

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 501 Specialty License Plates

SPONSOR(S): Duran

TIED BILLS: IDEN./SIM. BILLS: SB 860

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee	14 Y, 0 N	Johnson	Keating
2) Infrastructure & Tourism Appropriations Subcommittee			
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 Biscayne Bay specialty license plate with an annual use fee of \$25. The plates must bear DHSMV-approved colors and designs with "Florida" appearing at the top of the plate and "Protect Biscayne Bay" appearing at the bottom of the plate. The annual use fees are distributed to The Miami Foundation to raise awareness and support the mission and efforts of conserving Biscayne Bay.

The bill will have a negative, but insignificant, fiscal impact to state expenditures associated with DHSMV's programming costs to create 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.¹ Current law provides that if the Legislature² 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 discontinued³ so that the number of plates being issued does not exceed 150.⁴

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.⁵

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,⁶ a service charge and branch fee,⁷ 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.⁸

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 sales⁹ 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.¹⁰

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.,¹¹ 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.¹²

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

¹ Section 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.

² Creation of a specialty license plate requires an act of the Legislature.

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

⁴ S. 320.08053(3)(b), F.S.

⁵ S. 320.08053(1), F.S.

⁶ The processing fee is prescribed in s. 320.08056, F.S.

⁷ Service charges and branch fees are prescribed in s. 320.04, F.S.

⁸ S. 320.08053(2)(a), F.S.

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

¹⁰ S. 320.08053(2)(b), F.S.

¹¹ S. 320.08058, F.S., creates each specialty license plate.

¹² S. 320.08053(3)(a), F.S.

discontinued¹³ 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.¹⁴

Specialty License Plates, Generally

DHSMV is responsible for developing authorized specialty license plates¹⁵ 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.¹⁶ Specific specialty license plates are authorized for dealer and fleet vehicles.¹⁷ A specialty license plate for motorcycles is addressed separately in s. 320.08068, F.S.

Each request for a specialty license plate must annually be made to DHSMV or its authorized agent¹⁸ accompanied by the following tax and fees: the vehicle's required license tax,¹⁹ a processing fee of \$5,²⁰ a license plate fee,²¹ and a license plate annual use fee as required for the specialty license plate.²²

The Miami Foundation

Established in 1967, The Miami Foundation (foundation) is focused on building a stronger Miami and has invested more than \$400 million into the community. The foundation has partnered with individuals, families, and corporations who have created more than 1,000 personalized, philanthropic funds, and it has awarded \$350 million in grants.²³ The foundation is registered as a not-for-profit corporation with the Department of State.

Biscayne Bay

Biscayne Bay is the largest estuary on the coast of southeast Florida and is contiguous with the southern Florida Everglades and Florida Bay.²⁴

Effect of the Bill

The bill creates the Biscayne Bay specialty license plate, with an annual use fee of \$25.²⁵ The plate must bear DHSMV-approved colors and designs, with "Florida" appearing at the top of the plate and "Protect Biscayne Bay" appearing at the bottom of the plate.

The annual use fees from the sale of the plate are distributed to The Miami Foundation to be used as follows:

- Up to 10 percent of the fees may be used for promotion and marketing the license plate and for direct reimbursement for administrative costs, startup costs, and costs incurred in the development and approval process of the license plate. All vendors associated with administrative costs must be selected by competitive bid.
- The remaining fees must be used to raise awareness and support the mission and efforts of conserving Biscayne Bay. The Miami Foundation's Board of Trustees must approve and is accountable for all such expenditures.

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

¹⁴ S. 320.08053(3)(b), F.S.

¹⁵ S. 320.08056(1), F.S.

¹⁶ S. 320.08056(2), F.S.

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

¹⁸ DHSMV's authorized agents are the county tax collectors.

¹⁹ Motor vehicle license taxes are set forth in s. 320.08, F.S.

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

²¹ Section 320.06(1)(b), F.S., provides for a \$2.80 annual license plate replacement fee to defray the cost of replacing the license plate every 10 years.

²² S. 320.08056(3), F.S.

²³ The Miami Foundation Website, <https://miamifoundation.org/about> (last visited February 3, 2021).

²⁴ Discover Biscayne Bay Website: <http://www.discoverbiscaynebay.org/> (last visited February 3, 2021).

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

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

B. SECTION DIRECTORY:

Section 1 Amends s. 320.08058, F.S., relating to specialty license plates.

Section 2 Provides an effective date of October 1, 2020.

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.²⁶ This programming can be done using existing DHSMV 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, The Miami Foundation, may see an increase in revenues associated with the sale of the 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.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

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

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

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES