

# 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 148

SPONSOR: Transportation Committee and Senator Wise

SUBJECT: License Plates

DATE: February 5, 2003      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Meyer</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>FT</u>	_____
3.	_____	_____	<u>ATD</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The CS directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop and issue reduced dimension specialty license plates for motorcycles. In addition to applicable motor vehicle registration taxes and fees, a \$15 annual use fee will be charged for this new specialty license plate.

The annual use fees shall be distributed to The Able Trust as custodial agent who will distribute the funds as follows: (a) Twenty-five percent to Prevent Blindness Florida; (b) Fifty percent to Florida Centers for Independent Living in the form of matching grants from private nongovernmental sources; and (c) Twenty-five percent to the Brain and Spinal Cord Injury Program Trust Fund. A maximum of 10 percent of the proceeds from the sale of the license plate may be used for administrative costs.

This CS creates s. 320.08068 of the Florida Statutes.

**II. Present Situation:**

Section 320.08053, F.S., provides an organization seeking authorization to establish a specialty license plate must submit the following:

- A request for the particular license plate with a description of the proposed plate in general terms.
- The results of a scientific sample survey of Florida motor vehicle owners indicating at least 15,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs.

- An application fee, not to exceed \$60,000, to defray DHSMV's cost for reviewing the application and developing the specialty license plate, if authorized.
- A marketing strategy outlining both the short and long term marketing plans and a financial analysis outlining the anticipated revenue and the planned expenditures of the requested specialty license plate.

The required documentation and fees must be submitted at least 90 days before the convening of the next regular session of the Florida Legislature. If a specialty license plate is approved by law, the organization must submit a proposed art design for the specialty plate to DHSMV no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, then the application fee shall be refunded to the requested organization.

Section 320.08056, F.S., provides DHSMV is responsible for developing the specialty license plates and must begin production and distribution within one year after approval of the specialty license plate by the Legislature. Specialty license plates must bear the design required by law for the appropriate specialty plate, and the designs and colors must be approved by DHSMV. In addition, the specialty license plate must bear the imprint of numerals from 1 to 999, inclusive, capital letters "A" through "Z", or a combination thereof. The word "Florida" must appear at either the top or the bottom of the plate, depending upon the design and may bear an appropriate slogan.

The Department is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plates pro rata share of DHSMV's costs directly related to issuing the specialty license plate.

The Department must discontinue the issuance of an approved specialty plate if less than eight thousands plates (including annual renewals) are issued by the end of the fifth year or during any subsequent 5-year period. The Department is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists or if the organization has stopped providing services that are authorized to be funded.

Annual use fees or any interest earned from those fees may not be used for commercial or for-profit activities, or for general administrative expenses (except as specifically authorized or to pay the cost of the audit or report required to ensure the proceeds are used as authorized).

### **III. Effect of Proposed Changes:**

The CS creates s. 320.08068, F. S., and directs DHSMV to develop and issue reduced dimension specialty license plates for motorcycles. In addition to applicable motor vehicle registration taxes and fees, a \$15 annual use fee will be charged for this new specialty license plate.

The annual use fees shall be distributed to The Able Trust as custodial agent who will distribute the funds as follows: (a) Twenty-five percent to Prevent Blindness Florida; (b) Fifty percent to Florida Centers for Independent Living in the form of matching grants from private

nongovernmental sources (must be used for programs and activities serving disabled Floridians); and (c) Twenty-five percent to the Brain and Spinal Cord Injury Program Trust Fund. A maximum of ten percent of the proceeds from the sale of the plate may be used for administrative costs.

This CS does not authorize DHSMV to discontinue the issuance or the distribution of the specialty license plate under any circumstances as currently required for other specialty license plates. The CS does not prohibit the expenditure of annual use fees for commercial or for-profit activities as required for other specialty license plates. The CS does not require either an audit or attestation ensuring proceeds are being properly expended as required for other specialty license plates.

#### **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:

None.

B. Private Sector Impact:

There were 303,887 motorcycles registered during fiscal year 2001-2002. The number of persons who would apply for a motorcycle specialty plate is indeterminate. Persons electing to purchase the Motorcycle specialty plate would pay a \$15 annual use fee.

The annual use fees shall be distributed to The Able Trust as custodial agent who shall distribute the funds as follows: (a) Twenty-five percent to Prevent Blindness Florida; (b) Fifty percent to Florida Centers for Independent Living in the form of matching grants from private nongovernmental sources (must be used for programs and activities serving disabled Floridians); and (c) Twenty-five percent to the Brain and Spinal Cord Injury Program Trust Fund. A maximum of ten percent of the proceeds from the sale of the plate may be used for administrative costs.

**C. Government Sector Impact:**

According to DHSMV, this CS will have an insignificant fiscal impact.

**VI. Technical Deficiencies:**

According to DHSMV, no organization has submitted the documentation set forth in s. 320.08053, F.S.

**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.

---