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.)

| he Professiona | I Staff of th | ne Committee on | Military and Vetera | ans Affairs, Spac | e, and Domestic Security | |
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| SB 1170 | | | | | | |
| Senator Perry | | | | | | |
| Transportation | | | | | | |
| January 17, | 2018 | REVISED: | | | | |
| YST | STAFF | DIRECTOR | REFERENCE | | ACTION | |
| | Ryon | | MS | Favorable | | |
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I. Summary:

SB 1170 directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop the Ethical Ecotourism specialty license plate, establishes a \$25 annual use fee for the plate, and provides for the fees collected from the sale of the plate to be distributed equally to the Florida Society of Ethical Ecotourism and Paddle Florida, Inc.

The bill also directs the DHSMV to develop the Bronze Star special military license plate. The plate is available to recipients of the Bronze Star Medal upon application, proof of receipt of the medal, and payment of the required license tax. The DHSMV must also develop a second Bronze Star plate with the "V" device emblem for Bronze Star Medal recipients who were awarded the medal for valor.

Finally, the bill revises existing language within s. 320.089, F.S., relating to special military license plates, to provide clarity, and specifies that the current plate for former prisoners of war must include a likeness of the Prisoner of War Medal.

The DHSMV will incur programming and production costs to implement the bill.

The bill takes effect on July 1, 2018.

II. Present Situation:

License Plates

Current law provides for several types of license plates. In addition to plates issued for governmental or business purposes, the Florida Department of Highway Safety and Motor Vehicles (DHSMV) offers four basic types of plates to the general public:

• Standard plates;

- Specialty license plates;
- Personalized prestige license plates; and
- Special use license plates.

Specialty License Plates

Presently, there are over 120 specialty license plates available for purchase in Florida. 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. 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.

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.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 license 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

The DHSMV is authorized to retain sufficient annual use fees from the sale of specialty license 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

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 license plate registrations is below 1,000 plates. In addition, DHSMV is authorized to discontinue any specialty license plate if the organization no longer exists, stops

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. 11, 2018).

² Section 320.08056, F.S.

³ Section 320.08058, F.S.

⁴ 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. See s. 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.

providing services that are authorized to be funded from the annual use fee proceeds, or pursuant to an organizational recipient's request.⁸

Special Use License Plates

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

Currently, there are 21 special military license plates authorized in s. 320.089, F.S., available to military service members or veterans. Special military license plates are stamped with words consistent with the type of plate issued. Additionally, a likeness of the related campaign medal or badge appears on the plate. For example, a special military license plate issued to a former member of the U.S. military who deployed and served in Vietnam is stamped with the words "Vietnam War Veteran" and includes a likeness of the Vietnam Service Medal. 11

Applicants for special military license plates under s. 320.089, F.S., are required to pay the annual license tax in s. 320.08, F.S., with the exception of those who qualify for the Prisoner of War plate or certain disabled veterans who qualify for the Pearl Harbor or Purple Heart plate, to whom such plates are issued at no cost.¹²

With the exception of Woman Veteran plates, ¹³ the first \$100,000 of revenue generated annually from the sale of special military license plates is deposited into the Grants and Donations Trust Fund under the Veterans' Nursing Homes of Florida Act, as described in s. 296.38(2), F.S. Additional revenue is deposited into the Operations and Maintenance Trust Fund operated by the Florida Department of Veterans' Affairs pursuant to s. 20.375(3), F.S., and used to support program operations that benefit veterans or the operation, maintenance, or construction of state-run domiciliary and nursing homes for veterans. ¹⁴

⁸ Section 320.08056(8)(b), F.S.

⁹ The 21 special military license plates currently offered in s. 320.089, F.S., include the following: Veteran, Woman Veteran, World War II Veteran, Korean War Veteran, Vietnam War Veteran, Operation Desert Shield, Operation Desert Storm, Operation Enduring Freedom, Operation Iraqi Freedom, National Guard, U.S. Reserves, Navy Submariner, Pearl Harbor survivor, Combat Infantry Badge, Combat Medical Badge, Combat Action Badge, Combat Action Ribbon, Air Force Combat Action Medal, Distinguished Flying Cross, Purple Heart, and former Prisoner of War.

¹⁰ For plate samples, see Department of Highway Safety and Motor Vehicles, *Military License Plates*, http://www.flhsmv.gov/specialtytags/miltags.html (last visited Jan. 11, 2018).

¹¹ See s. 320.089(5), F.S.

¹² Section 320.089(1)(d) and (2), F.S.

