

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Governmental Operations Committee

BILL: CS/CS/SB 1630

INTRODUCER: Governmental Operations Committee, Military Affairs and Domestic Security Committee, and Senators Dockery and Hill

SUBJECT: United States Marine Corps License Plate

DATE: April 12, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Pardue	Skelton	MS	Fav/CS
2.	McKay	Wilson	GO	Fav/CS
3.			HA	
4.			RC	
5.				
6.				

I. Summary:

This bill modifies the distribution formula for funds generated by the sales of U. S. Marine Corps specialty license plates. The change will likely result in an increase in funds distributed to the State Homes for Veterans Trust Fund, which is administered by the Department of Veterans' Affairs. The bill does not affect the current cost of purchasing a Marine Corps specialty license plate.

This bill substantially amends section 320.08058(29) of the Florida Statutes.

II. Present Situation:

Section 320.08058, F.S., authorizes the Department of Highway Safety and Motor Vehicles to develop vehicle specialty license plates. Use fees generated from the sale of these specialty plates are distributed to support institutions and causes as authorized in the section. Included in the section is a provision for a United States Marine Corps license plate.¹

The Marine Corps license plate annual use fees are distributed as follows:

- The first \$50,000 collected annually shall be deposited in the State Homes for Veterans Trust Fund; and
- Any additional fees collected annually shall be deposited in the Marine Corps Scholarship Foundation, Inc.

¹ The United States Marine Corps specialty license plate is authorized by Chapter 99-295, L.O.F.

Funds deposited in the State Homes for Veterans Trust Fund are to be used solely for the purpose of constructing, operating, and maintaining domiciliary and nursing homes for Florida resident veterans.² This trust fund is administered by the Florida Department of Veterans’ Affairs.

The Marine Corps Scholarship Foundation (MCSF) was established in 1962 to provide financial assistance in the form of scholarships for higher education expenses for the children of U.S. Marines, particularly those whose parent was killed or wounded in action. Charity Navigator gives the MCSF three of a possible four stars for an overall rating, and breaks down its expenses as follows: 68.8 percent to program expenses, 20.4 percent to administrative expenses, and 10.8 percent to fundraising expenses.³

Marine Corps license plate annual use fees distributed to the MCSF are to be used to fund scholarships and assist Marine Corps Junior ROTC (Reserve Officer Training Corps) and Young Marine programs of this state. The MCSF is required to develop a plan to distribute these funds to recipients based on nominations by residents of Florida.⁴

The Marine Corps specialty plate has exhibited continuous growth in revenue generation since its introduction in 2000.

U. S. Marine Corps Specialty Plate Revenue

Calendar Year	Amount Generated
2005	\$529,470
2004	\$464,880
2003	\$387,285
2002	\$320,910
2001	\$228,934
2000	\$115,515
Cumulative	\$1,939,417

Source: Department of Highway Safety and Motor Vehicles

The annual distribution to the scholarship fund has continued to increase each year while the distribution to the trust fund has remained capped at \$50,000.

Demand for Long-Term Care Is Increasing

There are more than 760,700 veterans in Florida over the age of 65. Of these, 109,900 are over the age of 85. The population of age 85+ veterans is projected to increase to 126,010 by the year 2013.⁵

Florida currently has one 150-bed domiciliary home and five 120-bed nursing homes. One additional 120-bed nursing home is being constructed. According to the Agency for Health Care Administration, Florida has 29.1 nursing home beds per 1,000 seniors in the general population.

² Sections 320.08058 (29), 296.06, and 296.36, F.S.

³ <http://www.charitynavigator.org/index.cfm/bay/search.summary/orgid/6490.htm>

⁴ Section 320.08058 (29)(b)2., F.S.

⁵ Florida Department of Veterans’ Affairs, *Annual Report*, Dec. 31, 2006, p.8.

According to the U. S. Department of Veterans' Affairs, Florida offers fewer than one bed per 1,000 veterans.⁶ In the future, Florida will need to continue to expand its ability to provide long-term care services for its growing population of veterans.

III. Effect of Proposed Changes:

The bill modifies the formula for distribution of annual use fees generated by the U. S. Marine Corps specialty license plate. Under this bill, the first \$50,000 collected annually is distributed to the Marine Corps Scholarship Foundation, Inc. Of the remaining fees collected, 35 percent are distributed to the State Homes for Veterans Trust Fund and 65 percent are distributed to the Marine Corps Scholarship Foundation. The Foundation must spend all funds distributed to it on programs in Florida.

Under this revision, the trust fund distribution will likely increase while the proportional share of the Marine Corps Scholarship Foundation distribution will decrease.

According to the Department of Highway Safety and Motor Vehicles, if the proposed change were in effect for FY 2005–2006, the distribution for the State Home for Veterans Trust Fund would increase to \$169,260. Under current law, the Marine Corps Scholarship Foundation received a FY 2005–2006 distribution of \$483,599. Under this revision, the distribution to the scholarship foundation would decrease to \$364,340.

This bill provides for an effective date of July 1, 2007.

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.

⁶ Id.

B. Private Sector Impact:

Use fees imposed on the sale of specialty license plates increase the cost of purchasing a vehicle license plate. This bill merely changes the proceeds distribution formula; it does not change the current \$15 use fee or the overall cost of each Marine Corps specialty license plate.

C. Government Sector Impact:

The change proposed in this committee substitute will increase the amount of funds distributed to the State Homes for Veterans Trust Fund (assuming current participation remains relatively constant).

In addition, Florida's participation in the U. S. Department of Veterans' Affairs State Veterans' Home Program results in cost avoidance for the Medicaid Program. Enhancing state veterans' long-term care programs allows the state to leverage available federal funding in order to receive federal per diem for qualified veterans.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Officials of the Marine Corps Scholarship Foundation concur in the change to the distribution formula.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
