

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #: HB 559

FINAL HOUSE FLOOR ACTION:

SPONSOR(S): Metz and others

113 Y's 0 N's

COMPANION SB 724
BILLS:

GOVERNOR'S ACTION: Approved

SUMMARY ANALYSIS

HB 559 passed the House on April 11, 2014, and subsequently passed the Senate on April 24, 2014. The bill relates to military special use license plates issued by the Florida Department of Highway Safety and Motor Vehicles (DHSMV).

The bill renames the Korean Conflict Veteran special use license plate as the Korean War Veteran special use license plate.

The bill also redesigns several special use license plates for military servicemembers or veterans by requiring that the likeness of the relevant campaign medal or badge be placed on the respective plate. Specifically, the bill requires that the following military special use license plates be redesigned: Florida National Guard; United States Armed Forces Reserve; Ex-POW; Pearl Harbor survivor; Operation Desert Storm; Operation Desert Shield; Operation Iraqi Freedom; Operation Enduring Freedom; Combat Action Badge; Vietnam War Veteran; and the renamed Korean Conflict Veteran.

The bill also creates a new military special use license plate for a recipient of the Combat Medical Badge.

On February 21, 2014, the Revenue Estimating Impact Conference estimated this bill would have an insignificant negative fiscal impact on the General Revenue Fund and the State Transportation Trust Fund, and an insignificant positive fiscal impact on the State Homes for Veterans Trust Fund. An estimated negative fiscal impact to the DHSMV of \$52,920 may be absorbed within DHSMV resources.

The bill was approved by the Governor on June 12, 2014, ch. 2014-63, L.O.F., and will become effective on July 1, 2014.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Current Situation

Background

Florida has the third largest population of veterans in the nation with over 1.5 million, behind only California and Texas.¹ Florida has more than 113,000 veterans from World War II, the largest number in the nation.² In addition, approximately 75 percent of Florida's veterans are wartime veterans, including more than 231,000 veterans of the Afghanistan and Iraq wars, and 498,000 Vietnam-era veterans.³ There are approximately 188,500 military retirees who call Florida home.⁴

Florida has a large military population with more than 61,000 military personnel and 12,000 Florida National Guard members.⁵ Another 25,000 civilian personnel are directly associated with the military presence in Florida.⁶

Motor Vehicle License Plates

The DHSMV administers the issuance of motor vehicle license plates as a part of the tag and registration requirements specified in ch. 320, F.S. License plates are issued for a ten-year period and are replaced upon renewal at the end of the ten-year period.⁷ The license plate fee for both an original issuance and replacement is \$28.00.⁸ An advance replacement fee of \$2.80 is applied to the annual vehicle registration and is credited towards the next replacement.⁹ Section 320.08, F.S., requires the payment of an annual license tax, which varies by motor vehicle type and weight. For passenger cars, the base amount may be between \$19.50 and \$44.00, a portion of which is deposited into the General Revenue Fund. For example, a standard passenger car, weighing between 2,500 and 3,499 pounds, carries an annual license tax of \$30.50, of which \$8 is deposited into the General Revenue Fund.¹⁰ Additional statutory fees may apply.

Current law provides for several types of license plates. In addition to license plates issued for governmental or business purposes, the DHSMV offers four basic types of license plates to the general public:

- standard license plates;
- specialty license plates;
- personalized prestige license plates;
- special use license plates.

Special Use License Plates

¹ FDVA, Annual Report Fiscal Year 2012-13, Facts and Figures.

² Id.

³ Id; FDVA, Fast Facts, available at: http://floridavets.org/?page_id=50 (last viewed May 7, 2014).

⁴ Id.

⁵ Florida Defense Factbook, EFI and Haas Center, January 2013, available at: <http://www.enterpriseflorida.com/the-florida-defense-support-task-force/resources/> (last viewed May 7, 2014).

⁶ Id.

⁷ s. 320.06(1)(b), F.S.

⁸ s. 320.06(1)(b), F.S.; DHSMV, Fee Schedule, available at: <http://www.flhsmv.gov/DHSMVfees.htm> (last viewed March 16, 2014).

⁹ s. 320.06(1)(b), F.S.; DHSMV, License Plate Rate Chart, available at: www.flhsmv.gov/dmv/forms/BTR/83140.pdf (last viewed March 16, 2014).

¹⁰ s. 320.06(1)(b), F.S.; DHSMV, Fee Schedule, available at: <http://www.flhsmv.gov/DHSMVfees.htm> (last viewed March 16, 2014).

Certain members of the general public may be eligible to receive a special use license plates if they are able to document their eligibility¹¹ pursuant to various sections of ch. 320, F.S. Special use license plates primarily include military special use license plates as well as plates for the handicapped.