¹³ Revenue generated from the sale of the Woman Veteran plates is deposited into the Operations and Maintenance Trust Fund and must be used solely for the purpose of creating and implementing programs to benefit woman veterans. Section 320.089(1)(c), F.S.

¹⁴ Section 320.089(1)(b), F.S.

Florida Society for Ethical Ecotourism

The International Ecotourism Society defines "ecotourism" as responsible travel to natural areas that conserves the environment and improves the well-being of local people. ¹⁵ The Florida Society for Ethical Ecotourism (Florida SEE) was incorporated in 2001 to establish and maintain a professional code of ecotourism ethics in order to encourage an awareness and stewardship of Florida's natural heritage. ¹⁶ Florida SEE is governed by a voluntary board of directors to include individuals, ecotourism providers, tourism planners, protected area managers, academics, tourism associations, students, and travelers. Florida SEE membership categories include associate (\$50 annually), individual (\$25 annually), and student (\$10 annually). ¹⁷

As part of their operations, Florida SEE:

- Endorses compliance with federal, state, and local laws regarding the protection of natural resources and customer safety;
- Encourages ecotourism providers to provide environmental education and awareness to their clients and promote behaviors that contribute to the sustainability of Florida's natural ecosystems and resources; and
- Promotes professionalism and integrity within the ecotourism industry by maintaining a certification program for Florida ecotourism providers. ¹⁸

Florida SEE's certification program recognizes ecotourism providers who contribute to the environmental, social, and economic sustainability of Florida. ¹⁹ Certified providers are promoted by Florida SEE through social media, press releases, newsletters, and other publications distributed to businesses and tourism destination organizations. Certification is available only to associate members. According to Florida SEE's website, there are over 60 associate Florida SEE members, of which 10 are certified ecotourism providers. ²⁰

Paddle Florida, Inc.

Paddle Florida, Inc., is a non-profit corporation incorporated in 2011 to support canoeing and kayaking in Florida and seeks to promote the state as an international destination for nature-based tourism. ²¹ The organization hosts multi-day paddling events in each of Florida's five water management districts raising awareness for water conservation, wildlife preservation, restoration of springs and protection of waterways. ²² Approximately 350-450 individuals participate in each paddle event. ²³

https://s3.amazonaws.com/Ocoos_Sp_Content/2795/spdocument/paddle_fl_2016_990-a8568c60a4c6512c6ff9ec697009124e.pdf (last visited Jan. 16, 2018).

¹⁵ Florida Society for Ethical Ecotourism (SEE), *Ecotourism*, https://www.floridasee.org/ecotourism.php (last visited Jan. 11, 2018).

¹⁶ Florida SEE, About Florida SEE, http://www.floridasee.org/about_florida_see.php (last visited Jan. 11, 2018).

¹⁷ Florida SEE, *Membership*, https://www.floridasee.org/membership.php (last visited Jan. 11, 2018).

¹⁸ Florida SEE Articles of Incorporation (Jan. 10, 2001), available at

 $[\]underline{\underline{http://search.sunbiz.org/Inquiry/CorporationSearch/ByName}} \ (last\ visited\ Jan.\ 16,\ 2018).$

¹⁹ Florida See, Certification, https://www.floridasee.org/certification.php (last visited Jan. 11, 2018).

²⁰ Florida SEE, Associate Members, https://www.floridasee.org/associate members.php (last visited Jan. 11, 2018).

²¹ Paddle Florida, http://www.paddleflorida.org/ (last visited Jan. 11, 2018).

²² Paddle Florida, Inc., IRS Form 990, Schedule O, Statement 2 (2016), 2,

²³ Id.

Paddle Florida staff scout waterways in advance of these events to ensure safe tours and partner with local outfitters to provide equipment rentals for participants. Additionally, Paddle Florida hosts Florida-based entertainment and educational programming during each event.²⁴ The organization's website lists seven scheduled paddling events for the 2017-2018 season.

Paddle Florida is recognized by Florida SEE as one of its certified providers.²⁵

Bronze Star Medal

The Bronze Star Medal was established on February 4, 1944, to recognize those who served after December 6, 1941, in any capacity in or with the Armed Forces of the United States or a friendly foreign nation. The Bronze Star Medal is awarded to a person who distinguished himself or herself by heroic or meritorious service, not involving participation in aerial flight, in connection with military operations against an armed enemy; or while engaged in military operations involving conflict with an opposing armed force in which the United States is not a belligerent party. When the Bronze Star Medal is awarded for valor, the "V" device 8 is authorized.

