

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 364

INTRODUCER: Senator Bean

SUBJECT: Specialty License Plate Presales

DATE: January 24, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Proctor	Vickers	TR	Pre-meeting
2.			ATD	
3.			AP	

I. Summary:

SB 364 reduces the minimum voucher sale requirement for out-of-state college or university license plates from 4,000 to 3,000 before manufacture of the license plate may commence.

In addition, the bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to extend the presale period by an additional 24 months, from 24 months to 48 months, for an approved specialty license plate organization that, as of the date the bill becomes law, is in the presale period but has not recorded at least 3,000 voucher sales.

The bill does not appear to have a fiscal impact.

The bill has an effective date of upon becoming law.

II. Present Situation:

Specialty License Plates

Presently, there are 123 specialty license plates available for purchase in Florida and another 36 specialty license plates available for pre-sale.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 on the plate's design and designated in statute.³ In order to establish a specialty license plate and after

¹ Department of Highway Safety and Motor Vehicles, *2022 Legislative Bill Analysis for SB 364*, (November 5, 2021), p. 2 (on file in the Senate Committee on Transportation).

² 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.

³ Section 320.08058, F.S.

the plate is approved by law, s. 320.08053, F.S., requires the following actions within certain timelines:

- 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 specialty license plate; and
- Within 24 months after the pre-sale vouchers are established, the organization must obtain a minimum of 3,000 voucher sales, or in the case of an out-of-state college or university license plate, 4,000 voucher sales, before manufacturing of the plate may begin.

If the minimum sales requirement has not been met by the end of the 24-month pre-sale period, then the DHSMV will discontinue the plate and issuance of pre-sale vouchers. 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

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., provided that they have met the presale requirement. If the next awaiting specialty license plate has not met the presale requirement, the department will proceed in the order provided in s. 320.08058, F.S., to identify the next qualified specialty license plate that has met the presale requirement.⁵

If the Legislature has approved 150 or more specialty license plates, the DHSMV may not make any new specialty license plates available for design or issuance until a sufficient number of plates are discontinued so that the number of plates being issued does not exceed 150.⁶

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.⁷ 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.⁸

DHSMV Costs Defrayed

The DHSMV is authorized to retain a sufficient portion of annual use fees collected from the sale of specialty plates to defray its costs for inventory, distribution, and other direct costs associated with the specialty license plate program. The remainder of the proceeds collected are distributed as provided by law.⁹

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

⁴ Section 320.08053(2)(b), F.S.

⁵ Section 320.08053(3)(a), F.S.

⁶ Section 320.08053(3)(b), F.S.

⁷ Section 320.08056(10)(a), F.S.

⁸ Section 320.08062, F.S.

⁹ Section 320.08056(7), F.S.

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. Collegiate plates for Florida universities are exempt from the minimum specialty license plate requirement.¹⁰ In addition, the 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.¹¹

However, effective July 1, 2023, the requirement increases so that the DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid registrations falls below 3,000 or in the case of an out-of-state college or university license plate, 4,000, for at least 12 consecutive months. The DHSMV must mail a warning letter to the sponsoring organization following the first month in which the total number of valid specialty plate registrations is below 3,000, or in the case of an out-of-state college or university license plate, 4,000. This does not apply to in-state collegiate license plates established under s. 320.08058(3), F.S., license plates of institutions in and entities of the State University System, specialty license plates that have statutory eligibility limitations for purchase, specialty license plates for which annual use fees are distributed by a foundation for student and teacher leadership programs and teacher recruitment and retention, or Florida Professional Sports Team license plates established under s. 320.08058(9).¹²

Out-of-state Specialty License Plates

Three out-of-state specialty license plates are available through the DHSMV presale process. They are the University of Alabama, Auburn University, and the University of Georgia.¹³

III. Effect of Proposed Changes:

SB 364 reduces the minimum voucher sale requirement for out-of-state college or university license plates from 4,000 to 3,000 before manufacture of the license plate may commence.

In addition, the bill directs the DHSMV to extend the presale period by an additional 24 months, from 24 months to 48 months, for an approved specialty license plate organization that, as of the date the bill becomes law, is in the presale period but has not recorded at least 3,000 voucher sales.

The bill directs the Division of Law Revision to replace the phrase "the effective date of this act" wherever it occurs in the bill with the date the bill becomes a law.

The bill has an effective date of upon becoming law.

¹⁰ Section 320.08056(8)(a), F.S.

¹¹ Section 320.08056(8)(b), F.S.

¹² Chapter 2020-181, s. 7, Laws of Fla.

¹³ *Supra* FN 1, at p. 3.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The DHSMV advised an update to internal procedures and instructions to organizations regarding specialty license plate requirements will be need; however, there will be no programming costs incurred by the DHSMV.¹⁴

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.¹⁵

VI. Technical Deficiencies:

None.

¹⁴ *Supra* FN 1, at p. 4.

¹⁵ Section 320.08056(7), F.S.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following section of the Florida Statutes: 320.08053

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.
