

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/HB 309 Specialty License Plates  
**SPONSOR(S):** Transportation & Infrastructure, Combee  
**TIED BILLS:** **IDEN./SIM. BILLS:**

<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR or BUDGET/POLICY CHIEF</b>
1) Transportation & Infrastructure Subcommittee	15 Y, 0 N, As CS	Johnson	Vickers
2) Transportation & Tourism Appropriations Subcommittee			
3) Government Accountability Committee			

**SUMMARY ANALYSIS**

The bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to create the American Eagle specialty license plate with an annual use fee of \$25.

The annual use fee is distributed to the American Eagle Foundation for deposit in its national endowment fund. The bill requires the American Eagle Foundation to use the proceeds to fund public education programs, rescue and care programs, and other conservation efforts in Florida that benefit bald eagles. The new license plates will display the word "Florida" at the top of the plate and "God Bless America" at the bottom of the plate.

The bill also amends the distribution for the Fallen Law Enforcement Officers specialty license plate to provide that up to 10 percent of the revenue can be used for marketing and the remainder of the proceeds must be distributed to the Police and Kids Foundation, Inc. for its operations, activities, programs, and projects.

The bill will have a negative, but insignificant fiscal impact to state expenditures.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Current Situation

##### Specialty License Plates in General

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and ten Florida collegiate plates. Today, there are over 120 specialty license plates available to any owner or lessee of a motor vehicle who is willing to pay the additional use fee for the privilege, typically \$25 annually.<sup>1</sup> The collected fees are distributed by the Department of Highway Safety and Motor Vehicles (DHSMV) to statutorily designated organizations in support of a particular cause or charity. Vehicles registered under the International Registration Plan, a commercial truck required to display two license plates, or truck tractors are not eligible for specialty license plates.<sup>2</sup>

Only the Legislature may create new specialty license plates. If a specialty license plate is created by law, the following requirements must then be met:

- Within 60 days, the organization must submit an art design, in a medium prescribed by DHSMV.<sup>3</sup>
- Within 120 days, DHSMV must establish a method to issue a specialty license plate voucher to allow for the pre-sale of the specialty plate.<sup>4</sup>
- Within 24 months after the voucher is established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin. If this requirement is not met, the plate is deauthorized and DHSMV must discontinue development of the plate and issuance of the vouchers.<sup>5</sup>

DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid specialty plate registrations falls below 1,000 plates for at least 12 consecutive months. A warning letter is mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations falls below 1,000 plates (does not apply to collegiate license plates).<sup>6</sup>

Organizations in receipt of specialty license plate revenue must adhere to certain accountability requirements found in statute. These requirements include an annual attestation document affirming, under penalty of perjury, that funds received have been spent in accordance with applicable statutes.<sup>7</sup>

##### Fallen Law Enforcement Officer Specialty License Plate

In 2014, the Legislature passed CS/HB 65<sup>8</sup> which, in part, created the Fallen Law Enforcement specialty license plate and authorized a \$25 fee for the license plate.<sup>9</sup> The bill requires the annual use fees from the Fallen Law Enforcement Officer's license plates to be distributed to the Police and Kid's Foundation, Inc. The 2014 bill authorized a maximum of 10 percent of the proceeds to be used to promote and market the plate. That bill provided that remainder of the proceeds were to be used to invest and reinvest, and the interest earnings are to be used for the operation of the Police and Kids Foundation, Inc.

#### Proposed Changes

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<sup>1</sup> Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates Index*, <http://www.flhsmv.gov/dmv/specialtytags/> (last visited December 21, 2016)

<sup>2</sup> s. 320.08056(2), F.S.

<sup>3</sup> s. 320.08053(1), F.S.

<sup>4</sup> s. 320.08053(2)(a), F.S.

<sup>5</sup> s. 320.08053(2)(b), F.S.

<sup>6</sup> s. 320.08056 (8)(a), F.S.

<sup>7</sup> s. 320.08062, F. S.

<sup>8</sup> Chapter 2014-168, L.O.F.

<sup>9</sup> Section 320.08053(4)(bbbb), F.S.

### Fallen Law Enforcement Specialty License Plate

The bill clarifies the distribution of the Fallen Law Enforcement Officer specialty license plate. The bill keeps the maximum of 10 percent of the proceeds for marketing the license plate. It provides that the remaining proceeds are to be used for the operations, activities, programs, and projects of the Police and Kids Foundation, Inc..

Based in Brooksville, Florida, the Police and Kids Foundation, Inc., is a non-profit corporation. Its first objective is to provide funding for responding police officers to help a child in need. This assistance may include items such as food, clothing, and the replacement of lost or damaged property. The foundation also created a scholarship for at least one senior student at the Pinellas Park High School Criminal Justice Academy.<sup>10</sup>

### American Eagle Specialty License Plate

The bill directs the DHSMV to develop an American Eagle license plate, with an annual use fee of \$25, bearing the colors and design approved by DHSMV. The word "Florida" must appear at the top of the plate and "God Bless America" must appear at the bottom of the plate.

DHSMV retains all annual use fees from the sale of the American Eagle license plate until all startup costs for developing and issuing the license plate have been recovered.<sup>11</sup> Thereafter, the annual use fees from the sale of the American Eagle license plate are distributed to the American Eagle Foundation for deposit in its national endowment fund. The American Eagle Foundation is required to use the proceeds to fund public education programs, rescue and care programs, and other conservation efforts that benefit bald eagles.

Based in Pigeon Forge, Tennessee, the American Eagle Foundation is a not-for-profit organization whose mission is to protect the bald eagle and other birds of prey through education, re-population, conservation, and rehabilitation.<sup>12</sup>

## B. SECTION DIRECTORY:

Section 1 amends s. 320.08056, F.S., relating to specialty license plates.

Section 2 amends s. 320.08058, F.S., relating to specialty license plates.

Section 3 provides an effective date of October 1, 2017.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

DHSMV estimates that it will incur \$7,245 in programming costs associated with creating a new specialty license plate.<sup>13</sup> These costs are expected to be absorbed within existing resources.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

None.

<sup>10</sup> Police and Kids Foundation Website <http://www.policeandkids.com/about/>(Last visited February 14, 2017).

<sup>11</sup> DHSMV no longer retains the annual use fees to offset startup costs since s. 320.08053, F.S., now provides for a presale process.

<sup>12</sup> American Eagle Foundation website: <https://www.eagles.org/> (Last visited January 27, 2017).

<sup>13</sup> Department of Highway Safety and Motor Vehicles Bill Analysis of HB 309. Page 4.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Revenue from the sale of the American Eagle specialty license plate will benefit the American Eagle Foundation and its work to support bald eagles

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

**Comments**

Section 320.08056(10)(a), F.S., provides that fees and interest earned from specialty license plates fees may be expended only for use in this state unless the annual used fee is derived from the sale of United States Armed Forces and veterans-related specialty license plates. While the bill indicates that the revenue will be used in Florida, the American Eagle Foundation is not registered with the Department of State as a corporation.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 15, 2017, the Transportation & Infrastructure Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The strike-all amendment revised the distribution of funds for the Fallen Law Enforcement Officer specialty license plate and made a technical change to the American Eagle specialty license plate.

This analysis is drafted to the committee substitute