

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: Transportation and Economic Development Appropriations Committee

BILL: CS/SB 1900

INTRODUCER: Transportation Committee and Senator Baker

SUBJECT: Specialty License Plates

DATE: April 17, 2007 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------------|----------------|-----------|------------------|
| 1. | <u>Boyd</u> | <u>Meyer</u> | <u>TR</u> | <u>Fav/CS</u> |
| 2. | <u>Weaver</u> | <u>Noble</u> | <u>TA</u> | <u>Favorable</u> |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

I. Summary:

This bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to issue the following specialty license plates:

Florida NASCAR (National Association for Stock Car Auto Racing)

In addition to applicable motor vehicle registration taxes and fees, a \$25 annual use fee will be charged for this new specialty license plate. The license plate annual use fees shall be distributed to the Florida Sports Foundation, NASCAR, and the NASCAR Foundation.

Corrections Foundation

In addition to applicable motor vehicle registration taxes and fees, a \$25 annual use fee will be charged for this new specialty license plate. The license plate annual use fees shall be distributed to Corrections Foundation, Inc., and shall be used to continue and expand the charitable work of the foundation.

Protect Florida Springs

In addition to applicable motor vehicle registration taxes and fees, a \$25 annual use fee will be charged for this new specialty license plate. Annual use fees collected from the sale of this license plate shall be distributed to the Wildlife Foundation of Florida, Inc. The annual use fees will fund competitive grants, support Florida springs conservation, and research activities.

Trees Are Cool

In addition to applicable motor vehicle registration taxes and fees, a \$25 annual use fee will be charged for this new specialty license plate. Funds raised by the "Trees Are Cool" specialty license plate will be used by The Florida Chapter of the International Society of Arboriculture

which is a professional organization dedicated to continuing education for arborists, tree care and research, and to serving tree care consumers throughout Florida.

According to the DHSMV, the specialty license plates listed above have completed all statutory requirements for eligibility to seek Legislative approval of these specialty license plate concepts.

Gold Star

The DHSMV shall develop a license plate honoring the family members of servicemembers who have been killed in action while serving in the Armed Forces of the United States. The surviving spouse and a surviving parent meeting the requirements shall each, upon application and payment of the license tax, be issued the Gold Star license plate.

Other Provisions

This bill also prohibits the use of annual use fees for marketing to, lobbying, entertaining, or rewarding an employee of a governmental agency that is responsible for the sale and distribution of specialty license plates. This provision creates the option to provide or not provide an applicant's personal information to the tag's sponsoring organization.

The bill also authorizes the use of a specified percentage of the proceeds from the sale of the Florida Educational license plate for marketing and promotion expenses.

The bill authorizes the use of certain proceeds from the sale of the Florida Agricultural license plate for promotion, marketing, and administrative costs.

This bill discontinues provisions establishing the Girl Scout license plate. In addition, the CS increases the annual use fees for the Sea Turtle and Florida Sheriffs Youth Ranches license plates.

DHSMV estimates the repeal of the \$1.50 fee for disabled parking permits will result in a \$500,000 negative fiscal impact upon DHSMV and the collectors.

This bill substantially amends ss. 320.08056 and 320.08058, repeals s. 320.0848(2)(c), and creates s. 320.0894 of the Florida Statutes.

II. Present Situation:

Girl Scout License Plate

The DHSMV must discontinue the issuance of an approved specialty plate if the number of valid specialty plate registrations falls below one thousands plates for at least 12 consecutive months. Additionally, the DHSMV 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 authorized to be funded. To date, the Girl Scout license plate has sold 2,302 units and has been discontinued for lack of sales.

Sea Turtle License Plate

Currently, the Sea Turtle license plate costs \$17.50 making it one of the lowest priced specialty plates available. Ninety-eight percent of all specialty tags are more expensive than the Sea Turtle plate. Revenues from the sale of this plate fund the state's Marine Turtle Protection Program housed in the Fish and Wildlife Conservation Commission.

Florida Sheriffs Youth Ranches License Plate

Currently, the Florida Sheriffs Youth Ranches license plate costs \$20.00. Revenues from the sale of this plate are distributed to the Florida Sheriffs Youth Ranches, Inc., for its operations.

Specialty License Plates Generally

Specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization or organizations in support of a particular cause or charity signified in the plate's design and designated in statute. The Legislature may create a specialty license plate under its own initiative, or it can do so at the request of an organization. Under s. 320.08053, F.S., an organization may seek Legislative authorization for a new specialty license plate by meeting a number of requirements. An organization is first required to submit to DHSMV the following:

- A request for the plate describing it in general terms, and the results of a professional, independent, and scientific sample survey of Florida residents indicating 30,000 vehicle owners intend to purchase the plate at the increased cost.
- An application fee of \$60,000 defraying the DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates.
- A marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue Legislative action.

