

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 213 Specialty License Plates
SPONSOR(S): Tourism, Infrastructure & Energy Subcommittee, Morales
TIED BILLS: **IDEN./SIM. BILLS:**

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|--|------------------|---------|---------------------------------------|
| 1) Tourism, Infrastructure & Energy Subcommittee | 16 Y, 0 N, As CS | Johnson | Keating |
| 2) Commerce Committee | | | |

SUMMARY ANALYSIS

Currently, 123 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 Down Syndrome Awareness 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 "Down Syndrome Awareness" appearing at the bottom of the plate. The annual use fees are distributed to Our City Beautiful, Inc., for programs that support persons with Down Syndrome or other intellectual disability.

The bill will have a negative, but insignificant, fiscal impact to state expenditures associated with DHSMV's programming costs for the specialty license plate.

The bill has an effective date of October 1, 2022.

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 159 legislatively authorized specialty license plates, with 123 available for sale and an additional 36 in presale.¹ Specialty license plates are 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.² Current law provides that if the Legislature³ has approved 150 or more specialty license plates, the Department of Highway Safety and Motor Vehicles (DHSMV) may not issue any new specialty license plates until a sufficient number of plates are discontinued⁴ so that the number of plates being issued does not exceed 150.⁵

Establishment of Specialty License Plates

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.⁶

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,⁷ a service charge and branch fee,⁸ 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.⁹

Within 24 months after establishing a presale specialty license plate voucher, a minimum of 3,000 voucher sales of the plate must be recorded with DHSMV¹⁰ before the license plate may be manufactured. If the minimum sales requirement is not met at the conclusion of the 24-month presale period, the specialty license plate is deauthorized, and DHSMV discontinues the plate's development and the issuance of the presale vouchers. Upon deauthorization of the license plate or if the plate has met the presale requirement but has not been issued, a purchaser of the license plate voucher may use the annual use fee paid as a credit towards any other specialty license plate or may apply for a refund.¹¹

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.,¹² 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.¹³

¹ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2022 House Bill 163, p.2. (Oct. 15, 2021)

² Section 320.08056(3)(d), F.S., provides that, except if specifically provided in s. 320.08056(4), F.S., the annual use fee for a specialty license plate is \$25.

³ Creation of a specialty license plate requires an act of the Legislature.

⁴ Specialty license plates may be discontinued pursuant to s. 320.08056(8), F.S.

⁵ S. 320.08053(3)(b), F.S.

⁶ S. 320.08053(1), F.S.

⁷ The processing fee is prescribed in s. 320.08056, F.S.

⁸ Service charges and branch fees are prescribed in s. 320.04, F.S.

⁹ S. 320.08053(2)(a), F.S.

¹⁰ In the case of an out-of-state college or university license plate, the license plate must register 4,000 voucher sales.

¹¹ S. 320.08053(2)(b), F.S.

¹² S. 320.08058, F.S., creates each specialty license plate.

¹³ S. 320.08053(3)(a), F.S.

If the Legislature has approved 150 or more specialty license plates, DHSMV may not issue any new specialty license plates until a sufficient number of plates are discontinued so that the number of plates being issued is no more than 150. The 150 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 Plate Issuance and Fees

DHSMV is responsible for developing authorized specialty license plates.¹⁵ 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 created separately in s. 320.08068, F.S.

Each request for a specialty license plate must be made annually 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

Our City Beautiful, Inc.

Based in Sanford, Florida, Our City Beautiful, Inc., is a 501(c)(3) non-profit organization with a focus on working with disabled individuals in Sanford and surrounding Seminole County, with the goal of eventually serving all of Florida.²³ Created by Our City Beautiful, HOLLAND is a proposed tiny house community for persons with Down Syndrome and other intellectual disabilities.²⁴ Its World Changer Scholarships were created to support individuals with Down Syndrome, age 18 or older, pursuing higher education.²⁵

Our City Beautiful, Inc., is registered with the Department of State as a not-for-profit corporation.²⁶

Effect of the Bill

The bill creates the Down Syndrome Awareness license plate, with an annual use fee of \$25.²⁷ The plate must bear DHSMV-approved colors and designs, with "Florida" appearing at the top of the plate and "Down Syndrome Awareness" appearing at the bottom of the plate.

The annual use fees from the sale of the plate are distributed to Our City Beautiful, Inc. Up to 10 percent of the fees from the sale of the plate may be used for administrative costs and marketing the plate. Of the remaining fees:

- Fifty percent must be used to build and maintain HOLLAND, an affordable housing project for independent living for persons with Down Syndrome or other intellectual disability.

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.

²² S. 320.08056(3), F.S.

²³ Seminole County Chamber of Commerce, *Our City Beautiful, Inc.*, <https://business.seminolebusiness.org/list/member/our-city-beautiful-inc-25389> (last visited Sep. 30, 2021).

²⁴ Our City Beautiful, *HOLLAND*, <https://our-city-beautiful.com/ocbhomeproject/> (last visited Sep. 30, 2021).

²⁵ Our City Beautiful, *World Changer Scholarships*, <https://our-city-beautiful.com/world-changer-scholarship/> (last visited Sep. 30, 2021).

²⁶ Department of State, *Our City Beautiful, Inc.*

<https://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=OURCITYBEAUTIFUL%20N190000028900&aggregateId=domnp-n19000002890-9f97c1a8-17e2-49f3-a4c9-b30fff938143&searchTerm=Our%20city%20beautiful&listNameOrder=OURCITYBEAUTIFUL%20N190000028900> (last visited Oct. 18, 2021).

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

- Fifteen percent must be dedicated to Our City Beautiful World Changer scholarships for Florida residents 18 years of age or older with Down Syndrome who wish to further their education at postsecondary educational institutions located in this state.
- Thirty-five percent must be used for grants to other nonprofit organizations in this state to support housing, educational scholarships, and employment assistance programs for persons with Down Syndrome or other intellectual disability.

The license plate will be added to DSHMV's presale voucher process, but the plate will only be placed into production once it meets the 3,000 minimum sales threshold and if the 150 plate cap is not reached.²⁸

The bill has an effective date of October 1, 2022.

B. SECTION DIRECTORY:

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

Section 2 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

DSHMV will need to update its procedures, forms, and website to incorporate this additional license plate. Additionally, programming will be required for DOT to accept presale vouchers for the license plate. According to DSHMV, a specialty license plate with annual use fees distributed to one organization will require between 200 and 250 hours of programming. Additional distributions will generally require an additional 5 to 10 hours of programming per distribution.²⁹ This programming can be done using 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, Our City Beautiful, Inc., may see an increase in revenues associated with the sale of this license plate.

D. FISCAL COMMENTS:

None.

²⁸ DSHMV, *supra* note 1. p. 4.

²⁹ *Id.* at 4-5

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

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

2. Other:

None.

B. RULE-MAKING AUTHORITY:

This bill does not require or authorize rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On December 2, 2021, the Tourism, Infrastructure & Energy Subcommittee adopted one amendment to the bill and reported the bill favorably as a committee substitute. The amendment clarified that a person with either Down Syndrome or another intellectual disability may receive certain services funded by the annual use fees from the sale of the Down Syndrome license plate.

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