

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/CS/HB 1043

License Plates

**SPONSOR(S):** Economic Development & Community Affairs Policy Council, Roads, Bridges, & Ports Policy Committee, Skidmore

**TIED BILLS:**

**IDEN./SIM. BILLS:** SB 1986

	<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1)	Roads, Bridges & Ports Policy Committee	11 Y, 0 N, As CS	Brown	Miller
2)	Economic Development & Community Affairs Policy Council	14 Y, 0 N, As CS	Brown	Tinker
3)				
4)				
5)				

**SUMMARY ANALYSIS**

CS/CS/HB 1043 provides for the creation of “Go Green” and “Let’s Go Surfing” specialty license plates.

The annual use fee of \$25 for each “Go Green” tag shall be distributed to the Coalition for Renewable Energy Solutions, Inc. Up to 10 percent of the revenue may be used for promotion, marketing, and administrative costs, and the remainder of the proceeds may be used to fund grants, awards, educational activities, and other activities promoting energy efficiency.

The annual use fee of \$25 for each “Let’s Go Surfing” specialty license plate shall be distributed to the East Coast Surfing Hall of Fame and Museum, Inc. Up to 10 percent of the revenue may be used for promotion, marketing, and administrative costs (including costs of an annual audit and affidavit compliance), and the remainder of the proceeds may be used to fund activities, programs, and projects to promote Florida’s surfing-related tourism, preserve Florida’s surfing history and heritage, preserve Florida’s surf and shores, and honor lifeguards who patrol Florida’s surf and shores.

CS/CS/HB 1043 also raises the percentage of funds generated by the Sea Turtle plate that may be expended for administrative and marketing costs from 7.5 percent to 10 percent.

Specialty license plates must be specifically authorized pursuant to s. 320.08053, F.S. This statute establishes requirements that organizations must meet to create a new specialty license plate, including a scientific survey performed by an independent sampling firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost, long and short term marketing plans addressing revenues and expenditures, and a \$60,000 application fee, among other requirements. Current statutes authorize more than 100 specialty license plates.

The fiscal impact of this bill is approximately \$60,000 to the Department of Highway Safety and Motor Vehicles (DHSMV) for implementation of each new specialty license plate. The fiscal impact will be offset by the application fee of \$60,000 paid to the DHSMV by each of the sponsoring organizations

The Coalition for Renewable Energy Solutions, Inc., and the East Coast Surfing Hall of Fame and Museum, Inc., have been approved by DHSMV and the Auditor General to pursue legislation for their respective specialty license plates, and are not affected by the 2008 legislation limiting future specialty plates.

This act shall take effect October 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

Currently, 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 the DHSMV the following:

- a request for the plate describing it in general terms;
- the results of a professional, independent, and scientific sample survey of Florida residents indicating that 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; and
- 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, the 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.

In 2008 the Legislature passed SB 1992, which included a moratorium on the issuance of specialty plates by DHSMV.<sup>1</sup> The moratorium is effective from October 1, 2008 to July 1, 2011, but contains an exception "for [any] specialty license plate proposal which has submitted a letter of intent to the Department of Highway Safety and Motor Vehicles prior to May 2, 2008."<sup>2</sup>

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<sup>1</sup> S. 45, 2008-176, Laws of Florida

<sup>2</sup> *Id.*

Section 320.08058(18), F.S., provides for distribution of a Sea Turtle specialty license plate. Currently, 30 percent of the funds generated by sales of the plate are assigned to the Caribbean Conservation Corporation (CCC) for distribution through the Sea Turtle Grants Program. From this amount, a maximum of 15 percent of the funds distributed to the CCC may be expended for administrative costs directly associated with the grants program, and a maximum of 10 percent may be used to promote and market the Sea Turtle license plate. Combined, these maximum amounts total 7.5 percent of the total revenue generated by sales of the plate.

### Effect of Proposed Changes

The bill amends ss. 320.08056 and 320.08058, F.S., to authorize DHSMV to develop and issue “Go Green” and “Let’s Go Surfing” license plate upon payment of the appropriate license taxes and a \$25 special use fee.

