**Section 2.** Amends s. 320.08058(65), F.S., creating the "Visit Our Lights" specialty license plate: providing for plate design and providing for the distribution and uses of the annual use fees.

**Section 3.** Provides and effective date of July 1, 2008.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See FISCAL COMMENTS section below.

2. Expenditures:

See FISCAL COMMENTS section below.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons who elect to purchase the specialty license plate will be required to pay an annual use fee of \$25 in addition to applicable taxes and administrative charges. The fee from the "Visit Our Lights" license plate will be distributed to the Florida Lighthouse Association, Inc., for: (1) funding the preservation, restoration, and protection of the 29 historic lighthouses remaining in Florida; and (2) marketing and administrative costs.

It is impossible to determine how many people will purchase the plates because the sale of this license plate will be based on public interest. Therefore, the aggregate impact to the private sector cannot be determined.

D. FISCAL COMMENTS:

Implementation of HB 371 will cost DHSMV approximately \$60,000 in contract programming, development labor, and product purchasing costs for the creation of the "Visit Our Lights" license plate. This fiscal impact is offset by the statutory application fee of \$60,000, which has been submitted to DHSMV by Florida Lighthouse Association, Inc., for the creation of this specialty license plate. If the specialty license plate is not approved by the Legislature, the application fee shall be refunded to Florida Lighthouse Association, Inc.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action 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 additional rule-making authority is required to implement the full provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Drafting Issues

The DHSMV recommends that this act take effect October 1, 2008 instead of July 1, 2008 to allow time for implementation. The sponsor's staff has indicated that the sponsor is willing to offer an amendment to change the effective date.

D. STATEMENT OF THE SPONSOR

No statement submitted.

#### **IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES**

On February 8, 2008, one amendment was adopted by the Infrastructure Committee changing the effective date from July 1, 2008, to October 1, 2008.