

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 624

SPONSOR: Transportation Committee and Senator Silver

SUBJECT: Specialty License Plates

DATE: March 4, 2002

REVISED: 3/7/02

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable/CS</u>
2.	<u>Cibula</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable</u>
3.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable</u>
4.	<u> </u>	<u> </u>	<u>AGG</u>	<u> </u>
5.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>
6.	<u> </u>	<u> </u>	<u> </u>	<u> </u>

I. Summary:

The committee substitute requires the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a Florida Golf license plate. A \$25 annual use fee will be charged for this new specialty license plate in addition to the regular license plate fees and taxes. Proceeds from the license plate will be distributed to the Florida Sports Foundation, Inc. (foundation), a direct-support organization of the Office of Tourism, Trade, and Economic Development. The foundation, in turn, may use up to 5 percent of the proceeds for the operation of the Florida Youth Golf Program; 15 percent of the proceeds will be provided to the Dade Amateur Golf Association for the operation of youth golf programs; and the remainder of the proceeds may be used to market the Florida Golf license plate and to provide grants to nonprofit organizations for the operation of youth golf programs.

The committee substitute substantially amends the following sections of the Florida Statutes: 320.08056 and 320.08058.

II. Present Situation:

Specialty License Plates

Pursuant to ch. 320, F.S., more than 50 specialized motor vehicle license plates are available in Florida. Some may be purchased by anyone, while others are only available to select persons with certain qualifications, e.g., members of Congress or the State Legislature, former prisoners of war, Purple Heart Recipients, and Medal of Honor winners.

Revenues from some specialty license plates are deposited in a state agency trust fund or in state or independent university foundation account, or are directed to citizen support organizations,

direct support organizations, or named nonprofit foundations. The following specialty license plates revenues, or a portion thereof, are distributed to the benefit of a nonprofit foundation:¹

- Challenger License Plate — 50 percent of the annual user fee is distributed to the Astronauts Memorial Foundation, Inc.
- Florida Special Olympics License Plate — The first \$5 million collected annually must be forwarded to the private nonprofit corporation described in s. 393.002, F.S. (Developmental Disabilities Council)
- Florida Professional Sports Team License Plate — 45 percent of the proceeds of the annual use fee allocated to the Florida Sports Foundation, a direct-support organization of the Office of Tourism, Trade, and Economic Development.
- Police Athletic League License Plate — The annual use fees are distributed to the Florida Police Athletic League, Inc.
- Keep Kids Drug-Free License Plate — The annual use fees are distributed to the Keep Kids Drug-Free Foundation, Inc.
- Conserve Wildlife License Plate — The proceeds of the annual use fees are forwarded to the Wildlife Foundation of Florida, Inc., a citizen support organization to the Fish and Wildlife Conservation Commission (FWCC).
- United State Marine Corps License Plate — After the first \$50,000 collected annually, the fees are deposited into the Marine Corps Scholarship Foundation, Inc.

Section 320.08053, F.S., establishes requirements that organizations must meet in order to create a new specialty license plate. Current law requires that specified information and an application fee be submitted to the Department of Highway Safety and Motor Vehicles (DHSMV) prior to requesting legislative approval for a specialty plate. Information required to be submitted includes:

- The results of a scientific sample survey indicating that at least 15,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased cost.
- An application fee, not to exceed \$60,000, to defray DHSMV's cost for reviewing the application and developing the license plate, if authorized.
- A marketing plan and financial analysis of anticipated revenues and expenditures.

If a request for a specialty license plate is not approved by the Legislature, the application fee is refunded to the requesting organization (s. 320.08053(2), F.S.). Approved specialty license plates must comply with s. 320.08056, F.S., which establishes uniform taxes, fees, and design

¹ Section 320.0858, F.S.

characteristics for specialty license plates. DHSMV will discontinue the issuance of a specialty license plate if less than 8,000 plates, including annual renewals, are issued for that specialty license plate by the end of the fifth year of sales.

Section 320.08058, F.S., lists the approved types of specialty license plates and specifies how the revenue generated from each type of specialty license plate may be used. Currently, DHSMV issues 48 different specialty license plates. (For a list of approved specialty license plates, see <http://www.hsmv.state.fl.us/specialtytags/specialindex.html>.)