Section 320.08056, F.S., provides the 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 the 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 DHSMV 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 the DHSMV's costs directly related to issuing the specialty license plate.

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 an audit or report required to ensure the proceeds are used as authorized).

Section 320.08058, F.S., lists the approved specialty license plates and specifies funding requirements.

The Legislature has authorized 109 specialty license plates to date. Sales of specialty license plates generated more than \$26 million in annual use fee revenues in 2004, \$29 million in 2005 and more than \$32 million in 2006. Since the program's inception in 1986, the DHSMV has collected annual use fees totaling more than \$312 million.

The Florida Sports Foundation

The Florida Sports Foundation is charged with the promotion and development of professional, amateur, recreational sports and physical fitness opportunities that produce a thriving Florida sports industry and environment. Currently, there are nine tags to represent each of Florida's professional sports teams. Proceeds from the \$25 purchase directly support each designated youth charity and the development of major and regional sports events throughout Florida. Each year the tag program generates over \$250,000 for local youth charities and supports major and regional sports events.

The NASCAR Foundation

The NASCAR Foundation supports a wide range of charitable initiatives that reflect interests drivers, teams, and industry members have away from the racetrack. The NASCAR Foundation endeavors to create as many avenues as possible through which people can enrich the lives of children with chronic and medical conditions or serious illnesses, assist children in need, educate, inspire, and advance family values among youth.

The Corrections Foundation

The Corrections Foundation was established in 1996 as the non-profit Direct Support Organization to the Department of Corrections pursuant to s. 944.802, F.S. The Foundation is supported by four staff members and governed by a volunteer Board of Directors. The Mission of the Corrections Foundation is to support the programs, personnel, and services of the Department of Corrections through grants, contributions, and community partnerships in the interest of public safety.

The Florida Wildlife Foundation

The goal of the Florida Wildlife Foundation is to ensure Florida's wildlife survives and thrives for future generations of Florida residents and visitors. The Wildlife Foundation of Florida is preeminently an advocate for Florida's fish and wildlife resources. The foundation is a not-for-profit, non-political, financing, and action group, dedicated to preserving Florida's fish and wildlife for future generations. Now in its second decade of service, the Foundation functions to raise funds and to build support for the Florida Fish and Wildlife Conservation Commission and other organizations engaged in science-based nature conservation, management, education, and research activities.

The Florida Chapter of the International Society of Arboriculture (ISA)

The Florida Chapter of the International Society of Arboriculture, Inc., is a professional organization dedicated to continuing education for arborists, tree care and research, and to serving tree care consumers throughout Florida. The goal of the Florida Chapter of ISA is to benefit the urban trees of Florida as well as the people of Florida through tree care research, the education of tree care practitioners, and the education of the public as to the value of well maintained trees.

Florida Educational License Plate

The proceeds from the sale of this plate are distributed to foundations, organizations, or school boards in order to enhance educational programs.

Florida Agricultural License Plate

The proceeds from the sale of this plate are to be used solely for the purpose of funding and promotion of the Florida agriculture in the classroom program.

Persons Who Have Disabilities

Persons with disabilities who meet the requirements in s. 320.0848, F.S. are issued parking permits and are charged a \$1.50 administrative fee. See s. 320.0848(2)(c), F.S.

III. Effect of Proposed Changes:

This bill discontinues the annual use fee for the Girl Scout license plate and deletes provisions establishing the Girl Scout license plate.

The bill increases the annual use fee for the Sea Turtle license plate. The \$17.50 annual user fee will increase by \$5.50, to \$23 annually.

The bill increases the annual use fee for the Florida Sheriffs Youth Ranches license plate. The \$20.00 annual user fee will increase by \$5, to \$25 annually.

The bill directs the DHSMV to issue the following specialty license plates:

- NASCAR (National Association for Stock Car Auto Racing) shall receive up to \$80,000 in proceeds from the annual use fees of the “Florida NASCAR” specialty license plate to be used to pay startup costs, including costs incurred in developing and issuing the plates. Thereafter, the annual use fees shall be used for the following benefits:
 - Five percent to be used by the Florida Sports Foundation for the administration of the NASCAR specialty license plate program.
 - Ten percent provided to NASCAR for the royalty rights for the use of their marks.
 - Fifteen percent to the Florida Sports Foundation to support their regional grant program, attracting sporting events to Florida.
 - Twenty percent to the Florida Sports Foundation to support the marketing of motorsports-related tourism in the state of Florida.