Currently, there are 13 military special use license plates authorized in s. 320.089, F.S., which can be issued to military servicemembers or veterans for the following types of service:¹²

- active or retired member of the Florida National Guard;
- active or retired member of any branch of the United States Armed Forces Reserve;
- former Prisoner of War;
- survivor of Pearl Harbor;
- recipient of the Purple Heart medal;
- servicemember or veteran of Operation Desert Storm;
- servicemember or veteran of Operation Desert Shield;
- servicemember or veteran of Operation Iraqi Freedom;
- servicemember or veteran of Operation Enduring Freedom;
- recipient of the Combat Infantry Badge;
- recipient of the Combat Action Badge;
- veteran of the Vietnam War;
- veteran of the Korean Conflict.

In addition to documenting their eligibility for the military special use license plate, an eligible servicemember or veteran must pay the applicable license tax for his or her vehicle in order to receive the military special use license plate;¹³ however, unlike specialty license plates that benefit professional sports teams, universities and colleges, or other civic organizations, there is no additional fee for the plate itself.

Current law directs the first \$100,000 of revenue generated from the issuance of these military special use license plates into the Grants and Donations Trust Fund.¹⁴ Any additional revenue is deposited into the State Homes for Veterans Trust Fund and used to construct, operate, and maintain domiciliary and nursing homes for veterans.¹⁵ For Fiscal Year 2012-2013, the total revenue from the military special use license plates in s. 320.089, F.S., as well as other military specialty license plates,¹⁶ was \$2,112,491.73.¹⁷

Tax collectors maintain an adequate inventory on hand for each special use license plate. Based on current figures, the DHSMV identified the following information as it relates to military special use license plates:

Plate	Inventory	Active Registrations
Florida National Guard	4,280	5,304

¹¹ See DHSMV form HSMV 83030 for an example of instructions on the required proof of service and/or receipt of a campaign medal or badge, available at: <http://www.flhsmv.gov/specialtytags/miltags.html#ng> (last viewed May 7, 2014). A veteran of the U.S. Armed Forces would present Department of Defense form DD-214.

¹² s. 320.089, F.S.

¹³ Recipients of the special use license plates in s. 320.089, F.S. are required to pay the annual license tax in s. 320.08, F.S., except for survivors of Pearl Harbor, recipients of the Purple Heart medal, and former Prisoners of War.

¹⁴ s. 320.089(1)(b), F.S.

¹⁵ Id.

¹⁶ The Florida Department of Veterans' Affairs receives the revenue generated from the sale of license plates in s. 320.089, F.S., as well as from the U.S. Marine Corps, Army, Navy, Air Force and Coast Guard Plates, U.S. Paratrooper License Plate, Support Our Troops License Plate, and Veterans of Foreign Wars License Plate.

¹⁷ FDVA, 2014 Agency Bill Analysis: HB 559.

U.S. Armed Forces Reserve	4,310	2,223
EX-POW	3,917	962
Pearl Harbor	3,858	144
Purple Heart	8,840	12,782
Operation Desert Storm	2,533	62
Operation Desert Shield	2,475	1
Operation Iraqi Freedom	3,667	3,176
Operation Enduring Freedom	3,793	1,653
Combat Infantry Badge	2,613	214
Combat Action Badge	2,702	112
Vietnam War	3,168	1,762
Korean Conflict	2,720	119
Total	48,876	28,514

Combat Medical Badge

Army regulations provide for three types of combat badges: the Combat Infantryman Badge, the Combat Action Badge, and the Combat Medical Badge.¹⁸ Currently, the DHSMV offers a Combat Action Badge special use license plate and a Combat Infantry Badge special use license plate, but not a Combat Medical Badge special use license plate.

The Combat Medical Badge was created on March 1, 1945.¹⁹ Its evolution stemmed from a requirement to recognize medical aid-men who shared the same hazards and hardships of ground combat on a daily basis with the infantry soldier.²⁰ The Combat Medical Badge was designed to provide recognition to the field medic who accompanies the infantryman into battle and shares the experiences unique to the infantry in combat.²¹

According to the Revenue Estimating Impact Conference, and based on information provided by the U.S. Department of Defense and the Florida Department of Veterans' Affairs, there may be between 10,000 and 50,000 active or retired medics who could have potentially earned the Combat Medical Badge. However, it is unknown how many of these individuals, if eligible, would elect to receive a Combat Medical Badge special use license plate.

Effect of the Bill

The bill renames the Korean Conflict Veteran special use license plate as the Korean War Veteran special use license plate and redesigns that plate and the Vietnam War Veteran special use license plate by requiring that the likeness of the relevant campaign medal or badge be placed on the respective plate. The bill revises statutory references to "Korean Conflict" and "Vietnam Era" to conform to the changes.

The bill also amends s. 320.089, F.S., creating a special use license plate for recipients of the Combat Medical Badge. Upon payment of the license tax for the vehicle as provided in s. 320.08, F.S., and proof of being a recipient of the Combat Medical Badge, the applicant may receive a special use license plate bearing the words "Combat Medical Badge," and a likeness of the badge, followed by the license plate serial number.

