

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 Committee on Transportation

BILL: SB 1050

INTRODUCER: Senators Bracy and Stewart

SUBJECT: Specialty License Plates/Orlando City Soccer Club

DATE: February 2, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jones	Miller	TR	Pre-meeting
2.	_____	_____	ATD	_____
3.	_____	_____	AP	_____

I. Summary:

SB 1050 directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop an Orlando City Soccer Club 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 DHSMV estimates programming and implementation of the bill will cost \$7,680. The DHSMV is authorized to retain revenues from the first proceeds of specialty license plate sales to defray departmental costs.

The bill takes effect October 1, 2018.

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 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

¹ A list of Florida's specialty license plates is available on the DHSMV website at <http://www.flhsmv.gov/dmv/specialtytags/> (last visited Jan. 31, 2018).

² Section 320.08056, F.S.

³ Section 320.08058, F.S.

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 is authorized to retain sufficient annual use fees from the sale of specialty plates to defray its costs for inventory, distribution, and other direct costs associated with the 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 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 for Florida universities are exempt from the minimum plate requirement.⁸ In addition, DHSMV is authorized to discontinue any specialty license plate 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

Florida Professional Sports Team Specialty License Plates

Section 320.08058(9), F.S., directs the DHSMV to develop Florida Professional Sports Team specialty license plates for the Major League Baseball, National Basketball Association, National Football League, Arena Football League, National Hockey, and Major League Soccer teams

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.

domiciled in this state.¹⁰ Fifty-five percent of the annual use fee proceeds from these plates is distributed to the Professional Sports Development Trust Fund within the Department of Economic Opportunity to attract and support major sports events in the state. The remaining proceeds are allocated to Enterprise Florida, Inc., to:

- Promote the economic development of the sports industry;
- Distribute licensing and royalty fees to participating professional sports teams;
- Promote education programs in Florida schools that provide an awareness of the benefits of physical activity and nutrition standards;
- Recognize schools whose students demonstrate excellent physical fitness or fitness improvement;
- Institute a grant program for communities bidding on minor sporting events that create an economic impact for the state;
- Distribute funds to Florida-based charities designated by Enterprise Florida and participating professional sports teams; and
- Fulfill the sports promotion responsibilities of the Department of Economic Opportunity.

Orlando City Soccer Club

The Orlando City Soccer Club is a professional Major League Soccer team based in Orlando, Florida. The team was formed in 2010, and competes as a member of Major League Soccer's Eastern Conference. The Orlando City Soccer Club became the league's twenty-first franchise on November 19, 2013.¹¹

III. Effect of Proposed Changes:

The bill directs the DHSMV to develop an Orlando City Soccer Club specialty license plate, with an annual use fee of \$25. Proceeds from the sale of the plate will be distributed in the same manner as all Florida Professional Sports Team specialty license plates annual use fees, as provided in s. 320.08058(9), F.S.

The plate must bear the colors and design approved by the DHSMV and must include the official league logo, team logo, or both, and the word "Florida" at the top of the plate.

The bill takes effect October 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

¹⁰ However, a plate created or established after January 1, 1997, must comply with the statutory requirements for creation of specialty license plates and be authorized by the Legislature. Current Florida professional sports specialty license plates include the: Florida Panthers, Jacksonville Jaguars, Miami Dolphins, Miami Heat, Miami Marlins, Orlando Magic, Tampa Bay Buccaneers, Tampa Bay Rays, and Tampa Bay Lightning.

¹¹ See Orlando City Soccer Club website, <http://www.orlandocitysc.com/> (last visited Jan. 31, 2018).

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 the Orlando City Soccer Club specialty license plate will pay a \$25 annual use fee in addition to appropriate license taxes and fees.

The bill may have a positive fiscal impact on organizations that receive a portion of the proceeds from the sale of the specialty license plate.

C. Government Sector Impact:

The DHSMV estimates programming and implementation of the plate will cost \$7,680.¹² 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.¹³

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

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

¹² DHSMV, *2018 Agency Legislative Bill Analysis: SB 1050* (Jan. 12, 2018) (on file with the Senate Committee on Transportation).

¹³ Section 320.08056(7), F.S.

IX. Additional Information:

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

None.

- B. **Amendments:**

None.

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