Annual use fees collected from the sale of the “Go Green” license plate shall be distributed to the Coalition for Renewable Energy Solutions, Inc. The bill permits the Coalition to retain “all revenue from the annual use fees until all startup costs for developing and establishing the plate have been recovered.” Thereafter, the bill permits the Coalition to use the proceeds as follows:

- Up to 10 percent may be retained for administrative costs, as well as marketing and promotion of the specialty license plate.
- Up to 40 percent to fund the "Go Green Florida" Grants and Awards Program, including monetary grants and recognition awards to public and private persons and organizations and to subsidize efforts to reduce energy consumption and raise awareness of alternative energy-efficiency practices.
- Up to 25 percent to fund education and outreach programs that publicize renewable energy solutions for households and businesses and educate home and business owners about the environmental and financial benefits of innovative green technologies and practices.
- Up to 25 percent to fund educational programs and materials that emphasize sustainable development practices, including recycling, energy efficiency and consumption, and other green practices.

Annual use fees collected from the sale of the “Let’s Go Surfing” license plate shall be distributed to the East Coast Surfing Hall of Fame and Museum, Inc. They will administer the fees and will use the proceeds as follows:

- Up to 10 percent of the annual use fee revenue may be used for administration, promotion, and marketing of the plate, including the annual audit and compliance affidavit costs.
- All remaining proceeds shall be used to fund activities, programs, and projects to promote Florida’s surfing-related tourism, preserve Florida’s surfing history and heritage, preserve Florida’s surf and shores, and honor lifeguards who patrol Florida’s surf and shores.

The fiscal impact incurred by DHSMV as a result of this bill is approximately \$120,000. This impact is offset by the \$60,000 application fee Coalition for Renewable Energy Solutions, Inc., and the East Coast Surfing Hall of Fame and Museum, Inc., are required to pay as part of the application process. Revenue generated from the sale of these license plates is based on public interest and cannot be predicted.

The DHSMV has notified the Legislature that the Coalition for Renewable Energy Solutions, Inc., and East Coast Surfing Hall of Fame and Museum, Inc., have met the initial application and statutory requirements to pursue legislation for their specialty license plates.

CS/CS/HB 1043 modifies the amount of revenue the CCC may spend on marketing and promotion of the Sea Turtle specialty license plate. The bill provides that an amount not to exceed 10 percent of the total annual revenue from the sale of the plate may be used for marketing the Sea Turtle license plate and for administrative costs directly associated with the grants program.

## B. SECTION DIRECTORY:

- Section 1 Amends s. 320.08056(4), F.S., providing for a \$25 annual use fee for the “Go Green” and “Let’s Go Surfing” specialty license plates.
- Section 2 Amends s. 320.08058(18), F.S., modifying revising authorized uses of revenue received from the sale of the Sea Turtle license plate; creating ss. 320.08058(70) and (71), F.S., creating the “Go Green” and “Let’s Go Surfing” specialty license plates; providing for plate design; and providing for the distribution and uses of annual use fees for each specialty license plate.
- Section 3 Provides an Effective Date of October 1, 2010.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:  
See fiscal comments below.
2. Expenditures:  
See fiscal comments below.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:  
None.
2. Expenditures:  
None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons who elect to purchase the specialty license plate will be required to pay an annual use fee of \$25 in addition to applicable taxes and administrative charges. It is impossible to determine how many people will purchase the plates because the sale of this license plate will be based on public interest. Therefore, the aggregate impact to the private sector cannot be determined.

Pursuant to the change in s. 320.08058(18), F.S., the CCC will be able to spend an additional 2.5 percent of annual use fees generated by the Sea Turtle specialty license plate on marketing, promotion and administrative support.

### D. FISCAL COMMENTS:

Implementation of CS/CS/HB 1043 will cost the DHSMV approximately \$120,000 in contract programming, development labor, and product purchasing costs for the creation of the license plates. This fiscal impact is offset by the statutory application fee of \$60,000, which has been submitted to the DHSMV by the Coalition for Renewable Energy Solutions, Inc., and the East Coast Surfing Hall of Fame and Museum, Inc., for the creation of their respective specialty license plates. If either specialty license plate is not approved by the Legislature, the application fee shall be refunded.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**

On March 10, 2010, the Roads, Bridges, and Ports Policy Committee reported the bill favorably with one amendment. The amendment added provisions regarding the "Let's Go Surfing" specialty license plate.

On April 7, 2010, the Economic Development & Community Affairs Policy Council reported the bill favorably with one amendment. The amendment added provisions regarding the CCC's use of Sea Turtle revenue for marketing, promotion, and administrative purposes.