Recipients of the Bronze Star Medal must have been receiving imminent danger pay while serving in a geographic area authorized for special pay or as a result of those events.²⁹ In order of precedence, the Department of Defense (DoD) places the Bronze Star Medal seventh amongst DoD wide military decorations and awards following the Distinguished Flying Cross and preceding the Purple Heart.³⁰ Since its inception, the Bronze Star Medal has been awarded to over 1.3 million recipients.³¹ Of those recipients, more than 176,000 were awarded the Bronze Star Medal with a "V" device for valor.³²

III. Effect of Proposed Changes:

Sections 1 and 2 of the bill amend ss. 320.08056 and 320.08058, F.S., respectively, to require the Department of Highway Safety and Motor Vehicles (DHSMV) to create the Ethical Ecotourism specialty license plate. The plate has an annual use fee of \$25. The word "Florida" must appear at the top of the plate, and words approved by the DHSMV must appear at the bottom.

²⁴ Supra note 21.

²⁵ Supra note 20.

²⁶ Department of the Army, *Military Awards*, *Army Regulation 600-8-22*, 50 (June 25, 2015), https://armypubs.army.mil/epubs/DR_pubs/DR_a/pdf/web/r600_8_22.pdf (last visited Jan. 11, 2018). ²⁷ Id.

²⁸ The "V" device is a bronze block letter worn to denote participation in acts of heroism involving conflict with an armed enemy. Supra note 26 at 74.

²⁹ 10 U.S.C. 1133.

³⁰ Department of Defense, *DoD Manual 1348.33*, *Vol. 3* (December 21, 2016).

³¹ U.S Army Human Resources Command, *Awards and Decorations Statistics by Conflict* (Dec. 31, 2016), available at https://www.hrc.army.mil/content/Awards%20and%20Decorations%20Statistics%20by%20Conflict (last visited Jan. 11, 2018).

³² Id.

The annual use fee from the sale of the Ethical Ecotourism plate will be distributed equally between the Florida Society for Ethical Ecotourism (Florida SEE) and Paddle Florida, Inc. Florida SEE must use its share of the proceeds to provide environmental education and awareness that encourages behaviors that contribute to the sustainability of Florida's natural ecosystems and resources. Paddle Florida, Inc., must use its share of the proceeds to raise awareness about water conservation, wildlife preservation, restoration of springs, and protection of waterways in this state. The organizations may use up to 10 percent of the proceeds for administrative costs and to market the plate.

Section 3 of the bill amends s. 320.089, F.S., to direct the DHSMV to create two military special license plates for recipients of the Bronze Star Medal and recipients of the Bronze Star Medal with the "V" device for valor. One plate will be stamped with the words "Bronze Star" and a likeness of the Bronze Star Medal followed by the serial number of the plate. The other plate will be stamped with the words "Bronze Star" and a likeness of the Bronze Star Medal with the "V" device emblem followed by the serial number of the plate.

To receive one of the Bronze Star plates an individual must submit an application to the DHSMV, provide proof that he or she is a Bronze Star Medal or Bronze Star Medal with the "V" device recipient, and pay the appropriate license tax as provided in s. 320.08, F.S.

This bill also revises existing language within s. 320.089, F.S., to provide clarity, and specifies that the special military license plate for former prisoners of war must include a likeness of the Prisoner of War Medal. Currently, the plate must only be stamped with the words "Ex-POW."

The bill takes effect on July 1, 2018.

IV. Constitutional Issues:

| Α. | Municina | lity/County | Mandatas | Restrictions: |
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| Α. | IVIUITICIDA | mic/County | Manuales | RESUICIONS. |

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 obtain the Ethical Ecotourism specialty license plate must remit a fee of \$25 in addition to the tax and fees levied upon the issuance of a standard license plate.

Bronze Star Medal recipients who choose to obtain one of the Bronze Star special military license plates will pay the same tax and fee as if he or she were issued a standard license plate.

C. Government Sector Impact:

The Department of Highway Safety and Motor Vehicles (DHSMV) estimates a fiscal impact to the department of \$11,580 in FTE resources for the programming required to implement the provisions of the bill.³³ The DHSMV is authorized to retain revenues from the first proceeds of the Ethical Ecotourism specialty license plate to defray departmental expenditures related to the plate.³⁴

The bill may have a positive impact on the Florida Department of Veterans' Affairs' Grants and Donations Trust Fund and Operations and Maintenance Trust Fund from the sale of the Bronze Star license plates.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 320.08056, 320.08058, and 320.089.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

³³ DHSMV, *Senate Bill 1170 Agency Bill Analysis* (Jan. 8, 2018) (on file with the Senate Committee on Military and Veterans Affairs, Space, and Domestic Security).

| R | Amend | ments. |
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| 1). | | 111121113 |

None.

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