The bill further requires that other military-related special use license plates that are not currently stamped with the likeness of the related campaign medal or badge be redesigned. Currently, only two

¹⁸ U.S. Army Regulation 600-8-22, Section II, available at: http://armypubs.army.mil/epubs/600_Series_Collection_1.html (last viewed May 7, 2014).

¹⁹ U.S. Army Human Resources Command, Combat Medical Badge, available at: <https://www.hrc.army.mil/TAGD/Combat%20Medical%20Badge%20CMB> (last viewed May 7, 2014).

²⁰ Id.

²¹ Id.

of the 13 military-related special use license plates are stamped with the likeness of the related campaign medal or badge.

Upon issuance of a redesigned special use license plate, the on-hand inventory with the existing design would become obsolete and be removed from inventory.²² The Purple Heart and the Combat Infantry Badge currently have images related to the campaign medal or badge. Thus, these two plates would not be removed from the current inventory upon this bill becoming law. The DHSMV cost to manufacture a special use license plate with a likeness of a campaign medal or badge is \$2.82, while a license plate with only black lettering is \$1.71.

As a result of the bill, the DHSMV would experience the following changes to the military special use license plate inventory:

Plate	Current Inventory	Redesigned Inventory	Cost Per Plate	Total Cost
Florida National Guard	4,280	1,500	\$ 2.82	\$ 4,230
U.S. Armed Forces Reserve	4,310	1,500	\$ 2.82	\$ 4,230
EX-POW	3,917	1,500	\$ 2.82	\$ 4,230
Pearl Harbor	3,858	1,500	\$ 2.82	\$ 4,230
Purple Heart	8,840	0	\$ 0	\$ 0
Operation Desert Storm	2,533	1,500	\$ 2.82	\$ 4,230
Operation Desert Shield	2,475	1,500	\$ 2.82	\$ 4,230
Operation Iraqi Freedom	3,667	1,500	\$ 2.82	\$ 4,230
Operation Enduring Freedom	3,793	1,500	\$ 2.82	\$ 4,230
Combat Infantry Badge	2,613	0	\$ 0	\$ 0
Combat Action Badge	2,702	1,500	\$ 2.82	\$ 4,230
Vietnam War	3,168	1,500	\$ 2.82	\$ 4,230
Korean Conflict	2,720	1,500	\$ 2.82	\$ 4,230
Combat Medical Badge	0	1,500	\$ 2.82	\$ 4,230
Total	48,876	18,000		\$ 50,760

In addition, the DHSMV will incur programming costs of \$2,160 to implement the provisions of this bill.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The first \$100,000 of revenue generated annually from military special use license plates is deposited into the Grants and Donations Trust Fund and any additional revenue is deposited into the State Homes for Veterans Trust Fund. For Fiscal Year 2012-2013, the total revenue from the military special use license plates in s. 320.089, F.S., as well as other military specialty license plates, was \$2,112,491.73.

The Revenue Estimating Impact Conference met on February 21, 2014, and estimated an insignificant negative fiscal impact on the General Revenue Fund and State Transportation Trust Fund, and an insignificant positive fiscal impact on the State Homes for Veterans Trust Fund.

2. Expenditures:

²² DHSMV, 2014 Agency Bill Analysis: HB 559.

According to the DHSMV, the total cost to create the Combat Medical Badge license plate and redesign the 11 existing special use license plates is \$52,920, which may be absorbed within existing resources. This includes programming costs.

- The initial startup cost to create and manufacture a Combat Medical Badge license plate would be \$4,230. An initial order of 1,500 license plates would be made (1,500 x \$2.82) and distributed to tax collector offices statewide to meet public demand.
- Startup costs to place the 11 redesigned military special use license plates (1,500 of each) in inventory statewide would be \$46,530 (11 x 1,500 x \$2.82).
- Programming costs of \$2,160 are required to implement the provisions of this bill.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

In each jurisdiction, the local tax collector office serves as an agent for various state and local government agencies. When processing motor vehicle registration transactions, the tax collector retains a \$2.50 service fee, and a \$0.50 fee if the transaction is processed at a branch office. The fee is often distributed to the appropriate local governmental entity. To the extent that new Combat Medical Badge special use license plates or redesigned military special use license plates in s. 320.089, F.S., result in new registrations, local governments may see an indeterminate increase in revenue.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Upon passage and implementation of this bill, a redesigned military special use license plate currently authorized by s. 320.089, F.S., may be issued to a current Florida motor vehicle registrant, as a "renewal" license plate as opposed to a "new" license plate. Registration fees and taxes vary based on the type and weight of the vehicle. On average, it costs approximately \$45-50 in taxes and fees for either the renewal of a special use license plate or the first time issuance of a special use license plate in exchange for a standard license plate.

In addition, there is a one-time \$225 fee for a driver who registers a vehicle in Florida for the first time. This fee does not apply to a registrant who renews his or her registration.

A special use license plate would be available to a new group of registrants who are recipients the Combat Medical Badge.

D. FISCAL COMMENTS:

None.