Audits for Specialty License Plate Annual Use Fees

Pursuant to ss. 215.97 and 320.08062, F.S., any organization receiving proceeds from a specialty license plate must: (a) submit an annual attestation, under penalties of perjury, to the Department of Highway Safety and Motor Vehicles (DHSMV) that such proceeds were used in compliance with statute if the amount of proceeds received are less than \$300,000; or (b) submit an annual audit report in accordance with Auditor General rules to the DHSMV if the amount of proceeds is \$300,000 or greater.² The DHSMV, after receiving the attestation or audit, is required to determine if the license plate proceeds have been properly expended. In the event the DHSMV finds an improper expenditure, it must discontinue distribution of proceeds to the organization. If the organization does not become compliant within 12 months after the discontinuance of proceeds, the DHSMV is to deposit the proceeds into the Highway Safety Operating Trust Fund. The DHSMV and the Auditor General are authorized to examine all records pertaining to the use of proceeds from the specialty license plates.³

Florida Sports Foundation

The Florida Sports Foundation, Inc. (foundation), is the direct support-organization authorized by the Office of Tourism, Trade, and Economic Development to promote and develop professional and amateur sports for the state (s. 288.1229, F.S.). The foundation is a not-for-profit corporation governed by a board of directors consisting of 15 members appointed by the Governor and 15 members appointed by the board itself.

Dade Amateur Golf Association

Since 1981, the Dade Amateur Golf Association (DAGA) has been organizing junior golf tournaments. DAGA states that it organizes one of the world's largest and most prestigious junior golf tournaments. See <http://members.tripod.com/DagaGolf/history.htm>. On October 31, 2001, DAGA completed the statutory prerequisites to request legislative approval for a Florida Golf license plate, according to DHSMV.

III. Effect of Proposed Changes:

Florida Golf License Plate

² Section 215.97(7), F.S., provides that nonstate entities receiving state financial assistance of \$300,000 or more per fiscal year are to have a "state single audit" for that fiscal year or a "state project-specific audit" if only one state project is involved in the nonstate entity's fiscal year.

³ Sections 11.45(3)(a)13., and 320.08062, F.S.

The committee substitute amends s. 320.08056, F.S., creating the Florida Golf license plate. A \$25 annual use fee will be charged for this new specialty license plate in addition to the regular license plate fees and taxes. The committee substitute amends s. 320.08058, F.S., requiring the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a Florida Golf license plate. The Dade Amateur Golf Association (DAGA), in consultation with the PGA TOUR, the Florida Sports Foundation, Inc. (foundation), the LPGA, and the PGA of America, will be permitted to participate in the design of the license plate.

Proceeds Distribution

Proceeds from the Florida Golf license plate will be distributed to the foundation. The foundation, in turn, will distribute the proceeds as follows:

- to the DAGA, the first \$80,000 to operate youth golf programs during the first year after issuance of the license plate; thereafter, DAGA will receive 15 percent of the annual proceeds for the operation of youth golf programs in Miami-Dade County;
- to the Florida Youth Golf Program, administered by the foundation, up to 5 percent of the annual proceeds to assist other organizations providing youth golf instruction and to provide youth golf instruction; and
- to nonprofit organizations to provide youth golf instruction and to marketing expenses of the Florida Golf license plate, the remaining proceeds.

The foundation shall establish a seven-member advisory committee to provide advice regarding the distribution of grants to nonprofit organizations that provide youth golf instruction.

Florida Youth Golf Program

The Florida Youth Golf Program will be established by the foundation to teach young people how to play golf and to assist other organizations that provide golf instruction to youth.

Accountability

All recipients of grants under this committee substitute will be required to provide the foundation with an annual program and financial report regarding their use of the proceeds of the license plate.

Effective Date

The bill takes effect upon becoming a law.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

Persons electing to purchase the Florida Golf license plate will be required to pay a \$25 annual use fee in addition to the usual fees and taxes for license tags.

B. Private Sector Impact:

Proceeds from the Florida Golf license plate are authorized to be distributed to nonprofit organizations to operate youth golf programs.

C. Government Sector Impact:

The Dade County Golf Association has paid a \$60,000 application fee to the Department of Highway Safety and Motor Vehicles (DHSMV) as required by s. 320.08053(1)(c), F.S., to defray the cost of reviewing the application and developing the Florida Golf license plate, if authorized by the Legislature. DHSMV estimates that it will incur \$59,400 in costs associated with the development and issuance of this specialty license plate. More specifically, DHSMV will incur \$15,000 in personnel costs, \$7,560 in computer programming costs, and \$36,900 in license plate costs. Specialty license plates cost DHSMV \$2.46 each under the current contract. A minimum order of 15,000 plates is required.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
