

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 Transportation Committee

BILL: SB 734

INTRODUCER: Senator Fasano

SUBJECT: Lighthouse Association License Plate

DATE: March 13, 2008

REVISED: 03/18/08

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Paradise	Meyer	TR	Fav/1 amendment
2.			TA	
3.				
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input checked="" type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

Senate Bill 734 (“the bill”) requires the Department of Highway Safety and Motor Vehicles (“department”) to develop a “Lighthouse Association” license plate titled “Visit Our Lights.” The plate would be available to drivers wishing to pay an extra \$25 annual use fee, distributed to the Florida Lighthouse Association, Inc., for the preservation, restoration, and protection of the 29 remaining historic lighthouses in Florida. The “Lighthouse Association” license plate has met the statutory application requirements for a new specialty license plate.

This bill substantially amends sections 320.08056 and 320.08058 of the Florida Statutes.

II. Present Situation:

Specialty License Plates

The Florida Legislature created the first specialty license plates in 1986, one commemorating the seven astronauts who died when the space shuttle Challenger exploded after lift-off, and one for each of the nine universities then in the state university system.

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 organization 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.

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 specific terms, including a sample plate conforming to the specifications set by the department.
- The results of a scientific sample survey of Florida motor vehicle owners that indicates at least 30,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs. The Auditor General is required to validate the methodology, results, and any evaluation by the department of the scientific sample survey prior to the submission of the specialty license plate for approval by the Legislature.
- An application fee, not to exceed \$60,000, to defray the department'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 revenue from 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 the department no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, the application fee is refunded to the requesting organization.

Section 320.08056, F.S., provides the department 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 department. 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. Finally, the word "Florida" must appear in the same location on each specialty license plate in such a size and location that is clearly identifiable on the license plate.

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 plate's pro rata (proportionate) share of the department's costs directly related to issuing the specialty license plate. A person wishing to purchase a specialty license plate must pay, in addition to the required license plate fee and license tax, a license plate annual use fee (from \$15 to \$25) and a processing fee of \$2.

The department must discontinue the issuance of an approved specialty plate if the number of valid specialty license plates in use falls below 1,000 plates for at least 12 consecutive months. The department is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists, if the organization has stopped providing services authorized to be funded, or if the organization requests it. To date, only four plates have ever been discontinued for lack of sales. These plates are the Girl Scouts plate, the Orlando Predators plate, the Miami Hooters plate, and the Tampa Bay Storm 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 the 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.

Section 320.08062, F.S., requires all organizations receiving annual use fee proceeds from the department to be responsible for ensuring proceeds are used in accordance with ss. 320.08056 and 320.08058, F.S. Each organization is either subject to an audit or is required to annually attest, under penalties of perjury, that such proceeds were used correctly. The department can examine all records pertaining to the use of specialty license plate revenues.

The Legislature has authorized 109 specialty license plates to date. Sales of specialty license plates generated over \$33 million in annual use fee revenues during the 2007 Fiscal Year (July 2006-June 2007).

Florida License Association, Inc.

The Florida Lighthouse Association is a nonprofit group of citizen activists dedicated to the preservation of the remaining historic lighthouses that line our state's 1200 mile coastline. Once central to the economic growth and settlement of our nation, many of Florida's lighthouses face uncertain futures. Although six lighthouses have been saved and opened to the public by private, nonprofit organizations, many lighthouses show signs of neglect and deterioration, and one - Cape St. George - collapsed in 2005. Florida Lighthouse has donated money for salvage and restoration of Cape St. George. The restored lighthouses include St. Augustine, Ponce de Leon Inlet, Jupiter Inlet, Cape Florida, Key West and Boca Grande, and are open to the public.

The Association's mission is to preserve, restore, protect and defend Florida's lighthouse towers, along with their material culture, buildings, artifacts and records to assure Florida's lighthouses and lighthouse keepers will be available for the enjoyment and understanding of future generations.

The Association is a registered nonprofit corporation with open membership formed in 1996. The backbone of the Florida Lighthouse Association's membership are citizens who live near lighthouses and are members of local lighthouse associations.

The department has found that the "Lighthouse Association" license plate has met the application requirements.

III. Effect of Proposed Changes:

The bill authorizes the department to develop and issue a “Lighthouse Association” license plate titled “Visit Our Lights”. Drivers can purchase this specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee.

Annual use fees shall be distributed to the Florida Lighthouse Association, Inc., which may use up to 10 percent of the proceeds for the promotion and marketing of the plates. The remaining proceeds shall be used to fund the preservation, restoration, and protection of the 29 historic lighthouses remaining in the state.

The bill shall take effect July 1, 2008.

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

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Persons wishing to purchase a “Lighthouse Association” plate can do so for an additional charge of \$25 (plus \$2 processing fee) beyond the normal fees associated with buying a license plate.

The Florida Lighthouse Association has paid the \$60,000 application fee, which will be refunded if the plate is not approved by the Legislature. Revenue from an approved plate is based on public interest and cannot be predicted.

C. Government Sector Impact:

The department is responsible for developing and distributing the “Lighthouse Association” license plate. The cost of this effort is approximately \$60,000. This impact will be offset by the \$60,000 application fee that the organization has already paid.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The department recommends amending the effective date in Section 3, from July 1st to October 1st, 2008, to allow time for implementation.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:**Barcode 937020 by Transportation on March 18, 2008.**

Amends the effective date from July 1, 2008 to October 1, 2008 (with title amendment).