

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: CS/CS/SB 56

INTRODUCER: Transportation Committee and Senators Bean and Baxley

SUBJECT: Specialty License Plates

DATE: April 3, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Jones</u>	<u>Miller</u>	<u>TR</u>	<u>Fav/CS</u>
2.	<u>Wells</u>	<u>Pitts</u>	<u>ATD</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 56 directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop a Ducks Unlimited specialty license plate, establishes a \$25 annual use fee for the plate, and provides the distribution and use of fees collected from the sale of the plate.

The bill also amends the distribution of the Fallen Law Enforcement Officers specialty license plate, providing the Police and Kids Foundation, Inc. the ability to use proceeds from the sale of the plate for the foundation, rather than use only the interest earned on those proceeds.

The DHSMV estimates programming and implementation will cost \$7,245. The DHSMV is authorized to retain revenues from the first proceeds of sales to defray departmental costs.

The bill takes effect October 1, 2017.

II. Present Situation:

Specialty License Plates

Presently, there are over 120 specialty license plates available for purchase in Florida.¹ Specialty license plates are available to an owner or lessee of a motor vehicle who is willing to pay an

¹ A list of Florida's specialty license plates is available on the DHSMV website at <http://www.flhsmv.gov/dmv/specialtytags/> (last visited Feb. 14, 2017).

annual use fee, ranging from \$15 to \$25, paid in addition to required license taxes and service fees.² The annual use 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.³

In order to establish a specialty license plate, s. 320.08053, F.S., requires the plate must first be adopted into statute. Upon becoming law:

- Within 60 days, the organization must submit an art design for the plate, in a medium prescribed by the DHSMV;
- Within 120 days, the DHSMV must establish a method to issue pre-sale vouchers for the approved specialty license plate; and
- Within 24 months after the pre-sale vouchers are established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin.

If, at the end of the 24-month pre-sale period, the minimum sales requirement has not been met, the DHSMV will discontinue the plate and issuance of the pre-sale voucher. Upon discontinuation, a purchaser of a presale voucher may use the annual use fee as a credit towards any other specialty license plate or apply for a refund with the DHSMV.⁴

The annual use fees collected by an organization and any interest earned from the fees may be expended only for use in this state unless the annual use fee is derived from the sale of specified United States Armed Forces and veterans-related specialty plates.⁵ Additionally, organizations must adhere to certain accountability requirements, including an annual audit or attestation document affirming that funds received have been spent in accordance with applicable statutes.⁶

DHSMV Costs Defrayed

The DHSMV retains sufficient annual use fees, from the sale of the specialty plates, to defray its costs for inventory, distribution, and other direct costs associated with the specialty license plate program. The remainder of the proceeds collected are distributed as provided by law.⁷

Discontinuance of Specialty Plates

The 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 is below 1,000 plates. Collegiate plates are exempt from the minimum plate requirement.⁸ The specialty license plate must also be discontinued if the organization no longer exists, stops providing services that are authorized to be funded from the annual use fee proceeds, or pursuant to an organizational recipient's request.⁹

² Section 320.08056, F.S.

³ Section 320.08058, F.S.

⁴ Section 320.08053(2)(b), F.S.

⁵ Section 320.08056(10)(a), F.S.

⁶ Section 320.08062, F.S.

⁷ Section 320.08056(7), F.S.

⁸ Section 320.08056(8)(a), F.S.

⁹ Section 320.08056(8)(b), F.S.

Ducks Unlimited, Inc.¹⁰

Ducks Unlimited, Inc. is a non-profit, volunteer-based organization whose mission is to conserve, restore, and manage wetlands and associated habitats for North America's waterfowl. The organization was created in 1937, and currently has habitat projects in all 50 states, every Canadian province, and key areas of Mexico and Latin America. According to the Ducks Unlimited website, Ducks Unlimited is the world's leader in wetlands and waterfowl conservation organization.

In Fiscal Year 2016, the organization reported receiving revenues and support of over \$221 million, with 84 percent going to wetlands and waterfowl conservation and education.¹¹

Fallen Law Enforcement Officers Specialty License Plate

The Fallen Law Enforcement Officers specialty license plate was created by law in 2014¹² with an annual fee of \$25. As of February 1, 2017, the plate had 4,689 active registrations.¹³ Currently, proceeds from sale of the plate are distributed to the Police and Kids Foundation, Inc., which may use a maximum of 10 percent of the proceeds to promote and market the plate, and the remaining proceeds are invested and reinvested. The foundation is authorized to use the interest earnings from such investments for the operation of the foundation.¹⁴

III. Effect of Proposed Changes:

The bill directs the DHSMV to create a Ducks Unlimited specialty license plate, with an annual fee of \$25 to be distributed to Ducks Unlimited, Inc. The organization may use up to 5 percent of the fees for administrative costs and marketing of the plate, and at least 95 percent of fees must be used in Florida to support the organization's mission and efforts for the conservation, restoration, and management of Florida wetlands and associated habitats for the benefit of waterfowl, other wildlife, and people.

The plate must bear the colors and design approved by the DHSMV, with the word "Florida" at the top of the plate, and the words "Conserving Florida Wetlands" at the bottom of the plate.

The bill also amends the distribution of the Fallen Law Enforcement Officers specialty license plate to allow the Police and Kids Foundation, Inc. to use at least 90 percent of the proceeds of the license plate sales (rather than just the interest earnings thereon) for the foundation's operations, activities, programs, and projects.

The bill takes effect October 1, 2017.

¹⁰ See Ducks Unlimited website, <http://www.ducks.org/> (last visited Feb. 13, 2017).

¹¹ Ducks Unlimited website, *2016 Annual Report*, <http://www.ducks.org/about-ducks-unlimited/ducks-unlimited-financial-information/du-2016-annual-report> (last visited Feb. 13, 2017).

¹² Chapter 2014-168, Laws of Florida

¹³ DHSMV website, *Monthly Active Specialty Plates* (February 2017), available at <https://services.flhsmv.gov/specialtyplates/ActivePlates.aspx> (last visited Feb. 21, 2017).

¹⁴ Section 320.08058(80), F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Individuals who choose to purchase a Ducks Unlimited specialty license plate will pay a \$25 annual use fee in addition to appropriate license taxes and fees. Ducks Unlimited, Inc., will receive revenue from each Ducks Unlimited plate purchase.

The Police and Kids Foundation, Inc. will be able to use the proceeds from the sale of the Fallen Law Enforcement Officers license plate (rather than only the interest earnings on those proceeds) for its operations, activities, programs, and projects.

C. Government Sector Impact:

The DHSMV estimates programming and implementation of the new license plate will cost \$7,245.¹⁵ The DHSMV is authorized to retain revenues from the first proceeds of specialty license plate sales to defray departmental expenditures related to the specialty license plate program.¹⁶

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

¹⁵ DHSMV, *2017 Agency Legislative Bill Analysis: SB 56* (Jan. 6, 2017) (on file with the Senate Committee on Transportation).

¹⁶ Section 320.08056(7), F.S.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 320.08056 and 320.08058.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Transportation on February 21, 2017:

The CS:

- Clarifies that Ducks Unlimited, Inc. is to use the proceeds received from the Ducks Unlimited specialty plate within Florida.
- Amends the distribution of the Fallen Law Enforcement Officers specialty license plate to allow the Police and Kids Foundation, Inc. to use the remaining proceeds from the sale of the plate, after up to 10 percent is used for marketing, for the organization's operations, activities, programs, and projects.

- B. **Amendments:**

None.