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- Fifty percent to be paid to NASCAR Foundation, an s. 501(c)(3) charitable organization, to support Florida-based charitable organizations.
 - Annual use fees collected from the sale of the Corrections Foundation license plate shall be distributed to the Corrections Foundation to be used to continue and expand the charitable work of the foundation as set forth in s. 944. 802, F.S.
 - Annual use fees collected from the sale of the Protect Florida Springs license plate shall be distributed to the Wildlife Foundation of Florida, Inc. The first \$ 60,000 in proceeds shall be retained to pay startup costs. The Foundation will administer the remaining fees and will use the proceeds as follows:
 - Up to fifteen percent for the continuing promotion and marketing of the license plate.
 - Up to ten percent for administrative costs associated with education programs, conservation springs research, and grant administration of Wildlife Foundation of Florida, Inc.
 - At least fifty-five percent shall be used for competitive grants in support of protecting Florida's springs. The highest priority will be given to community-based springs programs and projects specifically related to education, outreach, and springs conservation. The competitive grants will be administered and approved by the Board of Directors of the Wildlife Foundation of Florida. The granting advisory committee will be composed of nine members; including one representative each from the Florida Fish & Wildlife Conservation Commission, Florida Department of Health, Florida Department of Community Affairs, three citizen representatives and two representatives from non-profit stakeholder groups.
 - Up to twenty percent shall be distributed to Wildlife Foundation of Florida for education, outreach, and springs conservation.
 - Annual use fees collected from the sale of the Trees are Cool license plate shall be distributed to the Florida Chapter of the International Society of Arboriculture, Inc. The first \$60,000 in proceeds shall be retained to pay startup costs. Thereafter, the proceeds of the annual use fee will be administered as follows:
 - Twenty percent for of the funds may be used by the Florida Chapter of the International Society of Arboriculture, Inc. for continuing promotion and marketing of the license plate and concept.
 - Five percent of the funds received by the Florida Society of Arboriculture, Inc. may be used for administrative costs directly associated with the operations of the Florida Chapter of the International Society of Arboriculture, Inc., with respect to the management of the Trees are Cool license plate program.
 - Seventy-five percent of the funds must be used to fulfill the mission of the Florida Chapter of the International Society of Arboriculture, Inc., which is to provide education and training statewide with respect to tree care and tree safety.

This bill further prohibits the use of annual use fees for marketing to, lobbying, entertaining, or rewarding an employee of a governmental agency that is responsible for the sale and distribution of specialty license plates. In addition, this provision creates the option of the applicant to provide or not provide personal information to the tag's sponsoring organization.

The bill creates the Gold Star license plate to honor the family members of servicemembers who have been killed in action while serving in the Armed Forces of the United States. The surviving spouse and a surviving parent meeting the requirements shall each, upon application and payment of the license tax, be issued the Gold Star license plate. The Gold Star license plate shall be issued only to family members of a servicemember who resided in Florida at the time of the death of the servicemember. To qualify for issuance of a Gold Star license plate, the applicant must be directly related to a fallen servicemember as spouse, legal mother or father, or stepparent who is currently married to the mother or father of the fallen servicemember.

The bill authorizes the use of up to 10 percent of the proceeds from the sale of the Florida Educational license plate for marketing and promotion expenses.

The bill authorizes the use of up to 25 percent of the proceeds from the sale of the Florida Agricultural license plate for promotion, marketing, and administrative costs directly associated with the license plate and Florida agriculture in the classroom program.

The bill repeals the \$1.50 administrative fee authorized in s. 320.0848(2)(c), F.S. and provides an effective date of July 1, 2007.

Except as otherwise expressly provided in this act, this act shall have an effective date of October 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:

Persons who apply for a specialty license plate would have to pay an additional \$25 for the annual use fee, in addition to the taxes and fees required under s. 320.08, F.S., and a

\$2 processing fee. The use fee shall be distributed to the appropriate organization, and the processing fee deposited into the State Transportation Trust Fund of the Department of Transportation. The fiscal impact is indeterminate.

Applicants for a disabled parking permit will no longer pay \$1.50 fee.

B. Private Sector Impact:

Persons who apply for a specialty license plate would have to pay \$25 for the annual use fee, a \$2 processing fee, and all applicable motor vehicle registration taxes and fees required under s. 320.08, F.S.

C. Government Sector Impact:

Current law provides an application fee, not to exceed \$60,000, be paid to the DHSMV to defray the administrative costs of reviewing and developing each new specialty license plate. The DHSMV has indicated all required moneys have been collected from the applicants in this CS to defray DHSMV costs. This fee will be refunded if the license plate is not approved by the Legislature.

The DHSMV estimates administrative and design costs to be approximately \$60,000 per specialty license plate authorized. Any additional cost of issuing the license plate will be retained from the first proceeds derived from the annual use fees as provided in s. 320.08056(7), F.S.

DHSMV estimates the repeal of the \$1.50 fee for disabled parking permits will result in a \$500,000 negative fiscal impact upon DHSMV and the collectors.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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.
