

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/HB 451 Specialty License Plates  
**SPONSOR(S):** Tourism, Infrastructure & Energy Subcommittee, Hage and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 958

<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR or BUDGET/POLICY CHIEF</b>
1) Tourism, Infrastructure & Energy Subcommittee	14 Y, 0 N, As CS	Johnson	Keating
2) Infrastructure & Tourism Appropriations Subcommittee	12 Y, 0 N	Evans	Davis
3) Commerce Committee			

**SUMMARY ANALYSIS**

Approximately 120 specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay the additional annual use fee for such plate. 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.

The bill creates the Honor Flight specialty license plate with an annual use fee of \$25. The plate must bear DHSMV-approved colors and designs with “Florida” appearing at the top of the plate and “Honor Flight” appearing at the bottom of the plate. The annual use fees are distributed equally among Florida’s Honor Flight Network hubs. The bill also authorizes the annual use fee from the sale of the Honor Flight license plate to be spent outside of the State of Florida.

The bill will have a negative, but insignificant, fiscal impact to state expenditures associated with DHSMV’s programming costs associated with the creation of the specialty license plate. These costs can be absorbed within existing resources.

The bill has an effective date of October 1, 2021.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Current Situation

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 approximately 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> Current law provides that if the Legislature<sup>2</sup> has approved 150 or more specialty license plates, the Department of Highway Safety and Motor Vehicles (DHSMV) may not make any new specialty license plate available for design or issuance until a sufficient number of plates are discontinued<sup>3</sup> so that the number of plates being issued does not exceed 150.<sup>4</sup>

#### Establishment of Specialty License Plates

Section 320.08053, F.S., provides the statutory requirements to establish a specialty license plate. If a specialty license plate requested by an organization is approved by law, the organization submits its proposed art design to DHSMV as soon as practicable, but no later than 60 days after the act approving the plate becomes a law.<sup>5</sup>

Within 120 days after the act approving the specialty license plate becomes law, DHSMV must establish a method to issue a voucher allowing for the presale of the plate. A \$5 processing fee,<sup>6</sup> a service charge and branch fee,<sup>7</sup> and an annual use fee for the specialty license plate are charged for the voucher. All other applicable fees are charged at the time the license plate is issued.<sup>8</sup>

Within 24 months after establishing a presale specialty license plate voucher, the approved specialty license plate organization must record with DHSMV a minimum of 3,000 voucher sales<sup>9</sup> before the license plate may be manufactured. If, at the conclusion of the 24-month presale period, the minimum sales requirement is not met, the specialty license plate is deauthorized and DHSMV discontinues the plate's development and the issuance of the presale vouchers. Upon deauthorization of the specialty license plate, a purchaser of the specialty license plate voucher may use the annual use fee collected as a credit towards any other specialty license plate or apply to DHSMV for a refund.<sup>10</sup>

New specialty license plates that have been approved by law, but are awaiting issuance, will be issued in the order they appear in s. 320.08058, F.S.,<sup>11</sup> if all statutory requirements, including the presale requirement, have been met. If the next awaiting specialty license plate has not met its presale requirement, DHSMV proceeds in the order provided in s. 320.08058, F.S., to identify the next qualified specialty license plate that has met the presale requirement. DHSMV must cycle through the list in statutory order.<sup>12</sup>

If the Legislature has approved 150 or more specialty license plates, DHSMV may not make any new specialty license plates available for design or issuance until a sufficient number of plates are

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<sup>1</sup> S. 320.08056(3)(d), F.S., provides that except if specifically provided in s. 320.08056(4), the annual use fee for a specialty license plate is \$25.

<sup>2</sup> Creation of a specialty license plate requires an act of the Legislature.

<sup>3</sup> Specialty license plates are discontinued pursuant to s. 320.08056(8), F.S.

<sup>4</sup> S. 320.08053(3)(b), F.S.

<sup>5</sup> S. 320.08053(1), F.S.

<sup>6</sup> The processing fee is prescribed in s. 320.08056, F.S.

<sup>7</sup> Service charges and branch fees are prescribed in s. 320.04, F.S.

<sup>8</sup> S. 320.08053(2)(a), F.S.

<sup>9</sup> In the case of an out-of-state college or university license plate, the license plate must register 4,000 voucher sales.

<sup>10</sup> S. 320.08053(2)(b), F.S.

<sup>11</sup> S. 320.08058, F.S., creates each specialty license plate.

<sup>12</sup> S. 320.08053(3)(a), F.S.

discontinued<sup>13</sup> so that the number of plates being issued is fewer than 150. The 150 license plate limit applies to all specialty license plates, including those above the minimum sales threshold and those exempt from the minimum sales threshold.<sup>14</sup>

#### Specialty License Plates, Generally

DHSMV is responsible for developing authorized specialty license plates.<sup>15</sup> DHSMV must issue a specialty license plate to the owner or lessee of any motor vehicle, except a vehicle registered under the International Registration Plan, a commercial truck required to display two license plates, or a truck tractor, upon request and payment of the appropriate license tax and fees.<sup>16</sup> Specific specialty license plates are authorized for dealer and fleet vehicles.<sup>17</sup> A specialty license plate for motorcycles is addressed separately in s. 320.08068, F.S.

Each request for a specialty license plate must be made annually to DHSMV or its authorized agent<sup>18</sup> accompanied by the following tax and fees: the vehicle's required license tax,<sup>19</sup> a processing fee of \$5,<sup>20</sup> a license plate fee,<sup>21</sup> and a license plate annual use fee as required for the specialty license plate.<sup>22</sup>

A specialty license plate annual use fee, or any interest earned from those fees, may not be used for commercial or for-profit activities nor for general or administrative expenses, except as authorized by s. 320.08058, F.S., or to pay the cost of the audit or report.<sup>23</sup> The fees and any interest earned may be expended only for use in this state unless the annual use fee is derived from the sale of United States Armed Forces and veterans-related specialty license plates for the Support Our Troops and American Legion, Florida Salutes Veterans, United States Marine Corps, and Military Services and U.S. Paratrooper license plates.<sup>24</sup>

#### Honor Flight

Honor Flight's mission is to transport America's veterans to Washington, D.C., to visit the memorials dedicated to honoring those who have served and sacrificed for our country. It is a national network of independent hubs working together to further Honor Flight's mission. The network currently serves veterans from World War II, the Korean War, and the Vietnam War, as well as terminally ill veterans who served during any era.<sup>25</sup> Florida's Honor Flight Network hubs are non-profit corporations under s. 501(c)(3) of the Internal Revenue Code. Honor Flight Hubs in Florida include Collier-Lee, First Coast, Central Florida, West Central Florida, South Florida, Tallahassee, Southeast Florida, Southwest Florida, Space Coast, and Villages.<sup>26</sup>

#### **Effect of the Bill**

The bill creates the Honor Flight license plate, with an annual use fee of \$25.<sup>27</sup> The plate must bear DHSMV-approved colors and designs, with "Florida" appearing at the top of the plate and "Honor Flight" appearing at the bottom of the plate.

The annual use fees from the sale of the plate are distributed equally among Florida's Honor Flight Network Hubs. Up to 10 percent of the fees from the sale of the plate may be used for marketing the

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<sup>13</sup> Specialty license plates will be discontinued pursuant to s. 320.08056(8), F.S.

<sup>14</sup> S. 320.08053(3)(b), F.S.

<sup>15</sup> S. 320.08056(1), F.S.

<sup>16</sup> S. 320.08056(2), F.S.

<sup>17</sup> See ss. 320.06(3)(a), 320.0657(2)(a), 320.08(12), and 320.08056(2)(b) and (c), F.S.

<sup>18</sup> DHSMV's authorized agents are the county tax collectors.

<sup>19</sup> Motor vehicle license taxes are set forth in s. 320.08, F.S.

<sup>20</sup> The \$5 processing fee is deposited into the Highway Safety Operating Trust Fund.

<sup>21</sup> S. 320.06(1)(b), F.S., provides for a \$2.80 annual license plate replacement fee.

<sup>22</sup> S. 320.08056(3), F.S.

<sup>23</sup> The audit or report is required by s. 320.08062(1), F.S.

<sup>24</sup> S. 320.08056(10), F.S.

<sup>25</sup> Honor Flight, <https://www.honorflight.org/about-us.html> (last visited February 2, 2021).

<sup>26</sup> Honor Flight, <https://www.honorflight.org/regional-honor-flight-hubs.html#florida> (last visited March 5, 2021).

<sup>27</sup> The \$25 annual use fee is provided for in existing s. 320.08056(3)(d), F.S.

plate and costs directly associated promoting and marketing the license plate. The remaining fees must be used to further Honor Flight.

The bill also authorizes fees collected from the sale of the Honor Flight license plate to be spent outside of the State of Florida.

The bill has an effective date of October 1, 2021.

**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, 2021.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

DHSMV will incur programming costs associated with the creation of this specialty license plate. One specialty license plate with a single distribution recipient will require between 200 and 250 hours of programming at a rate of \$35 to \$40 per hour.<sup>28</sup> These costs can be absorbed within existing resources.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Once the license plate goes into production, Florida's Honor Flight Network Hubs may see an increase in revenues associated with the sale of this license plate.

**D. FISCAL COMMENTS:**

None.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to impact county or municipal governments.

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<sup>28</sup> Email from Kevin Jacobs, Legislative Affairs Director, Florida Department of Highway Safety and Motor Vehicles, RE: Specialty License Plates, January 26, 2021.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

The bill does not require rulemaking, nor does it provide a grant of rulemaking.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On March 9, 2021, the Tourism, Infrastructure & Energy Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The committee substitute authorizes proceeds from the sale of the Honor Flight license plate to be spent outside of the State of Florida.

This analysis is drafted to the committee substitute as approved by the Tourism, Infrastructure & Energy Subcommittee.